



**BOARD OF SUPERVISORS
FINANCE AND AUDIT COMMITTEE**

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<https://va-goochlandcounty.civicplus.com/1154>

**MAY 06, 2025 @ 1:30 PM
CONFERENCE ROOM 270
GOOCHLAND COUNTY ADMINISTRATION BUILDING
1800 SANDY HOOK RD., GOOCHLAND, VA 23063**

- I. CALL TO ORDER
- II. APPROVAL OF MINUTES FROM FEBRUARY 4, 2025, Pages 2-3
- III. FY2025 3rd QUARTER PROJECTIONS, Page 4
- IV. JONATHAN LYLE SUGGESTED MODIFICATIONS TO FINANCE POLICY
 - i. Finance Policy, Pages 5-15
 - ii. Lyle Amended Version, Pages 16-30
- V. OTHER BUSINESS
- VI. PUBLIC COMMENT
- VII. ADJOURNMENT TO AUGUST 5, 2025, TIME TBD

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

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

**February 4, 2025 @ 1:00 PM
Administration Building
1800 Sandy Hook Road, Goochland VA 23063
Meeting Room 270**

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

The Goochland County Finance & Audit Committee (FAAC) meeting was held on February 4, 2025, at 1:00PM in Conference Room 270. Voting members present:

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

Non-voting members present:
District 2, Neil Spoonhower
District 5, Johnathan Lyle

- I. Mr. Carpenter called the meeting to order.
- II. Mr. Carpenter called for the election of officers. Mr. Winfree nominated Mr. Vaughters for Chair; the nomination was seconded and passed on a unanimous vote. Mr. Christy nominated Mr. Winfree for Vice-Chair; the nomination was seconded and passed on a unanimous vote.
- III. Mr. Vaughters called for the approval of the minutes from December 3, 2024. A motion was made to approve, the motion was seconded and passed on a unanimous vote.
- IV. Mr. Vaughters asked for discussion of the amendment to the financial management policies. Mr. Carpenter briefly reviewed the issue of the threshold changes made to the policy in December of 2023 as staff has found the County can not easily meet these thresholds; also the County's financial advisors do not believe these thresholds are necessary for the AAA bond ratings. Mr. Vaughters added that these are significantly above our neighboring Counties and more restrictive than we need to be.

Mr. Winfree watched the meeting from December of 2023. Mr. Peterson, the then Chair of the FAAC, did state over time the 60% would become an astronomical number and may need to come down. Mr. Winfree also noted that Mr. Peterson felt it would strengthen our standing in retaining the AAA ratings. However, our consultants indicated that it's not necessarily a requirement, especially at that level. Mr. Winfree feels we should keep the requirement but reduce the threshold.

The discussion continued between all parties in the meeting covering all options with the policy.

Ms. Cave made a motion to lower the assigned fund balance policy from 60% to 35% with a target range of 30% to 40%. The motion was seconded and passed on a unanimous vote.

- V. Ms. Cave presented the 2nd quarter 2025 projected results. Revenues are projected \$7.7 million higher than budgeted primarily due to Amazon building permit fees and higher than expected personal property taxes. Departments are projected to return \$2.3 million return primarily due to vacancies. After CIP and OCS transfers the remaining increase to fund balance is projected at \$8.2 million.
- VI. Mr. Vaughters asked for any other business, none.
- VII. Mr. Vaughters asked for public comment. Mr. Spoonhower commented he would like to see the Amazon permit fees of \$4 million be kept in that district for projects.
- VIII. Mr. Vaughters adjourned the meeting to May 6, 2025 at a time to be determined.

County of Goochland, Virginia

General Fund

FY25 Third Quarter Projections

Year Ended June 30, 2025

| | Adopted Budget | Final Budget | Year-End Projected | Variance with Final Budget - Positive (Negative) |
|---|-------------------|-----------------|-----------------------|---|
| REVENUES | | | | |
| Total revenues | \$ 96,956,860 | \$ 96,995,684 | \$ 105,767,410 | \$ 8,771,726 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government administration | 8,225,737 | 8,245,157 | 8,162,705 | 82,452 |
| Judicial administration | 3,230,951 | 3,248,733 | 3,151,271 | 97,462 |
| Public safety | 27,599,900 | 28,466,159 | 27,327,513 | 1,138,646 |
| General services | 4,662,837 | 4,728,833 | 4,634,256 | 94,577 |
| Health and welfare | 5,280,019 | 5,580,019 | 5,412,618 | 167,401 |
| Education | 29,373,150 | 29,373,150 | 29,370,000 | 3,150 |
| Parks and recreation | 1,792,548 | 1,792,548 | 1,783,585 | 8,963 |
| Community development | 3,486,654 | 4,287,862 | 4,116,348 | 171,514 |
| Nondepartmental | 836,600 | 836,600 | 418,300 | 418,300 |
| Debt service: | | | | |
| Principal retirement | 2,653,000 | 2,653,000 | 2,653,000 | - |
| Interest and other fiscal charges | 2,177,404 | 2,177,404 | 2,177,404 | - |
| Total expenditures | 89,318,800 | 91,389,465 | 89,207,001 | 2,182,464 |
| Excess (deficiency) of revenues over (under) expenditures | 7,638,060 | 5,606,219 | 16,560,409 | 10,954,190 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer to Capital Projects Fund | (6,788,060) | (6,788,060) | (6,788,060) | - |
| Transfer to Office of Children's Services Fund | (850,000) | (850,000) | (850,000) | - |
| Total transfers net | (7,638,060) | (7,638,060) | (7,638,060) | - |
| Net change in fund balance | - | (2,031,841) | 8,922,349 | 10,954,190 |
| Fund balance - beginning | - | \$ 57,688,254 | \$ 57,688,254 | - |
| Fund balance - ending | \$ - | \$ 55,656,413 | \$ 66,610,603 | \$ 10,954,190 |

