

Policies and Goals

Mission Statement

The mission of Forsyth County government is to help create a community, which is safe and healthy, convenient and pleasant to live in, with educational and economic opportunities for everyone. We cooperate with many other public agencies and community organizations in this mission.

We provide certain services and functions, which are responsibilities of all county governments, and other services, which the Board of Commissioners has determined to be necessary and appropriate.

We are committed to providing quality services, efficiently and effectively, with courteous attention to the opinions and needs of individual citizens.

County Government In North Carolina

The Constitution of North Carolina allows the General Assembly (our State legislature) to create counties, cities and towns; to determine their boundaries; and to establish their power and duties.

In many ways, county governments are simply convenient administrative subdivisions of the State. They have been established to provide certain public services and functions, which need to be available to everyone. For example, all 100 counties in North Carolina must provide for:

- Financial support for the public schools;
- The office of Sheriff and the jail;
- Facilities for the courts;
- Certain public health services;
- Administration of the State program of social services;
- Voter registration and elections;
- The Register of Deeds;
- Youth detention; and,
- Building, plumbing and electrical inspections.

Counties are also authorized to provide many other services and functions which the County Board of Commissioners may find to be necessary and appropriate for the community. Most counties in North Carolina (including Forsyth) also provide for:

- Emergency management;
- Emergency medical services;
- Rural fire protection and rescue squads;
- Animal control;
- Libraries;
- Cooperative Extension; and,
- Solid waste collection and disposal.

Many counties (including Forsyth) also provide for:

- Park and recreation facilities and programs;
- Land use planning and regulation of development;
- Water and sewer utilities;
- Economic development programs;
- Funding for the Area Mental Health Authority;
- Funding for the local Community College;
- Projects to provide low and moderate income housing; and
- Purchasing

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Although State requirements determine what many of the services and functions of the County must be, the County does have considerable discretion about how to provide these services, and at what level to fund them. Some services and functions are provided directly by the County. Others are provided through contracts with the City of Winston-Salem or contracts with other providers.

The County also makes special appropriations to other community organizations, which provide human services, arts and cultural programs, and supportive services for the justice system.

Matrix Linking Departments to County Goals						
Create a community in which to live that is and/or provides:						
				Educational/ Economic		
	<u>Safe</u>	<u>Healthy</u>	<u>Convenient & Pleasant</u>	<u>Opportunities For Everyone</u>	<u>Note 1 Below</u>	<u>Note 2 Below</u>
Animal Control	x	x	x			
Emergency Management	x					
Interagency Communications	x					
Sheriff	x					
Emergency Services						
Emergency Medical Svcs.		x				
Fire Protection	x					
Court Services	x					
Environmental Affairs		x	x			
Inspections			x			
Medical Examiner	x					
CenterPoint Human Svcs.		x				
Public Health		x				
Social Services	x			x		
Youth Services	x					
N.C. Cooperative Svc.		x		x		
Forsyth Tech Comm. College				x		
Schools				x		
Library			x			
Parks & Recreation			x			
Housing				x		
Budget & Management					x	
Management Information Svcs.					x	
Finance					x	
General Services					x	
Human Resources					x	
Planning				x		
Purchasing					x	
Economic Development				x		
Attorney					x	
Board of Elections						x
County Comm. & Manager					x	
Register of Deeds						x
Tax Administration						x
Special Appropriations	x	x	x	x		
Non-Departmental						x
Debt Service					x	
1. To provide a sound basis for budgeting, accounting and financial reporting and to maintain County facilities, technology and staffing problems.						
2. To provide certain services and functions which are the responsibilities of all County governments, and other services, which the Board of Commissioners has determined to be necessary and appropriate.						

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Operating Policies and Goals

1) Create a community that is safe.

