



BOARD OF SUPERVISORS FINANCE AND AUDIT COMMITTEE

View and participate in this meeting live online by following this link:
<https://va-goochlandcounty.civicplus.com/1154>

**AUGUST 5, 2025 @ TIME TBD
CONFERENCE ROOM 270
GOOCHLAND COUNTY ADMINISTRATION BUILDING
1800 SANDY HOOK RD., GOOCHLAND, VA 23063**

- I. CALL TO ORDER
- II. AUDIT KICK-OFF PRESENTATION BY PBMARES
- III. APPROVAL OF MINUTES FROM MAY 6, 2025
- IV. FY2025 4TH QUARTER PROJECTIONS
- V. REVIEW POSSIBLE UPDATES TO FINANCIAL POLICIES AS SUBMITTED BY JONATHAN LYLE
- VI. OTHER BUSINESS
- VII. PUBLIC COMMENT
- VIII. ADJOURNMENT TO DECEMBER 2, 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>

**May 6, 2025 @ 1:30 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 May 6, 2025, at 1:30PM in Conference Room 270. Voting members present:

District 4 Supervisor, Charlie Vaughters, Chair
District 1 Supervisor, Jonathan Christy
Interim County Administrator, Manuel Alvarez
Director of Finance, Carla Cave

- I. Mr. Vaughters called the meeting to order and announced Mr. Winfree could not attend due to a conflict, but that the meeting still has a quorum.
- II. Mr. Vaughters called for the approval of the minutes from February 4, 2025. A motion was made to approve, the motion was seconded and passed on a unanimous vote.
- III. Ms. Cave presented the 3rd quarter 2025 projected results. Revenues are projected \$8.7 million higher than budgeted primarily due to a large increase in commercial building permit fees and higher than expected personal property taxes. In addition, interest income did not decrease as projected and cost recovery is higher due to a lag from FY2024. Departments are projected to return \$2.0 million primarily due to vacancies. After CIP and OCS transfers the remaining increase to fund balance is projected at \$8.9 million.
- IV. Mr. Vaughters asked for discussion of the amendment to the financial management policies. Carla explained the committee has reviewed the financial policies frequently with the last changes adopted in March 2025. More recently Mr. Lyle has proposed various wording changes and inserted charts with historical data. The charts and historical detail are not typical of financial policies.

Mr. Lyle commented on his findings and why he inserted the charts for better understanding. His hope is for a clear understandable document. The discussion continued between all parties in the meeting covering all options with the policy, including the complexity of maintaining the document with the charts. Mr. Vaughters commented that he is trying to come up with illustrative examples that would not be so labor intensive in maintaining.
- V. Mr. Vaughters called for other business. He brought up moving the budget adoption deadline to mid to late May next year. Also, he wants to explore salary benchmarks so the County is not lagging and the Board is reviewing this enough. Ms. Cave noted that adopting the budget in April is prior to the state's final budget so moving our adoption date out would help as well.

The County Attorney, Mrs. Tara McGee, noted that a reason for passing the budget in April was to give the Treasurer and Commissioner of Revenue time to get tax bills mailed. An option would be to break out the tax rate for adoption in April and then adopt the full budget later.

Mr. Vaughters asked for any other new business, none.

- VI. Mr. Vaughters asked for public comment. A citizen thanked the committee for helping them understand the budget.
- VII. Mr. Vaughters adjourned the meeting to August 5, 2025 at a time to be determined.