Note - Board of Supervisors have indicated an interest in assigning these funds to future CIP projects such as Fire Station 7, renovation of the old Goochland Elementary School, a new Courthouse, a possible hiring of a second deputy County Administrator, future Economic Development incentives, or a possible additional contribution to Schools for unfunded priorities. These assignments will be determined by the Board in October 2025.



Financial Management Policies

**GOOCHLAND COUNTY
VIRGINIA**

Adopted: November 6, 2013
Amended: August 5, 2014
Amended: September 5, 2017
Amended: May 1, 2018
Amended: August 4, 2020
Amended: December 5, 2023
Amended: March 4, 2025

FINANCIAL MANAGEMENT POLICIES

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FINANCIAL MANAGEMENT POLICIES

FINANCIAL MANAGEMENT POLICIES - OBJECTIVES

The financial management policies are the guidelines and goals that will influence and guide the financial management practice of Goochland County. Financial policies that are adopted, adhered to, and regularly reviewed are recognized as the cornerstone of sound financial management. Effective financial management policies:

- Contribute significantly to the County's ability to insulate itself from fiscal crisis and economic disruption,
- Enhance short term and long term financial credit ability by helping to achieve and maintain the highest credit and bond ratings possible,
- Promote long-term financial stability by establishing clear and consistent guidelines,
- Direct attention to the total financial picture of the County rather than single issue areas,
- Promote the view of linking long-run financial planning with day to day operations, and
- Provide the Board of Supervisors and the citizens a framework for measuring the fiscal impact of government services against established fiscal parameters and guidelines.

To these ends, the following financial management policies are presented.

FINANCIAL MANAGEMENT POLICIES

OPERATING BUDGET POLICIES

1. The County will develop the annual Operating Budget in conjunction with a stated program of performance objectives and measures with which to gauge progress toward meeting those objectives.
2. To enhance financial planning, the County will prepare an annual structurally balanced budget with a second year of projections of general fund revenues and expenditures available for review. Further, long range forecasts will be included for years three through five which consider the impact of projects in the Capital Improvement Program.
3. The Board of Supervisors will adopt an annual structurally balanced budget. A structurally balanced budget is a budget with total operating expenditures equal to total operating revenues, and therefore excludes any use of fund balance, debt issuance, or transfer to the Capital Improvements Program for non-maintenance costs. Should the County need to use the revenue stabilization funds due to a qualifying economic downturn (see page 8, Revenue Stabilization Reserve policy), this use may qualify as a one-time use of operating revenue.
4. One-time or other special revenues will not be used to finance continuing County operations but instead will be used for funding items of a non-recurring nature.
5. Budget Monitoring: the monitoring of revenues and expenditures is an ongoing process. During the fiscal year, a quarterly update of general fund revenues and expenditures will be provided to the Board of Supervisors and the public.

FINANCIAL MANAGEMENT POLICIES

CAPITAL IMPROVEMENT BUDGET POLICIES

1. The County will consider capital improvements in accordance with an adopted capital improvement program.
2. The County will develop and identify revenue sources for a five-year funded plan for capital improvements to be reviewed and updated each year as part of, and the County will maintain a twenty-five year plan.
3. The County will enact an annual capital budget based on the capital improvement plan. The first year of the plan will represent appropriation of revenues and expenditures; future the next four years of the plan will be approved for planning purposes.
4. The County will coordinate development of the capital improvement budget with development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts.
5. The County will project its equipment replacement and maintenance needs as part of the capital improvement process. From this projection, a maintenance and replacement schedule will be developed.
6. The County will identify the estimated costs for all 25 years and potential funding sources for the first five years of each capital project proposal.
7. The County will attempt to determine the least costly and most flexible financing method for all new projects.

