

2013 – 2014 Annual Budget Forsyth County, North Carolina

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Kyle Wolf, Analyst
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G.F.O.A. Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented an Award for Distinguished Budget Presentation to Forsyth County for its annual budget for the fiscal year beginning July 1, 2012.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operating guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

This award, along with the Certificate of Achievement for Excellence in Financial Reporting, helps Forsyth County present a quality image to bond rating agencies and their outside organizations.

*Front cover photo:
Paddle Boats @ Kernersville Lake Park
Photo provided by Tanglewood Park.*



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
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PRESENTED TO

**Forsyth County
North Carolina**

For the Fiscal Year Beginning

July 1, 2012

Christopher P. Morill *Jeffrey R. Egan*

President

Executive Director

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A Reader's Guide For The Forsyth County Budget Document

The Annual Budget Document for Forsyth County is grouped into nine sections, each with a specific theme & purpose. Taken together they comprise a document designed to meet the information needs of all users - from the casual reader to those appraising the financial stability of the County.

Manager's Message

The Manager's message describes the objectives for the County based on priorities previously agreed upon by the Board of Commissioners. It covers important issues such as tax rate, budget issues and objectives, changes to the budget, changes in services, fund balance, personnel, schools, and other operating improvements and capital improvements when they are incorporated into the annual budget. Also included are future considerations for issues to be addressed in subsequent budget years.

Policies and Goals

In this section the reader will find the following:

- Policies, Goals & Basis for Future General Fund Budget Projections
- Summary sheet and detailed data for Future General Fund Budget Projections
- County's Mission Statement
- Information on county government in North Carolina
- Operating Policies and Goals
- Financial Policies and Goals
- Basis of budgeting and budgetary amendments
- Debt Management Policies
- Balanced Budget definition
- Fund Balance definition

Financial Section

This section starts with a summary of annually budgeted funds, followed by a combined summary of all funds. In addition to the General Fund, the County has four annually budgeted special revenue funds.

The Summary of Annually Budgeted Funds provides summary totals for expenditures, revenues and fund balances appropriated for the upcoming budget year. The combined summary of all funds shows revenues by source, expenditures by service area and total commitments and fund balances. This summary sheet is followed by separate sheets for each fund in the same format as the summary.

The next section begins with a one-page summary of revenue sources and expenditure uses. It is followed by descriptions of revenue sources that show history, trends and projections for the upcoming fiscal year. This is followed by descriptions and trends for expenditure uses.

In order to ensure a consistent format, and to provide a crosswalk between revenues and expenditures, the following reports are also included in this section:

1. General Fund expenditures and revenues by Service Area/Department
 2. General Fund expenditures and revenues by Object Level 1/Department
 3. General Fund expenditures and revenues by Object Level 1/Object Level 2
-

A Reader's Guide (Contd.)

General Fund

An organization chart shows the relationships between the Board of Commissioners, other related Boards, the County Manager and operating departments in the General Fund.

Data on personnel positions by service area follows trends in staffing from prior year actual through the adopted budget for the new fiscal year.

Summary sheets are included at the beginning of each service area (for example, Public Safety) that show the relative costs for the function compared to the total budget. Overall goals and objectives for the service area are also shown. Service area organization charts and personnel position data are also shown in the summaries.

Sheets are then provided for each County department and joint City-County department. There are separate sheets for thirty-one County departments and four joint City-County departments administered by the City of Winston-Salem (Emergency Management, Inspections, Planning, and Purchasing). There are also joint City-County departments included under Special Appropriations (Transaid). The sheets for each department include: a mission statement, budget highlights, performance and workload measures, a program summary, expenditure and revenue data and (with the exception of joint City-County departments) trends for budgeted positions from Prior Year Actual through Adopted.

Special Revenue Funds

The Emergency Telephone System Special Revenue Fund is used to account for the sixty-cents per month E911 surcharge. The funds are to be used exclusively for costs associated with the Emergency Telephone System.

The Law Enforcement Equitable Distribution Fund is used to provide funds from drug seizure revenue for the eradication of drug trafficking in Forsyth County. These monies are to be used exclusively for equipment, personnel, and training as designated by the Sheriff in accordance with Federal law.

One of the County's multi-year special revenue funds is school-related. The sheets for these funds show the projected flow of state and county funds for these projects. The County's match for the State Public School Building Capital Fund comes from bond funds and ADM funds rather than the General Fund.

The Housing GPO's include transfers from the General Fund for local matching funds, plus expenditures and revenues from various grant-funded housing programs.

The Justice Assistance Trust Grant Funds are used to account for the Federal Justice Assistance Grant shared with the City of Winston-Salem and/or the Town of Kernersville.