County of Goochland, Virginia

General Fund

FY25 Fourth 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	\$ 97,048,995	\$ 101,906,399	\$ 4,857,404
EXPENDITURES				
Current:				
General government administration	8,225,737	8,478,959	8,078,959	400,000
Judicial administration	3,230,951	3,281,323	3,131,323	150,000
Public safety	27,599,900	28,504,130	26,879,130	1,625,000
General services	4,662,837	4,753,733	4,528,733	225,000
Health and welfare	5,280,019	5,580,019	5,355,019	225,000
Education	29,373,150	29,373,150	29,073,150	300,000
Parks and recreation	1,792,548	1,927,548	1,907,548	20,000
Community development	3,486,654	4,316,922	3,866,922	450,000
Nondepartmental	836,600	836,600	418,300	418,300
Debt service:				
Principal retirement	2,653,000	2,653,000	2,608,700	44,300
Interest and other fiscal charges	2,177,404	2,177,404	2,177,179	225
Total expenditures	89,318,800	91,882,788	88,024,963	3,857,825
Excess (deficiency) of revenues over (under) expenditures	7,638,060	5,166,207	13,881,436	8,715,229
OTHER FINANCING SOURCES (USES)				
Transfer in from School Capital Projects Fund	-	-	1,250,000	1,250,000
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)	(750,000)	100,000
Total transfers net	(7,638,060)	(7,638,060)	(6,288,060)	1,350,000
Net change in fund balance	-	(2,471,853)	7,593,376	10,065,229
Fund balance - beginning	-	\$ 57,688,254	\$ 57,688,254	-
Fund balance - ending	\$ -	\$ 55,216,401	\$ 65,281,630	\$ 10,065,229

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

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.~~ Maintenance costs are now all housed in the operating budget.

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. 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 8 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.

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- ~~4.3.~~ 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.

- ~~5.4.~~ 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~~ annually. 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 Fund** Net debt shall not exceed 2.5% of the taxable assessed value of real estate in the county.

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

Fiscal Year (January 1 st) June 30 th	Assessed Value of Real Estate	2.5% of Assessed Real Estate Value	Goochland's Current Net Debt January 1 st	\$ Amount Under or (Over) Policy
2025 2021	6,125,290,600	153,132,290	6,007,838	147,124,452
2024 2022	6,950,162,900	173,754,073	6,976,177	166,777,896
2023 2023	7,845,208,500	196,130,213	7,879,170	188,251,043
2022 2024	8,622,348,000	215,558,700	8,914,329	206,644,371
2021				

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Net debt is calculated based on the bonds and financing paid for by the General Fund. This would include the bonds issued in ~~1922~~2006 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 of 10% of General Fund expenditures **including transfers to other funds**. A 12% 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 Debt Payments have been made as follows:

<u>Fiscal Year</u> <u>(January 1st)</u> <u>June 30th</u>	<u>Goochland's</u> <u>Current Net</u> <u>Debt</u> <u>January 1st</u> <u>Budgeted</u> <u>General</u> <u>Fund</u> <u>Expense</u>	\$ amount of annual Net Debt payments made	\$ amount of annual Net Debt payments allowed under 10% policy	\$ amount of Net Debt payments available
2025				
2024	60,078,385	2,701,000	6,007,838	3,306,838
2023	69,761,773	3,797,515	6,976,177	3,178,662
2022	78,791,701	5,511,426	7,879,170	2,367,744
2021	89,143,295	4,855,729	8,914,329	4,058,600

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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: This is the difference between annual revenues and expenses. Annual surplus (or deficit) is added (or taken from) fund balance at June 30 of each fiscal year.

This is an example of how the General Fund balance surplus 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 classified in six different ways per governmental accounting standards board (GASB) definitions and guidance:

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

1. Nonspendable funds are ~~illiquid non-liquid~~ and ~~cannot will not~~ be converted to spendable cash within the current period or at all. Examples of nonspendable funds would be **(EXAMPLE prepaid items)** and **(EXAMPLE inventories)**.

On ~~January 1st~~ June 30th of 202~~5~~4, the County had ~~xxxxxx~~318,748 in nonspendable funds

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- ~~2.~~ Restricted funds. These are monies that must be spent for a specific purpose that comes from creditors, grantors, laws of other governments, or enabling legislation. Examples would be: ~~money collected via a development proffer~~;

money received from a State or Federal grant for a specific purpose (COVID funds, or Social Services Courthouse maintenance funds); ~~money collected from a specific tax (CVTA fuel taxes)~~

~~2.~~

On ~~January 1st of 2025~~ June 30, 2024, the County had ~~xxxxxxx~~ 226,068 in restricted funds.