The Emergency Management (p.94), Interagency Communications (p. 96), Emergency Services (p.102), Sheriff (p.98), Animal Control (p.92), Medical Examiner (p.128), Social Services (p.140), Youth Services (p.142), & Court Services (p.110) departments include funds to meet this goal. It will be accomplished by:

- a) Meeting the law enforcement needs of the unincorporated areas of the County, as well as several municipalities, through the Sheriff's Department which patrols, investigates crime, executes court orders, serves papers and eviction notices, and collects judgements.
- b) Conducting medical examinations and autopsies of deaths, as specified by State Law.
- c) Providing School Liaison officers in middle and high schools throughout the County.
- d) Aiding the community before, during, and after disasters.
- e) Meeting space needs for detention facilities for the adult and youth populations of the County.
- f) Providing adequate facilities for the state administered Court system.
- g) Providing responsive and professional fire protection to unincorporated areas of the County.
- h) Providing assistance related to animal control through picking up strays, unwanted, sick or injured animals, and dangerous and aggressive animals.
- i) Providing safe, humane housing for strays, abandoned, abused, and impounded animals, as well as providing euthanasia for unwanted animals.
- j) Enforcing state and local laws concerning animals, and investigating animal bites and reports of animal cruelty.
- k) Providing child welfare programs including Child Protective Services, foster care, and adoptions.
- l) Providing special financial support to endeavors of the state administered District Attorney's office.

2) Create a community that is healthy.

The CenterPoint Human Services (p.130), Public Health (p.132), NC Cooperative Ext. (p.150), Environmental Affairs (p.118), Emergency Services (p.102) and Animal Control (p.92) departments include funds to meet this goal. It will be accomplished by:

- a) Providing services for the treatment of mental illness, developmental disabilities, and alcohol and drug abuse.
- b) Supporting strategies that reduce teen pregnancy, infant mortality, HIV and other sexually transmitted diseases, substance abuse, dental disease, and other negative forces in the community.
- c) Starting and/or continuing programs which are relevant and comprehensive of Forsyth County community health needs, as determined by the Board of Health and the Health Director.
- d) Providing nutrition counseling, dental hygiene, and speech/hearing services.
- e) Providing nutrition education and food vouchers to breast-feeding and pregnant women, as well as infants and children.
- f) Supporting strategies that will ensure clean air and water, sanitary food handling establishments, hotels, motels, and other institutions as specified by state law.
- g) Providing adult health services, maternal and child health services, and communicable disease services.
- h) Maintaining responsive and professional emergency ambulance services throughout all areas of the County, both incorporated and unincorporated.
- i) Providing the rabies quarantine program.

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- 3) Create a community in which to live that is convenient and pleasant.
The Library (p.162), Parks & Recreation (p.164), Animal Control (p.92), Inspections (p.120) departments include funds to meet this goal. It will be accomplished by:
 - a) Preserving and expanding its parks and libraries.
 - b) Providing a variety of materials, through the main Library and nine (9) branch libraries and Outreach programs, including research, genealogy, pleasure reading, audio-video, children's, career, education and job related, as well as public access computers and typewriters.
 - c) Providing citizens with quick reference and links to human services and functions through the Information and Referral (First Line) division of the Library. Simultaneously, this division is a resource to those human service providers.
 - d) Providing recreation programs at all County Parks.
 - e) Providing recreation programs at school sites and other County locations throughout the year.
 - f) Administering programs related to animals, including responsible adoption program, lost and found program, and microchip ID program.
 - g) Enforcing the Zoning and Erosion Control Ordinances.
 - h) Providing awards to local farmers for the installation of "Best Management Practices".
 - i) Preserving farmland through the purchase of development rights.

- 4) Create a community with educational and economic opportunities for everyone.
The Schools (p.154), Forsyth Technical Community College (p.152), Social Services (p.140), N. C. Cooperative Extension (p.150), Housing (p.174), and Economic Development (p.176) departments include funds to meet this goal. It will be accomplished by:
 - a) Providing facilities that are conducive to learning for the Winston-Salem/Forsyth County School System and the Forsyth Technical Community College.
 - b) Providing additional teachers beyond the number that the State of North Carolina provides for the elementary, middle, and high school environments.
 - c) Providing supplements to salaries of teachers and other personnel in the Winston-Salem/Forsyth County School System and Forsyth Technical Community College.
 - d) Providing medical, food, and daycare services, as well as cash assistance for families to help them become gainfully employed.
 - e) Providing training and advice to improve farm and agri-business profitability, environmental quality, and urban horticulture.
 - f) Administering the 4-H Program which teaches science and technology, and their application, to young people
 - g) Assisting and expanding existing businesses, as well as recruiting targeted new industry to Forsyth County.
 - h) Providing affordable housing for low and moderate-income residents.

