



Comprehensive Annual Financial Report

Year ended June 30, 2015

Forsyth County
North Carolina **2015**

**Forsyth County,
North Carolina**

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

Prepared by the Forsyth County Finance Department:

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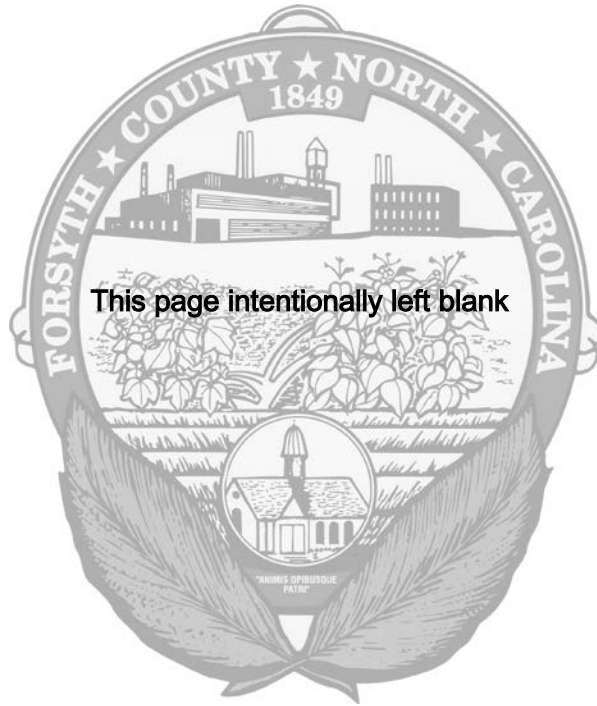
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Forsyth County, North Carolina

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

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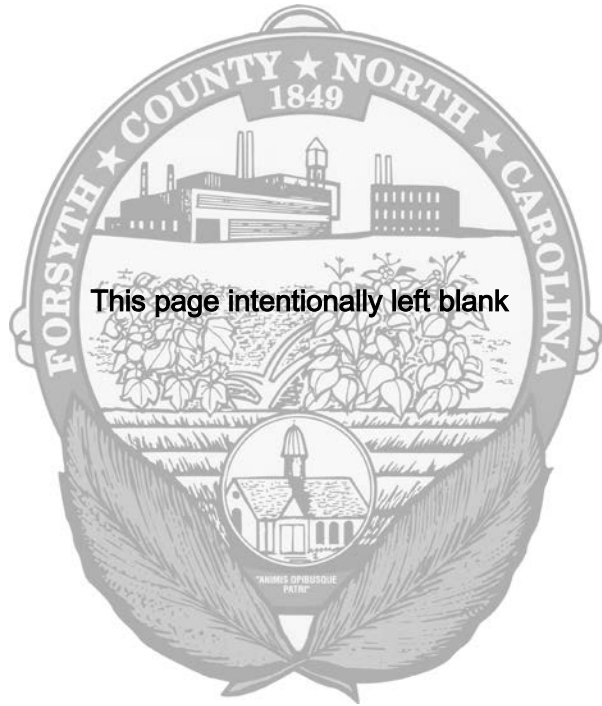
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FINANCE DEPARTMENT

Paul L. Fulton, Jr., CPA
CHIEF FINANCIAL OFFICER

Terri L. Goodman, CPA
DEPUTY CHIEF FINANCIAL OFFICER

Lee H. Plunkett
TREASURER



Michael J. Phelps, CPA
CONTROLLER AND SYSTEMS MANAGER

Teresa G. Everhart, CISR
RISK MANAGER

M. Brandon Branscome, CPA
INTERNAL AUDIT MANAGER

October 31, 2015

Honorable Members of the Forsyth County Board of Commissioners
and Citizens of Forsyth County, North Carolina:

State law requires that all local governments publish within four months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Forsyth County for the fiscal year ended June 30, 2015.

This report consists of management's representations concerning the finances of Forsyth County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Forsyth County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Forsyth County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Forsyth County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Forsyth County's financial statements have been audited by Cherry Bekaert LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Forsyth County for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Forsyth County's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Forsyth County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal

requirements involving the administration of federal awards. These reports are available in the compliance section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A.) This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Forsyth County's MD&A can be found immediately following the report of independent auditors.

Profile of the Government

Forsyth County is located in the northwestern piedmont section of the state and includes the City of Winston-Salem, which is the County seat and fifth most populous city in the state. The County was created by Act of the North Carolina General Assembly in 1849. The County operates under a commission-manager form of government with seven publicly elected commissioners comprising the governing body. The County is divided into two districts for election purposes, and commissioners are elected on a staggered basis for terms of four years: two from one district, four from the second district, and one at-large. The Board of Commissioners meets twice a month to adopt local regulations and ordinances, establish policies, make appointments, and set the level of services to be provided to County residents. Forsyth County is empowered by state statute to levy a property tax on both real and personal properties located within its boundaries. The Board of Commissioners annually adopts a balanced budget and establishes a tax rate for the support of County programs. The County's annual budget allocates its resources for the health, education, welfare, and protection of its citizens. The County Manager is appointed by and serves at the pleasure of the Board of Commissioners. The manager, administrative staff, and all departments of County government must administer the County programs in accordance with the policies and annual budget ordinance adopted by the Board of Commissioners.

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. To fulfill its mission, Forsyth County provides a broad range of services that include public safety, environmental protection, health and social services, cultural and recreational programs, community and economic development, and education. This report encompasses the County's activities in maintaining these services and includes its financial support to certain separate agencies, boards, and commissions to assist their efforts in serving citizens. Among these are the Winston-Salem/Forsyth County Schools, Forsyth Technical Community College, and CenterPoint Human Services.

The financial reporting entity includes all funds of the primary government, Forsyth County, as well as its component unit. Component units are legally separate entities for which the primary government is financially accountable. The Forsyth County Industrial Facilities and Pollution Control Financing Authority is a component unit of Forsyth County; however, this authority has no financial transactions or account balances and, therefore, is not reported in the financial statements.

The annual budget serves as the foundation for Forsyth County's financial planning and control. Each year all County departments are required to submit requests for appropriations to the County Manager, who then compiles a proposed budget and presents it to the Board of Commissioners for review. The Board is required to hold public hearings on the proposed budget and to adopt a final budget by July 1 of the fiscal year, or the Board must adopt an interim budget that covers that time until the annual ordinance can be adopted. The annual ordinance includes appropriations for the General Fund and four annually budgeted special revenue funds. Note 1c provides additional

information on budgetary data. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 20 as part of the basic financial statements for the governmental funds and, in greater detail, on pages 62-64 in the subsection for major fund budgetary comparison schedules. For annually budgeted special revenue funds, this comparison is presented in the nonmajor governmental fund subsection of this report, which starts on page 67. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each nonmajor governmental fund for which a project-length budget has been adopted (i.e., grant project special revenue funds and capital project funds).

Attesting to the sound financial management of the Board of Commissioners, the County remains one of only a handful of AAA-rated counties nationwide, as ranked by Standard & Poor's, Fitch Ratings, and Moody's Investor Services.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Forsyth County operates.

Local economy. Located midway between Washington, D.C. and Atlanta, Georgia, Forsyth County is in the heart of the state's Piedmont Triad region, a 12-county area with more than 1.68 million people. Three cities comprise the Triad: Winston-Salem, Greensboro and High Point. Each city has its own character, its own heritage, and its own industrial base. Yet the area's commercial and cultural growth transcends geographic boundaries with the strengths of each city combining to form a vibrant economic hub.

Forsyth County, with an estimated population of 364,258 and a workforce of more than 180,000, plays a vital role in the Triad's economy. With a strong and well diversified core of manufacturing companies, health care, biotechnology, financial services, and tourism sectors, the County serves as the major employment center for the counties which comprise northwest North Carolina and portions of southwest Virginia. The County's average unemployment rate for the year ended June 30, 2015 is 5.5 percent, which is lower than the State rate of 5.7 percent and the national rate of 5.7 percent.

Economic resilience and employment stability have formed the foundation for strong local consumer and commercial markets. Personal income levels remain consistently higher than state figures. The County's per capita income is \$39,739, the fifteenth highest among counties in the state, and higher than the State's \$38,683. Capital investment, as measured by the value of new residential and commercial building permits issued during the year, totaled \$487 million during the year ended June 30, 2015.

Long-term financial planning. The Forsyth County Major Capital Improvements Program ("CIP") is the result of an ongoing process by County officials to assess the need for major capital expenditures, the feasibility of funding these projects, and to establish an orderly plan for implementing these projects. The CIP is reviewed by the Commissioners periodically, usually twice a year, once at the annual Commissioners' Planning Workshop, and then again during their annual budget deliberations. In fiscal year 2015, the Commissioners issued \$34 million of the \$40 million of authorized library bonds and moved forward with renovations to the existing main library as well as commencing site selection with the towns of Kernersville and Clemmons for replacement branch libraries.

As of June 30, 2015, the County's CIP through the year 2021 consists of \$313.8 million for proposed projects funded with long term financing and \$19.9 million in short-term equipment financings or pay-as-you-go funding. Long-term debt will be incurred for public schools (\$169.5 million), community college projects (\$55.3 million), park system development (\$6.0 million), County general capital maintenance (\$6.0 million), renovations to court facilities in the Hall of Justice (\$50 million),

replacement of the SciWorks facility (\$25.0 million), public health renovations (\$2.0 million) and information systems projects (\$19.9 million). A bond referendum is tentatively planned for November 2016 and projects will either be funded via general obligation bonds or limited obligation bonds as that referendum is developed.

Financial Policies. These financial policies are the basis for our budgeting decisions:

Tax Rate - The Board of Commissioners strives 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. Through management's careful stewardship of its resources, the County met this goal as the fiscal year 2015 budget was adopted with the County-wide ad valorem tax rate increased to 71.68 cents. Except for the portion of the tax rate earmarked for the Education Debt Leveling Plan, currently 4.51 cents, this is the ninth consecutive year with no effective tax increase to fund increased operational costs. This is reflective of the Board of Commissioners' desire to avoid burdening taxpayers with additional taxes and is particularly noteworthy given the concurrent downward pressure on revenue during this period.

Education Debt Leveling Plan ("EDLP") – In order to level the effects of issuing the \$250 million schools and \$25 million community college bonds authorized in the November 2006 referendum, the County has dedicated proceeds from the state education lottery and from a 3-cent property tax increase first levied in fiscal year 2008 to debt service on these bonds. Similarly, the fiscal year 2010 budget included an additional 1.1-cent tax increase over the revenue-neutral rate to fund the \$62 million educational facilities bond authorization approved in the November 2008 referendum. These EDLP tax rates were adjusted to \$.033 and \$.0121 for the 2006 and 2008 EDLP reserves, respectively, following the fiscal year 2014 revaluation. No additional tax increases are anticipated to pay this debt service. Each year lottery funds will be applied first, and the balance of applicable debt service will be paid from fund balance designated from the 3.3-cent and 1.21-cent levies plus any interest on that designated fund balance. The EDLP currently has a balance of \$28.2 million.

Debt Policy - Forsyth County recognizes that a formally adopted debt policy is fundamental to sound financial management. The fiscal year 2015 budget was adopted under the policy goal that the total annual debt, less revenues restricted to debt service (including but not limited to, federal payments related to "Build America Bonds" and "Qualified School Construction Bonds" and State lottery proceeds) would not exceed 15% of the appropriations in the annually adopted budget as shown in the Budget Ordinance. As discussed in the Major Initiatives section of this letter, this debt policy has been revised to an 18% of annual appropriations limit beginning in fiscal year 2016. The policy of keeping debt service at less than a specified percent of the budget can greatly influence the timing and/or amount of funding for a project, as well as the method of funding.

Economic Development – In November 2009 the County established an economic development fund from the revenue generated by the repayment of \$7.9 million in economic development incentives by Dell Corporation. The \$869,000 remaining in this fund will be used for future economic development purposes.

Capital – In the General Fund, unassigned fund balance at June 30 in excess of 16% of the subsequent year's budget is assigned for capital maintenance and capital outlay in the subsequent year. Of the total assigned, the first \$2.1 million is designated for planned capital maintenance and the remainder is for pay-as-you-go capital expenditures. The County established no pay-as-you-go capital expenditure projects under this policy for fiscal 2015.