3. Committed funds. These are funds the Board has marked for a specific use through formal action, but not yet dispersed. ~~Examples might be money going to a supported agency that is disbursed quarterly or semi-annually, such as Pamunkey Regional Library, Goochland Cares, or the Monacan Soil and Water Conservation District. A committed amount could be an interest free loan to the Volunteer Fire Association for fire station improvements. An example is the County's Revenue Stabilization Fund amount, which is described later in the policy.~~

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

On ~~January 1st, 2025~~ June 30, 2024, the County had ~~xxxxxxx~~ 3,250,000 in committed funds.

- ~~4.~~ Assigned funds. These monies ~~have been assigned to a use~~ are intended by the County for use for a specific purpose, but ~~have not been voted upon to make a commitment no formal action has been taken to appropriate them~~. An example of this might be an intent to make improvements to one of the County's parks, ~~to sponsor a community event 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.

~~4.~~

- ~~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.~~

~~5.~~ and are available for any purpose.

On ~~January 1st 2025~~ June 30, 2024, The County had ~~xxxxxxx~~ 28,889,294 in unassigned funds.

- ~~6.~~ Available funds. This is the sum of Assigned and Unassigned funds. ~~This total shows money can be used without formal Board action.~~

~~6.~~

On ~~January 1st, 2025~~ June 30, 2024, the County had ~~xxxxxx~~ 53,883,438 in available funds. (~~xxxxx~~ 25,004,144 Assigned funds + ~~xxxxx~~ 28,889,294 in Unassigned funds.)

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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 subsequent~~ year’s adopted General Fund budget, plus the amount of non-local money allocated for the school’s operating budget. 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:

2021-2022 Budget	20% of the 2022-2023 General Fund Budget	Non-local money allocated for the 2022 school budget	Target Unassigned Fund Balance for June 30, 2022	\$\$ Actual Unassigned Balance June 30, 2022
	\$\$\$\$\$\$\$\$	\$\$\$\$\$\$	\$\$\$\$\$\$\$\$	\$\$\$\$\$\$
2021-2022 Budget	25% of the 2022-2023 General Fund Budget	Non-local money allocated for the 2022 school budget	Target Unassigned Fund Balance for June 30, 2022	\$\$ Actual Unassigned Balance June 30, 2023
	\$\$\$\$\$\$\$\$	\$\$\$\$\$\$	\$\$\$\$\$\$\$\$	\$\$\$\$\$\$
2022-2023 Budget	20% of the 2023-2024 General Fund Budget	Non-local money allocated for the 2023 school budget	Target Unassigned Fund Balance for June 30, 2023	\$\$ Actual Unassigned Balance June 30, 2023
	\$\$\$\$\$\$\$\$	\$\$\$\$\$\$	\$\$\$\$\$\$\$\$	\$\$\$\$\$\$
2022-2023 Budget	25% of the 2023-2024 General Fund Budget	Non-local money allocated for the 2023	Target Unassigned Fund Balance for June 30,	\$\$ Actual Unassigned Balance June 30, 2023

		school budget	2023	
	\$xxxxxx	\$xxxxxx	\$xxxxxx	\$xxxxxx
2023-2024 Budget	20% of the 2024-2025 General Fund Budget	Non-local money allocated for the 2024 school budget	Target Unassigned Fund Balance for June 30, 2024	\$\$ Actual Unassigned Balance June 30, 2024
	\$xxxxxx	\$xxxxxx	\$xxxxxx	\$xxxxxx
2023-2024 Budget	25% of the 2024-2025 General Fund Budget	Non-local money allocated for the 2024 school budget	Target Unassigned Fund Balance for June 30, 2024	\$\$ Actual Unassigned Balance June 30, 2024
	\$xxxxxx	\$xxxxxx	\$xxxxxx	\$xxxxxx

	General Fund budget plus non-local month allocated for the School Budget	20% floor for Unassigned Fund Balance	Actual UnAssigned	Actual Unassigned %
-				
FY2022 BUDGET	92,349,716	18,469,943	25,154,615	27%
FY2023 Budget	101,358,920	20,271,784	23,832,293	23%
FY2024 Budget	111,081,514	22,216,303	28,889,294	26%

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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-if** it will drop the Fund Balance below the 20% **target floor**.

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 Balance.