FINANCIAL MANAGEMENT POLICIES

DEBT POLICIES

1. The County will utilize a balanced approach to capital funding utilizing debt financing, draws on capital reserves and/or fund balances that exceed policy targets, and “pay-as-you-go” appropriations. Pay-as-you-go appropriations will be adopted as part of the operating budget.
2. When the County finances capital improvements or other projects by issuing bonds, or entering into capital leases, it will repay the debt within a period not to exceed the expected useful life of the project.
3. In the Commonwealth of Virginia, there is no statutory limitation on the amount of debt a County can issue. The County has set its own debt ratio guidelines as part of sound financial management practices. Debt ratios will be annually calculated and included in the review of financial trends. The County will comply with the following debt ratio guidelines:
 - a) Net debt as a percentage of taxable assessed value of real estate shall not exceed 2.5%. Net debt shall be defined to include bond issuance directly supported by the general fund. Projects such as the VRA obligation for the Tuckahoe Creek Service District which is supported by a dedicated stream of revenues (separate ad valorem tax and revenue sharing agreement) or other self-supporting obligations will not be included. To the extent that the County provides general fund support, the proportionate share of the debt that the County is supporting will be included in this ratio.
 - b) The ratio of debt service expenditures as a percent of total general fund expenditures (including transfers to other funds) shall have a target of 10%, with a ceiling of 12%. As discussed in section 3a, debt with either a dedicated stream of revenues or self-supporting debt will not be included in the calculation. To the extent that the County provides general fund support (outside of the dedicated revenue stream or revenue sharing agreement), the amount of that support will be included in this ratio.

FINANCIAL MANAGEMENT POLICIES

FUND BALANCE RESERVE POLICIES

DEFINITIONS

Fund balance is the difference between assets and liabilities reported in governmental funds. It serves as a measure of financial resources available for current operations. The Governmental Accounting Standards Board (GASB) prescribes the classifications for components of fund balance. The County shall report governmental fund balances per GASB definitions. These classifications are listed below in descending order of restrictiveness.

1. Nonspendable – amounts that cannot be spent because they are not in spendable form or are not expected to be converted into cash with the current period or at all.
2. Restricted – amounts subject to usage constraints that have either been externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
3. Committed – amounts constrained to use for specific purposes pursuant to formal action of the Board of Supervisors (the Board). The amounts cannot be used for other purposes unless the Board removes or changes the constraints via the same action used to initially commit them.
4. Assigned – amounts intended by the County for use for a specific purpose, but do not meet the criteria to be classified as restricted or committed. The Board can express the intent to assign fund balance. Formal action is not necessary to impose, remove, or modify a constraint in Assigned Fund Balance.
5. Unassigned – amounts that are available for any purpose.
6. Available – the total of amounts assigned as Assigned plus Unassigned fund balance.

MINIMUM FUND BALANCE(S)

UNASSIGNED

The County's unassigned fund balance at the close of each fiscal year should be at least 20%, with a target of 25%, of the total annual adopted general fund budget of the subsequent fiscal year, plus the non-local portion of the school operating fund budget. The general fund budget includes the transfer to the Schools, Debt Service, and other transfers from the general fund.

In the event of an emergency or other global purpose for the benefit of the County, the County Board may, from time-to-time, appropriate unassigned fund balances that will reduce available fund balances below the 20% policy. In such circumstances, the Board will replenish the available fund balance to the policy level within the next three fiscal years from the date of draw down.

FINANCIAL MANAGEMENT POLICIES

AVAILABLE

The County's "available" fund balance consists of all assigned plus unassigned fund balances. At the close of each fiscal year, this balance should be between 30% and 40%, with a target of 35%, of the total annual adopted general fund budget of the subsequent fiscal year, plus the non-local portion of the school operating fund budget. This target is in advisement with our financial advisor to maintain the County's Aaa bond rating.

REVENUE STABILIZATION RESERVE

The County will maintain a Revenue Stabilization Reserve of 3% of the total annual adopted general fund budget of the subsequent fiscal year, plus the non-local portion of the school operating fund budget.

The Board may draw down the Revenue Stabilization Reserve only if:

1. Current fiscal year - Third or fourth quarter forecasted actual general fund revenues, excluding use of prior year fund balance, decline by more than 3% of revenues collected at the same period in time one year prior; or,
2. Subsequent fiscal year - During the annual budget cycle real estate assessments are forecast to have decreased more than 3.0% over the previous year's assessments.

Withdrawals may not exceed half of the balance in the reserve in any one fiscal year and shall be used in combination with spending cuts. In the event of a draw down, the reserve must be replenished to 3% level within the subsequent 3 fiscal years.

ORDER OF EXPENDITURES OF FUNDS

For any expenditure incurred for purposes for which multiple fund balance categories can be used, the County will utilize funds in the following spending order: restricted, committed, assigned, and unassigned.

FINANCIAL MANAGEMENT POLICIES

REVENUE POLICIES

DIVERSIFICATION OF REVENUES

1. Diversification of revenues is a primary goal of the County.
2. The County does not have a profit motive when setting tax and fee rates. Tax and fee rates are based on the County's cost of services.

ESTABLISHMENT AND MODIFICATION OF FEES

1. Fees will be calculated based on appropriate cost of service delivery.
2. Fees will be reviewed and updated based on criteria defined in revenue regulations.

