

BOARD POLICY - SECTION NUMBER: 03.02.02.16

SUBJECT: MULTI-YEAR PROJECTION OF OPERATING FUNDS

EFFECTIVE DATE: June 2, 1999

SUPERSEDES: July 8, 1998

Purpose: The purpose of this policy is to establish multi-year financial planning as a strategic planning tool for major operating funds that receive ad Valorem tax revenue. A model can be used with trend analysis to project future revenues and expenditures using alternative economic, planning and policy assumptions. The model can be used, in turn, to develop a financial plan of action to address any identified needs.

The financial planning process helps shape decisions and permits necessary and corrective action to be taken before problems become more severe. A financial forecast and the associated financial plan is not a forecast of what is certain to happen, but rather a device to highlight significant issues or problems that must be addressed if goals are to be achieved, and a plan to address those issues or problems.

Policy: It is the policy of the BOCC that the County annually prepare a Pro Forma projection of revenues and expenditures for the General Fund and Unincorporated General Fund that builds on the adopted current year budget and extends that budget five years - consistent with the period covered by the County's capital improvement program. The projections should include the anticipated operating impacts of the adopted capital improvement program. Major assumptions should be outlined and sensitivity analysis should be provided for alternate assumptions. In addition to the financial projections, the County will prepare a financial plan outlining how the County can address any shortfalls identified in the projections.

Responsibility: It is the responsibility of the Management and Budget Department, under the direction of the County Administrator, to implement this policy by preparing an annual report by February 1.

Approved By: Board of County Commissioners

Approval Date: June 2, 1999