

*Note: The following letter was submitted for publication in the October 14 edition of The Caroline Progress.*

Dear Editor:

As County Administrator and Chief Executive Officer of Caroline County Government, it is not my place or that of our employees to engage in political debate or cast public opinions on policy matters. However, I do believe it is sometimes necessary to sort out the details on issues and present the facts as they exist on day-to-day operations within County Government.

There has been much said and written recently about the current financial condition of Caroline County Government. It is not my position to editorialize on the County's total debt, its tax rate, or its future policy decisions. Those are matters left for the Board of Supervisors to decide and I support each one of them and react to the decisions made by the majority on every issue.

What has been called into question in recent public discussion is the integrity of the financial operations of County Government and differing sets of numbers in which the County's finances are based. I would like to take this opportunity to present factual information regarding the County's finances as adopted by Board policy and actions.

### **Amount of County Debt**

As of the time of this writing, the County's debt for projects related to schools, utilities and the General Fund is \$88,079,451.98. This was presented to the Board of Supervisors at its September 14 meeting. These numbers include debt related to the Dawn Wastewater Project and all cash flow loans that have been undertaken.

The above mentioned dollar amount is the only debt that is included in the financial operations of County Government. The debt service payments are being made on schedule which reduces that amount with every payment. Only future actions by the Board of Supervisors will add to the \$88,079,451.98 should it choose to do so.

One confusing point to some is an outstanding loan the General Fund issued to the Utility Fund over a period of years. This loan was given out of the County's Fund Balance to cover debt and operations for the Utility Fund in lieu of borrowing additional money and paying additional principal and interest. It is true this shows as an obligation to be paid back by the Utility Fund, but it is not recorded as a debt for accounting purposes. It is not costing the taxpayers of the County for this inter-fund obligation to exist. In fact, the Utility Fund has begun to pay back the amount in this year's budget.

## **Integrity of Financial Operations**

The financial operations of Caroline County Government are governed by the policies established by the Board of Supervisors and enforced by various outside sources. Every year, Caroline County Government contracts with an independent auditing firm to review the financial operations of the previous fiscal year as required by state law. Any abnormalities in financial operations are flagged by the audit and reported in the final document to the Board of Supervisors. Over 11 years as County Administrator, there have been but a few minor infractions related to financial procedures that were corrected immediately. The annual audit is a public document that can be found on the County's website and copies are also available in the office of the County Administrator.

Caroline County also submits its audit as well as the cost transmittal report to the Auditor of Public Accounts (APA). We also have to abide by the Uniform Financial Reporting Manual established by the APA and the auditors have to abide by the Specifications for Audits of Counties, Cities and Towns.

Caroline County must also follow Generally Accepted Accounting Procedures (GAAP) which is governed by the Governmental Accounting Standards Board (GASB).

All of this ties in with the policies and procedures adopted by the Board of Supervisors.

The County Treasurer, Director of Finance and Davenport & Company, the County's financial consultant, are involved daily with the financial operations of the County. The integrity of the financial structure is the single most important aspect of County Government operations. The handling of public funds is a tremendous responsibility that everyone assigned to those responsibilities takes very seriously. All of these individuals and agencies provide a strong system of checks and balances for County government finance operations.

I would also add that County Government is meeting its financial obligations to its employees, vendors and lending institutions. No expenses are ordinarily past due or irregular in their payment schedules.

## **Increases in Department & Agency Budgets**

The County Budget document sometimes presents a cumbersome challenge for those trying to understand the operations of County Government finance. Various public discussions have weighed in on the increases in various

department and agency budgets over the years. Here is a 10-year range of the larger County budgets for FY 2002 and FY 2011:

	<u>FY 2002</u>	<u>FY 2011</u>
Education (local contribution) -	\$8,073,175	\$11,000,000
Sheriff -	\$1,964,472	\$4,181,689
Fire and Rescue -	\$333,001	\$2,512,298
Public Works Division -	\$1,996,148	\$2,796,441
Public Utilities -	\$1,510,095	\$6,982,125
Parks & Recreation -	\$264,636	\$415,756
Commissioner of the Revenue -	\$354,979	\$687,607
Treasurer -	\$286,747	\$481,949
Clerk of the Court -	\$301,471	\$534,078
Commonwealth Attorney -	\$96,249	\$379,440
Economic Development -	\$161,287	\$160,965
Planning & Community Development -	\$363,888	\$464,304
Public Library System -	\$135,080	\$331,131
Social Services (local transfer)	\$341,111	\$468,933

### **No Employee Layoffs**

Chairman Maxie Rozell at the September 14 meeting of the Board of Supervisors strongly expressed that there are no further layoffs planned for County Government operations. That announcement gave County Staff the directive to build the Budget for FY 2012 without further staff reductions.

Thank you for the opportunity to present these facts related to the operations of Caroline County Government. All citizens and interested parties are encouraged to contact my office at (804) 633-3499 or email at [pashcraft@co.caroline.va.us](mailto:pashcraft@co.caroline.va.us). We are also providing daily information on our County website at [www.visitcaroline.com](http://www.visitcaroline.com) as well as Twitter and Facebook.

Percy C. Ashcraft  
County Administrator