

WACOSA Board of Directors Meeting
May 20th, 2019
5:17 PM – 6:37 PM

Members Present:

Zachary Dorholt
Jennifer Johnson
LeRoy Northam
Joe Perske
Cherie Scofield
Herb Trezn

Members Absent:

Jon Archer
Ron Brandenburg
Jeff Murphy
Karla Myres
Jeanne Theis

Staff Present:

Nancy Betts
Steve Howard
Traci Richter
Sarah Starling
Beth Sueker
Sandie Westergren

1. Welcome Board Members – Meeting called to order

2. Review of Agenda – Additions/Changes

Motion by Mr. Herb Trezn, seconded by Mr. Zachary Dorholt, to approve the agenda as presented. Motion passed.

3. Approval of Minutes from March 18th, 2019 Meeting

Motion by Mr. Zachary Dorholt, seconded by Ms. Cherie Scofield, to approve the March 18th, 2019 board minutes as presented. Motion passed.

4. Committee Reports/Business

a. Finance

i. Annual Review of 401K Audit

Ms. Kristen Schmidt from Clifton, Larson, Allen stated the audit was a high level review. Overall, plan assets changed from \$1,600,000 in 2018 to \$1,700,000 in 2019. Matching contributions went from 1.5% to 2.0% in 2018. There were no significant disclosures or issues.

Motion by Ms. Cherie Scofield, seconded by Mr. LeRoy Northam, to approve the 401K Audit as presented. Motion passed.

ii. Annual Review of Overall Yearly Audit

Ms. Schmidt stated the audit was an unmodified opinion, which is the highest level of assurance a CPA firm can provide. There were no material weaknesses and only one adjustment. Terminology changed for nonprofit accounting standards.

Total assets increased \$772,000, which included \$770,000 property and equipment related to ICI. Total liabilities increased by \$24,000. Payables decreased \$56,000 and Salaries/Related Benefits Payable increased by \$38,000.

Total revenue increased \$999,000 which included an increase in contributions by \$648,000, \$236,000 in program services, and \$111,000 in Vocational Business Activities. Total expenses increased \$447,000 which included an increase for general program and transportation by \$317,000.

We had a decrease of \$34,000 in cash flow. \$597,000 of cash was provided by operations, \$539,000 of cash was used by investing activities, and \$92,000 of cash was used for financing activities.

WACOSA continues to have more net income than expenses. 85% of our income goes to our mission and 14% goes to administration.

Motion by Ms. Cherie Scofield, seconded by Mr. LeRoy Northam, to approve the Overall Yearly Audit as presented. Motion passed.

iii. March Financials

Ms. Traci Richter stated March program revenue was under budget by \$36,509 for the month and under budget \$203,367 for the year. The reason for this was the number of days and partial days that WACOSA was closed due to weather. Vocational Rehab Services are over year-to-date budget by \$34,151.

March vocational revenue was over budget by \$19,364 for the month and over budget \$16,038 for the year. Year-to-date community crew revenue was under budget by \$10,365; production revenue was over by \$29,110; shred revenue was under budget by \$1,060; and ThriftWorks! revenue was under budget by \$1,228.

March donation revenue was under budget by \$33,138 for the month and under budget by \$113,682 for the year. The budget amounts are annualized and include income for the fundraising event that will be held in August and grants that are collected throughout the year. The two 5310 Grants should be received sometime in July.

Staff wages and costs (includes health/life benefits) were under budget by \$110,056 for the month of March and under budget year-to-date by \$186,907. The reason for the decrease was due to many open positions that we currently working to fill. There was an unbudgeted pay increase for all program staff on May 1st which will increase the costs by \$110,000 for the year. The increase helped WACOSA retain two staff who had put in their notice of resignation.

Health Insurance/Life Benefits for March were under budget by \$39,010 and under budget

for the year by \$86,104. The year-to-date decrease was due to going to one higher deductible plan across the board.

Client Wages and Costs were over budget by \$4,486 for the month of March and over budget by \$1,861 year-to-date. This amount correlates with production revenue.

Building and Equipment Costs were under budget by \$12,254 for the month of March and under budget year-to-date by \$5,537. Building Supplies were down for the month of March by \$1,264; Building and Ground Maintenance was under budget by \$1,635.

Vehicle Fuel for the year was under budget by \$12,626. This may change during the summer months as fuel costs increase.