Financial Policies and Goals

These financial policies and goals are the basis for all of our budgeting, accounting and financial reporting:

1. According to North Carolina General Statute, local governments are required to operate under an annual balanced budget ordinance. A budget ordinance is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations.
2. Maintain the County's Aaa/AAA bond ratings (Moody's Investors Service, Standard & Poor's; Fitch Investors' Service).

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3. 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, recognizing that successful bond referenda pushes this percentage to greater than 10%, the County is reviewing this policy and is considering increasing the percentage to a goal between 15% to 18%.
4. Fund Balance available for appropriation in the General Fund should be at least 14 - 16% of the subsequent year's budget.
5. Projections of revenues, expenditures and fund balances for the next five years should be updated annually. Longer-range projections should be developed as appropriate.
6. The Capital Improvement Plan which includes anticipated capital projects and related debt service and operating costs for the subsequent six years, should be updated annually. The annual impact on the General Fund is delineated on pages 257-263.
7. The Board of Commissioners prefers to limit the growth in 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.
8. The County does not expect to undertake any major new programs, projects or expansion of services without substantial public support for both the services and the tax rate increase, if necessary, to support them.
9. We should evidence the quality of our Comprehensive Annual Financial Report and our Annual Budget by receiving the Government Finance Officers Association Certificate of Achievement for Excellence In Financial Reporting and the Distinguished Budget Presentation Award.
10. The Board of Commissioners has adopted an investment policy with the objectives of safety, liquidity and yield, in that order. That policy and the relevant state law place emphasis on credit quality and maturity.
11. Internal Audit has the objective of auditing each department on a four-year cycle and providing a written report to the Board of Commissioners.
12. Management provides financial and operating reports to the Board of Commissioners on a monthly basis.
13. The County maintains aggressive safety and risk management programs to protect employees and minimize financial exposure to the County.
14. The County is committed to simplicity in its financial accounting and reporting and, therefore, levies property tax and accounts for all of its on-going operations in the General Fund.

Basis of Budgeting and Budgetary Amendments

The County uses the modified accrual basis for budgeting and for the audited financial statements. The modified accrual basis requires the recognition of certain revenue when it becomes measurable and available to meet the operation of the current period. Therefore, for financial reporting purposes, revenue under certain programs will be recognized prior to being received in cash.

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As required by North Carolina law, the County adopts an annual budget for the General Fund and for the special revenue funds. Funds authorized by project ordinance continue until the projects are closed. The agency funds do not require annual budgets. The County Manager is authorized to transfer budgeted amounts within any fund or financial plan and report such transfers to the Board of Commissioners; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Commissioners.

Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Amendments may be initiated by the affected department, the County Manager's Department or by administrative departments such as Budget or Finance when the need becomes apparent. Details describing the amount and nature of the amendment are entered on standard Ordinance Amendment Cover Sheet and Board Appropriation forms.

These forms are submitted to the County Manager by the requesting department. The forms are entered onto a log, and are circulated to staff departments (Budget, Finance, Attorney and sometimes Human Resources). Each staff department reviews the item, and indicates either agreement or disagreement, with supplemental notes if needed. The item is then returned to the County Manager and is discussed during bi-weekly staff meetings. Dates are set during the staff meetings for presentation of the item to the Board of Commissioners.

Agenda items are generally reviewed by the Board of Commissioners at two Thursday afternoon briefings before being voted on at a bi-monthly Monday night Commissioners' meeting. When the item is approved by the Board of Commissioners, Finance Department staff enters the data into the accounting system to complete the process.

There are 3 categories of budget revisions that do not require formal prior approval by the Board of Commissioners:

1. **Transfers between departments.** These transfers are approved by the County Manager, and reported to the Board of Commissioners at their regularly scheduled meetings. A standard form is initiated by the requesting department or the Budget & Management Department describing the reason for the transfer and listing the amounts being transferred into or out of specific accounts. The transfer is circulated to the staff departments for signature and is then sent to the Manager for approval. When the transfer is approved by the Manager, the Finance Department makes the needed changes in the accounting system.

An example is the annual salary revision. Budgeted salary figures are based on estimates made at the midpoint of the fiscal year. At the beginning of the new fiscal year, the revision brings all salary accounts to the "real world" as of July 1. Funds are moved out of (or into) the salary lines for each department and any overall savings are moved to a budget reserve account in Non-Departmental.