Fund Balance Policy – Available fund balance in the General Fund should be at least 14% of the subsequent year's budget. The County exceeded this policy target ending the 2015 fiscal year with an available fund balance, net of committed fund balance, of 20.7% of its 2016 budget. \$9.5 million of available fund balance was appropriated to balance the fiscal 2016 budget leaving 18.4% available

fund balance of which 14% was set aside in accordance with the County's fund balance policy. The remaining 4.4%, or \$18.2 million, was assigned for fiscal 2016 management special projects, library debt leveling plan and capital maintenance projects. One of the County's goals for future budgets is to reduce the amount of appropriated fund balance needed to balance the budget.

Major Initiatives. While fiscal stress remains for businesses, citizens and local governments, modest projections for continuing recovery have proved to be correct. Higher than expected revenue realization in property taxes in 2015 have resulted in a continuing strong balance sheet. Additionally, continued efforts at reorganization, re-engineering of work processes, efficiency improvements and other efforts to control costs have provided some easing of budgetary pressures. The County expects to have a strong focus on these types of efforts as it seeks to find and implement innovative strategies and systems throughout the organization.

Forsyth County is continuing its transition from a manufacturing base to a more balanced economy with growth in medical, medical research and services sectors. The County expects growth to continue with the transition.

The focus of the fiscal year 2016 budget is on changes to the policies which form the financial foundation of the County; the 15% debt ceiling was increased to 18% to more accurately reflect capital needs, the 16% fund balance target was reduced to 14% based on the significant cash balances resulting from the debt leveling plan, the education debt leveling plan which raised taxes one time for the life of \$337.2 million of school and community college debt, the school funding formula which uses economic and demographic data to determine growth in school funding, the use of a multi-year approach to mitigate effects of revaluations and the implementation of a library debt leveling plan for the newly issued library bonds. Also, capital maintenance plans for the County, schools and community college which utilize two-thirds bonds for funding every other year provide resources to keep facilities safe, sound and usable and allow for maintenance planning over the life of facilities.

The County provides all of its statutory services and a variety of services which, though not required, have strong public support. 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.

Awards and Acknowledgements

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Forsyth County for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the 31st consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

GFOA also presented the County with a Distinguished Budget Presentation Award for the County's fiscal year 2015 annual budget. To receive this award, a governmental unit must publish a budget document that meets program criteria. This award is valid for one year only. We believe the fiscal year 2016 budget continues to conform to program requirements, and we are submitting it to GFOA to determine eligibility for another award.

Acknowledgements. The preparation of the annual financial report was made possible by the dedicated service of the entire staff of the Finance Department. The year-end closing of the accounting system, report preparation and overall coordination was effectively managed by Terri L. Goodman, Deputy Chief Financial Officer. Also providing substantial support in report preparation and related accounting activities were: Lee H. Plunkett, Treasurer; Michael J. Phelps, Controller and Systems Manager; Teresa Everhart, Risk Manager; Brandon Branscome, Internal Audit Manager; Penny Efird, Internal Auditor; and, Gloria Turowski, Fiscal Analyst.

In closing, without the continued leadership and support of the Board of County Commissioners, preparation of this report would not have been possible.

Sincerely,

J. Dudley Watts, Jr.

County Manager

Paul L. Fulton, Jr.

Chief Financial Officer

Forsyth County Board of Commissioners



Seated: Vice-Chairman Don Martin, Gloria D. Whisenhunt and Chairman David R. Plyler
Standing (left to right): Walter Marshall, Richard V. Linville, Ted Kaplan and Everette Witherspoon

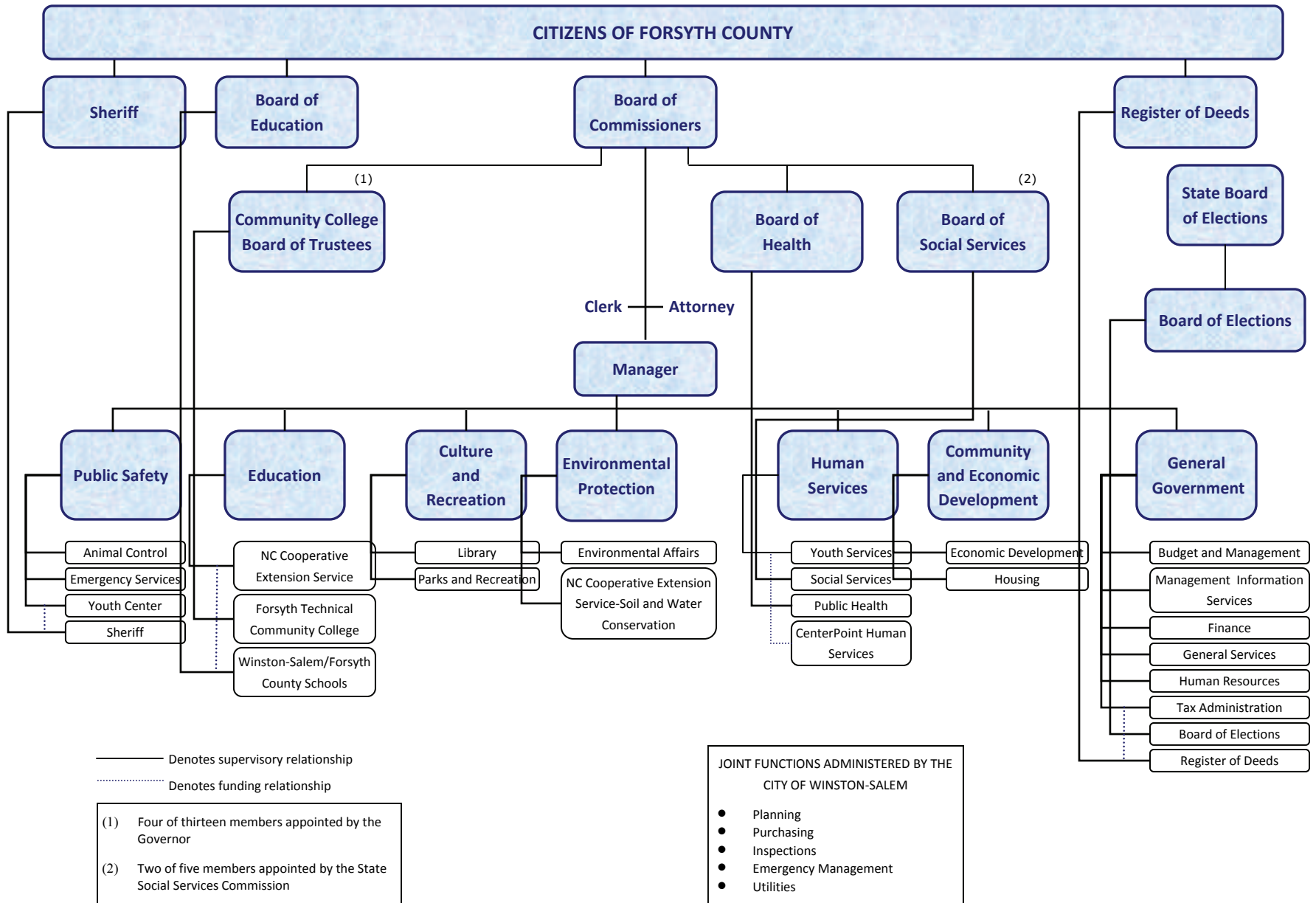
County Officials



J. Dudley Watts, Jr.
County Manager



Paul L. Fulton, Jr.
Chief Financial Officer





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

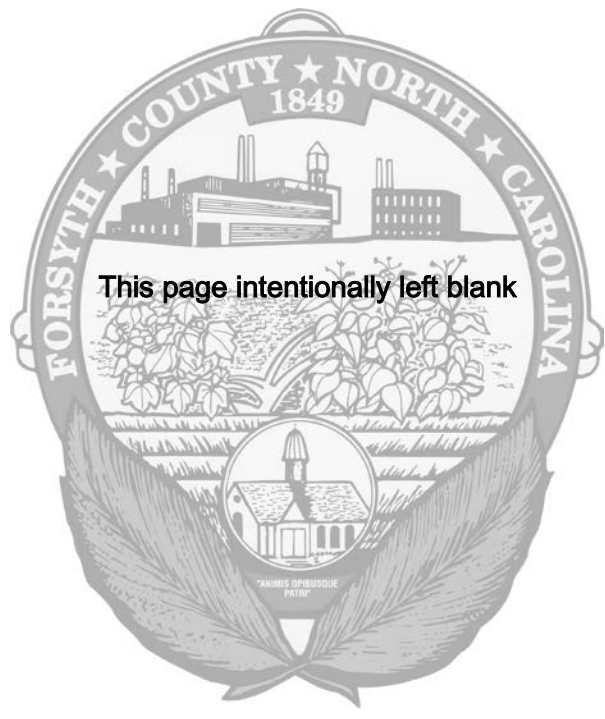
Presented to

**Forsyth County
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



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Report of Independent Auditor

To the Board of County Commissioners
Forsyth County, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Forsyth County, North Carolina (the "County") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2015, and the respective changes in financial position and cash flows, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 5h to the basic financial statements, the County adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. As a result, net position as of June 30, 2014 has been restated. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the County. The introductory section, budgetary comparison schedules – major governmental funds, combining and individual fund financial statements and schedules, other schedules, the statistical section, and Schedule of Expenditures of Federal and State Awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules – major governmental funds, combining and individual fund financial statements and schedules, other schedules and Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules – major governmental funds, combining and individual fund financial statements and schedules, other schedules and Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

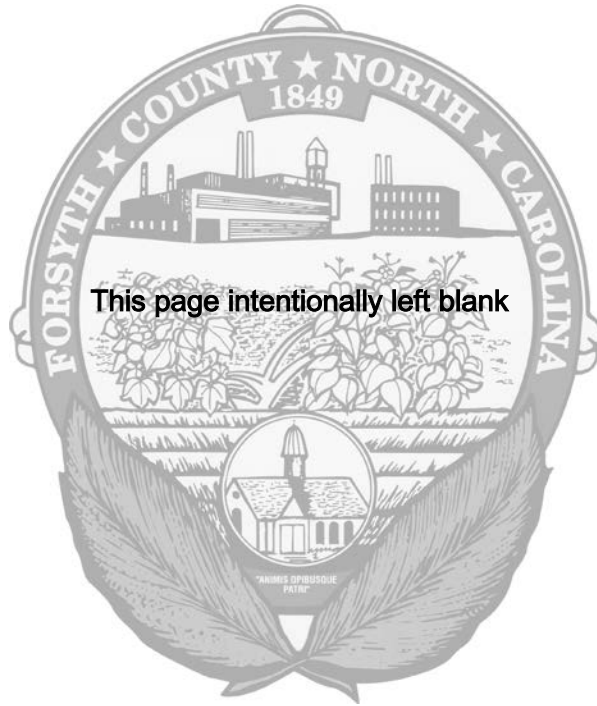
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2015 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Cherry Roubert LLP

Raleigh, North Carolina
October 31, 2015



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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Forsyth County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2015. This narrative complements the data presented in the basic financial statements and we encourage readers to read the information presented here in conjunction with the transmittal letter at the front of this report and the County's financial statements, which follow this narrative.

