



**Audit-Finance Committee Meeting**  
**Monday, August 28, 2023 - 5:30 pm**  
*via Zoom*

**MINUTES**

**Committee Members Present:** Alfred Mae Drakeford (Chairman), Kevin Johnson, Jim McCain, Dwight Stewart, David Weeks, Chuck Wilson, Earl Wilson

**Committee Members Not Present:** Vivian McGhaney

**Guest(s):** Sammie Tucker

**Staff Present:** Areatha Clark, Dennis Cyphers, Linda Jackson, Rachel Katorkas

1. **Welcome and Call to Order** - Chairman Alfred Mae Drakeford called the meeting to order at 5:30pm.
2. **Invocation and Pledge of Allegiance** - Chairman Drakeford provided the invocation and Mr. Jim McCain led the Committee in the Pledge of Allegiance.
3. **Determination of Quorum** - Chairman Drakeford verified that a quorum was present.
4. **Adoption of Agenda** - Chairman Drakeford entertained a motion to approve the agenda. The motion was made by Chuck Wilson and seconded by Jim McCain. All were in favor and the motion passed unanimously.
5. **Adoption of Previous Meeting Minutes** - Chairman Drakeford entertained a motion to approve the previous meeting minutes from May 15, 2023. A motion was made by Mr. McCain and seconded by Mr. Chuck Wilson. All were in favor and the motion passed unanimously.
6. **Finance Director's Report** - Rachel Katorkas gave the following report to the Committee:
  - *An update on the audit process:* Engagement letters with the new auditors have been signed. The auditors are working with the previous auditors to get copies of their working papers, we have begun sending them records, and they have begun getting everything set up. They will be doing the actual auditing work mid-September. The reports should be completed in November in time for presentation to the Committee and the Board at the beginning of December.
  - *An update on the procurement for accounting software:* We have a Request for Proposals for accounting software close to being finalized. However, the Finance Department is currently short-staffed, so the plan is to wait until we have our vacant position filled before releasing the RFP, that way we have the capacity to see it through to the end.
  - *Allocations for FY23-24 and new contracts:*
    - Mrs. Katorkas provided some background about our grant allocations and how they tie into the financial reports. Each program works differently.
    - At any one time, there are over 100 grants that are flowing directly through the COG. Plus there are many more projects and programs that we administer, but the program funds don't flow through us or show up on our financial statements. Each grant and program has a different time period and different requirements. The revenue and expenses have to be

tracked separately for each grant in our ledger. And there are numerous grants that have to be broken up even further. Most programs are impacted directly by the federal budget cycle and federal guidelines on how funds should be allocated.

- As we have talked about in the past, 99% of our funding is reimbursement-based and we operate on a cash accrual basis during the year. That means that when we present financial reports to the board, the board is always going to see revenue trailing expenses, up until the final reports for June are done and revenue gets caught up. A normal differential between revenue and expenses during the year can be between 8 and 15% for us, which we try to keep as low as possible.
- Most of our grants don't cover the same time period as our fiscal year. For example, we usually receive the allocations of federal funding for Aging programs in January, and then we typically have about 21 months to spend the funds. We usually receive notice of our state funding allocations for Aging in July or August with a July 1<sup>st</sup> effective date to align with the state's fiscal year.
- Budgeted revenue is based on projected expenses, not just grant awards and allocations. Again, that is because the grants are reimbursement-based and aren't usually running from July to June.
- In Aging, there was quite a bit of carryover state-wide, so there is a big push to get it all spent this year. Some funds originally allocated to other areas were redistributed to areas that could use it. There will be some extra projects this year in Aging in order to spend those extra funds. We are also still working with ARP funds. Some of the project ideas that we have been working on include assistance to seniors with pest control and window heating and ac units.
- In Workforce, our allocations for the primary grants increased slightly by about \$54,000. This was very welcome news, because we were thinking there would be another funding decrease. However, that is still significantly less, 41% less, than what we were receiving a few years ago. All the decreases added together since 2017 add up to almost 3.5 million dollars. That's about 3 years' worth of funding. Those decreases affect the amount we can put into training services. It also means that we have to run the program very tight, to a point that it can be pretty stressful. There's a certain staffing level that is required to maintain the Workforce programs, and that is not taken into consideration with the funding formulas. Future decreases may mean that it's not worth it for our contractor, or any other, to operate these programs. On the positive side, we do currently have some additional "discretionary" grants in Workforce. Those help a good deal, but they are not guaranteed from year to year. In total, we have approximately 1.6 million dollars available for the Workforce program right now.
- We already have additional TA agreements for Government Services, and more are expected. We also just received word of an allocation of \$29,000 for a "Capacity Building Grant" from Southeast Crescent Regional Commission. And Ms. Frierson and Mr. Cyphers are working on additional grant applications through the Commission as well. Mr. Cyphers and the Government Services staff are always working on new grant applications, so I will let him address that in the Executive Director's Report.

7. **Executive Director's Report** – Dennis Cyphers confirmed that the Workforce programs did receive a small increase to its allocations and there is additional discretionary grant funds that were awarded. The Workforce Development staff have worked very hard. We have also been able to generate new Technical Assistance agreements that will have a big impact on the shortfall that had been projected in Government Services, as well as grants from the Southeast Crescent Regional Commission. Government Services staff have been working hard to get additional projects and look outside the box. We are looking at potentially larger EDA projects and infrastructure projects across the region.

8. **Chairman's Remarks** – Chairman Drakeford thanked staff for their hard work. She then inquired about the building purchase. Mr. Cyphers confirmed that the closing for the new building on Main Street did take place on August 1<sup>st</sup>. The plan now is to transfer the ownership of the building to Sumter County

and then begin asking for appropriations from the House to make the needed renovations to the building.

9. **Adjournment** - The committee meeting adjourned at 5:57pm.

Respectfully Submitted,

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Rachel Katorkas  
Finance Director