ACCOUNTS RECEIVABLE COLLECTION

1. Bad Debt Expense - The determination of the need for an allowance for doubtful accounts will be based upon accepted business practices and accounting standards. Write-offs of uncollectable balances will be based on the type of balance (i.e. tax or non-tax balance); the dollar amount outstanding; the length of time delinquent; and the status of standard collection efforts performed.
2. All write-offs require approval of the department head for non-tax balances or the Treasurer for general property tax balances.

FEDERAL, STATE AND PRIVATE GRANTS AND COOPERATIVE AGREEMENTS

1. This portion of the revenue policy prescribes procedures and requirements for the fiscal and program administration of all Federal, state and private grants and cooperative agreements.
2. The purpose of this policy is to: ensure proper oversight of all funds appropriated to the County from federal, state and local governments, non-profit agencies, and private sources; minimize the County's risk of non-compliance with the requirements of grant awards, regulations, and cooperative agreements; ensure proper fiscal administration, accounting, audit and reporting of all grants and cooperative agreements; and ensure proper program management of all grants and cooperative agreements.
3. Applicability - This policy and related Revenue Regulations apply to all grant and cooperative agreement applications prepared and/or submitted by County departments and Constitutional Officers to agencies outside the County government for funds, materials, or equipment to be received and/or administered by the County or by an agency for which the County acts as fiscal agent, including any grant or cooperative agreement funds or items passed through to a sub-recipient.

FINANCIAL MANAGEMENT POLICIES

4. Centralized Responsibility - The County Administrator shall establish underlying revenue regulations and procedures to help ensure that the purposes of this Policy regarding grants and cooperative agreements are met. Responsibility for the overall fiscal management of all County grants and cooperative agreements shall reside in the Department of Financial Services.
5. Decentralized Responsibility - Responsibility for the overall program management of all County grants and cooperative agreements shall reside with the Director or Directors of the Department(s) having functional responsibility for the individual grants or cooperative agreements, or as otherwise delegated by the County Administrator (hereinafter referred to as Senior Program Managers). It shall be the responsibility of the Senior Program Managers and their delegates having program management responsibility for a grant or cooperative agreement to cooperate with and perform all duties prescribed by the Department of Financial Services necessary for the proper fiscal management of all grants and cooperative agreements, and to file all required reports with grantors/agencies on a timely basis.

FINANCIAL MANAGEMENT POLICIES

TRAVEL AND BUSINESS EXPENSE POLICIES

Expenses incurred for County purposes for travel and business by employees, officials or volunteers may be paid or reimbursed in accordance with requirements established by the Internal Revenue Service for an accountable plan in which those amounts are not subject to income taxation, and in compliance with this Policy and related Regulations approved by the County Administrator.

1. Meals and incidental per diem expense for travel shall not exceed the federal per diem rate established for the destination locality by the Internal Revenue Service. The mileage reimbursement rate shall equal that established by the Internal Revenue Service.
2. Allowable expenses for lodging, public transportation and business expenses shall be the actual costs provided they are reasonable.
3. This Policy shall be administered to provide for the most cost effective travel and business activity for the benefit of the County. Expenses may be paid or reimbursed only when they are reasonable and necessary for the conduct of County business, within amounts appropriated by the Board of Supervisors, properly documented, and approved by the appropriate authority.
4. The County Administrator shall interpret and administer this Policy and shall prescribe regulations implementing this Policy and describing additional detailed requirements.

COUNTY PROCUREMENT CARDS

Expenses paid by use of County procurement cards and other methods shall be subject to the same limits and standards of documentation as reimbursed expenses.

Working Copy of Goochland's Financial Management Policies

Financial Management Policies

Objectives

Goochland's financial management policies are guidelines and goals that guide the County's financial practices. These policies are a cornerstone of sound management. Once adopted, they are reviewed annually.

The County's six financial management policies are designed to accomplish the following:

- Insulate the County from fiscal crisis and economic disruption
- Achieve and maintain the highest credit and bond ratings possible
- Establish clear and consistent long-term guidelines
- Focus on the County's entire financial picture versus single-issue areas
- Link long-term financial planning with day-to-day operations
- Use established financial objectives to give the Board of Supervisors and Goochland's citizens a means of measuring the cost of government services

Operating Budget Policies

1. The Board of Supervisors will adopt a structurally balanced budget every year.

That is defined as a budget where total operating expenditures equals total operating revenue. It will not include the use of fund balance, debt issuance, or transfers to the Capital Improvement Program. Transfers to the CIP for maintenance costs are permitted.

2. The County's annual Operating Budget will be structurally balanced. The budget will also have:
 - a. a year-two projection of general fund revenues and expenditures.
 - b. a three, four, and five year forecast of anticipated Capital Improvement Program (CIP) projects.

Revenue Stabilization Funds may be used once in a fiscal year to achieve a structurally balanced budget should a qualifying economic downturn occur.

The Revenue Stabilization Reserve Policy on page 10 provides definitions guiding this use.