On June 30th of every year (the close of the Fiscal Year) the Available Fund balance should be between 5530% and 6540% of the coming year's budgeted General Fund PLUS-plus the non-local portion of the school's operating budget.

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

Year	Unassigned Funds	Assigned Funds	Total	Subsequent Year's adopted General Fund Budget	Non-local money allocated for the school budget	Total	% of adopted General Fund Budget	Dollar and % above or below 55% target
2022	\$\$\$\$	\$\$\$\$	\$\$\$\$	\$\$\$\$	\$\$\$\$	\$ %	\$\$\$\$/%	\$\$\$\$/%
2023	\$\$\$\$	\$\$\$\$	\$\$\$\$	\$\$\$\$	\$\$\$\$	\$ %	\$\$\$\$/%	\$\$\$\$/%
2024	\$\$\$\$	\$\$\$\$	\$\$\$\$	\$\$\$\$	\$\$\$\$	\$ %	\$\$\$\$/%	\$\$\$\$/%
2025	\$\$\$\$	\$\$\$\$	\$\$\$\$	\$\$\$\$	\$\$\$\$	\$ %	\$\$\$\$/%	\$\$\$\$/%

	<u>Available Funds</u>	<u>Subsequent Year's General Fund Budget plus Non-local Money allocated for the School Budget</u>	<u>% of General Fund Budget</u>
FY2022 Budget	44,371,414	92,349,716	48%
FY2023 Budget	52,946,882	101,358,920	52%
FY2024 Budget	53,893,438	111,081,519	49%

This target was established in (year) 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 of~~ 3% of the ~~upcoming subsequent~~ year's budgeted general fund ~~with plus~~ the non-local portion of the school's operating budget.

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

Year	3% Subsequent Year's adopted General Fund Budget	Non-local money allocated for the school budget	Total Revenue Stabilization Reserve
2022	\$\$\$	\$\$\$	\$
2023	\$\$\$	\$\$\$	\$
2024	\$\$\$	\$\$\$	\$
2025	\$\$\$	\$\$\$	\$

	Subsequent Year's General Fund Budget plus Non-local Money allocated for the School Budget	Total Revenue Stabilization Reserve	%
-			
FY2022 Budget	92,349,716	3,000,000	3.2%
FY2023 Budget	101,358,920	3,250,000	3.2%
FY2024 Budget	111,081,514	3,250,000	2.9%

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

- 1.) Third or fourth quarter year-to-date projected general fund revenues collected are 3% lower than the previous year's collected revenues for that same period, or
- 2.) For the upcoming subsequent 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				
2023				
2024				

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				

	Current year 3rd quarter YTD general fund revenues collected	Previous year's 3rd quarter YTD general fund revenues collected	Dollar Difference	%
FY2022 Budget	41,496,301	36,567,098	4,929,203	13%
FY2023 Budget	50,798,977	41,496,301	9,302,676	22%
FY2024 Budget	52,589,560	50,798,977	1,790,583	4%

Withdrawals may not exceed 50% of the ~~reserve~~ Revenue Stabilization Fund Reserve in a fiscal year. 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*

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 ~~and not-tax~~ balance owed
 - b. ~~Non tax balance owed (fees, etc.)~~ Type of balance
 - e.b. _____ Dollar amount outstanding
 - d.c. _____ Length of time outstanding
 - e.d. _____ Length of time delinquent
 - f.e. 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.

* The County's revenue regulations can be found **(LOCATION OF THESE REGULATIONS – weblink or written location)**

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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* 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 Community Services Board](#) or similar agency.)

Centralized Responsibility

The County Administrator shall establish Revenue Regulations* 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.

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.

* The County's revenue regulations can be found **(LOCATION OF THESE REGULATIONS – weblink or written location)**

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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 documents, 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.

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. (

2. The County's annual Operating Budget will be structurally balanced. The budget will also have
 - a. a 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 8 provides definitions guiding this use.

The annual Operating Budget will be created with identified performance goals. Success in meeting those goals will be measured annually.

3. 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.
4. 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 annually. 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 Fund Net debt shall not exceed 2.5% of the taxable assessed value of real estate in the county.

