

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

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

**December 3, 2024 @ 11:30 AM
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 & Audit Committee (FAAC) meeting was held on December 3, 2024, at 11:30AM in Conference Room 270. Voting members present:

District 3 Supervisor, Tom Winfree, Chair
District 4 Supervisor, Charlie Vaughters, Vice-Chair
District 1 Supervisor, Jonathan Christy
County Administrator, Victor Carpenter
Director of Finance, Carla Cave

- I. Mr. Winfree called the meeting to order.
- II. Mr. Winfree introduced Mr. Mike Garber with PBMares to present the FY2024 audit report.

Mr. Garber stated PBMares issued an unmodified opinion which is a clear audit report, a no findings report for internal controls and compliance, and a no findings report for federal dollars. All three reports were clean with no findings.

The audit did not have any audit entries or past adjustments which means the records provided were clean and the audit found no needed adjustments. All documentation requested was provided timely and the audit went smoothly.

- III. Mr. Winfree called for the approval of the minutes from August 6, 2024. A motion was made to approve, the motion was seconded and passed on a unanimous vote.
- IV. Mr. Winfree called Mr. Kevin Rotty to review the financial management fund balance policy. Mr. Carpenter and Mr. Winfree discussed the prior percentages and the new percentages. Mr. Rotty explained we have 3 fund balance policies, 2 debt policies, and the unassigned fund balance policy with a target of 25% and a minimum of 20%, revenue stabilization policy of 3% and the available fund balance which is the assigned fund balance and unassigned fund balance between 55% and 65%. Mr. Winfree asked for an explanation of the available fund balance that ranges from 55% to 65%.

Mr. Rotty explained the unassigned fund balance policy is above the 20% minimum and a target of 25%. As the budget grows, the dollar amount required to maintain the percentage grows. Goochland's policy is far less than our AAA comparatives which is our safety net. Revenue stabilization fund is prudent and comparable to our comparatives.

The history of the available fund balance was discussed as well. In review of 2023 financials, we were a little over 51% so we implemented the 55% target, and we are still not to target. In terms of the rating agencies, fund balance is part of the equation but not all of it. On fund balance, the three rating agencies call for 35%, 15% and 7.5% - far below the 55%. Based on 2023 financials, to come in compliance with our 60% policy we would need to add about \$12.7 million to our total fund balance. To come in at 55% would require \$12 million. At 40% we would be \$9.4 million over our requirement.

Mr. Vaughters recommended that the FAAC get the policy decided on in the next FAAC meeting, and before any budget for the upcoming year is enacted. Mr. Winfree made a motion to have a workshop in January to have it decided on by the time the budget is presented, the motion was seconded, and the motion passed on a unanimous vote. Discussion continued about the comfort level of lowering our requirement versus eliminating the available fund balance policy all together.

- V. Mr. Kevin Rotty went on to discuss the upcoming bond issuance. Debt service as a percentage of general fund expenditures is not to exceed 12% with a target of 10%, actual has been around 4-6%. With the \$46 million additional debt we will be at 8%.
- VI. Mr. Winfree called for the FY2025 1st quarter projections. Mrs. Cave presented the projections with Revenues coming flat to the budget and a return on expenses of approximately \$1.1 million. This would give an operating surplus of \$7.0 million, and after transfers to CIP, schools and CSA the return is basically flat, conservatively \$241,000 return to fund balance.
- VII. Mr. Winfree asked for any other business, none.
- VIII. Mr. Winfree asked for public comment. Mr. Spoonhower commented he agrees on a January meeting to discuss the policy and finalize before we decide on the budget.
- IX. A motion was made to adjourn the meeting to a work session before the January meeting. The motion was seconded and passed with unanimous vote. Mr. Winfree called for a motion to adjourn, the motion was seconded and passed with a unanimous vote.

NOTE: January's workshop was cancelled due to snow. Discussion moved to regular FAAC meeting February 4, 2025.