

**Goochland County
Finance and Audit Committee Meeting
August 6, 2019 @ 1:30 PM
Administration Building
1800 Sandy Hook Road, Goochland VA 23063
Board Conference Room**

The Goochland County Finance and Audit Committee (FAAC) meeting was held on August 6, 2019 at 1:30 PM in the Board Conference Room. Present were:

District 5 Supervisor Ken Peterson, Chairman FAAC
District 1 Supervisor Susan F. Lascolette, Vice Chairman FAAC
District 2 Supervisor Manuel Alvarez
County Administrator John Budesky
Director of Financial Services Barbara Horlacher
Assistant Director of Financial Services Kathleen Smith
Treasurer Pam Duncan
Commissioner of Revenue Jennifer Brown
Deputy IV Commissioner of Revenue Sandra Wray
School Finance Director Debbie White
Department of Social Services Beverly Long
PBMares, LLP Mike Garber
Intern for Goochland County Demond Morris
2 Citizens

Voting members were Mr. Peterson, Ms. Lascolette, Mr. Alvarez, Mr. Budesky, and Mrs. Horlacher.

- I. Mr. Peterson called the meeting to order.
- II. Mr. Peterson asked for comments on the minutes from May 7, 2019. Mr. Alvarez made a motion to accept the minutes, the motion was seconded, and the motion passed on unanimous vote.
- III. Mr. Peterson introduced Mike Garber with PBMares, LLP to kick off the FY2019 Audit.
 - The FY2019 Goochland County audit will be low risk.
 - The audit will focus on Treasury and Procurement.
 - The implementation of GASB 88 disclosures regarding certain types of debt.
 - Barbara Horlacher noted the Treasurer's office passed the state turnover audit.
- IV. Mrs. Horlacher presented the Barry Dunn Phase II contract for the Payroll and Human Resources implementation in the Munis Financial System. She noted that Phase I of the Munis implementation completed on time, under budget, and will leave funding available for the Treasurer's Financial System upgrade. Mr. Alvarez moved that the FAAC recommend approval of the contract to the Board of Supervisors, the motion was seconded, and the motion passed on unanimous vote.

V. Mrs. Horlacher introduced Mrs. White, School Finance Director, to explain the School's FY2020 CIP Transfer request.

- Re-allocate \$300,000 from other school CIP Projects to the Byrd Elementary generator project, which has come in overbudget.
 - \$150,000 from the FY2020 high school track renovation.
 - \$150,000 from the FY2020 high school stadium renovation.

Mr. Alvarez moved that the FAAC recommend approval of the school's budget amendments to the Board of Supervisors, the motion was seconded, and the motion passed on unanimous vote.

VI. Mrs. Horlacher presented the preliminary year-end results and fund balance assignment with the caveat that it is still early and subject to change.

- Revenues are projected \$57.3 million which is over budget \$3.7 million primarily due to higher interest rates and personal property tax.
- Expenses are projected under budget \$2.1 million primarily due to vacancies in public safety.
- Operating surplus projected at \$5.8 million.
- Transferred \$6.8 million to the Capital Project Fund (CIP) and \$0.7 million to the Office of Children's Services leaving a bottom-line decrease in total fund balance of \$1.7 million.
- Debt policy is 10%, actual 6.14% leaving 3.86% favorable variance.
- Target unassigned fund balance 25% of next year's budget, actual 29%, leaving 4% favorable variance.
- Revenue stabilization policy 3%, actual 3%.
- Total fund balance is \$34.5 million
- Fund balance assignments asking to appropriate:
 - \$ 50,000 Broadband Study
 - \$500,000 Space Study Renovations
 - \$490,000 Fire & Rescue SCBA Equipment & Tanker Replacement
 - \$ 20,000 IT Replacement Cycle
 - \$ 60,000 Transfer to Special Welfare

Mrs. Horlacher will present to the Board of Supervisors at the regular meeting. Mr. Peterson asked that the FAAC add an agenda item to at least one meeting per year to discuss the TCSD debt.

VII. Mr. Peterson asked for any other business.

- Ms. Lascolette said the Richmond Regional Planning District has a fraud situation where they were spoofed. They received an email that appeared to be from a regular vendor requesting to change their bank account. It was fraud and they lost \$19,000. The same situation has happened in Spotsylvania and they sent \$600,000. Mr. Budesky noted we have implemented security training and spoofing the County employees to test awareness. Mrs. White also mentioned the Auditors said bank changes should be confirmed with a follow-up phone call.

VIII. Mr. Peterson asked for public comment. One citizen congratulated the County on becoming a low risk auditee. Another citizen thanked the FAAC for its commitment to public safety and social services.

IX. Mr. Peterson adjourned to November 26, 2019 at 1:30 PM.