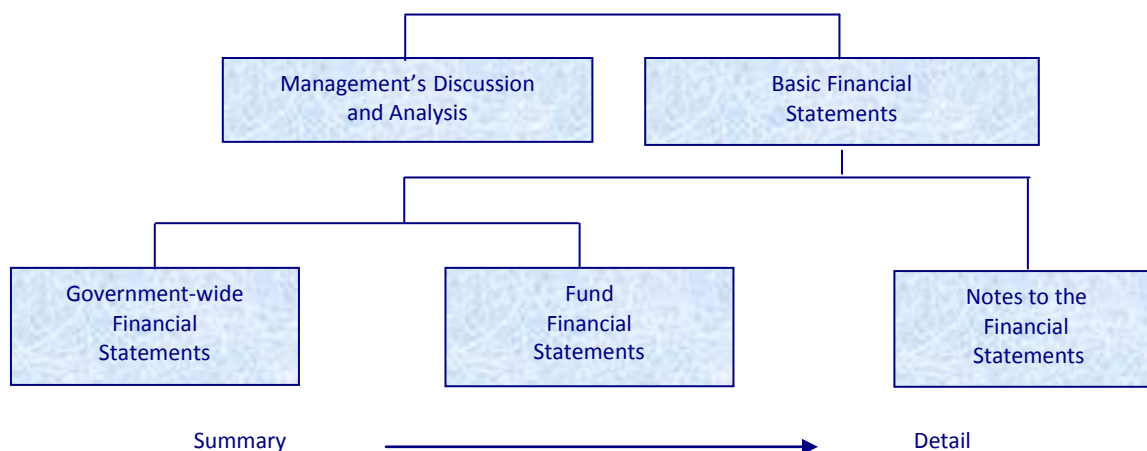
FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Forsyth County were lower than its liabilities and deferred inflows of resources at the close of the fiscal year by \$183.1 million (*net deficit*). The deficit in total net position reflects the County's issuance of debt as provided by State law for public school and community college facilities. The assets acquired with such debt are not owned by the County, and therefore, are not included in the County's Statement of Net Position. Had this school and community college related debt (net of unspent proceeds) not been reported as a reduction of net position, total net position would be \$240.6 million.
- The County's total net position increased by \$35.4 million from net position of the prior period (as restated) despite the payment of \$12.1 million for public school and community college facilities that are not reported as assets of the County.
- Forsyth County maintained its Aaa bond rating from Moody's Investors Service and AAA rating from Fitch Ratings and Standard & Poor's Corporation for the 20th consecutive year. New general obligation bonds issued during the year included \$13.6 million for maintenance and repair of County, school and community college facilities, \$34.0 million for the renovation and construction of new library facilities, and \$72.2 million to provide funds for the refunding of the 2008 Public Improvement, 2008 Schools and 2009 Educational Facilities general obligation bonds.
- As of the close of the current fiscal year, Forsyth County's governmental funds reported combined ending fund balances of \$214.6 million, an increase of \$42.5 million in comparison with the prior year. This increase is largely attributed to a decrease in school and community college capital expenditures and an increase in restricted fund balances for debt funded capital project funds.
- The balance in the Education Debt Leveling Plan decreased by a net \$1.6 million for the year bringing the total available to pay for future education-related debt service to \$28.2 million.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$58.0 million or 15.4% of total general fund expenditures for the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to Forsyth County's basic financial statements. The County's basic financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see *Figure 1*). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains supplementary information that will enhance the reader's understanding of the financial condition of Forsyth County.

Required Components of Annual Financial Report



BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, in a manner similar to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The **statement of net position** presents information on all of Forsyth County's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful way to gauge the County's financial condition.

The **statement of activities** presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide statements are intended to distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are expected to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). Forsyth County has no business-type activities. Accordingly, the statement of net position and the statement of activities present only governmental activities, which include all of the County's basic services such as public safety, environmental protection, human services, culture and recreation, community and economic development, education, and general government. Property taxes, sales taxes and state and federal grant funds finance most of these activities. Additionally, these statements report only the activities of the primary government, Forsyth County, because the County's component unit, the Forsyth County Industrial Facilities and Pollution Control Financing Authority, has no financial transactions or account balances to report.

The government-wide financial statements are Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Forsyth County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Forsyth County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on quantifying monies remaining at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which provides a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in reconciliations that are part of the fund financial statements.

All of the County's basic services were accounted for in 32 governmental funds for the year ended June 30, 2015. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and three capital project funds, the 2009 Educational Facilities fund, the 2009 Phillips Building Phases IA and IB fund, and the 2011 Library Bond fund, which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements elsewhere in this report.

Forsyth County adopts an annual budget for its General Fund, as required by the North Carolina General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. Forsyth County's budget is prepared on the modified accrual basis of accounting. The summary budgetary comparison statement on Exhibit 5 shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. A more detailed budgetary comparison schedule elsewhere in this report is presented at the legal level of budgetary control.

The basic governmental fund financial statements are Exhibits 3, 4, and 5 of this report.

Proprietary Funds – Forsyth County has one kind of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the functions of the County. The County uses an internal service fund to account for risk retention services for health and dental benefits provided to departments of the County on a cost reimbursement basis. The Employee Health Benefits fund has been included with the governmental activities in the government-wide financial statements, and it is presented in the proprietary fund financial statements, Exhibits 6, 7, and 8 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Forsyth County’s own programs. Two trust funds, the pension trust and the other post-employment benefit trust, and three agency funds comprise the County’s fiduciary funds. The basic fiduciary fund financial statements can be found on Exhibits 9 and 10.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 25 - 54 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Forsyth County’s progress in funding its obligation to provide pension benefits and other post-employment benefits (“OPEB”) to certain employees. Required supplementary information can be found on pages 55 - 60 of this report.

Budgetary comparison schedules for major funds are presented following the required supplementary information on pensions and OPEB. The combining statements referred to earlier in connection with nonmajor governmental funds and individual fund statements and schedules can be found on pages 67 – 101 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as one useful indicator of a government’s financial condition. The liabilities and deferred inflows of resources of Forsyth County exceed assets and deferred outflows of resources by \$183.1 million as of June 30, 2015. The deficit in total net position is a result of the County issuing debt for the construction, renovation, or acquisition of public school and community college facilities that are not reported as assets of the County. These facilities are necessary to provide for the education of the citizens of the County. North Carolina statutes do not permit public schools and community colleges to issue debt; responsibility for providing these facilities lies with the County. The titles to these assets are held by the Winston-Salem/Forsyth County Board of Education or Forsyth Technical Community College, and the assets are reported on their financial statements, as applicable. The outstanding amount of education-related debt, net of unspent proceeds, is \$423.7 million at year-end and is reported as a reduction of unrestricted net position for governmental activities, resulting in a deficit balance of \$302.0 million for this category of net position. Had the education-related debt not been reported as a reduction of unrestricted net position, the balance of unrestricted net position for governmental activities would be \$121.6 million and total net position would be \$240.6 million, an increase in total net position of \$11.9 million over the prior year.

The following summarizes Net Position at June 30, 2015 and 2014:

Forsyth County’s Net Position		
	Governmental Activities	
	2015	2014
Current and other assets	\$ 250,608,765	\$ 202,607,652
Capital assets	162,905,409	164,224,989
Total assets	<u>413,514,174</u>	<u>366,832,641</u>
Deferred outflows of resources		
- unamortized bond refunding charges	<u>24,100,581</u>	<u>10,921,245</u>
Long-term liabilities outstanding	583,606,068	566,443,612
Other liabilities	<u>16,677,791</u>	<u>18,929,127</u>
Total liabilities	<u>600,283,859</u>	<u>585,372,739</u>
Deferred inflows of resources	<u>20,399,710</u>	<u>-</u>
Net position:		
Net investment in capital assets	80,960,647	76,582,427
Restricted	38,012,456	46,204,270
Unrestricted deficit	<u>(302,041,917)</u>	<u>(330,405,550)</u>
Total net position	<u>\$ (183,068,814)</u>	<u>\$ (207,618,853)</u>

A major portion of net position reflects the County's \$81.0 million investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt still outstanding that was issued to acquire those items. Forsyth County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Forsyth County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional \$38.0 million of Forsyth County's net position are subject to external restrictions on how they may be used.

The deficit in unrestricted net position was reduced by \$28.4 million. The change in unrestricted net position resulting from governmental activities is discussed in the following section.

Governmental activities. Since the County has no business-type activities, the total change in net position is a result of governmental activities. The County's net position (as restated) increased by \$35.4 million for the fiscal year ended June 30, 2015.

The following summarizes the changes in net position for the years ended June 30, 2015 and 2014:

Forsyth County's Changes in Net Position		
	Governmental Activities	
	2015	2014
Revenues:		
Program revenues:		
Charges for services	\$ 34,549,724	\$ 31,854,003
Operating grants and contributions	55,714,343	54,634,336
General revenues:		
Property taxes	237,494,550	241,781,572
Other taxes	62,637,454	55,143,213
Grants and contributions not restricted to specific programs	3,784,090	3,985,233
Other	1,017,474	3,796,016
Total revenues	395,197,635	391,194,373
Expenses:		
General government	37,104,610	41,283,224
Public safety	73,502,755	73,826,748
Environmental protection	2,504,903	2,229,539
Human services	74,304,852	75,195,871
Culture and recreation	16,535,727	15,982,237
Community and economic development	2,936,334	2,784,021
Education	134,732,270	144,359,143
Interest on long-term debt	18,129,062	19,259,551
Total expenses	359,750,513	374,920,334
Increase in net position	35,447,122	16,274,039
Net position, July 1 as previously reported	(207,618,853)	(223,892,892)
Restatement	(10,897,083)	--
Net position, July 1 as restated	(218,515,936)	(223,892,892)
Net position, June 30	\$ (183,068,814)	\$ (207,618,853)

As noted above, the balance of assets available to meet the government's ongoing obligations is obscured by debt issued to finance capital assets that are not reported as assets of the County. In spite of the deficit reported in governmental activities, the County's financial position is strong as evidenced by the following:

- Program and general revenues increased \$4.0 million from the prior year.
- Management diligence in cost control resulted in total program expenses, excluding debt-funded education expenses, decreasing by \$4.7 million.
- Education expenses of \$12.1 million represent debt-funded outlays for which the resulting capital assets are not reported as assets of the County; however, liability for the applicable debt is reported on the County's Statement of Net Position.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, Forsyth County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. For the fiscal year ended June 30, 2015, the County's four major funds were the General Fund, and three capital projects funds, the 2009 Educational Facilities Fund, the 2009 Phillips Building Phases IA and IB fund and the 2011 Library Bond fund.

Governmental Funds. The focus of Forsyth County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Forsyth County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the primary operating fund of the County. At the end of the current fiscal year, the fund balance in the General Fund was \$145.5 million, an increase of \$3.0 million, with \$116.1 million available for appropriation and \$58.0 million considered unassigned. To meet the cash flow needs of the County and to provide for unforeseen needs or opportunities, the governing body of Forsyth County has determined that the County should maintain a minimum available fund balance (net of committed fund balance) of 14% of its subsequent year's general fund expenditures. The County exceeded this policy target ending the 2015 fiscal year with an available fund balance, net of committed fund balance, of \$85.7 million, 20.7% of its 2016 budget. \$9.5

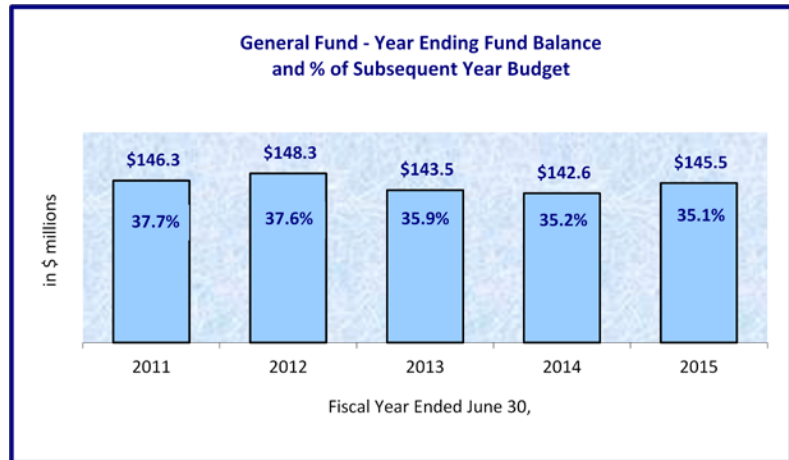
million of fund balance was appropriated to balance the fiscal 2016 budget leaving 18.4% available fund balance of which 14% was set aside in accordance with the County's fund balance policy. \$2.1 million was assigned for fiscal 2016 capital maintenance projects.

Key factors that resulted in the \$3.0 million increase in the General Fund fund balance include:

- Continued diligence in the collection of property taxes which resulted in a 99.0% collection percentage.
- Total actual revenues were less than budgeted revenue estimates by \$358,000. Property tax collections exceeded budget expectation by \$3.0 million which partially offset the under-realization of other governmental revenues. Intergovernmental revenues were \$1.6 million under-budget primarily due to under spending which resulted in reduced reimbursement for human services grants. Charges for services and Other Revenues were also under budget by \$1.1 million and \$1.2 million, respectively.
- Expenditure appropriations were under-spent by \$25.7 million. Significant under-expenditures occurred in public safety (\$4.6 million), human services (\$9.7 million), culture and recreation (\$1.4 million), general government (\$6.0 million), and debt service (\$3.6 million). In public safety, outlays for the sheriff's department and emergency services were \$2.4 million and \$1.5 million under-budget, respectively. In human services, savings were in public health (\$4.7 million) and social services (\$4.9 million). The Parks and Recreation Department and the libraries were \$647,000 and \$742,000 under budget, respectively. Tax Administration is \$2.8 million under budget as a result of delayed completion in implementing the County's new tax collection system.
- General fund revenues exceeded expenditures by \$3.6 million. Transfers out of the General Fund totaling \$8.5 million included: \$1.7 million for schools capital maintenance projects, \$1.5 million for emergency and fleet vehicle purchases, \$3.6 million to establish the 2014 FTCC Carolina Building Renovation fund, and \$1.7 million to fund the design of anticipated school construction projects.
- Transfers to the General Fund totaling \$7.4 million included: lottery proceeds (\$3.6 million), \$1.7 million for schools capital maintenance projects, and \$1.7 million from the Fire Tax Districts Funds to support county-wide fire suppression services.