The Special Tax District Fund is used to account for property tax collections and other revenue sources for distribution to the County's twenty-two fire tax districts & three service districts. Information is included for each district on the appropriation, fund balance and tax rate for the current year; the requested and recommended tax rate; and the tax rate revenue, fund balance appropriation and total appropriation for the new fiscal year.

The O. Moser Special Revenue Fund was provided from the estate of Odis Moser to provide assistance and special requests from the elderly population of Forsyth County.

Capital Project Ordinances

These are described in detail, showing all revenue sources, the original and current budgets and projected activity for the current year, upcoming year and further into the future. This section concludes the currently established funds in our document. The next section describes projects that are in the planning stages.

A Reader's Guide (Contd.)

Capital Improvements Plan

This section describes projects that are in the **planning** stage. The Capital Improvements Plan is the result of an ongoing process by County officials to assess the need for major capital expenditures, assess the feasibility of funding these projects, and establish an orderly plan for implementation. Operating expenses for the General Fund are also shown by project and year on the Annual General Fund Requirements by project and Annual General Fund Requirements by Department sheets.

Projects are distributed through the ten-year plan based on need, and in keeping with the County's debt-ceiling policy. As mentioned above, this section describes projects that are in the **planning** stages while the previous sections describe **established** funds.

Appendices

Historic, financial, demographic and statistical information is included in this section to allow the reader to become more familiar with the assets of Forsyth County. A list of acronyms is included in the glossary.

Budget Ordinance.

A copy of the newly adopted budget ordinance for the County includes revenue and expenditure information for the General Fund, and the four annually-budgeted special revenue funds. The ordinance also delineates the authority of the County Manager and Clerk to the Board to enter into certain agreements and perform specific other functions related to the annual budget.

The Ordinance establishes the ad valorem tax levy and license tax levies. Other provisions cover restrictions on contingency funds, compensation/allowances of the County Commissioners, and concerns/restrictions related to Contingency and grantee agencies.

Budget Preparation Calendar For FY 2013-14

November

- ◆ Budget & Management Department prepares budget guidelines and preparation package.

December

- ◆ Budget & Management Department distributes Budget Preparation Package to departments.
- ◆ Schedule for budget preparation process approved by Manager.

January

- ◆ New position requests & other requests for additional resources submitted from departments.
- ◆ Budget & Management and Finance Departments prepare County Mid-Year Report on the first six months of operation (expenditures, revenues and projects) and projections for year-end.
- ◆ Capital Improvements Program prepared for Goals & Objectives Retreat with Board of County Commissioners.

February

- ◆ Current Year Estimates (thru 6/30) & Budget Requests (Continuation & Alternate Service Level) submitted from departments.
- ◆ County Mid-Year Report submitted to Board of County Commissioners.

February – March

- ◆ Staff reviews budget estimates and requests from departments and prepares work papers.
- ◆ Goals and Objectives Retreat for County Commissioners, County Manager, and Management staff.

April

- ◆ Current year estimates and preliminary request totals to County Manager from Budget & Management Department.
- ◆ County Manager's meetings with Budget staff and departments regarding budget requests.

May/June

- ◆ Winston-Salem/Forsyth County Schools & Forsyth Technical Community College's presentations of budget requests to Board of County Commissioners.
- ◆ County Manager and Budget staff finalize preliminary budget document.
- ◆ Preliminary budget document presented to Board of Commissioners by County Manager.
- ◆ Public Hearing on proposed budget.
- ◆ Board of Commissioners holds work sessions on budget proposals.
- ◆ Budget Ordinance adopted by Board of County Commissioners.

July

- ◆ New fiscal year begins.
 - ◆ Adopted budget ordinance finalized, printed and distributed.
 - ◆ Budget implementation.
-

Process For Preparing, Reviewing and Adopting The Annual Budget

November/December

The Budget & Management Department prepares budget guidelines and the preparation package that is sent to the departments. The packages are sent to the departments in December and include:

1. Cover letter from the County Manager describing the fiscal climate, priorities, major funding issues and budget guidelines for the coming year;
2. Percentage changes for utility and telephone costs;
3. Vehicle mileage rates;
4. Insurance premiums and claims;
5. Schedule showing the dates by which the estimated and requested figures are to be entered into the budget system;
6. Space costs for Hall of Justice and Forsyth County Government Center.

January

Departments prepare their requests for new positions and other additional resources and submit these requests to the Budget and Management Department. The Position Classification Distribution (PCD) report is sent to the departments and is updated to show any changes in the distribution of salaries among the department's cost centers. Requested new positions are given position control numbers (PCN) and are added to the requested version of the Position Classification Distribution report, only if they will be a part of the Continuation budget.

