



Budget Audit Review Subcommittee
August 23, 2023

Members Present

Bob Reeves, Chair
Kerry Armstrong
Rusty Paul

Members Absent

Amol Naik
Mike Mason
Oz Nesbitt

Staff Present

Kelly Smith
Brittany Zwald
Reginald Bryant
James Husserl
Rhea Thomas

Other

Ginni Harris – Nichols Cauley (CPAs)

- Mr. Reeves opened meeting at 11:05 am. Mr. Reeves, Mr. Armstrong, and Mr. Paul were in the Emerson Bryan conference room. All staff members were also in the Emerson Bryan conference room. The meeting had a quorum.
- Mr. Husserl provided safety guidance associated with the meeting location.
- Ms. Reeves presented the agenda which included:
 - a. Opening Comments
 - b. Approval of March 22, 2023, BARS Minutes
 - c. Public Comment Period
 - d. 2022 Financial Audit Results
 - e. 2024 Budget and Work Program Modifications Schedule
 - f. Overview of Periodic Financial Reports
 - g. Questions/Comments
- The March 22, 2023, minutes were approved.
- There were no public comments.
- Mr. Reeves asked staff to move to the next item on the agenda.

- Ms. Husserl presented the results of the financial audit. Nichols, Cauley and Associates LLC (CPAs) performed the 2022 financial audit. Both the financial and federal funds audits were completed by June 30, 2023. The Agency received a clean opinion on its financial and federal funds audits. This is the second year in a row with no findings. Mr. Armstrong praised the efforts made by the administration to introduce several tools and protocols to improve the grant recovery and indirect cost allocation effort.
- Mr. Reeves asked staff to move to the next item on the agenda.
- Mr. Husserl presented additions and modifications introduced as part of the Budget and Work Program for 2024. These include.
 - a. Process began earlier.
 - i. Training Session (June and July)
 - ii. Submission of information in early September
 - b. Additional Information will be collected.
 - i. Financial: Summary Budget, Multiyear Grant Budget, Contract Information
 - ii. Operational: MIPs, KPIs
 - c. The executive team will hold budget hearings with each department.
 - d. Budget and Work Program document will have a different structure when compared to previous years.
- Mr. Husserl also presented the tentative budget schedule for the 2024 budget process. Mr. Armstrong asked if the budget schedule was provided to the full board. Mr. Husserl answered that it was part of the Executive Report presented during the August 9, 2023, board meeting.
- Mr. Reeves asked staff to move to the next item on the agenda.
- Mr. Husserl introduced the financial report for the month of July. Expenses as a percentage of budget stand at 36%. This expenditure trend is in line with 2022 and expected to increase significantly during the last quarter of the year. Mr. Husserl covered the entire report including department expenditure trends, vacancy rates, cash position and jurisdictional dues outstanding. During the discussion about cash position, Ms. Zwald asked if the Agency's line of credit has been used. Mr. Husserl answered the line credit has not been used so far. There is no need to use the line of credit given the Agency's more robust fund balance and improved cash position. Mr. Husserl noted there was an additional \$1.6 million added to the fund balance in 2022, which provides additional reserves and financial flexibility. Mr. Reeves asked what the protocols are to use the line of credit. Mr. Husserl answered he will provide the existing mechanisms/protocols to subcommittee members after the conclusion of the meeting. Mr. Armstrong asked if there were any challenges collecting jurisdictional dues. Mr. Husserl noted some jurisdictions take slightly longer than others to submit their quarterly contributions. This situation does not represent a challenge to the Agency at the moment.
- Mr. Reeves asked if there were any pending questions. There were no additional questions.

Meeting adjourned at 11:55 am.