

REQUEST FOR BOARD ACTION

HENDERSON COUNTY BOARD OF COMMISSIONERS

MEETING DATE: October 15, 2025

SUBJECT: ARPA Completed Projects Update and Reclassification

PRESENTER: Randall L. Cox, Finance Director

ATTACHMENTS: I. Budget Amendment
II. Proposed Plan Revision
III. SLFRF Final Rule & FAQ Reference

SUMMARY OF REQUEST:

After completion and reconciliation of several ARPA projects, savings of \$91,124.68 have been identified in previously obligated ARPA funds for the Fletcher EMS Project. In accordance with the Final Rule Frequently Asked Questions (FAQs), Section 17.19 for SLFRF funds, Henderson County is allowed to reclassify SLFRF funds from the original activity to another project that would be eligible under program rules.

Attached for the Board's review and approval is a proposed plan revision to reclassify the \$91,124.68 in savings to the Recreation Sports Complex Project, as allowed under SLFRF Final Rule FAQ 17.19.

BOARD ACTION REQUESTED:

The Board is requested to approve the reclassification of \$91,124.68 in cost savings of previously obligated ARPA funds to the Recreation Sports Complex project as allowed under SLFRF Final Rule FAQ 17.19.

Suggested Motion:

I move the Board approve the reclassification of \$91,124.68 of ARPA funds to the Recreation Sports Complex project as presented.

The seal of Henderson County, North Carolina, is a circular emblem. It features a central apple with a cross inside, set against a map of the county. The text "HENDERSON COUNTY, NC" is arched at the top, and "FOUNDED 1898" is at the bottom.

Department: Finance

Please make the following line-item transfers:

What expense line-item is to be increased?

[illegible]

What expense line-item is to be decreased? Or what additional revenue is now expected?

Account	Line-Item Description	Amount
404400-492006-9027	Refunds & Liens	\$29,727
405400-555000-9027	Capital Outlay-Buldings & Improvements	\$61,398
404400-403900-9089	Transfer From ARPA Fund	\$91,125
404400-492006-9089	Refunds & Liens	\$13,862
		\$196,112

Justification: *Please provide a brief justification for this line-item transfer request.*

To budget for Board Approved ARPA funding plan for in progress projects and reallocation of realized savings on completed projects as of 9/30/2025. BOC approved 10.15.2025.

Authorized by Department Head	10.15.2025
	Date

Authorized by Budget Office	Date
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Authorized by County Manager	Date
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For Budget Use Only

Batch #

BA #

Batch Date

AMERICAN RESCUE PLAN
Funding Plan - Proposed Revisions
\$22,806,876
October 2025

ARP Project #	Project Description	ARP Eligibility (Expenditure Category)	State Eligibility	ORIGINAL PLAN		PROPOSED REVISION	
				Standard Allowance	ARP Eligible	Standard Allowance	ARP Eligible
9027	Fletcher EMS (5.22.2022) (7.17.2024)	6.1 - Revenue Replacement	§143-514, §153A-149(c)(5)	2,300,000.00		2,208,875.32	
9089	Recreation Sports Complex (10.3.2022) (7.17.2024)	6.1 - Revenue Replacement 2.22 - Strong Healthy	§ 153A-149(c)(11)(17)	2,682,436.95	9,196,433.14	2,773,561.63	9,196,433.14
TOTAL				4,982,436.95	9,196,433.14	4,982,436.95	9,196,433.14

14,178,870.09	14,178,870.09
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Amount Remaining to be Allocated	-
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AMERICAN RESCUE PLAN
Funding Plan - Approved Projects
\$22,806,876
September 30, 2025