3. The annual Operating Budget will be created with identified performance goals. Success in meeting those goals will be measured annually.
4. Continuing County operations shall not be financed with one-time or special revenues. Examples of one-time and special revenues include: permitting fees, development proffers, and single-year grants.
5. Every quarter, the County Administrator and his/her finance staff will provide the public and the Board of Supervisors with an update of general fund revenues and expenditures.

Capital Improvement Policy Budgeting

1. The County will adopt a Capital Improvement Program (CIP). All CIP projects will be considered accordingly.
2. The County will develop a five-year CIP plan, and update it annually.

The County will also create a twenty-five-year CIP, and update it annually to reflect changes made to the five-year CIP.

3. The County will adopt an annual capital improvement budget based on the five-year CIP.
 - The year-one CIP will be funded by designated revenues.
 - Years Two, Three, Four and Five of the CIP will be approved for planning purposes.
4. The County's CIP and the County's Operating Budget will be developed in tandem. Changes to operating costs due to CIP projects will be included in the operating budget's forecasts.
5. A schedule for new and replacement equipment and will be included in the CIP process.

6. The County will identify potential funding sources for each capital project in the five-year CIP.

The County will also estimate the costs for all projects in the 25-year CIP, and update those cost estimates biannually. Funding sources do not need to be identified for the 25-year CIP projects.

7. The County shall always explore the least costly and the most flexible financing methods for all CIP projects.

Debt Policies

1. The County may utilize debt as part of its financial management; however debt shall not be its primary resource for funding.

Pay-as-you-go appropriations, draws on capital reserves, and the use of fund balances that exceed policy targets shall be utilized as well as debt.

When possible, pay-as-you-go appropriations will be adopted as part of the annual Operating Budget

2. All debt incurred from bonds and/or capital leases shall be repaid within the expected useful life of the projects or equipment so financed.
3. The County has set specific debt ratio guidelines. These ratios will be recalculated annually and included in the Board of Supervisors' review of financial trends.

Here are the County's debt ratio guidelines **(updated on DATE)**

- a. General Revenue net debt shall not exceed 2.5% of the taxable assessed value of real estate in the county.

Using the assed value of real estate in the county as-of January 1st, 2025, that number is:

| Fiscal Year (June 30th) | Assessed Value of Real Estate | 2.5% of Assessed Real Estate Value | Goochland's FY Net Debt | \$ Amount Under or (Over) Policy |
|-------------------------|-------------------------------|------------------------------------|-------------------------|-----------------------------------|
| 2021 | \$6,125,290,600 | \$153,132,290 | \$6,007,838 | \$147,124,452 |
| 2022 | \$6,950,162,900 | \$173,754,073 | \$6,976,177 | \$166,777,896 |
| 2023 | \$7,845,208,500 | \$196,130,213 | \$7,879,170 | \$188,251,043 |
| 2024 | \$8,622,348,000 | \$215,558,700 | \$8,914,329 | \$206,644,371 |
| 2025 | \$ | \$ | \$ | \$ |

Net debit is calculated based on the bonds and financing paid for by the General Fund. This would include the bonds issued in 19?? for the high school and the bonds approved in 2021 for the elementary school, the courthouse, and a fire station. **Net debt does not include the Tuckahoe Creek Service District bonds.**

- b. Net debt payments shall have a target ceiling of 10% of General Fund expenditures. A 12% maximum ceiling is also set to accommodate a temporary overlap in debt service payments. All debt payments that are made from General Fund revenues shall be included when calculating the 10% payment ratio.

Using current general fund debt service data, Net Debit Payments have been made as follows:

| Fiscal Year (June 30th) | Goochland's Net Debt June 30 th FY year end | Goochland's Debt Budgeted General Fund Expense | \$ amount of annual Net Debt payments made | \$ amount of annual Net Debt payments allowed under 10% policy | \$ amount of Net Debt payments available |
|-------------------------|--|--|--|--|--|
| 2021 | \$\$\$ | \$60,078,385 | \$2,701,000 | \$6,007,838 | \$3,306,838 |
| 2022 | \$\$\$ | \$69,761,773 | \$3,797,515 | \$6,976,177 | \$3,178,662 |
| 2023 | \$\$\$ | \$78,791,701 | \$5,511,426 | \$7,879,170 | \$2,367,744 |
| 2024 | \$\$\$ | 89,143,295 | \$4,855,729 | \$8,914,329 | \$4,058,600 |
| 2025 | \$\$\$ | | | | |

DRAFT

Fund Balance Reserve Policies

All money in the County Budget is taxpayer money. It is collected by Government at the Federal, State or Local level, and used to deliver essential services to the citizens.

The county has reserve funds to allow for future expenses and for a safety net. This is termed the Fund Balance

Definitions:

Fund Balance: This is the difference between government assets and liabilities.

Annual Surplus or Deficit: This is the difference between revenues and expenses. A surplus is added to the fund balance on June 30th of each year. If there was a deficit, it would be subtracted from the fund balance on June 30th of each year.

This is an example of how the General Fund balance would be calculated:

| General Fund | |
|--------------------------------|-------------|
| Revenue | 103,940,253 |
| Expenses | 102,499,820 |
| General Fund Surplus (Deficit) | 1,440,433 |

County money is assigned a classification. It shows what the plans are for the money in the County's budget.