Vehicle maintenance is over budget for the year by \$6,579 due to some accidents that have occurred and vehicle upkeep on our older fleet vehicles.

Professional Fees were over budget by \$2,334 for March and under budget by \$10,951 for the year. Professional fees should even out after all the audits are recorded.

Motion by Mr. Zachary Dorholt, seconded by Mr. Herb Trezn, to approve the March Financials as presented. Motion passed.

iv. Approval of Gift Acceptance Policy

Mr. Steve Howard reported that recent changes with our accreditation organization, CARF, has required a few adjustments to the WACOSA Gift Acceptance Policy. Two additional sections have been added to the end of the policy, one on Volunteer Fundraising and one on Training. When added to our current policy, both of these areas now meet CARF standards. Mr. Howard shared that, while some CARF adjustments can seem somewhat onerous at times, these adjustments actually did improve the content of our existing policy.

Motion by Mr. Zachary Dorholt, seconded by Mr. Joe Perske, to approve the Gift Acceptance Policy as presented. Motion passed.

b. Human Resources

i. Review of Risk Management Plan

Mr. Howard stated it is a CARF requirement to review the Risk Management Plan annually and update it, as needed, with any new risks noted during the year. Most of the policy stayed the same with the exception of inclusion of technology with our new system. The plan was adjusted accordingly.

ii. Review of Annual Turnover Statistics for DSPs

Ms. Westergren stated turnover is lower in 2019 than it was in 2018, when compared to the same time of the year. We have lost 10 staff year-to-date. We are working on a Facebook marketing campaign to attract staff to our first shift positions. This technique has been successful in the past and will hopefully continue to be so in the future.

Ms. Jennifer Johnson suggested sending perspective employees a text reminder with interview information.

iii. Proposal to Reduce PTO Carry-Over

Ms. Westergren stated we currently allowed staff to carry over 400 hours of PTO. WACOSA's administrative team is discussing ways to reduce this amount by 80 – 100 hours. The administrative team will report back on progress related to this in the coming months.

c. Fund Development

i. 1-5K Fundraiser Update

Ms. Nancy Betts stated the 1-5K Fundraiser walk is scheduled for August 10th. We are working on setting up a peer-to-peer fundraising platform to expand our reach. This will all be done digitally. We already have around \$10,000 in sponsorships for the event. Ms. Westergren stated we are partnering with the Kiwanis and having a bike giveaway and helmets for kids.

5. Director's Report

a. 2018 Outcomes Measurement Report

Mr. Howard reminded all members of what the 2018 Outcomes Measurement Report is and its purpose. Mr. Howard explained that the report is designed with a dashboard page that summarizes the key elements of each of WACOSA's departmental activities for the preceding year. It is available on the WACOSA website and can be distributed in hard copy, if needed. This is a CARF requirement. Mr. Howard is going over the results with staff during open meetings at all locations to ensure the information in the report is conveyed to all levels of the organization. Mr. Howard completed his presentation by going over the contents of the report with all present.

b. Monthly Metrics

Mr. Howard stated we served 614 persons in April. We had 22 new in-house work opportunities for the month and 52 for the year. We had 92 in-house jobs for the month and 326 for the year.

ThriftWorks! revenue was about \$3,000 over budget for the month and \$800 for the year. DocuShred revenue was over budget by \$3,000 for the month and \$3,000 for the year.

c. Update on Electrolux Leaving

Ms. Beth Sueker stated, in the past, we have done a total of 12 different projects for Electrolux. We are currently doing six projects. Three of them are ending in September and the last three will be done in October. We are not carrying much inventory for them at this time.

d. Legislative Update

Mr. Howard stated we have not heard much from our lobbyist at this time relating to the outcome of the 2019 legislative session. Discussions appear to be on-going at this time, with a special

session of at least one day probable to get the state budget passed. There were three proposals (Governor's, House & Senate) that all included a 4.7% increase in funding on January 1, 2020. However, with the 7% cut we are still expecting to absorb, this would still mean a cut of over 2%, when you consider our attempt to get back the full 7%. In addition, the House proposal also included a 2% inflation adjustment every 2 years. Mr. Howard will report back to the board as we know more about the final numbers following legislative talks during the special session.

6. Motion to Adjourn

Motion by Mr. Herb Trenez, seconded by Mr. Zachary Dorholt, to adjourn the meeting. Motion passed.

Next Meeting: July 15th, 2019

LeRoy Northam, Board Secretary

Date