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

Fiscal Year () June 30 th	Assessed Value of Real Estate	2.5% of Assessed Real Estate Value	Goochland's Current 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

Net debt is calculated based on the bonds and financing paid for by the General Fund. This would include the bonds issued in 2006 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 of 10% of General Fund expenditures including transfers to other funds. A 12% 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 Debt Payments have been made as follows:

Fiscal Year () June 30 th	Goochland's 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

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: This is the difference between annual revenues and expenses. Annual surplus (or deficit) is added (or taken from) fund balance at June 30 of each fiscal year.

This is an example of how the General Fund surplus 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 classified in six different ways per governmental accounting standards board (GASB) definitions and guidance

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

1. Nonspendable funds are non-liquid and will not be converted to spendable cash within the current period or at all. Examples of nonspendable funds would be **(prepaid items)** 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 that comes from creditors, grantors, laws of other governments, or enabling legislation. Examples would be:; money received from a State or Federal grant for a specific purpose (COVID funds, or Courthouse maintenance funds);

On June 30, 2024, the County had **\$226,068** in restricted funds.

3. Committed funds. These are funds the Board has marked for a specific use through formal action, but not yet dispersed. An example is the County's Revenue Stabilization Fund amount, which is described later in the policy.

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

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

Assigned funds. These monies are intended by the County for use for a specific purpose, but no formal action has been taken to appropriate them. An example of this might be an intent to make improvements to one of the County's parks, 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.

- 4.
5. Unassigned funds. These are funds that have no designated use and are available for any purpose.

On June 30, 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). Those target balances are:

Unassigned Funds

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

	General Fund budget plus non-local month allocated for the School Budget	20% floor for Unassigned Fund Balance	Actual Unassigned	Actual Unassigned %
FY2022 BUDGET	92,349,716	18,469,943	25,154,615	27%
FY2023 Budget	101,358,920	20,271,784	23,832,293	23%
FY2024 Budget	111,081,514	22,216,303	28,889,294	26%

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 if it will drop the Fund Balance below the 20% floor.

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 Assigned Fund Balance.

On June 30th of every year (the close of the Fiscal Year) the Available Fund balance should be between 30% and 40% 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 Fund Balance calculation from prior years:

	Available Funds	Subsequent Year's General Fund Budget plus Non-local Money allocated for the School Budget	% of General Fund Budget
FY2022 Budget	44,371,414	92,349,716	48%
FY2023 Budget	52,946,882	101,358,920	52%
FY2024 Budget	53,893,438	111,081,519	49%

This target was established in (year) with advice from the three credit rating agencies to maintain the County's Aaa bond rating.

Revenue Stabilization Reserve ()

The County will maintain a Revenue Stabilization Reserve of 3% of the subsequent 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:

	Subsequent Year's General Fund Budget plus Non-local Money allocated for the School Budget	Total Revenue Stabilization Reserve	%
FY2022 Budget	92,349,716	3,000,000	3.2%
FY2023 Budget	101,358,920	3,250,000	3.2%
FY2024 Budget	111,081,514	3,250,000	2.9%

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

- 1.) Third or fourth quarter projected general fund revenues collected are 3% lower than the previous year's collected revenues for that same period, or

2.) For the subsequent 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:

	Current year 3rd quarter YTD general fund revenues collected	Previous year's 3rd quarter YTD general fund revenues collected	Dollar Difference	%
FY2022 Budget	41,496,301	36,567,098	4,929,203	13%
FY2023 Budget	50,798,977	41,496,301	9,302,676	22%
FY2024 Budget	52,589,560	50,798,977	1,790,583	4%

Withdrawals may not exceed 50% of the Revenue Stabilization Reserve in a fiscal year. 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.

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*

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 and not-tax balance owed
 - b. Type of balanceDollar amount outstanding
 - c. Length of time outstanding
 - d. Length of time delinquent
 - e. 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.

* The County's revenue regulations can be found **(LOCATION OF THESE REGULATIONS – weblink or written location)**

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* 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 Community Services Board or similar agency.)

Centralized Responsibility

The County Administrator shall establish Revenue Regulations* 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.

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.

* The County's revenue regulations can be found **(LOCATION OF THESE REGULATIONS – weblink or written location)**

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 documents, 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.