

Policies, Goals & Basis For Future General Fund Budget Projections

The financial policies for Forsyth County on page 21 include:

1. Debt Service for long-term obligations, which are budgeted for entirely in the General Fund, should not exceed 10% of the General Fund budget. However, approval of the 2006 & 2008 Bond Referenda has pushed the long-term debt to greater than 10%. The Board of Commissioners is revising the debt policy and is considering increasing percentages between 15%-18%.
2. Fund Balance available for appropriation in the General Fund should be at least 14-16% of the subsequent year's budget.
3. Projections of revenues, expenditures and fund balances for the next five years should be updated annually. Longer-range projections should be developed as appropriate.
4. The Board of Commissioners prefers to limit the growth of the annual operating budget to an amount which can be accommodated by growth in the tax base as well as other local, state and federal revenues, without a tax rate increase, whenever possible.

In keeping with these policies, the Future General Fund Budget Projections sheet is prepared each year. Allowable growth in operating expenses is considered within the framework of anticipated growth in the revenues, and the County's overall financial policies.

This sheet also summarizes the future tax rates, tax base per penny, long term debt including capital improvement projects, long term debt as a percentage of the budget including the CIP, and the estimated year-end unreserved fund balance as a percentage of the next year's budget. Careful attention to these trends helps the County to stay within policy guidelines, and to make corrections as needed.

