



West Georgia Regional Library System Financial Committee Regular Meeting Minutes

May 26, 2020

[This meeting was held via teleconference per O.C.G.A. 50-14-1(g).]

Committee members in attendance (county in parenthesis):

- Beth Hammond (Heard County)
- Jenna Barton (Paulding County)
- Keri Perkins (Haralson County)
- Mike McPherson (Carroll County)
- Shannon Bentley (Douglas County)

Committee Members Absent:

- None

Trustees in Attendance:

- Denney Rogers (Heard County) - Board Chairman & Ex-Officio Member
- Denise Askin, Board Vice-Chairman

Guests:

- Amanda Wilkson, Auditor, BatesCarter

Staff in attendance:

- Jeremy Snell, WGRS Director
- Stephanie Irvin, WGRS Deputy Director
- Cherry Waddell, WGRS Business Manager

The meeting was called to order at 9:03 a.m. by Beth Hammond, Chair.



Approval of Agenda

Motion to Approve Agenda - Perkins; Second-Bentley; No Discussion; MOTION APPROVED 5-0.

Minutes from January 28, 2020, Meeting

Motion to Approve Minutes from January 28, 2020, Meeting -Perkins; Second-Bentley; No Discussion; MOTION APPROVED 5-0.

NEW BUSINESS

- **Review of Draft FY2019 WGRLS Financial Audit**
 - Amanda Wilkson of BatesCarter reviewed the draft FY2019 financial audit in detail with the financial committee members. She noted that there have been delays in getting the audit finalized due to COVID-19. The state has extended the due date because of this situation. Ms. Wilkson reviewed the audit page by page noting any changes in reporting format, state requirements, issues, or findings as she went through the report.
 - Ms. Wilkson pointed out that state grants are now accounted for separately in the audit.
 - She also noted that the net pension liability for the Teacher's Retirement System and other post employment benefits have new state reporting requirements that have increased the size of the financial statements to discuss those liabilities. She suggested that this is an area the library will want to keep an eye on in the coming years due to these changes.
 - There was one finding regarding the library's internal controls policies. Specifically, bank reconciliations and monthly review processes were not being done in a timely and structured manner.
 - Also, there were issues with year end closing procedures regarding FY2019 deposits received after year end were not being entered appropriately; however, this was mainly due to the accounting system not being set up for receivables outside the current fiscal year. Ms. Wilkson recommended a separate review and new year end procedures to correct this issue. She is aware that since the time of this report there have been new policies implemented.



- The other issue had to do with the FY2019 budget not being balanced (expenditures cannot be in excess of revenues) at year end. In FY2019, WGRLS exceeded the approved budget by \$17,136, which was mainly related to expenditures in public services. No action had been taken to rectify this issue prior to closing out the FY2019 budget. Ms. Bentley asked if there was enough in reserves to correct the discrepancy. Ms. Wilkson stated the WGRLS has enough funds in reserves to allow the board to allocate an additional \$17,136 to be applied to the FY2019 in order to make the revenues equal expenditures. If the board takes this action, then she and Mr. Snell can make the necessary adjustments to provide for a balanced budget prior to her submitting her final report. Ms. Wilkson further recommended that there should be mechanisms in place to allow for adjustments throughout the year either through Board approval or by granting the Director authority to make adjustments up to a certain amount. Ms. Hammond clarified that currently all adjustments are approved by the board, but it was the intention of the finance committee to submit a proposal to the Board to give the director authority to make certain adjustments. However, due to COVID-19, this matter had not yet been addressed.
- The committee thanked her for her review of the audit report. Ms. Wilkson asked if the committee had any requests for what she should cover at the regional board meeting. Ms. Hammond asked that she briefly cover the audit, her recommendations, and the reason behind the adjustments.
- Ms. Hammond stated that if the finance committee wishes to accept the draft FY2019 WGRLS Audit report as presented by BatesCarter and agree with Ms. Wilkson's recommendation to allocate an additional \$17,136 to be added to the FY2019 budget to make expenditures equal revenues for a balanced budget, a motion will need to be made so that it can be brought before the board.

