



Audit/Finance Committee Meeting
Monday, April 10, 2023 - 5:00 pm
via Zoom

MINUTES

Committee Members Present: Alfred Mae Drakeford (Chairman), Grady Brown, Kevin Johnson, Jim McCain, Vivian McGhaney, Dwight Stewart, Chuck Wilson

Committee Members Not Present: David Weeks, Earl Wilson

Guest(s): none

Staff Present: Areatha Clark, Dennis Cyphers, Rachel Katorkas

1. **Welcome and Call to Order** - Chairman Alfred Mae Drakeford called the meeting to order at 5:04pm.
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** - While waiting on more members to join the meeting so there would be a quorum, Chairman Drakeford asked if there were any announcements. Rachel Katorkas shared that three proposals were received in response to the RFP for Audit Services and that an evaluation committee was being formed to review and rank those proposals. At 5:14pm, Chairman Drakeford verified that a quorum was present.
4. **Adoption of Agenda** - Chairman Drakeford entertained a motion to approve the agenda. A motion was made by Jim McCain and seconded by Dwight Stewart. 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 February 1, 2023. A motion was made by Mr. McCain and seconded by Mr. Stewart. All were in favor and the motion passed unanimously.
6. **Presentation of Budget Proposals** - Rachel Katorkas presented an overview of the proposed FY2022-2023 Budget Amendment. Chairman Drakeford asked Mrs. Katorkas if there were any concerns with the Budget Amendment. Mrs. Katorkas replied that we will end strong financially this year, but there are concerns regarding the budget for FY2023-2024.

Mrs. Katorkas also presented an overview of the proposed FY2023-2024 Budget to the committee. Regarding the State General Assembly appropriations, we budgeted conservatively and did not include the non-recurring amount nor any increases. Dennis Cyphers and Senator Johnson gave the committee an update on COG funding possibilities in the SC House and Senate.

Mr. Stewart then left the meeting and Mrs. Katorkas continued with the overview of the proposed FY2023-2024 Budget. Chairman Drakeford asked what projects we are looking to do with HOME funds that we are not currently doing. Mr. Cyphers stated that there weren't any owner-occupied rehab projects completed through the pandemic, and we are now working through a list of four or five

projects to make selections. Each of those projects range from \$50k-\$125k each. A huge increase in TBRA is not expected at this time, but that may change depending on funding changes for the community colleges. A project in Kershaw County for over \$1,000,000 is being considered for HOME ARP funds.


Mrs. Katorkas concluded the presentation by discussing projected fund balance in the budget for FY2023-2024. That projected fund balance is almost -\$165k; compared to the projected fund balance for FY2022-2023 of \$345k, that is a big swing. Mrs. Katorkas pointed out the amounts needed from the Local/General Fund to supplement the Government Services and Workforce Development departments. Government Services normally needs some supplementation from the Local Fund, but the projection is higher than usual. Workforce is normally 100% funded by federal grants, so the amount of supplementation there is of particular concern.

Mrs. Katorkas asked Areatha Clark to provide more background on the financial situation with the Workforce Development Department. Ms. Clark reminded the committee that we do not yet know what our allocation for the new year is going to be, so there could be a cut or an increase, or if there will be any other funding opportunities. She stated that funds are always made available late in the year, once the State Workforce Board votes on it. According to Ms. Clark, although we have to budget conservatively and show that Workforce will potentially need to be supplemented by the Local Fund, that will only happen if necessary at the end of the year, and will not happen automatically just because it was budgeted. We will continue to apply for available grants for Workforce and Mr. Cyphers has been advocating in Columbia for funding increases for Workforce as well, Ms. Clark noted.

Chairman Drakeford noted that the vote on the proposals is planned for the next committee meeting.

7. **Executive Director's Update** - After additional updates from Senator Johnson on the possibilities for COG funding from the General Assembly, Mr. Cyphers updated the committee on the status of the audit for 6/30/2022. As the board had instructed at its 4/3/23 meeting, Mr. Cyphers stated that he has engaged with the attorney regarding the delinquency of the audit reports from the audit firm. An initial letter has been drafted for the attorney to send to the audit firm, but it has not been sent yet. Mr. Cyphers recommended to the committee that he first be allowed to send a letter to the firm so that communication would not be stopped by the attorneys and to encourage work to continue on the audit reports. There was agreement among the committee members that Mr. Cyphers should send a letter to the audit firm before having the attorney send a letter.
8. **Other Business** - Chairman Drakeford called for discussion of a date for the next committee meeting. After discussion, Chairman Drakeford determined that the committee will meet next on April 24, 2023, at 5:00pm.
9. **Chairman's Remarks** - none
10. **Adjournment** - The committee meeting adjourned at 6:09pm.

Respectfully Submitted,



Rachel Katorkas
Finance Director