In accordance with the County's fund balance policies, the following designations of fund balance have been made:

- The unspent balance of proceeds from 4.51 cents on the ad valorem tax rate and interest earned thereon totaled \$28.2 million and has been committed for the retirement of education debt authorized in the November 2006 and 2008 referendums. This commitment is a key component of the Education Debt Leveling Plan.
- The unspent balance of the Dell incentives reimbursement totaled \$869,000 and has been committed for economic development activities.
- The amount by which available fund balance net of committed fund balance and fund balance appropriated for fiscal year 2016 budget exceeds 14% of the subsequent year's budgeted expenditures totaled \$18.2 million of which \$13.4 million has been



assigned for special management projects, \$2.7 million assigned for library debt leveling plan, and \$2.1 million assigned for capital maintenance projects in the subsequent year.

As of the end of the fiscal year, the County's governmental funds reported combined fund balances of \$214.6 million, an increase of \$42.5 million from the prior year. This increase is primarily the result of increases in capital project funds including: the \$35.2 million increase in fund balance in the 2011 Library Bond fund, and an increase in aggregate nonmajor fund balances (\$10.1 million). Approximately 42.9%, or \$92.0 million of total combined fund balance, is restricted or non-spendable. \$53.9 million of this restricted total is restricted for debt funded capital expenditures. \$37.7 million is committed for future debt service, economic development projects, or capital projects. \$27.7 million is assigned for subsequent fiscal year 2016 expenditures and capital maintenance projects. The remainder of the fund balance is unassigned.

General Fund Budgetary Highlights.

During the fiscal year, the County revised the budget on several occasions. 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 or initiate new programs where timing is critical.

Amendments to the General Fund budget totaled \$5.2 million. Unanticipated state and federal grants totaling \$1.2 million were appropriated for public health and social services. Appropriations of \$3.7 million were made from fund balance, including \$1.7 million for school design costs and \$1.6 million for encumbrances re-appropriated from fiscal year 2014.

Although \$21.3 million of fund balance was appropriated in the final budget, as discussed above, the net change in fund balance for the year was an increase of \$3.0 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. Forsyth County's investment in capital assets for its governmental activities as of June 30, 2015, totals \$162.9 million (net of accumulated depreciation), a \$1.3 million decrease from the prior year. These assets include land, buildings, construction-in-progress, park facilities, equipment, vehicles and software.

Forsyth County's Capital Assets (net of depreciation)		
	Governmental Activities	
	2015	2014
Land	\$ 13,315,718	\$ 12,347,256
Art collections	517,907	517,907
Construction-in-progress	1,543,829	640,308
Buildings	127,267,477	131,017,064
Improvements other than buildings	10,758,678	10,373,938
Equipment	5,012,670	5,441,665
Vehicles	3,608,090	3,420,916
Software	881,040	465,935
Total Capital Assets	<u>\$ 162,905,409</u>	<u>\$ 164,224,989</u>

Major capital asset transactions during the year include:

- Library projects totaling \$1.5 million.
- Triad Park development totaling \$1.8 million.

Additional information on the County's capital assets can be found in Note 4e on page 37 of the Basic Financial Statements.

Long-term Debt. At June 30, 2015, Forsyth County had total bonded debt outstanding of \$455 million, all of which is backed by the full faith and credit of the County. Other long-term debt represents obligations secured solely by specified property. The County's total liability for bonded debt, certificates of participation, limited obligation bonds and other installment financing agreements was \$522.2 million, an increase of \$526,000. New debt included \$13.6 million in general obligation bonds to fund capital maintenance projects in county, school and community college facilities and \$34.0 million for the renovation and construction of new library facilities. The County also issued \$72.2 million general obligation refunding bonds during the year which produced an economic gain of \$7.8 million over the next 14 years.

At June 30, 2015 and 2014, the County's bonded and non-bonded debt consisted of:

Forsyth County's Outstanding Debt		
	Governmental Activities	
	2015	2014
General obligation bonds	\$ 455,005,000	\$ 447,935,000
Certificates of Participation and Limited Obligation Bonds	58,815,000	64,075,000
Installment purchase obligations	8,335,996	9,620,166
Total Outstanding Debt	\$ 522,155,996	\$ 521,630,166

As mentioned in the financial highlights section of this document, Forsyth County maintained for the 20th consecutive year its Aaa bond rating from Moody's Investors Service and AAA rating from Standard and Poor's Corporation and Fitch Ratings. This bond rating is a clear indication of the sound financial condition of Forsyth County. Forsyth County is one of the few counties in the country that maintains the highest financial rating from all three major rating agencies. This achievement is a primary factor in keeping interest costs on the County's outstanding debt low.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The current debt limitation for Forsyth County is \$2.58 billion. The County's total bonded debt is 1.53% of assessed valuation, well below the 8% of assessed valuation legal debt limit.

Additional information regarding Forsyth County's long-term debt can be found in Note 4i on pages 39 - 43 of the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S GENERAL FUND BUDGET AND RATES

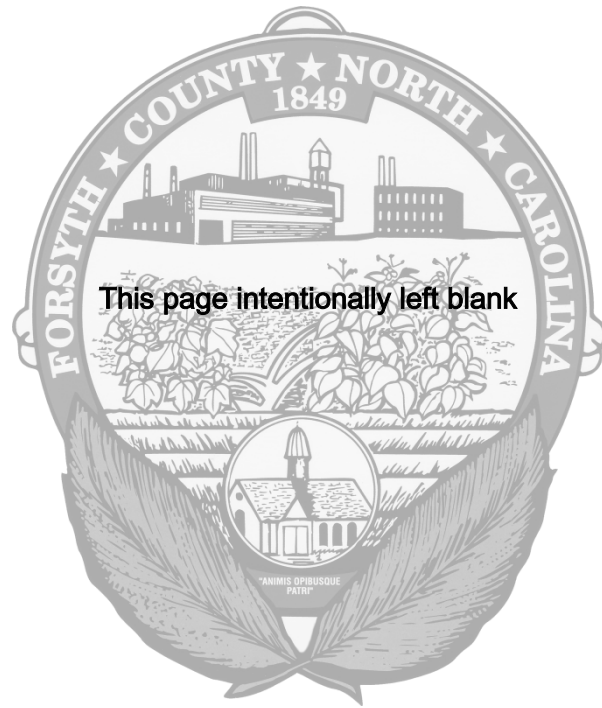
The County has adopted a General Fund budget for the fiscal year ending June 30, 2016 in the amount of \$414.6 million, an increase of \$4.2 million or 1.0% from the final 2015 budget of \$410.4 million. The property tax rate of \$0.7310 per hundred dollars assessed value is \$.0142 higher than the prior year rate. \$16.3 million of the County's \$116.1 million available fund balance was appropriated, of which \$2.0 million was for the reappropriation of prior year encumbrances and \$5.1 million was from the Education Debt Leveling Plan. Fund balance available net of committed fund balance and fund balance appropriated for fiscal year 2016 budget remains 16.7% of 2016 budgeted expenditures.

Significant factors considered in the preparation of the fiscal year 2016 County budget include:

- The County strives 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.
- Continued sales tax growth expected to produce \$1.5 million, or 2.7% in additional revenue.
- Reduced lottery proceeds will continue to cause acceleration in the use of funds from the Education Debt Leveling Plan to cover education related debt costs.

REQUESTS FOR INFORMATION

This report is designed to provide an overview of Forsyth County's finances for those with an interest in this area. Additional information can be found on the County's website at www.co.forsyth.nc.us. Questions concerning any of the information found in this report or requests for additional information should be directed to the Chief Financial Officer, Forsyth County Government Center, 201 N. Chestnut Street, Winston-Salem, NC 27101- 4120, or by calling (336) 703-2050.



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Basic Financial Statements

FORSYTH COUNTY, NORTH CAROLINA
Statement of Net Position
June 30, 2015

Exhibit 1

	Governmental Activities
ASSETS	
Cash and cash equivalents / investments	\$ 147,345,008
Investments - restricted	56,235,195
Taxes receivable (net)	3,333,587
Accounts receivable (net)	9,364,655
Accrued interest on investments	15,255
Due from other governments	24,625,310
Prepaid items	594,459
Net pension asset	9,095,296
Capital assets:	
Land, collections, and construction-in-progress	15,377,454
Other capital assets, net of depreciation	147,527,955
Total capital assets	<u>162,905,409</u>
Total assets	<u>413,514,174</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related deferrals	5,920,474
Deferred charge on refunding	18,180,107
Total deferred outflows of resources	<u>24,100,581</u>
LIABILITIES	
Accounts payable and accrued liabilities	7,101,335
Unearned revenue	2,558,778
Accrued interest payable	5,376,782
Due to other governments	1,640,896
Long-term liabilities:	
Due within one year	48,028,012
Due in more than one year	535,578,056
Total liabilities	<u>600,283,859</u>
DEFERRED INFLOWS OF RESOURCES - pension related deferrals	<u>20,399,710</u>
NET POSITION	
Net investment in capital assets	80,960,647
Restricted for:	
Stabilization by state statute	32,901,716
Public safety	3,308,208
Human services	307,703
Community and economic development	219,295
Other purposes	1,275,534
Unrestricted deficit	(302,041,917)
Total net position	\$ <u><u>(183,068,814)</u></u>

The notes to the financial statements are an integral part of this statement.

FORSYTH COUNTY, NORTH CAROLINA
Statement of Activities
For the Fiscal Year Ended June 30, 2015

Exhibit 2

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental:				
General government	\$ 37,104,610	3,248,381	587,768	(33,268,461)
Public safety	73,502,755	17,605,671	5,225,898	(50,671,186)
Environmental protection	2,504,903	618,162	717,751	(1,168,990)
Human services	74,304,852	8,677,070	43,276,151	(22,351,631)
Culture and recreation	16,535,727	4,251,360	1,783,651	(10,500,716)
Community and economic development	2,936,334	91,515	422,464	(2,422,355)
Education	134,732,270	57,565	3,700,660	(130,974,045)
Interest on long-term debt	18,129,062	-	-	(18,129,062)
Total governmental activities	\$ <u>359,750,513</u>	<u>34,549,724</u>	<u>55,714,343</u>	<u>(269,486,446)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				237,494,550
Local option sales tax				59,852,643
Occupancy taxes, levied for economic development				673,224
Gross receipts tax				408,843
Excise stamp tax				1,702,744
Grants and contributions not restricted to specific programs				3,784,090
Investment earnings, unrestricted				487,307
Miscellaneous, unrestricted				530,167
Total general revenues				<u>304,933,568</u>
Change in net position				35,447,122
Net position - beginning, previously reported				(207,618,853)
Restatement				(10,897,083)
Net position - beginning, restated				(218,515,936)
Net position - ending				\$ <u>(183,068,814)</u>

The notes to the financial statements are an integral part of this statement.

