

**Goochland County
Finance and Audit Committee
Regular Meeting Action Minutes**

Full transcript can be found at: <https://va-goochlandcounty.civicplus.com/1154/County-Meetings>

**December 5, 2023 @ 1:00 PM
Administration Building
1800 Sandy Hook Road, Goochland VA 23063
Board Meeting Room**

View meeting archive at: <https://va-goochlandcounty.civicplus.com/1154/County-Meetings>

The Goochland County Finance and Audit Committee (FAAC) meeting was held on December 5, 2023, at 1:00 PM in the Board Meeting Room. Voting members present:

District 5 Supervisor, Ken Peterson, Chairman
District 4 Supervisor, Charlie Vaughters
District 2 Supervisor, Neil Spoonhower
County Administrator, Victor Carpenter
Director of Financial Services, Carla Cave

- I. Mr. Peterson called the meeting to order at 1:00 PM.
- II. Mr. Peterson called for approval of the minutes of the August 1, 2023 meeting. A motion was made to approve the minutes, and the motion was seconded. The motion passed on unanimous vote.
- III. Mr. Peterson moved to the presentation of the FY2023 Annual Comprehensive Financial Report and handed the floor to Mrs. Cave. Mrs. Cave introduced Mike Garber from the County's external auditors PBMares.

Mr. Garber announced the financial statements have been issued with an unmodified opinion. There were no internal control finding or compliance issues. They also issued an unmodified opinion on the Schedule of Federal Awards. There were no issues found, no fraud, no abuse or things of that nature, and no lack of controls.

The County adopted the new accounting policy Subscription Based Information Technology Arrangements (SBITA) which was a hassle, and lot work for all their clients and ended up with no adjustments to any financial statements which was frustrating. The next few years there are very few things to implement.

There were no audit adjustments proposed by the auditors and no auditor adjustments that were not made, it was a good clean job by Finance.

The next huge project is GASB is completely rewriting how the financial statements are done and redoing the entire presentation document. They claim it's going to make it simpler and it's a few years away.

- IV. Mr. Peterson and Mrs. Cave discussed our auditors and that we will be going out for bid January-February time frame.
- V. Mr. Peterson handed the floor to Mrs. Cave to present the FY2024 1st quarter projected results and fund balance changes. Revenues slightly higher due to real estate tax and interest. A little over \$1 million to be returned by departments primarily based on current year vacancies. With transfers to CIP and additional funding requests predicting a net change in fund balance of \$200,000.
- VI. Mr. Peterson gave the floor to Mrs. Cave to discuss the changes to the financial policies and for approval to the Board. Mrs. Cave reviewed the changes.
- Change to the operating budget policies added the word structurally balanced budget operating expenditures equal total operating revenue; therefore, excludes any use of fund balance, debt issuance, or transfer to the Capital Improvements Programs for non-maintenance costs.
 - Capital improvement budget policies add identify revenue sources for 5 year plan.
 - Fund balance reserve policies added available fund balance definition which is the total of the assigned and unassigned fund balance. Balance should be between 55% and 65% , with a target of 60% of the total annual adopted general fund budget of the subsequent fiscal year, plus the non-local portion of the school operating fund budget. Target is an advisement with the credit rating agencies to maintain the County's AAA bond rating.
- Mr. Peterson suggested change wording to:
- Target is consistent with the amounts shown to the agencies when we attained the AAA rating.
- Revenue stabilization wording changed third or fourth quarter forecasted to actual, and 1/5% decline changed to 3% of revenues collected at the same period in time one year prior. Real estate assessments are forecast changed to have decreased.
- Mr. Peterson asked for a motion; motion made to recommend to the Board of Supervisors the committee approved Financial Policy, as amended. Motion seconded and approved by unanimous vote.
- VII. Mr. Peterson asked for other business and gave a presentation on inflation. The federal government has run trillion dollar deficits for the last 20 years. That's the source of inflation.
- VIII. Mr. Peterson asked for public comment.
- Citizen asked Mike mentioned a couple of acronyms. What does OPED mean? Mrs. Cave responded other post-employment benefits.
 - Citizen asked what does MD&A mean? Mrs. Cave responded management discussion and analysis.
 - Citizen asked what's the difference between withdrawal and draw down. Mr. Peterson said it's talking about fund balance.
 - Citizen thanked the committee for putting the County of the straight and narrow.
 - Mr. Spoonhower thanked Mr. Peterson for his leadership in getting the County to this financial condition.
- IX. A motion was made to adjourn to February 6, 2024, at 1:00 PM, the motion was seconded and passed.