ARP Project #	Project Description	ARP Eligibility (Expenditure Category)	State Eligibility	PLAN		Encumbered (Contract in Place)	FY2022	FY2023	FY2024	FY2025	FY2026	ACTUAL		Status
				Standard Allowance	ARP Eligible							Expenses	Remaining Encumbrance	
9031	Infusion Therapy - Pardee (8.18.21)	1.6 - Medical Expenses	\$ 153A-449		33,391.17	33,391.17		-	-	-	-	33,391.17	-	COMPLETE
9032	Infusion Therapy - Advent Health (9.15.21)	1.6 - Medical Expenses	\$ 153A-449		18,247.69	18,247.69	-	18,247.69	-	-	-	18,247.69	-	COMPLETE
9070	Broadband GREAT Grant Funding (3.22.22) (4.01.2024) (12.2.2024)	5.17 - Broadband, Other Projects	\$ 153A-459		100,000.00	100,000.00	-	-	50,000.00	-		50,000.00	50,000.00	ENCUMBERED, IN PROGRESS
2059	Edneyville Sewer - Collection System (5.2.2022) (7.17.2024)	5.2 - Clean Water: Centralized Wastewater Collection	\$ 153A-274(2)		1,050,982.00	1,050,982.00	-	-	410,764.85	640,217.15	-	1,050,982.00	-	COMPLETE
9050	Self Insurance Reimbursement (5.2.2022) (12.2.2024)	1.6 - Medical Expenses	\$ 153A-92(a)(d)		559,822.00	559,822.00	-	559,822.00	-	-	-	559,822.00	-	COMPLETE
9040	VFW Renovation and Repair (5.2.2022)	6.1 - Revenue Replacement	\$ 153A-169	4,200,000.00		4,200,000.00	44,319.24	88,042.64	4,039,698.20	27,939.92	-	4,200,000.00	-	COMPLETE
9027	Fletcher EMS (5.22.2022) (7.17.2024)	6.1 - Revenue Replacement	\$143-514, \$153A-149(c)(5)	2,208,875.32		2,208,875.32	16.64	72,500.00	1,950,317.67	186,041.01	-	2,208,875.32	-	COMPLETE
9052	Mills River Tower Upgrade (5.2.2022) (7.17.2024) (12.2.2024)	6.1 - Revenue Replacement	\$ 153A-149(c)(11)(17)	302,424.80		302,424.80		-	-	200,002.38	74,100.00	274,102.38	28,322.42	ENCUMBERED, IN PROGRESS
9043	Stryker Power Load Systems (5.2.2022)	6.1 - Revenue Replacement	\$143-514, \$153A-149(c)(5)	115,138.25		115,138.25	-	115,138.25	-	-	-	115,138.25	-	COMPLETE
9047	Foster Care Services (7.20.2022)	3.8 - Healthy Childhood Environments: Services to Foster Youth	\$ 108A-49		348,000.00	348,000.00	-	348,000.00	-	-	-	348,000.00	-	COMPLETE
2056	All Inclusive Playground (9.21.2022)	6.1 - Revenue Replacement	\$ 160A-353(4)	400,000.00		400,000.00	-	400,000.00	-	-	-	400,000.00	-	COMPLETE
9089	Recreation Sports Complex (10.3.2022) (7.17.2024) (12.2.2024)	6.1 - Revenue Replacement 2.22 - Strong Healthy Communities	\$ 153A-149(c)(11)(17)	2,773,561.63	9,196,433.14	11,969,994.77	-	-	-	1,775,515.86	884,394.20	2,659,910.06	9,310,084.71	ENCUMBERED, IN PROGRESS
9069	Apple Ridge Housing Complex (11.7.2022)	5.2 - Clean Water: Centralized Wastewater Collection	\$ 153A-274(2)		1,500,000.00	1,500,000.00	-	-	-	397,731.72	-	397,731.72	1,102,268.28	ENCUMBERED, IN PROGRESS
TOTAL				10,000,000.00	12,806,876.00	22,806,876.00	77,727.05	1,601,750.58	6,450,780.72	3,227,448.04	958,494.20	12,316,200.59	10,490,675.41	

AMOUNTS NOT OBLIGATED	-
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Unspent/Unencumbered:	-
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Total interest earned to date: \$ 2,878,435.68 9021
Interest allocated to other projects: (2,575,051.00)
Available interest \$ 303,384.68

with the recipient.

17.19. After December 31, 2024, may a recipient use SLFRF funds that were initially obligated but ultimately not expended for an eligible activity?

After the December 31, 2024, obligation deadline, recipients may have excess funds that were obligated as of the deadline but ultimately not expended on an eligible activity. For example, a subrecipient or contractor may perform work under-budget, thereby freeing up previously obligated funds. As another example, the recipient, an auditor, or Treasury may determine that a recipient's planned project is not an eligible activity. In such cases, the recipient may reclassify the SLFRF funds from the original activity to another project that would be eligible under the SLFRF program rules, including the requirement that the recipient incurred an obligation by December 31, 2024, to expend funds on the activity.

As a further example, in a recipient's Single Audit covering fiscal year 2024, the auditor identifies that a project classified as responding to the public health and negative economic impacts of the pandemic is grossly disproportionate to the type or extent of harm experienced, and thus not in compliance with the 2022 SLFRF Final Rule. The recipient may withdraw SLFRF funds from the project and reclassify the funds to a workforce training program that the recipient initially had been financing with local funds but which is an eligible use under the SLFRF program as well. In this case, the recipient must have incurred an obligation (e.g., by entering into a contract) to fund the program by December 31, 2024, in accordance with SLFRF program rules.

The recipient may also use such funds to pay for any permissible upward cost adjustments in other contracts or subawards, as described in FAQs [17.16](#) and [17.17](#), including for indirect cost rate increases in a replacement subaward, as described in [FAQ 17.20](#); to cover expenses that are necessary to meet certain legal and administrative requirements of SLFRF, as described in [FAQ 17.10](#); and to cover personnel expenses obligated by December 31, 2024, as described in [FAQ 17.7](#), including personnel expenses in excess of the initial estimate.

17.20. If a recipient replaces a subaward after the obligation deadline in accordance with the Obligation IFR and these FAQs, can the recipient accept the new subrecipient's indirect cost rate if it differs from the previous subrecipient's, resulting in a change in costs?

Yes, if the recipient is using funds to cover the cost of a subaward that was entered into as a replacement for a previous subaward in compliance with Treasury's guidance, the recipient can include the new indirect cost rate in the replacement subaward. See [FAQ 17.19](#) for a discussion of SLFRF funds that may be available for this purpose.