FORSYTH COUNTY, NORTH CAROLINA

Exhibit 3

Balance Sheet

Governmental Funds

Page 1 of 2

June 30, 2015

	<u>Capital Projects Funds</u>					<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>2009 Phillips</u>		<u>2011 Library Bond</u>	<u>Nonmajor Governmental Funds</u>	
		<u>Educational Facilities</u>	<u>Building Phases 1A and 1B</u>			
ASSETS						
Cash and cash equivalents / investments	\$ 129,111,028	-	-	42,080	12,720,161	141,873,269
Investments - restricted	-	1,162,006	1,349,780	35,345,857	18,377,552	56,235,195
Receivables (net):						
Property taxes	2,718,330	-	-	-	72,618	2,790,948
Occupancy taxes	57,744	-	-	-	-	57,744
Other taxes	53,487	-	-	-	-	53,487
Accounts	9,363,298	-	-	-	-	9,363,298
Accrued interest	10,603	-	-	15	4,637	15,255
Due from other governments	23,019,811	-	1,820	351	1,603,251	24,625,233
Due from other funds	722,118	-	-	-	-	722,118
Prepaid items	122,250	-	-	-	-	122,250
Total assets	\$ 165,178,669	1,162,006	1,351,600	35,388,303	32,778,219	235,858,797
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 6,408,259	-	27,412	105,600	546,460	7,087,731
Due to other governments	1,640,896	-	-	-	-	1,640,896
Due to other funds	-	-	-	-	722,118	722,118
Unearned revenue	2,147,540	-	-	-	98,354	2,245,894
Total liabilities	10,196,695	-	27,412	105,600	1,366,932	11,696,639
Deferred Inflows of Resources:						
Unavailable taxes	2,718,330	-	-	-	72,618	2,790,948
Unavailable other revenue	6,723,589	-	-	-	-	6,723,589
Total deferred inflows of resources	9,441,919	-	-	-	72,618	9,514,537
Fund balances:						
Nonspendable - Prepaid items	122,250	-	-	-	-	122,250
Restricted for:						
Stabilization by state statute	29,351,644	-	371,835	920,732	2,257,505	32,901,716
Register of Deeds	1,191,448	-	-	-	-	1,191,448
Fire Protection	-	-	-	-	872,657	872,657
Law Enforcement	-	-	-	-	1,460,327	1,460,327
Emergency Telephone System	-	-	-	-	975,224	975,224
Human Service	-	-	-	-	307,703	307,703
Housing and Community Redevelopment	-	-	-	-	219,295	219,295
Capital projects	-	1,162,006	952,353	34,319,891	17,435,681	53,869,931
Other	84,086	-	-	-	-	84,086
Committed						
Education Debt Leveling Plan	28,209,960	-	-	-	-	28,209,960
Economic Development	868,745	-	-	-	-	868,745
Capital projects	-	-	-	42,080	8,557,139	8,599,219
Assigned						
Subsequent Year Budget	9,463,396	-	-	-	-	9,463,396
Library Debt Leveling Plan	2,730,500	-	-	-	-	2,730,500
Management Special Projects	13,379,140	-	-	-	-	13,379,140
Capital maintenance projects	2,100,000	-	-	-	-	2,100,000
Unassigned	58,038,886	-	-	-	(746,862)	57,292,024
Total fund balances	145,540,055	1,162,006	1,324,188	35,282,703	31,338,669	214,647,621
Total liabilities, deferred inflows of resources and fund balances	\$ 165,178,669	1,162,006	1,351,600	35,388,303	32,778,219	235,858,797

The notes to the financial statements are an integral part of this statement.

(continued)

FORSYTH COUNTY, NORTH CAROLINA

Exhibit 3

Balance Sheet

Governmental Funds

Page 2 of 2

June 30, 2015

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances - total governmental funds	\$ 214,647,621
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	162,905,409
Net pension asset.	9,095,296
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	5,912,426
Other long-term assets and deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	18,660,364
Earned revenue that is not available to pay current period expenditures is deferred in the funds.	9,945,945
Pension related deferrals.	(20,399,710)
An internal service fund is used by management to charge the costs of health and dental benefits to individual funds. Assets and liabilities of the internal service fund are included in governmental activities of the statement of net position.	2,901,718
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(586,737,883)
Net position of governmental activities	\$ <u><u>(183,068,814)</u></u>

The notes to the financial statements are an integral part of this statement.

FORSYTH COUNTY, NORTH CAROLINA

Exhibit 4

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2015

	<u>General Fund</u>	<u>Capital Projects Funds</u>			<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
		<u>2009 Educational Facilities</u>	<u>2009 Phillips Building Phases 1A and 1B</u>	<u>2011 Library Bond</u>		
Revenues:						
Property taxes	\$ 231,677,625	-	-	-	6,755,759	238,433,384
Occupancy taxes	673,224	-	-	-	-	673,224
Local option sales taxes	58,199,413	-	-	-	1,653,230	59,852,643
Other taxes	408,843	-	-	-	-	408,843
Licenses and permits	840,176	-	-	-	-	840,176
Intergovernmental	53,334,543	-	-	-	5,985,124	59,319,667
Charges for services	23,615,714	-	-	-	8,800	23,624,514
Investment earnings	439,885	492	261	5,463	56,137	502,238
Other	10,531,887	-	30	-	248,322	10,780,239
Total revenues	379,721,310	492	291	5,463	14,707,372	394,434,928
Expenditures:						
Current:						
General government	34,751,181	-	-	-	-	34,751,181
Public safety	63,717,496	-	-	-	7,698,185	71,415,681
Environmental protection	2,557,325	-	-	-	-	2,557,325
Human services	69,034,991	-	-	-	351	69,035,342
Culture and recreation	14,172,939	-	-	-	-	14,172,939
Community and economic development	2,549,413	-	-	-	385,914	2,935,327
Education	969,082	-	-	-	-	969,082
Intergovernmental:						
Human services	5,861,305	-	-	-	-	5,861,305
Education	121,589,257	5,663,272	-	-	6,460,629	133,713,158
Debt service:						
Principal retirement	39,050,432	-	-	-	-	39,050,432
Interest and other charges	21,874,613	-	-	130,036	51,823	22,056,472
Capital outlay	-	-	218,944	1,545,682	5,862,309	7,626,935
Total expenditures	376,128,034	5,663,272	218,944	1,675,718	20,459,211	404,145,179
Excess (deficiency) of revenues over expenditures	3,593,276	(5,662,780)	(218,653)	(1,670,255)	(5,751,839)	(9,710,251)
Other financing sources (uses):						
General obligation bond issuance	-	-	-	34,000,000	13,550,000	47,550,000
Premium on general obligation bonds	-	-	-	2,920,099	1,194,836	4,114,935
Refunding bond issuance	72,245,000	-	-	-	-	72,245,000
Premium on refunding bonds	18,145,244	-	-	-	-	18,145,244
Transfers in	7,366,295	-	-	-	8,810,537	16,176,832
Transfers out	(8,510,835)	-	-	-	(7,665,997)	(16,176,832)
Payment to refunded bond escrow agent	(89,882,337)	-	-	-	-	(89,882,337)
Total other financing sources (uses)	(636,633)	-	-	36,920,099	15,889,376	52,172,842
Net change in fund balances	2,956,643	(5,662,780)	(218,653)	35,249,844	10,137,537	42,462,591
Fund balance - June 30, 2014	142,583,412	6,824,786	1,542,841	32,859	21,201,132	172,185,030
Fund balance - June 30, 2015	\$ 145,540,055	1,162,006	1,324,188	35,282,703	31,338,669	214,647,621

The notes to the financial statements are an integral part of this statement.

(continued)

FORSYTH COUNTY, NORTH CAROLINA

Exhibit 4.1

**Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities**

For the Fiscal Year Ended June 30, 2015

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	42,462,591
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		(2,174,715)
Contributions to the pension plans in the current fiscal year are not included on the Statement of Activities		5,912,426
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		855,135
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(197,861)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(13,073,672)
Expenses in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds. Expenditures reported in the governmental funds for prepaid items using the purchases method are not reported as expenses in the statement of activities.		3,685,283
Internal service funds are used by management to charge the costs of health and dental benefits to individual funds. The profit or loss generated by the internal service fund is eliminated on the statement of activities.		(2,022,065)
Change in net position of governmental activities	\$	<u><u>35,447,122</u></u>

The notes to the financial statements are an integral part of this statement.

FORSYTH COUNTY, NORTH CAROLINA

Exhibit 5

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

General Fund

For the Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues:				
Property taxes	\$ 228,644,163	228,644,163	231,677,625	3,033,462
Occupancy taxes	560,000	560,000	673,224	113,224
Local option sales taxes	58,006,460	58,006,460	58,199,413	192,953
Other taxes	310,970	310,970	408,843	97,873
Total taxes	<u>287,521,593</u>	<u>287,521,593</u>	<u>290,959,105</u>	<u>3,437,512</u>
Licenses and permits	855,737	855,737	840,176	(15,561)
Intergovernmental	53,681,654	54,921,548	53,334,543	(1,587,005)
Charges for services	24,638,199	24,701,199	23,615,714	(1,085,485)
Investment earnings	355,400	355,400	439,885	84,485
Other	11,723,531	11,723,531	10,531,887	(1,191,644)
Total revenues	<u>378,776,114</u>	<u>380,079,008</u>	<u>379,721,310</u>	<u>(357,698)</u>
Expenditures:				
Current:				
General government	41,234,029	40,726,908	34,751,181	5,975,727
Public safety	66,680,052	68,281,007	63,717,496	4,563,511
Environmental protection	2,725,797	2,767,715	2,557,325	210,390
Human services	76,922,654	78,758,809	69,034,991	9,723,818
Culture and recreation	15,374,543	15,573,464	14,172,939	1,400,525
Community and economic development	2,605,871	2,635,866	2,549,413	86,453
Education	737,113	800,310	969,082	(168,772)
Intergovernmental:				
Human services	6,148,706	6,148,706	5,861,305	287,401
Education	121,518,261	121,590,257	121,589,257	1,000
Debt service:				
Principal retirement	40,840,433	40,840,433	39,050,432	1,790,001
Interest and other charges	23,490,075	23,712,959	21,874,613	1,838,346
Total expenditures	<u>398,277,534</u>	<u>401,836,434</u>	<u>376,128,034</u>	<u>25,708,400</u>
Excess (deficiency) of revenues over expenditures	<u>(19,501,420)</u>	<u>(21,757,426)</u>	<u>3,593,276</u>	<u>25,350,702</u>
Other financing sources (uses):				
Refunding bonds issued	-	222,884	72,245,000	72,022,116
Premium on refunding bonds	-	-	18,145,244	18,145,244
Transfers in	8,741,319	8,741,319	7,366,295	(1,375,024)
Transfers out	(6,829,835)	(8,510,835)	(8,510,835)	-
Payment to refunded bond escrow agent	-	-	(89,882,337)	(89,882,337)
Total other financing sources (uses)	<u>1,911,484</u>	<u>453,368</u>	<u>(636,633)</u>	<u>(1,090,001)</u>
Net change in fund balance	<u>\$ (17,589,936)</u>	<u>(21,304,058)</u>	<u>2,956,643</u>	<u>24,260,701</u>
Fund balance - June 30, 2014			142,583,412	
Fund balance - June 30, 2015			<u>\$ 145,540,055</u>	

The notes to the financial statements are an integral part of this statement.

FORSYTH COUNTY, NORTH CAROLINA
Statement of Net Position
Proprietary Fund - Internal Service Fund
June 30, 2015

Exhibit 6

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents / investments	\$ 5,471,739
Accrued interest	1,357
Due from other governments	77
Total assets	<u>5,473,173</u>
LIABILITIES	
Current liabilities:	
Accounts payable	13,604
Claims liability	2,244,967
Unearned revenue	312,884
Total liabilities	<u>2,571,455</u>
NET POSITION	
Unrestricted	\$ <u><u>2,901,718</u></u>

The notes to the financial statements are an integral part of this statement.

FORSYTH COUNTY, NORTH CAROLINA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund - Internal Service Fund
For the Fiscal Year Ended June 30, 2015

Exhibit 7

	Governmental Activities
Operating revenues:	
Charges for services	\$ 23,496,931
Total operating revenues	<u>23,496,931</u>
Operating expenses:	
Professional services	2,784,066
Claims	22,750,372
Other	6,305
Total operating expenses	<u>25,540,743</u>
Operating loss	(2,043,812)
Nonoperating revenues:	
Interest earnings	<u>21,747</u>
Change in net position	(2,022,065)
Net position at beginning of year	<u>4,923,783</u>
Net position at end of year	\$ <u><u>2,901,718</u></u>

The notes to the financial statements are an integral part of this statement.

FORSYTH COUNTY, NORTH CAROLINA**Exhibit 8****Statement of Cash Flows****Proprietary Fund - Internal Service Fund**

For the Fiscal Year Ended June 30, 2015

	Governmental Activities
Cash flows from operating activities:	
Cash received from user departments and participants	\$ 23,548,248
Cash paid to suppliers, participants and others	<u>(25,740,488)</u>
Net cash used by operating activities	<u>(2,192,240)</u>
Cash flows from investing activities:	
Interest and dividends on investments	<u>21,607</u>
Net decrease in cash and cash equivalents	(2,170,633)
Cash/cash equivalents / investments at beginning of year	<u>7,642,372</u>
Cash/cash equivalents / investments at end of year	<u>\$ 5,471,739</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating loss	\$ <u>(2,043,812)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Decrease in accounts receivable	4,961
Decrease in due from other governments	9
Decrease in accounts payable	(59,160)
Decrease in claims payable	(128,298)
Increase in unearned revenue	<u>34,060</u>
Total adjustments	<u>(148,428)</u>
Net cash used by operating activities	<u>\$ (2,192,240)</u>

The notes to the financial statements are an integral part of this statement.

