

## **Policies, Goals & Basis For Future General Fund Budget Projections**

The financial policies for Forsyth County on page 24 include:

1. The total debt service for long-term obligations, less revenues restricted to debt service (including, but not limited to, federal payments related to "Build America Bonds", "Qualified School Construction Bonds", and State lottery proceeds), should not exceed 15% of the total annually adopted budgets as shown in the Budget Ordinance.
2. Fund Balance available for appropriation in the General Fund should be at least 16% of the subsequent year's budget. For FY 2012-2013, 16% equals \$63,186,050.
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, per penny equivalent, long term debt including capital improvement projects, long term debt as a percentage of the budget including the CIP, and debt capacity. Careful attention to these trends helps the County to stay within policy guidelines, and to make corrections as needed.

