



Budget and Audit Review Subcommittee August 13, 2025

Members Present

Nicole Hendrickson (Treasurer)
Steven Stancil (Vice-Treasurer)
Michael Caldwell
Carlotta Harrell

Members Absent

Andre Dickens

Staff Present

Kelly Smith (ARC Deputy CFO)
James Husserl (ARC CFO)
Anna Roach (Executive Director)

Guest

Ginni Harris (Nichols and Couley – External Auditor)

- Ms. Hendrickson (Treasurer) opened the meeting at 10:00 am.
- Ms. Hendrickson presented the agenda which included:
 - a. Opening Comments
 - b. Public Comment Period
 - c. 2024 Financial Audit (Taking place in 2025)
 - d. YTD Financial Performance (as of June 2025)
 - e. 2026 Budget Calendar (taking place in 2025)
 - f. 2025 Review of Budget Amendments
 - g. Other Topics
 - h. Questions/Comments
- There were no public comments. Ms. Hendrickson asked staff to move to the next item on the agenda.
- Ms. Smith introduced the 2024 financial audit results. The audit was finalized on July 13, 2025. Our independent auditors, Nicholls and Cauley, completed their reports, which included three primary components:

- The Financial Statement Audit
- The Federal Single Audit (if applicable)
- The Agreed-Upon Procedures Report

This year's external audit results are very positive across the board. Clean opinions on all fronts, no material weaknesses, no compliance findings.

- Ms. Hendrickson (Treasurer) asked staff to move to the next item on the agenda.
- Mr. Husserl introduced ARC's financial performance as of the end of June. Implementation of several programs has been delayed as a result of the federal transition. Delays are particularly associated with contract delays and grants placed on hold for several weeks (UASI). Additionally, a number of key initiatives have been affected by the rescission of federal grants, including Reconnecting Communities and AmeriCorps RSVP. These are the primary reasons why budget implementation in 2025 is running behind the 2024 budget implementation performance.
- Ms. Hendrickson (Treasurer) asked staff to move to the next item on the agenda.
- Mr. Husserl presented the Budget and Work Program schedule for 2026. The schedule included
 - i. Training Session (June and July)
 - ii. Submission of information (early September)
 - iii. Budget hearings with each department (late September)
 - iv. Submission of proposed budget to the board (late October)
 - v. Budget approval (mid-November)
- Ms. Hendrickson (Treasurer) asked staff to move to the next item on the agenda.
- Mr. Husserl informed the committee that the Executive Team reviewed budget amendment requests from all departments. The merit of each request was carefully evaluated. Out of this evaluation process, a net reduction (-) of \$4.6 million in budget amendments were approved. The amendments were primarily the result of contracting delays; funding placed on hold and funding rescissions resulting from the 2025 federal executive transition. The change represents a 4.3% budget amendment, which is below the 5% budget amendment threshold that requires ARC's Board approval. The amended budget for 2025 stands now at **\$101,376,952.**
- Ms. Hendrickson (Treasurer) asked if there were any other items for discussion.
- Mr. Husserl noted all items on the agenda were covered and that there were no additional items.

Meeting adjourned at 10:30 am.