FORSYTH COUNTY, NORTH CAROLINA

Exhibit 9

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2015

	Pension / Other Post-employment Benefit <u>Trust Funds</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents / investments	\$ 532,218	525,992
Cash and investments held by fiscal agent:		
Cash and equivalents	1,873	-
Short-Term OPEB Fund	3,988,123	-
Long-Term OPEB Fund	1,623,412	-
OPEB Equity Funds	10,853,494	-
Receivables:		
Property taxes	-	4,208,258
Accrued interest	152	36
Total assets	<u>16,999,272</u>	<u>4,734,286</u>
LIABILITIES		
Due to other governments	598	4,620,898
Other liabilities	-	113,388
Total liabilities	<u>598</u>	<u>4,734,286</u>
NET POSITION		
Held in trust for pension/other post-employment benefits	\$ <u>16,998,674</u>	<u>-</u>

The notes to the financial statements are an integral part of this statement.

FORSYTH COUNTY, NORTH CAROLINA
Statement of Changes in Fiduciary Net Position

Exhibit 10

Fiduciary Funds

For the Fiscal Year Ended June 30, 2015

	Pension / Other Post-employment Benefit <u>Trust Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 4,876,695
Plan members	<u>357,540</u>
Total contributions	5,234,235
Net investment income	<u>715,810</u>
Total additions	5,950,045
DEDUCTIONS	
Benefits	<u>3,507,334</u>
Change in net position	2,442,711
Net position, beginning	<u>14,555,963</u>
Net position, ending	<u><u>\$ 16,998,674</u></u>

The notes to the financial statements are an integral part of this statement.

Notes to the Financial Statements

Forsyth County, North Carolina
June 30, 2015

1. Summary of Significant Accounting Policies

The accounting policies of Forsyth County conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

1a. Reporting Entity

Forsyth County (the "County") was created by an act of the General Assembly of North Carolina in 1849. The County operates under a commission-manager form of government with seven commissioners comprising the governing body. The County is divided into two districts for election purposes, and commissioners are elected on a staggered basis for terms of four years: two from one district; four from the second district; and one at large. The County Manager is appointed by and serves at the pleasure of the Board of Commissioners. The County provides the following services to its citizens: public safety, environmental protection, human services, culture and recreation programs, community and economic development, and education. Mental health programs are provided in part through the County's contribution to CenterPoint Human Services. Elementary and secondary education and professional, technical and vocational training beyond the secondary level are provided by other governmental agencies.

The Forsyth County Industrial Facilities and Pollution Control Financing Authority exists to issue and service revenue bond debt of private businesses for economic development purposes. The seven-member governing board of the Authority is appointed by the County Commissioners. The County can remove any member of the Authority's board with or without cause. The Authority is considered to be a component unit of the County; however, it has no financial transactions or account balances, and, therefore, it is not presented in the government-wide financial statements. The Authority does not issue separate financial statements.

1b. Basis of Presentation, Basis of Accounting

Basis of Presentation *Government-wide Statements:* The statement of net position and the statement of activities report information on all of the non-fiduciary activities of the County. Eliminations have been made to minimize the double-counting of internal activities. These statements present the governmental activities of the County, which encompass all the financial activities of the County, except for fiduciary activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of the fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. The proprietary fund, Employee Health Benefits internal service fund, is reported individually for that fund type.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, result from nonexchange transactions. Other non-operating items such as investment earnings are ancillary activities.

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

2009 Educational Facilities Fund. This fund accounts for the acquisition by the community college of existing facilities from the schools and the renovation and equipping of those facilities for community college purposes; and the acquisition, construction, renovation, and furnishing of replacement facilities by the schools to be used for public school educational and administrative purposes. Proceeds of general obligation bonds authorized by a 2008 referendum fund these projects.

2009 Phillips Building (Phase 1A and 1B) Fund. This fund accounts for the acquisition and renovation of an existing building adjacent to the Law Enforcement Detention Center known as the Phillips Building for sheriff administrative offices. Proceeds of limited obligation bonds fund this project.

2011 Library Fund. This fund accounts for the planning, design and construction of library facilities.

Additionally, the County reports the following fund types:

Proprietary - Internal Service Fund. The Employee Health Benefits Fund accounts for risk retention services for health and dental benefits provided to departments of the County on a cost reimbursement basis.

Fiduciary - Pension/Other Post-employment Benefit Trust Funds. The pension trust fund accounts for the activities of the Law Enforcement Officers' Special Separation Allowance Fund, which accumulates resources for pension benefit payments to qualified public safety employees. The resources in the Law Enforcement Officers' Special Separation Allowance Fund have been set aside to pay future obligations of the law enforcement officers' special separation allowance, but are not held in a trust that meets the criteria outlined in Governmental Accounting Standards Board Statement 68, paragraph 4. The other post employment benefit trust fund accounts for the activities of the Healthcare Plan Fund, which accumulates resources to pay other post employment benefits for qualified retired County employees.

Fiduciary - Agency Funds. Agency funds are custodial in nature and do not involve the measurement of operating results. These funds account for assets held by the County on behalf of others. The County maintains the following agency funds: the Protective Payee Fund, which accounts for monies held by the County on behalf of specific clients of Social Services; the Fines and Forfeitures Fund, which accounts for legal fines and forfeitures that the County is required to remit to the Winston-Salem/Forsyth County Schools; and the Tax Agency Fund, which accounts for property taxes and occupancy taxes collected on behalf of the County and other governments.

Measurement Focus, Basis of Accounting In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and pension and other post-employment benefit trust funds financial statements are reported using the economic resources measurement focus. The government-wide, proprietary and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided, operating grants and contributions, and capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County internal service fund are charges for health and dental premiums. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within ninety days after year-end, except for property taxes. Property taxes are not recognized as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance operations of the current year. Property taxes receivable are recorded net of an allowance for estimated uncollectible delinquent taxes, with the net receivable recorded as deferred inflows of resources until collected. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting

the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services, other than those that are invoiced, are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues. Additionally, when both restricted and unrestricted non-grant resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

1c. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and for four special revenue funds: the Fire Tax Districts Fund, Law Enforcement Equitable Distribution Fund, Emergency Telephone System Fund, and Moser Bequest for Care of Elderly Fund. All annual appropriations lapse at fiscal year end. The State Public School Building Capital Fund, the 2012, 2013, 2014 and 2015 Housing Funds, and the 2011 and 2013 Justice Assistance Funds, which are special revenue funds, and all capital projects funds are budgeted under project ordinances. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for the General Fund, except for Nondepartmental and intergovernmental education expenditures. Certain Nondepartmental appropriations are not expended until they are transferred to a specific department, so they are set apart from other Nondepartmental appropriations. Budgetary control for intergovernmental education expenditures is for current expense and capital outlay for each entity. The legal level of control varies for annually budgeted special revenue funds. Appropriations in the Fire Tax Districts Fund are controlled at the fire tax district level. The Law Enforcement Equitable Distribution Fund is controlled by an appropriation for a transfer to the General Fund. The Emergency Telephone System Fund and the Moser Bequest for Care of Elderly Fund have legal appropriation control at the program level. Amendments are required for revisions to appropriations at the legal level of control in annually budgeted funds, and these amendments may be approved by the County Manager and reported to the Board of Commissioners as long as they do not alter total expenditures of the fund. Amendments that alter total expenditures of any fund must be approved by the Board of Commissioners. During the year, Board amendments to the original budget totaling \$5.2 million included several for unanticipated intergovernmental funding that totaled \$1.2 million and appropriations of fund balance totaling \$3.7 million. Appropriations of fund balance included \$405,000 for public safety, \$1.7 million for school design costs, and \$1.6 million for prior year encumbrances. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers the period until the annual ordinance can be adopted.

1d. Assets, Liabilities, Deferred Inflows and Outflows, and Fund Equity

Deposits and Investments All deposits of the County are made in board-designated official depositories and are secured as required by North Carolina General Statutes. State statutes authorize the County to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term portfolio securities are valued at fair value. Money market investments and investments that have a remaining maturity at the time of purchase of one year or less are reported at cost or amortized cost. The County's investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices.

As permitted under State law, from time to time the County invests in securities which are callable and which provide for periodic interest rate increases. These investments are stated at fair value in the County's financial statements.

General Statute 159-30.1 allows the County to establish an Other Postemployment Benefit (OPEB) Trust under the management of the State Treasurer and G.S. 159-30(g) allows the County to make contributions to the Fund. The Fund is not registered with the Securities and Exchange Commission. The State Treasurer in her discretion may invest the proceeds in equities of certain publicly held companies and long or short term fixed income investments as detailed in G.S. 147-69.2(1-6) and (8). Funds

submitted are managed in three different sub-funds, the State Treasurer’s Short Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by G.S. 147-69.1, the long-term investment fund (LTIF) consisting of investment grade corporate securities, treasuries, and agencies, and various BlackRock Alpha Tilts Funds authorized under G.S. 147-69.2(8). Neither the STIF nor the LTIF is registered with the Securities and Exchange Commission. The STIF securities are reported at cost. The LTIF securities are reported at fair value. Both the STIF and LTIF maintain a constant \$1 per share value. The reported value of the OPEB Trust’s position in the STIF and LTIF is the same as the fair value of the pool shares. Under the authority of G.S. 147.69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund. The BlackRock Alpha Tilts funds are valued at fair value.

Cash and Cash Equivalents The County pools moneys from all funds, except the Other Post-employment Benefit Trust Fund, to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

Restricted Investments The unexpended bond proceeds of the County are classified as restricted investments because their use is completely restricted to the purpose for which the bonds were originally issued.

Receivables and Payables The County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year, in accordance with State law. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2013.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Historical collection experience is used to estimate the trade accounts receivable allowance. The allowance for uncollectible property taxes is estimated using the average collection rate for the last three years on back year taxes.

Outstanding balances between funds at fiscal year end result from use of pooled funds for cash flow purposes by capital projects funds or grant special revenue funds that will be reimbursed in the short-term by drawdowns from cash held by fiscal agent or grantors, respectively; or from year-end accruals of reimbursements due to the General Fund from special revenue funds. These balances are reported as “due to/from other funds.”

Prepaid Items Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These outlays are accounted for using the consumption method. The prepaid pension obligation is reported in the government-wide financial statements.

Capital Assets Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements; the County has no infrastructure, acquired before or after implementation of GASB Statement No. 34, to report. Capital assets as defined by the County are buildings and improvements other than buildings with an initial, individual cost of \$20,000 or more, and all other assets, except licensed software, with an initial, individual cost of \$5,000 or more and an estimated useful life of three years or more. Licensed software is capitalized when its initial cost is greater than \$10,000 and its annual maintenance fee is significantly less than the initial cost. Internally developed software is capitalized when development cost exceeds \$100,000 and expected useful life is 3 years or greater. Assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives, in years:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	20 - 40
Improvements other than buildings	20
Equipment	3 - 10
Computer software	3 - 6

Deferred outflows and inflows of resources In addition to assets, the statement of financial position reports a separate section for deferred outflow of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion - a charge on refunding, pension related deferrals, and contributions made to the pension plans in the current fiscal year. In addition to liabilities, the statement of financial position also reports a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has one item that meets the criterion for this category - other pension related deferrals.

Long-term Obligations In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized in the current period.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences The County permits its employees to accumulate a limited amount of vacation leave, holiday leave and compensatory time which, if not used, will be paid upon termination of service at the rates of pay then in effect. All vacation, holiday and compensatory pay, including salary-related payments that are directly connected with this leave pay, are accrued when incurred in the government-wide financial statements.

The County allows unlimited accumulation of sick leave. Employees do not receive any payment for unused sick time upon separation or retirement. However, employees eligible for retirement benefits may use their unused sick leave in the determination of length of service for retirement benefit purposes. Since the County has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Net Position Net position in the government-wide and proprietary fund financial statements are classified as follows:

Net investment in capital assets. This category of net position quantifies the County's investment in capital assets, net of related debt.

Restricted. Restricted net position represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute. Restrictions on net position are as follows:

Restricted for Stabilization by State Statute. This portion of net position represents the net position restricted under State law [G.S. 159-8(a)].