Budget & Management staff reviews the requests from their assigned departments, asks for additional information as needed, and begins the preliminary recommendation process. Staff frequently does statistical analysis independent of the departments to clarify the need for the additional resources.

The Budget System is updated to show the six month's amended budget, and six month's actual to date figures. The departments order reports with the updated figures and begin the process of entering their estimates into the Budget system.

The Capital Improvements Program is prepared for the Goals & Objectives Retreat with the Board of County Commissioners. Forms are requested from the departments for major improvements/additions to their facilities or equipment. These requests are discussed by management staff, and if approved, are put in priority order. The projects are then included in the Capital Improvements Plan by year, along with anticipated operating costs.

February - March

Current Year Estimates (through 6/30) and Budget Requests (Continuation and Alternate Service Level) are entered into the Budget system by the departments. Supplemental data detailing descriptions and amounts for each Object Level 3 are submitted to the Budget & Management Department.

The Planning Work Session is held with the County Commissioners, County Manager and management staff. Expenditure and revenue projections and the Capital Improvements Plan are presented for consideration by the Board. Major factors driving the budget are discussed. The Commissioners provide feedback and direction to the County Manager and Staff related to the Board's priorities and preferences for the upcoming budget.

Process For Preparing, Reviewing and Adopting The Annual Budget

February & March - Contd.

The Budget & Management Staff checks the estimates provided by their assigned departments and makes adjustments as needed. Staff enters estimates and requests for Non-Departmental, Special Appropriations, Debt Service, Economic Development, joint County/City departments and other outside agencies. Staff also enters salary and fringe benefit figures for each cost center using data from the updated Position Classification Distribution report and the fringe benefit ratios calculated in December.

Budget requests are discussed with the departments, and the Budget staff begins to formulate and enter preliminary recommendations into the Budget System.

March/April

The Budget & Management Staff completes preliminary recommendations for their assigned departments. Document sheets, an explanation of issues and selected reports and back up material are sent to the County Manager, the Deputy County Manager assigned to the affected department, the Budget Director and the Department Head in preparation for scheduled budget meetings. Meetings are then held with the County Manager, a Deputy County Manager, the Department Head and key staff, the Budget Director and the Budget Staff Person responsible for the given department's preliminary budget recommendations. Issues are discussed and additions/deletions made by the County Manager are entered into the system by Budget Staff.

May/June

Winston-Salem/Forsyth County Schools and Forsyth Technical Community College make their budget presentations to the Board of County Commissioners. Detail is provided on their requested funding levels and programs and both respond to questions from the Commissioners on any issues that need clarification.

Final decisions are made for the Continuation Recommended budget. Revenue sources and expenditures are rechecked for accuracy. The recommended tax rate is calculated for the upcoming year. The budget is balanced in the system. Pages for the document are updated through the Continuation Recommend column. Sheets with supporting data are finalized and both the Preliminary (Continuation Recommend) and Alternate Service Level documents are sent to the Print Shop.

The Preliminary and Alternate Service Level Documents are formally presented to the Board of Commissioners at their regularly scheduled Thursday afternoon briefing. The County Manager goes over highlights of the recommended budget and responds to questions by the Commissioners. The Budget Staff attends this briefing to provide backup information if necessary.

A notice for the Public Hearing on the Recommended Budget is printed in local newspapers showing the date, time and location for the meeting.

Copies of the Preliminary Budget and Alternate Service Level Documents are distributed to County departments and to all Library locations for viewing by the public.

A Public Hearing is held on a Monday night at a regularly held meeting of the County Commissioners for public comment on the upcoming budget. This Public Hearing may move to a Tuesday evening if Monday falls as the Memorial Day holiday. Agencies and individuals express their concerns on issues related to the budget. The Commissioners do not respond to questions or debate the issues at this meeting, but listen to the input provided by the community. The Commissioners continue this meeting to the following Thursday in order to adopt the budget.

Process For Preparing, Reviewing and Adopting The Annual Budget

Workshops are held with the County Commissioners, County Manager and his staff and Budget Staff to discuss the recommended budget. These workshops are on the Tuesday and Wednesday (or Wednesday/Thursday morning if Memorial Day holiday disrupts schedule) following the Public Hearing. The Commissioners make their desired adjustments and these changes are entered into the budget system. A new tax rate is calculated and the adopted budget is balanced. A Budget Ordinance is prepared for adoption by the Commissioners on Thursday at their continued meeting.

July

The adopted Budget Document is finalized, printed and distributed.

