

# FORSYTH COUNTY

## BOARD OF COMMISSIONERS

MEETING DATE: June 27, 2019 AGENDA ITEM NUMBER: 10A-10B

**SUBJECT: A. AMENDMENT TO THE FY 2019-2020 BUDGET ORDINANCE TO ESTABLISH A DEBT SERVICE FUND**

**B. ADOPTION OF DEBT SERVICE FUND**

**COUNTYMANAGER'S RECOMMENDATION OR COMMENTS:-** Recommend Approval

### SUMMARY OF INFORMATION:-

During the Fiscal Year 2020 budget adoption process, an Alternate Service Level was presented to the Board of Commissioners to establish a Debt Service Fund to account for revenue and expenditures associated with debt issuances by the County.

This amendment would reduce Intergovernmental Revenue consisting of Lottery Proceeds, Build America Bonds Credits, and Qualified School Construction Bonds Credits by \$6,103,748 and Appropriated Fund Balance by \$6,492,388, for a total reduction of revenue in the General Fund of \$12,596,136. This would reduce the Fiscal Year 2019-2020 Budget to \$446,098,588.

This amendment would also eliminate the Debt Service line in the Budget Ordinance (a reduction of \$80,509,352) and add a Transfer to Debt Service Fund line (an increase of \$67,913,216). Eliminating the Debt Service line and adding the Transfer to Debt Service Fund line will reduce the Fiscal Year 2019-2020 General Fund Expenditure Budget to \$446,098,588.

In addition, the following language would be added to Section 2. Appropriations:

*In order to more clearly present debt service activities the County hereby removes same from the General Fund and establishes a Debt Service Fund. The Chief Financial Officer is hereby directed to transfer all cash, investments, reserves and any other related assets from the General Fund to the Debt Service Fund effective July 1, 2019, and to report same to the Board of Commissioners concurrent with the presentation of the Comprehensive Annual Financial Report.*

ATTACHMENTS:  yes  no

SIGNATURE: J. Dudley Watts, Jr. /AMS DATE: June 24, 2019  
COUNTYMANAGER

**FORSYTH COUNTY, NORTH CAROLINA  
AMENDMENT TO  
2019-2020 BUDGET ORDINANCE**

**FROM: BUDGET & MANAGEMENT**

**MEETING DATE:**

June 27, 2019

**EXPLANATION:**

During the Fiscal Year 2019-2020 budget adoption process, an Alternate Service Level was presented to the Board of Commissioners to establish a Debt Service Fund to account for revenue and expenditures associated with debt issuances by the County. The recommendation of staff is to adopt a Debt Service Fund.

This amendment would reduce Intergovernmental Revenue consisting of Lottery Proceeds, Build America Bonds Credits, and Qualified School Construction Bonds Credits by \$6,103,748 and Appropriated Fund Balance by \$6,492,388, for a total reduction of revenue in the General Fund of \$12,596,136. This would reduce the Fiscal Year 2019-2020 Budget to \$446,098,588.

This amendment would also eliminate the Debt Service line in the Budget Ordinance (a reduction of \$80,509,352) and add a Transfer to Debt Service Fund line (an increase of \$67,913,216). Eliminating the Debt Service line and adding the Transfer to Debt Service Fund line will reduce the Fiscal Year 2019-2020 General Fund Expenditure Budget to \$446,098,588.

**BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF FORSYTH COUNTY THAT THE  
FISCAL YEAR 2019-2020 BUDGET ORDINANCE IS HEREBY AMENDED AS FOLLOWS:**

*The Appropriations Section (Section 2) is amended to add the following paragraph: In order to more clearly present debt service activities the County hereby removes same from the General Fund and establishes a Debt Service Fund. The Chief Financial Officer is hereby directed to transfer all cash, investments, reserves and any other related assets from the General Fund to the Debt Service Fund effective July 1, 2019, and to report same to the Board of Commissioners concurrent with the presentation of the Comprehensive Annual Financial Report.*

DECREASE:	<u>SECTION 1. REVENUE</u> GENERAL FUND INTERGOVERNMENTAL FUND BALANCE	\$ 6,103,748 <u>\$ 6,492,388</u> <u>\$12,596,136</u>
DECREASE:	<u>SECTION 2. APPROPRIATIONS.</u> GENERAL FUND DEBT SERVICE	<u>\$80,509,352</u>
INCREASE:	<u>SECTION 2. APPROPRIATIONS.</u> GENERAL FUND TRANSFER TO DEBT SERVICE FUND	<u>\$67,913,216</u>

**NATURE OF TRANSACTION:**

- Additional Revenue Available
- Transfer within Accounts of Same fund
- Other: Establish Debt Service Fund

**APPROVED BY BOARD OF COUNTY**

**COMMISSIONERS AND ENTERED ON  
MINUTES DATED \_\_\_\_\_  
AGENDA ITEM NUMBER \_\_\_\_\_**

## Debt Service Fund

Be It Ordained by the Board of County Commissioners of Forsyth County:

### Section 1. Revenue.

The following revenues are hereby made available.

Intergovernmental Revenue	\$ 6,103,748
Transfer from the General Fund	<u>\$67,913,216</u>
	<u>\$74,016,964</u>

### Section 2. Authorization for Appropriation of Funds.

Be It Ordained that the following amounts are appropriated for debt service expenditures and reserves for future debt service expenditures, subject to review by the County Manager and the Board of County Commissioners; and the County Manager and Chief Financial Officer are hereby authorized to execute the necessary documents to carry out these purposes, subject to the limitations herein, a pre-audit certificate thereon by the County Chief Financial Officer, if applicable, and approval as to form and legality by the County Attorney.

Debt Service	\$71,608,305
Budget Reserve	<u>\$ 2,408,659</u>
Total	<u>\$74,016,964</u>

### Section 3. Effective Date.

This ordinance shall become effective upon adoption.

Adopted this 27<sup>th</sup> day of June, 2019.