Restricted for Public Safety. This portion of net position represents the aggregate of net position for three special revenue funds: the Fire Tax Districts Fund; the Law Enforcement Equitable Distribution Fund; and the Emergency Telephone System Fund.

Restricted for Human Services. This portion of net position represents net position of the Moser Bequest for Care of the Elderly.

Restricted for Community and Economic Development. This portion of net position represents net position of the 2014 and 2015 Housing special revenue funds.

Restricted for Other Purposes. This portion of net position is restricted for Register of Deeds, conservation of natural resources activities, and special children's adoption purposes.

Unrestricted. The difference in total net position and the two categories above, net investment in capital assets and restricted net position, is unrestricted net position.

Fund Balance In the fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nonspendable. This classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Prepaid items – This portion of fund balance is not an available resource because it represents the year-end balance of prepaid items, which are not spendable resources.

Restricted. This classification includes revenue sources that are statutorily restricted for specific purposes, or restricted for specific purposes by grantors or creditors.

Restricted for Stabilization by State Statute. This portion of fund balance is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of receivable balances that are not offset by deferred inflows and encumbrances related to purchase orders and contracts outstanding at year end that will be honored by the County in the next fiscal year.

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

Restricted for Capital Projects. This portion of fund balance is restricted by revenue source for capital expenditures.

Restricted for Other. This portion of fund balance is restricted by revenue source for soil and water conservation activities and special children's adoption purposes.

Restricted for Fire Protection. This portion of fund balance is restricted by revenue source for fire protection expenditures.

Restricted for Law Enforcement. This portion of fund balance is restricted by revenue source for law enforcement purposes.

Restricted for Emergency Telephone System. This portion of fund balance is restricted by revenue source for certain emergency telephone system expenditures.

Restricted for Human Services. This portion of fund balance is restricted by revenue source for mental health, social services and public health purposes.

Restricted for Housing and Community Redevelopment. This portion of fund balance is restricted by revenue source for housing rehabilitation and home buyer related purposes.

Committed. This classification includes amounts that can only be used for specific purposes imposed by majority vote of the governing board. Any changes or removal of specific purposes requires majority action by the governing body.

Committed for Education Debt Leveling Plan. In the General Fund, unspent revenue generated by 4.51 cents of the ad valorem tax rate and interest on the unspent portions thereof is committed for retirement of general obligation education debt authorized by the November 2006 and 2008 referendums.

Committed for Economic Development. In the General Fund, unspent revenue generated by the repayment of economic development incentives by Dell Corporation is committed for future economic development purposes.

Committed for Capital Projects. This portion of fund balance is committed by action of the governing board for certain school and County capital expenditures.

Assigned. The portion of fund balance that the governing board, with or without formal action, has assigned for specific management purposes. The governing board may delegate to the County Manager or Chief Financial Officer the authority to assign a portion of fund balance to promote sound financial operations of the County or to meet a future obligation. Assignment calculations may be made after the end of the fiscal year during the process of preparation of the financial statements.

Assigned for Subsequent Year Budget. This represents the portion of fund balance appropriated in the adopted 2015-2016 Budget Ordinance that is not already classified in restricted or committed.

Assigned for Library Debt Leveling Plan. This represents funds set aside for retirement of general obligation library debt authorized by the November 2010 referendum.

Assigned for Management Special Projects. In the General Fund, unassigned fund balance in excess of 14% of the subsequent year's budget, net of \$2.1 million assigned for capital maintenance projects, is assigned for management special projects in the subsequent year.

Assigned for Capital Maintenance Projects. In the General Fund, unassigned fund balance in excess of 14% of the subsequent year's budget is assigned for management special projects and capital maintenance in the subsequent year. Of the total assigned, the first \$2.1 million is assigned for capital maintenance, and the remainder is assigned for management special projects.

Unassigned. This portion of fund balance is the residual classification for amounts not restricted, committed, or assigned to specific purposes within the General Fund. In governmental funds other than the General Fund, it includes any residual negative balances which may not be classified as restricted or committed in those funds.

The County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following order: debt proceeds, federal funds, State funds, local non-County funds, and County funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the County.

The County has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that available fund balance is at least equal to or greater than 14% of budgeted expenditures. Any portion of the General Fund balance in excess of 14% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the County in a future budget.

Defined Benefit Pension Plans The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State: the Local Governmental Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "state-administered defined benefit pension plans"). For purposes of

measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

2. Reconciliation of Government-wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. The net adjustment of \$(397,716,435) consists of several elements detailed in the following table.

Description	Detail	Net Adjustment
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds. Total capital assets on the government-wide statement of net position comprise this adjustment.		\$ 162,905,409
Pension assets resulting from contributions in excess of the annual required contribution, prepaid expenses, and deferred outflows of resources are not financial resources and therefore are not reported in the funds.		
Net pension assets	9,095,296	
Pension contributions, current year	5,912,426	
Pension related deferred outflows	8,048	
Prepays	472,209	
Unamortized bond refunding charges	18,180,107	33,668,086
Some of the County's revenue will be collected after year-end, but is not available soon enough to pay for the current period's expenditures, so it is reported as deferred revenue in the funds.		
Property taxes and accrued interest on property taxes	3,222,356	
Other revenue	1,527,966	
Interest earnings	12,050	
Fees and miscellaneous	5,183,273	9,945,645
Deferred inflows of resources reported in the government-wide statements, but not the fund statements – pension related deferrals		(20,399,710)
An internal service fund is used by management to charge the costs of health and dental benefits to individual funds. The assets and liabilities of the Employee Health Benefits Fund are included in governmental activities in the statement of net position.		
Cash and cash equivalents	5,471,739	
Accounts receivable and amounts due from other governments	1,434	
Accounts payable	(13,604)	
Claims and judgments – health and dental	(2,244,967)	
Unearned revenue	(312,884)	2,901,718
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period. Thus, they do not require current resources to pay and, accordingly, are not reported in the fund statements.		
Accrued interest payable	(5,376,782)	
Bonds, installment purchases, limited obligation bonds and certificates of participation	(522,155,996)	
Compensated absences	(7,399,165)	
Claims and judgments – excluding health and dental	(1,298,462)	
Net OPEB obligation	(10,475,126)	
Unamortized issuance premiums	(40,032,352)	(586,737,883)
Total adjustment		\$ (397,716,435)

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. Additional detail on the elements that comprise the total adjustment of \$(7,015,469) is given in the table that follows.

Description	Detail	Net Adjustment
Capital outlay expenditures are recorded in the fund statements but are capitalized as assets in the statement of activities.	\$ 7,207,923	
Depreciation expense, the allocation of capital assets over their useful lives, is recorded on the statement of activities but not in the fund statements.	(9,382,638)	\$ (2,174,715)
Pension plan contributions in the current fiscal year are recorded as expenditures in the fund statements but are not included in the statement of activities.		5,912,426
The statement of activities reports <i>gains</i> and <i>losses</i> arising from the trade-in, sale, or disposal of existing capital assets. Conversely, governmental funds do not report any gain or loss on such transactions, but report the sale proceeds. The change in net position differs from the change in fund balance by the net cost of capital assets sold and donated assets received.		855,135
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Reverse deferred inflows recorded at July 1, 2014:		
Property taxes and accrued interest on property taxes	(4,161,190)	
Intergovernmental	(32,551)	
Interest earnings	(7,965)	
Fees and miscellaneous	(3,707,635)	
Other revenue	(2,234,465)	
Record deferred inflows in the fund statements at June 30, 2015:		
Property taxes and accrued interest on property taxes	3,222,356	
Other revenue	1,527,966	
Interest earnings	12,050	
Fees and miscellaneous	5,183,573	(197,861)
On the fund statements, new debt issued during the year is recorded as a source of funds, and principal payments on debt are recorded as a use of funds. Neither transaction affects the statement of activities.		
New debt issued	(52,172,842)	
Principal payments on debt	39,099,170	(13,073,672)
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.		
Compensated absences	(38,735)	
Reductions in claims and judgments – excluding health and dental	113,860	
Prepaid pension benefit obligation	(11,184)	
Net OPEB obligation	118,111	
Pension expense	(399,283)	
Accrued interest	1,078,866	
Prepays	(24,896)	
Amortized charge on refundings	(2,453,475)	
Amortized debt premiums	5,302,019	3,685,283
Internal service fund profit or loss generated by customers within the primary government is eliminated from the statement of activities.		(2,022,065)
Total adjustments		\$ (7,015,469)

3. Stewardship, Compliance, and Accountability

Excess of Expenditures over Appropriations

The following budget variances are not in compliance with legal budgetary control. Expenditures for North Carolina cooperative extension service exceeded budget by \$171,456. Unanticipated employer health and dental costs for send-in employees exceeded budget estimates. Such unanticipated expenditures are not expected in the future. Appropriations in the Fire Tax Districts Funds are by fire tax district. The transfer to the General Fund from each fire tax district equals the actual amount of sales tax proceeds realized by the district for the fiscal year. Transfers which exceeded the amount appropriated were a result of actual sales tax revenue exceeding projections. Repayment to grantor from the 2011 Justice Assistance fund and transfers of residual fund equity from the 2010 and 2012 Forsyth Technical Community College Capital Maintenance funds exceeded appropriation in those funds. All three funds were closed during the fiscal year.

4. Detailed Notes on All Funds

4a. Deposits

In accordance with the County’s investment policy, all the deposits of the County are either insured or collateralized by using the pooling method. Under the pooling method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer’s agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County’s agent in the County’s name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the pooling method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or with the escrow agent. Due to the inability to measure the exact amounts of collateral pledged for the County under the pooling method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the pooling method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2015, the deposit portion of the County’s cash and investment pool was \$42,299,615. The bank balances totaled \$43,314,177, of which \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2015, the County’s petty cash funds totaled \$21,376.

4b. Investments

As of June 30, 2015, the County had the following investments:

Investment Type	Reported		Less than		More than	WAM (Years)
	Value	Fair Value	1 year	1-2 years	2 years	
NCCMT	\$ 110,321,672	110,321,672	110,321,672	-	-	.0019
Commercial Paper	39,987,105	39,938,681	39,938,681	-	-	.0210
Agency Securities	12,008,645	12,008,645	-	4,996,680	7,011,965	.1580
Total Portfolio	\$ 162,317,422	162,268,998	150,260,353	4,996,680	7,011,965	

Portfolio weighted average maturity 0.1809 years

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County’s investment practice gives consideration to shortening maturities during periods of rising interest rates. The County manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. To further reduce its exposure to interest rate risk, the County invests in multi-step coupon securities for some of its longer term maturities. As of June 30, 2015, \$4,995,345 of the County’s \$7,011,965 in investments with maturities beyond two years are step or multi-step securities. Information about the sensitivity of the fair values of the County’s investments to market interest rate fluctuations is provided by the above table that shows the distribution by maturity and the weighted average maturity of the County’s investment holdings as of June 30, 2015.

Credit Risk. In accordance with the County’s investment policy, the County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law and the County’s investment policy limit investments in commercial paper to those issuers carrying the highest ratings issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2015, the County’s investments in the bonds of U.S. Agencies were rated with one or more of the following ratings: AAA by Standard & Poor’s, AAA by Fitch Ratings, Aaa by Moody’s Investors Service. The County’s investment in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor’s as of June 30, 2015. The County’s investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended.

Custodial Credit Risk. For an investment, the custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County’s investment policy provides limited guidance on custodial credit risk, but management procedures are that the County shall utilize a third party custodial agent for book entry transactions, all of which shall be held in the County’s name. The custodial agent shall be a trust department authorized to do trust work in North Carolina who has an account with the Federal Reserve. Certificated securities shall be in the custody of the Chief Financial Officer.

Concentration of Credit Risk. The County places no limit on the amount that may be invested in any one issuer. Five percent (5%) or more of the County’s investments are in commercial paper issued by Abbey National (7.7%), Toyota Motor Credit Corporation (7.7%), General Electric Capital Corporation (11.5%), Natixis New York Branch (11.5%), ABN AMRO Funding USA (15.4%), Dealers Capital (15.4%) and bonds issued by the Federal Home Loan Mortgage Corporation (5.8%) and Federal Home Loan Bank (9.6%).