Money in the Goochland budget is classified¹ in six different ways:

1. Nonspendable
2. Restricted
3. Committed
4. Assigned
5. Unassigned
6. Available

1. Nonspendable funds are non-liquid and cannot be converted to spendable cash. Examples of nonspendable funds would be prepaid expenses and inventories.

On June 30th of 2024, the County had \$318,748 in nonspendable funds

2. Restricted funds. These are monies that must be spent for a specific purpose. Examples would be: money received from a Federal grant for a specific purpose (COVID funds, or Courthouse maintenance funds).

¹ Per government account standards board (GASB) definitions and guidelines

On June 30th of 2024, the County had \$226,068 in restricted funds

3. Committed funds. These are funds the Board has marked for a specific use, but not yet dispersed. An example is the County's Revenue Stabilization Fund.

The Board can take action to change the commitment to disburse or spend these funds.

On June 30th, 2024, the County had \$3,250,000 in committed funds.

4. Assigned funds. These monies have been assigned to a use, but have not been voted upon to appropriate them. An example of this might be an intent to make improvements to one of the County's parks, to pay future debt, or to have outside consulting work done on operational efficiencies (up-dating the Tischler/Bice proffer calculation modeling).

On June 30, 2024, the County had \$25,004,144 in assigned funds

5. Unassigned funds. These are funds that have no designated use. These funds may come from higher than expected tax collections, unexpected fees due to economic growth, or budget money turned back to the General Fund by a department that has down-sized or carried an open position. These funds are available for any purpose.

On June 30th 2024, The County had \$28,889,294 in unassigned funds.

6. Available funds. This is the sum of Assigned and Unassigned funds.

On June 30, 2024, the County had \$53,883,438 in available funds. (\$25,004,144 Assigned funds + \$28,889,294 in Unassigned funds).

Fund Balance Minimums

The County has target balances for Unassigned Funds, Available Funds, and the Revenue Stabilization Reserve (Rainy Day reserves). Those target balances are:

Unassigned Funds.

It is a goal to have 20% to 25% of the upcoming year's adopted General Fund budget², plus the amount of non-local money allocated for the school's operating budget to be unassigned.

² The General Fund budget includes the transfer to the schools, debt service, and other transfers from the General Fund.

Examples of the target Unassigned Fund balance for prior years look like this:

| | | | | |
|---------------------|---|--|--|--|
| FY 2021-2022 Budget | 20% of the 2022- 2023 General Fund Budget (\$69,761,773) | Non-local money allocated for the 2022 school budget | Target Unassigned Fund Balance for June 30, 2022 | \$\$ Actual Unassigned Balance June 30, 2022 |
| | \$13,952,346 | \$13,790,224 | \$27,742,570 | \$25,154,615 (27%) |
| FY 2021-2022 Budget | 25% of the 2022- 2023 General Fund Budget (\$69,761,773) | Non-local money allocated for the 2022 school budget | Target Unassigned Fund Balance for June 30, 2022 | \$\$Actual Unassigned Balance June 30, 2022 |
| | \$17,440,443 | \$13,790,224 | \$31,230,667 | \$25,154,615 (??%) |
| FY 2022-2023 Budget | 20% of the 2023- 2024 General Fund Budget (\$89,143,295) | Non-local money allocated for the 2023 school budget | Target Unassigned Fund Balance for June 30, 2023 | \$\$ Actual Unassigned Balance June 30, 2023 |
| | \$17,828,659 | \$12,125,625 | \$29,954,284 | \$23,832,293 (23%) |
| FY 2022-2023 Budget | 25% of the 2023- 2024 General Fund Budget (\$89,143,295) | Non-local money allocated for the 2023 school budget | Target Unassigned Fund Balance for June 30, 2023 | \$\$ Actual Unassigned Balance June 30, 2023 |
| | \$22,285,823 | \$12,125,625 | \$34,411,448 | \$23,832,293 (??%) |
| FY 2023-2024 Budget | 20% of the 2024- 2025 General Fund Budget (\$96,956,860) | Non-local money allocated for the 2024 school budget | Target Unassigned Fund Balance for June 30, 2024 | \$\$ Actual Unassigned Balance June 30, 2024 |
| | \$19,391,372 | \$12,124,012 | \$31,515,384 | \$28,889,294 (26%) |
| FY 2023-2024 Budget | 25% of the 2024- 2025 General Fund Budget (\$96,956,860) | Non-local money allocated for the 2024 school budget | Target Unassigned Fund Balance for June 30, 2024 | \$\$ Actual Unassigned Balance June 30, 2024 |
| | \$24,239,215 | \$12,124,012 | \$36,363,227 | \$28,889,294 (??%) |

Use of the Unassigned Fund balance

If there is an emergency or an unexpected opportunity for the County (e.g. the possibility to bring a significant economic opportunity to Goochland), money from the

Unassigned Fund balance can be used even though it will drop the Fund Balance below the 20% target.