Motion to approve FY2019 WGRLS draft audit as presented by Bates Carter with the provision that an \$17,136 will be added to the total budgeted amount for FY2019 to make total expenditures equal total revenues. - Bentley; Second-Barton; No Discussion; MOTION APPROVED 5-0



Mr. Rogers commended the finance committee for their work over the past few years and for getting a good audit review. Ms. Hammond commended Mr. Snell and Ms. Waddell on the increase in internal controls.

Mr. Snell will be submitting a written response regarding the audit's findings.

- **FY2021 WGRLS Proposed Budget**

- Mr. Snell presented the proposed FY2021 budget. He anticipates many adjustments throughout the year as we see the economic implication of COVID-19. State funding to all agencies was cut by 14%. The state materials grant is gone again along with \$28,000 in system services.
- Mr. Snell stated he was able to develop a proposed budget that resulted in no cuts to personnel or reduction in services. He is cutting travel costs as staff continuing education and training has moved to an online format. He will hire a custodian position to be split between the regional office and Neva Lomason as opposed to using a cleaning service. The only cut related to personnel that he is proposing is a reduction in the director's annual salary to \$80,000 state funds and a maximum of \$20,000 in local funds. He projects \$1.3 million in revenue next year, and \$1.3 million in expenditures.
- There are no projected changes in revenue from Carroll County. A custodial position to split between the Neva Lomason Memorial Library and the regional office will save funds previously spent on a cleaning service.
- Douglas County's budget has been approved. They are not expecting any changes to revenues or expenses, nor is Haralson County.
- Heard County is not expecting any changes. Revenue is where it is expected and expenses typically fall the same. A technology software line has been added this year mainly due to print management. Previously, this was a materials line item, but is now through a separate line item specifically for print management software.
- Paulding County matches what their county government has approved, with \$800 extra to cover print reservation software given to each library for this software.
- The FY2021 budget is very much like last year's budget except for the application of the cut, particularly the regional cut. Overages of county funding will fund e-content purchases, which had previously been made using state materials money.
- Ms. Bentley asked for updates on the new Douglas County library. Mr. Snell said there was no state budget for this project at the present time, nor was it expected to be approved this year. It is still on the capital outlay list, but would still need the local funding for the project.
- Ms. Hammond noted that the finance committee can only approve the budget as presented. The board will have to set the director's salary during the full board meeting.



**Motion to approve the draft WGRLS FY2021 budget as presented - Bentley;
Second-McPherson; No Discussion; MOTION APPROVED 5-0.**

- **Review of first ten months of FY2020 financial statements:**
 - Mr. Snell presented the financial statements from the first ten months of FY2020. He stated WGRLS is waiting for the last payment from the Douglas County Board of Education, which will be split how the Douglas County Coordinator has requested. The Tallapoosa library had \$17,000 in matching funds for an elevator project that did not go through. Those funds have been returned to the city. Mr. Snell is trying to figure out ways to best account for materials donations at Buchanan. There were a few overages due to extra monies received from cities, including Mt. Zion, who gave their manager a raise. Whitesburg is only providing 50% of the funding for the staff at the library. The library in Temple had an emergency copier replacement.

**Motion to approve the first ten months of FY2020 financial statements- McPherson;
Second-Perkins; No Discussion; MOTION APPROVED 5-0**

- **Budget Amendment 2020-10**
 - Mr. Snell stated this budget amendment related to the purchase of additional cleaning supplies and PPE related to COVID-19. WGRLS also received additional funds from the state for COVID-19 supplies. There was also a system services grant transfer due to a personnel vacancy, and a reduction in the amount budgeted for the professional services. Ms. Hammond asked if there was any net change in the budget. Mr. Snell clarified the amendment is just moving monies from unused services and also incorporating additional monies received from the state.

**Motion to approve Budget Amendment 2020-10 as presented - McPherson;
Second-Perkins; No Discussion; MOTION APPROVED 5-0**

ADJOURNMENT

The meeting was adjourned at 10:04 am.

Minutes taken by Stephanie Irvin, Deputy Director