



**Budget and Audit Review Committee
October 26, 2022**

Members Present

Bob Reeves, Chair
Kerry Armstrong
Oz Nesbitt
Rusty Paul

Members Absent

Amol Naik
Mike Mason

Staff Present

Anna Roach
Kelly Smith
Brittany Zwald
James Husserl

- Mr. Reeves opened meeting at 11:10 am. Mr. Reeves asked all individuals present to introduced themselves. Mr. Reeves, Mr. Armstrong, and Mr. Nesbitt were in the Dogwood conference room. Mr. Paul joined the meeting virtually. All staff members were in the Dogwood conference room.
- There were no public comments.
- Ms. Reeves presented the agenda, which included a brief discussion of the 2021 financial audit (Annual Comprehensive Financial Report - ACFR) and federal financial statements and awards audit (Single Audit).
- Ms. Roach introduced Mr. Husserl as the agency's new Chief Financial Officer.
- Ms. Smith presented the results of the audits. The agency received clean opinions on both audits. Furthermore, the agency received Government Financial Officers Association Award for financial reporting.
- All members of the Board congratulated staff about the good news. Ms. Roach explained that the process of obtaining a clean audit opinion is rigorous and that it is a long-term effort. She also acknowledged that a clean opinion this year does not assure a clean opinion in future years. She noted the audit process helps the agency identify opportunities for improvement.
- Mr. Reeves asked staff to move to the next item on the agenda.
- Mr. Husserl introduced the Proposed 2023 Budget and Work Program for the agency. During his presentation Mr. Husserl covered the following topics:
 - a. The 2023 budget schedule and budget process.



- b. He explained a new financial administrative body called the Executive Investment Council was introduced in 2022. This council is responsible for making investment deliberations during the year and budgetary allocations. The council is comprised by all the members of ARC's executive team. Mr. Nesbitt commended the agency for the creation of this new council.
 - c. Mr. Husserl compared the 2022 Budget vs the 2022 expense forecast. The 2022 forecast projects a positive result for the year (difference between revenue and expenses) of \$480,000. Mr. Husserl and Ms. Roach outlined the 2022 accomplishments for the agency.
 - d. Mr. James Husserl then presented the Proposed 2023 Budget and Work Program. The 2023 budget is balanced through a combination of revenue, expenses, and the use of fund balance by \$276,000. The budget includes an appropriated, but unallocated reserve of \$320,000. This reserve can be used to address any unexpected cost pressures unknown by the organization at this time or to take advantage of new grant opportunities (including IJA). Mr. Husserl also presented the 2023 budget by using the newly proposed strategic framework as a point of reference. Mr. Armstrong inquired about the allocation of some of ARC's programs in the budget and ARC's staff addressed his questions.
- There were no additional closing comments or questions.
 - Meeting adjourned at 12:36 pm.