That withdrawal will be repaid within three fiscal years. This will require a specific “Fund Repayment” line in the future budgets to ensure the Unassigned Fund Balance returns to the 20% - 25% target.

Available Funds

The Available Fund Balance is a combination of the Unassigned Fund Balance and the designated Assigned Funds.

On June 30th of every year (the close of the Fiscal Year) the Available Fund balance should be between **55% and 65%** of the coming year’s budgeted General Fund PLUS the non-local portion of the school’s operating budget.

Here are examples of the Available Funds calculation from prior years:

| Year | Unassigned Funds | Assigned Funds | Total Available Funds (Unassigned+ Assigned) | Subsequent Year’s adopted General Fund Budget | Non-local money allocated for the school budget | Total Subsequent Year’s Adopted GF & non-local school budget | % of adopted General Fund Budget | Dollar and % above or (below) 55% target |
|------|------------------|----------------|--|---|---|--|----------------------------------|--|
| 2022 | \$\$\$ | \$\$\$ | \$44,371,414 | \$ | \$\$\$ | \$92,349,716 | 48% | \$\$\$/(7%) |
| 2023 | \$\$\$ | \$\$\$ | \$52,946,882 | \$\$\$ | \$\$\$ | \$101,358,920 | 52% | \$\$\$/(3%) |
| 2024 | \$\$\$ | \$\$\$ | \$53,893,438 | \$\$\$ | \$\$\$ | \$111,081,519 | 49% | \$\$\$/(6%) |
| 2025 | \$\$\$ | \$\$\$ | \$\$\$ | \$\$\$ | \$\$\$ | \$\$\$ | ??% | \$\$\$/% |

This 55% - 65% target was established in 2023 with advice from the three credit rating agencies to maintain the County’s Aaa bond rating.

Revenue Stabilization Reserve (Rainy Day Fund)

The County will maintain a Revenue Stabilization Reserve calculated by adding 3% of the upcoming year’s budgeted general fund plus the non-local portion of the school’s operating budget.

Here are examples of the Revenue Stabilization Reserve from prior years:

| Budget Year | 3% Subsequent Year’s adopted General Fund Budget | Non-local money allocated for the school budget | Total (Adopted General Fund budget + non-local school budget) | Total Revenue Stabilization Reserve |
|-------------|--|---|--|-------------------------------------|
| 2022 | \$\$\$ | \$\$\$ | \$92,349,716 | \$3,000,000 (3.2%) |
| 2023 | \$\$\$ | \$\$\$ | \$101,358,920 | \$3,250,000 (3.2%) |
| 2024 | \$\$\$ | \$\$\$ | \$111,081,514 | \$3,250,000 (2.9%) |
| 2025 | \$\$\$ | \$\$\$ | \$ | \$ |

The Board will draw down from the Revenue Stabilization Reserve only if:

- 1.) Third or fourth quarter year-to-date general fund revenues collected are 3% lower than the previous year’s collected revenues for that same period, or
- 2.) For the upcoming fiscal year, real estate assessments are forecast to be 3% lower than the current year’s assessments.

Here are examples of how the Revenue Stabilization Reserve might be accessed:

| Year | Current year 3 rd Quarter YTD General Fund Revenues collected | Previous year’s 3 rd Quarter YTD General Fund revenues collected | Dollar difference between 3 rd Quarter YTD General Fund revenues collected | Percentage difference between 3 rd quarter YTD General Fund revenues collected |
|------|--|---|---|---|
| 2022 | \$41,496,301 | \$36,567,098 | +\$4,929,203 | +13% |
| 2023 | \$50,798,977 | \$41,496,301 | +9,302,676 | +22% |
| 2024 | \$52,589,560 | \$50,798,977 | +1,790,583 | +4% |

| Year | Current year 4th Quarter YTD General Fund Revenues collected | Previous year's 4th Quarter YTD General Fund revenues collected | Dollar difference between 4th Quarter YTD General Fund revenues collected | Percentage difference between 4th Quarter YTD General Fund revenues collected |
|------|--|---|---|---|
| 2022 | \$ | \$ | ? | ? |
| 2023 | \$ | \$ | ? | ? |
| 2024 | \$ | \$ | ? | ? |

Withdrawals may not exceed 50% of the Revenue Stabilization Reserve in a fiscal year. (In 2022/2023/2024 that would have been ~\$1,500,000 available to withdraw from the Reserve)

Spending cuts shall be implemented in conjunction with withdrawals from the Reserve.

When Reserve funds are withdrawn from the account, the funds shall be replaced within the subsequent three fiscal years. The Revenue Stabilization Fund is to maintain 3% of the General Fund plus the non-local school operating budget, as a matter of policy

Use of Funds hierarchy

When an expenditure requires the use of funds from multiple categories, the County will access funds in the following order:

1. Restricted
2. Committed
3. Assigned
4. Unassigned

Revenue Policies

Diversification of Revenues

1. The County's goal is to have a diverse source of revenue for its operations.
2. The County does not have a profit motive when setting tax and fee rates. These rates are calculated based on the County's cost of services.