2. **Transfers within a department requiring the Manager's approval.** Certain types of transfers go through the circulation and approval process described above, but are not formally approved by or reported to the Board of Commissioners. They include:
 - a. Transfers into or out of Personal Services
 - b. Transfers into (but not out of) Capital Outlay
 - c. Transfers into (but not out of) Training & Conference
 - d. Transfers into or out of Claims and Insurance Premiums
 - e. Transfers between accounts in grant funded programs when allowed by grantor
 - f. Transfers between accounts in Capital and Grant Project Ordinances

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3. **Transfers at discretion of department.** Departments have the discretion to transfer funds within expenditure lines in their adopted budgets with the exception of the areas described above. A standard form used to describe the reason and amount of the transfer is sent to the Finance Department by the requesting department. Finance enters the requested changes into the financial system.

The County follows the modified accrual basis of accounting for the General Fund, the special revenue funds, and the project ordinances. The accrual basis is used for agency funds and the Pension Trust Fund. The Pension Trust Fund has a flow of economic resources measurement focus. All of these funds are accounted for using a current financial resources measurement focus except the agency funds which are custodial in nature and do not involve measurement of results of operations.

Debt Management

All debt for the County is shown in the General Fund.

General obligation bonds are backed by the full faith, credit and taxing power of the County. Installment purchase obligations are secured by the real or personal property acquired in the transaction. Principal and interest requirements for general obligation bonds and installment purchase obligations are appropriated in the General Fund when due.

The Board of Commissioners has adopted an informal policy of limiting long term debt service to 10% of the annual General Fund budget. Projections of proposed future debt are prepared subject to this limitation. Debt projections for the future indicate the County may exceed this debt limitation if all proposed projects are funded with long term financing. The percent of long term debt service included in FY 2010-2011 exceeds the 10% threshold (13.5%). This has been a topic of much discussion and will likely influence how and when these projects are financed. Computation of the legal debt limit in North Carolina is presented on page 207.

Annual requirements to amortize general obligation bonds and installment purchase obligations, including interest (total outstanding debt) are presented on page 207.

Balanced Budget

North Carolina General Statute 159-8 states that each local government and public authority shall operate under an annual balanced budget ordinance. A balanced budget is defined as follows: A budget ordinance is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations.

Fund Balance

The governmental fund types classify fund balances as follows:

Reserved

Reserved for Encumbrances – This portion of fund balance represents the amount available for appropriation to pay for commitments related to purchase orders and contracts outstanding at year end that will be honored by the County in the next fiscal year.

Reserved by State Statute – This portion of fund balance is not available for appropriation under State law. This amount is usually comprised of receivable balances that are not offset by deferred revenues.

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Reserved for Register of Deeds – This represents the unspent portion of Register of Deeds fees whose use is restricted by State statute for expenditures on computer and imaging technology in the office of the Register of Deeds.

Reserved for Capital Outlay – Certain capital projects funded by Certificates of Participation have been completed. The unspent proceeds and interest earnings generated by those proceeds are restricted to use by the fiscal agent for payment of related debt.

Unreserved

Designated for Subsequent Year's Expenditures

Budget - In the annually budgeted governmental funds, a portion of fund balance available for appropriation is designated for appropriation in the adopted Budget Ordinance. In grant project and capital project funds, the unspent appropriations comprise designated fund balance.

Education Debt – In the General Fund, unspent revenue generated by three cents of the ad valorem tax rate and interest on the unspent portions thereof are designated for retirement of general obligation education debt authorized by the November 2006 referendum. In addition, in the General Fund, unspent revenue generated by one point one (1.1¢) of the ad valorem tax rate and interest on the unspent portion thereof, are designated for the retirement of general obligation education debt authorized by November 2008 referendum.

Capital – In the General Fund, unreserved, undesignated fund balance in excess of 16% of the subsequent year's budget is designated for capital maintenance and capital outlay in the subsequent year. Of the total designation, the first \$2.1 million is designated for planned capital maintenance, and the remainder is for pay-as-you-go capital expenditures.

Undesignated – The amount of fund balance available for appropriation that is uncommitted at year end is undesignated.