Establishment and modification of fees

1. Fees will be calculated on the current cost of delivering a service.
2. Fees will be reviewed annually and updated using the criteria in the County's revenue regulations ³

Account Receivable Collection

1. Bad Debt Expense: The County will use accepted business practices and accounting standards in establishing an allowance for doubtful accounts. The write-off of uncollected balances will be based on:
 - a. Tax balance owed
 - b. Non-tax balance owed (fees, etc.)
 - c. Dollar amount outstanding
 - d. Length of time outstanding
 - e. Length of time delinquent
 - f. Status of collection efforts
2. All General Property tax balance write-offs require the approval of the County Treasurer.
3. All non-tax balance write-offs require the approval of the Department head where the balance is being carried.

³ The County's revenue regulations can be found _____ **(Finance Department to add weblink to these regulations or add instructions on how to access the Regulations.)**

Federal, State, and Private Grants and Cooperative Agreements

This policy is to:

1. Ensure proper oversight of County funds received from:
 - a. Federal, State and Local governments
 - b. Non-profit agencies
 - c. Private sources
2. Minimize the County's risk of non-compliance with grant awards requirements
3. Follow required regulations and cooperative agreements
4. Ensure proper accounting, audit, reporting and fiscal administration
5. Ensure proper program management of all grants and cooperative agreements

Applicability

This policy and related Revenue Regulations **4** apply to all applications for grants and cooperative agreements submitted to outside agencies by County departments and Constitutional Officers.

This policy also applies to funds, materials and equipment received or administered by the County, and to agencies for which the County acts as its fiscal agent. This includes grant and cooperative agreement funds passed through the County to a sub-recipient. (Example: money received by the County that is passed through to the Pamunkey Regional Library or similar agency.)

Centralized Responsibility

The Count Administrator shall establish Revenue Regulations **5** and procedures to ensure that this policy on grants and cooperative agreements is followed. The County's Department of Financial Services shall be responsible for the overall fiscal management of all County grants and cooperative agreements.

Decentralized Responsibility

The Director or Directors of the department receiving an individual grant, or cooperative agreement money, shall have responsibility to implement the program funded. The County Administrator may delegate that responsibility to a different individual if desired.

⁴ The County's revenue regulations can be found _____ (Finance Department to add weblink to these regulations or add instructions on how to access the Regulations.)

⁵ The County's revenue regulations can be found _____ (Finance Department to add weblink to these regulations or add instructions on how to access the Regulations.)

The Department Directors or the County Administrator's designee shall cooperate with the Department of Financial Services to perform all duties required by the grant or agreement, and to file all required reports in a timely manner.

Travel and Business Expense Policies

County employees, volunteers and officials may be reimbursed for expenses incurred for travel or events where they are performing duties on behalf of the County. These reimbursements will be in accord with the requirements established by the Internal Revenue Service. These reimbursed expenses shall not be subject to income taxation.

1. Meals and incidental per diem expenses for travel shall not exceed the federal rates established for the destination by the Internal Revenue Service.
2. The mileage reimbursement rate shall equal the rate established by the Internal Revenue Service for the time of the reimbursed travel.
3. Lodging, public transportation, and business expenses shall be reimbursed at the actual, reasonable cost incurred.
4. Policy shall be administered so that:
 - a. the most cost effective travel and business activity for the County is achieved
 - b. expenses are paid or reimbursed when they are reasonable, and necessary for the conduct of County business
 - c. money for travel and business expenses has been appropriated by the Board of Supervisors
 - d. all expenses have been properly documented, and approved by the appropriate authority.
5. The County Administrator shall prescribe regulations implementing this policy, administer its implementation, provide interpretation when needed, and describe additional requirements if needed.

County Procurement Cards

All expenses paid for by use of a County procurement card shall follow the same limits and standards of documentation as those applied to reimbursed expenses.

#

WORKING TABLE – this appears earlier. Saved in case needed.

| Year | Unassigned Funds | Assigned Funds | Total Available Funds (Unassigned+ Assigned) | Subsequent Year's adopted General Fund Budget | Non-local money allocated for the school budget | Total Subsequent Year's Adopted GF & non-local school budget | % of adopted General Fund Budget | Dollar and % above or (below) 55% target |
|------|------------------|----------------|--|---|---|--|----------------------------------|--|
| 2022 | \$\$\$ | \$\$\$ | \$44,371,414 | \$ | \$\$\$ | \$92,349,716 | 48% | \$\$\$/(7%) |
| 2023 | \$\$\$ | \$\$\$ | \$52,946,882 | \$\$\$ | \$\$\$ | \$101,358,920 | 52% | \$\$\$/(3%) |
| 2024 | \$\$\$ | \$\$\$ | \$53,893,438 | \$\$\$ | \$\$\$ | \$111,081,519 | 49% | \$\$\$/(6%) |
| 2025 | \$\$\$ | \$\$\$ | \$\$\$ | \$\$\$ | \$\$\$ | | % | \$\$\$/% |

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