Other Post-Employment Benefits Trust

At June 30, 2015, the Healthcare Plan had \$16,466,902 invested in a Local Government Other Post-Employment Benefits (OPEB) Trust established pursuant to G.S. 159-30.1. The OPEB Trust is deposited with the State Treasurer and may be invested in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the OPEB Trust was invested as follows: State Treasurer’s Short Term Investment Fund (STIF), 24.2%; State Treasurer’s Long Term Investment Fund (LTIF), 9.9%; and, BlackRock’s Global Ex-US Alpha Tilts Fund B and BlackRock’s Russell 3000 Alpha Tilts Fund B, 65.9% (the equities were split with 75% in domestic securities and 25% in international securities). The Blackrock Global Ex-US Alpha Tilts Fund B is priced at \$21.9957 per share and the Blackrock Russell 3000 Alpha Tilts Fund B is priced at \$53.0437 per share at June 30, 2015.

Interest Rate Risk: The County does not have a formal investment interest rate policy that manages its exposure to fair value losses arising from increasing interest rates for the Healthcare Plan Fund. The State Treasurer’s Short Term Investment Fund (STIF) is unrated and had a weighted average maturity of 1.5 years at June 30, 2015. The State Treasurer’s Long Term Investment Fund (LTIF) is unrated and had a weighted average maturity of 18.0 years at June 30, 2015.

Credit Risk: The County does not have a formal investment policy regarding credit risk for the Healthcare Plan Fund. The STIF is unrated and authorized under NC General Statute 147-69.1. The State Treasurer’s STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate term treasuries, agencies, and money market instruments. The LTIF is unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The State Treasurer’s LTIF is invested in treasuries, agencies and corporate bonds with longer term maturities.

4c. Property tax – Use-value Assessment on Certain Lands

In accordance with the general statutes, agriculture, horticulture, and forestland may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Year Levied	Tax	Interest	Total
2012	\$ 2,099,176	687,480	2,786,656
2013	2,099,176	498,554	2,597,730
2014	2,232,477	329,290	2,561,767
2015	2,232,477	128,367	2,360,844
Totals	\$ 8,663,306	1,643,691	10,306,997

4d. Receivables

Receivables at June 30, 2015 for the County's individual major funds and nonmajor governmental funds in the aggregate are net of applicable allowances for uncollectible accounts as follows:

Description	Gross Receivable	Allowance for Uncollectible Accounts	Net Receivable
Property taxes			
General fund	\$ 6,895,570	(4,177,240)	2,718,330
Nonmajor governmental funds	184,210	(111,592)	72,618
Occupancy taxes			
General fund	57,744	-	57,744
Other taxes			
General fund	53,487	-	53,487
Accounts			
General fund	34,530,589	(25,167,291)	9,363,298
Accrued interest			
General fund	10,603	-	10,603
2011 Library Bond fund	15	-	15
Nonmajor governmental funds	4,637	-	4,637
Total receivables	\$41,736,855	(29,456,123)	12,280,732

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

At June 30, 2015, the various components of *unavailable* and *unearned revenue* were as follows:

Description	Unavailable Revenue	Unearned Revenue
Governmental Funds:		
Delinquent property taxes receivable		
General fund	\$ 2,718,330	83,403
Nonmajor governmental funds	72,618	6,717
Intergovernmental and private grants		
General fund	-	1,725,618
Nonmajor governmental funds	-	91,637
Fees and other revenue – General fund	6,711,539	338,519
Investment earnings – General fund	12,050	-
Total unavailable / unearned revenue for governmental funds	\$ 9,514,537	2,245,894
Governmental Activities:		
Fees and other revenue – Internal Service fund		312,884
Total unearned revenue for governmental activities		\$ 2,558,778

4e. Capital Assets

Capital asset activity for the year ended June 30, 2015, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 12,347,256	968,462	--	13,315,718
Art collections	517,907	--	--	517,907
Construction-in-progress	640,308	2,813,338	(1,909,817)	1,543,829
Total capital assets not being depreciated	13,505,471	3,781,800	(1,909,817)	15,377,454
Capital assets being depreciated:				
Buildings	212,602,843	1,505,408	(18,219)	214,090,032
Improvements other than buildings	20,680,419	1,314,253	(74,590)	21,920,082
Equipment	38,334,774	1,093,786	(9,100)	39,419,460
Vehicles	16,461,683	1,692,926	(1,479,891)	16,674,718
Software	8,320,100	705,612	--	9,025,712
Total capital assets being depreciated	296,399,819	6,311,985	(1,581,800)	301,130,004
Less accumulated depreciation for:				
Buildings	81,585,779	5,246,834	(10,058)	86,822,555
Improvements other than buildings	10,306,481	854,923	--	11,161,404
Equipment	32,893,109	1,522,781	(9,100)	34,406,790
Vehicles	13,040,767	1,467,593	(1,441,732)	13,066,628
Software	7,854,165	290,507	--	8,144,672
Total accumulated depreciation	145,680,301	9,382,638	(1,460,890)	153,602,049
Total capital assets being depreciated, net	150,719,518	(3,070,653)	(120,910)	147,527,955
Capital assets, net	\$164,224,989	711,147	(2,030,727)	162,905,409

Depreciation expense charged to functions for the year ended June 30, 2015, was as follows:

Function	Depreciation Expense
General government	\$ 3,399,782
Public safety	3,704,937
Environmental protection	48,893
Human services	698,214
Culture and recreation	1,509,350
Community and economic development	5,587
Education	15,875
Total	\$ 9,382,638

Construction Commitments

Active construction projects as of June 30, 2015 include: partial demolition, renovation and construction of the central library, energy conservation projects, office renovations, and various maintenance efforts. At June 30, 2015, commitments with contractors on these projects are as follows:

Project	Spent-to-Date	Remaining Commitment
Park Maintenance	\$ 35,825	361,350
Phillips Building	83,163	369,905
Library renovation	1,410,860	920,366
Law Enforcement Detention Center efficiency upgrades	57,825	65,365
Hall of Justice upgrades	108,959	19,938
Miscellaneous capital maintenance	193,529	55,184
Totals	\$ 1,890,161	1,792,108

4f. Interfund Receivables, Payables, and Transfers

Certain special revenue funds account for revenues that are used to reimburse eligible expenditures in the General Fund. Accrual of these revenues at year-end results in interfund receivables and payables at June 30. Amounts advanced from the cash and investment pool are also included in due to and due from other funds. At June 30, 2015, interfund receivables and payables are as follows:

Payable Fund	Receivable Fund - General Fund
Nonmajor governmental funds:	
State Public School Building Capital Fund – lottery proceeds due from State	\$ 720,635
2013 Housing Fund – advance from cash and investment pool	1,483
Total	\$ 722,118

The following is a summary of interfund transfers for the year ended June 30, 2015:

Transfers out:	Transfers in:		
	General Fund	Nonmajor Governmental Funds	Total
General Fund	\$ --	8,510,835	8,510,835
Nonmajor governmental funds	7,366,295	299,702	7,665,997
Totals	\$ 7,366,295	8,810,537	16,176,832

The General Fund transferred \$3,600,000 to the 2014 Forsyth Technical Community College Carolina Building Renovation fund, \$1,467,145 to the 2014 Motive Equipment fund, \$1,735,000 to the 2014 Winston-Salem/Forsyth County Schools Capital Maintenance fund, \$1,681,000 to the 2015 Winston-Salem/Forsyth County Schools Facilities fund, and \$27,690 to the 2015 Housing grant project fund to provide local matching funds for a grant.

Transfers of \$7,366,295 to the General Fund from nonmajor governmental funds were for debt service, including \$3,582,635 in lottery proceeds from the Public School Building Capital fund and \$1,735,000 from the 2007 Schools fund. Other transfers to the General Fund from nonmajor governmental funds included \$333,133 residual equity from several funds which were closed during the year; \$1,650,542 from the Fire Tax Districts special revenue fund to support the County fire department; and \$65,005 from the Law Enforcement Equitable Distribution special revenue fund for law enforcement programs. A residual equity transfer of \$38,516 was made from the 2012 Housing fund to 2015 Housing fund; and, a residual equity transfer of \$261,186 was made from the 2012 Motive Equipment Replacement fund to the 2014 Motive Equipment Replacement fund.

4g. Payables

Payables at June 30, 2015, were as follows:

Description	General Fund	2009 Phillips Building (Phase 1A and 1B) Fund	2011 Library Fund	Nonmajor Governmental Funds	Total
Vendors	\$ 4,010,249	27,412	105,600	546,460	4,689,721
Salaries and benefits	2,398,010	--	--	--	2,398,010
Totals	\$ 6,408,259	27,412	105,600	546,460	7,087,731

4h. Leases

Operating Leases The County leases buildings, office facilities, and equipment under non-cancelable operating leases. Total costs for such leases were \$914,037 for the year ended June 30, 2015. The future minimum lease payments due under operating leases with initial or remaining non-cancelable lease terms in excess of one year are as follows:

Year ending June 30	Operating Leases
2016	\$ 529,495
2017	75,953
2018	74,679
2019	69,942
2020	66,704
2021 – 2025	363,743
2026 – 2030	421,132
2031 – 2035	273,212
Total minimum lease payments	\$ 1,874,860

The total rental expenditures for all operating leases were \$1,157,946 for the year ended June 30, 2015.

4i. Long-term obligations

Long-term obligation activity

Changes in long-term obligations during the year ended June 30, 2015, were as follows:

	Restated Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Governmental activities:					
Compensated absences	\$ 7,360,430	8,443,375	8,404,640	7,399,165	4,813,185
Net pension liability (LERS)	17,531,105	--	17,531,105	--	--
General obligation bonds	447,935,000	119,795,000	112,725,000	455,005,000	33,075,000
Unamortized premiums	19,624,237	22,260,179	4,844,452	37,039,964	--
Installment purchase obligations	9,620,166	--	1,284,170	8,335,996	1,580,996
Certificates of participation and limited obligation bonds	64,075,000	--	5,260,000	58,815,000	5,450,000
Unamortized premiums	3,449,955	--	457,567	2,992,388	--
Net OPEB obligation	10,593,237	5,788,103	5,906,214	10,475,126	--
Claims and judgments	3,785,587	23,155,653	23,397,811	3,543,429	3,108,831
Total general long-term obligations	\$ 583,974,717	179,442,310	179,810,959	583,606,068	48,028,012

The Local Governmental Employees' Retirement System (LERS) plan had a net pension liability at the beginning of the fiscal year, however, the plan had a net pension asset as of June 30, 2015.

The net other postemployment benefit obligation, compensated absences, and claims and judgments typically are liquidated in the General Fund. Of the latter, health and dental claims are paid from the Employee Health Benefits internal service fund.

Arbitrage In accordance with Section 148 of the Internal Revenue Code of 1986, as amended, and Sections 1.103-13 to 1.103-15 of the related Treasury Regulations, the County must rebate to the federal government “arbitrage profits” earned on governmental bonds issued after August 31, 1986. Arbitrage profits are the excess of the amount earned on investments over the interest paid on the borrowings. At June 30, 2015, the County had no liability for arbitrage.

General Obligation Bonds The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for governmental activities. All general obligation bonds are backed by the full faith, credit and taxing power of the County, and principal and interest requirements are appropriated in the General Fund when due.

On November 4, 2014, the County issued \$13,550,000 general obligation public improvement bonds, Series 2014 for the maintenance and repair of school and community college facilities, as well as various County maintenance and improvement projects. Interest rates range from 3.0 to 5.0 percent, with a final maturity of May 1, 2033. On November 5, 2014, the County issued \$34,000,000 general obligation library bonds, Series 2014 for the renovation and construction of the County’s central library. Interest rates range from 3.0 to 5.0 percent, with a final maturity of May 1, 2033.

The American Recovery and Reinvestment Act of 2009 (the “Recovery Act”) authorizes the County to issue taxable bonds known as “Build America Bonds” to finance capital expenditures for which the County could issue tax-exempt bonds and to elect to receive a subsidy payment from the federal government equal to 35% of the amount of each interest payment on such taxable bonds. The County has designated its 2010C Bonds as “Build America Bonds” for purposes of the Recovery Act and expects to receive such subsidy payments from the federal government. The County received \$1,248,280 in such federal subsidy during the year ended June 30, 2015, and if the new federal sequester rate remains unchanged, expects to receive \$14,900,872 in such subsidies over the remaining life of the bonds. The Recovery Act also authorizes the County to issue taxable bonds known as “Qualified School Construction Bonds” to finance construction, rehabilitation or repair of public school facilities or for the acquisition of land on which a public school facility is to be constructed. Under the Act, the County may elect to receive a subsidy payment from the United States Treasury in an amount calculated as provided in the Recovery Act. The County has designated its 2010D Bonds as “Qualified School Construction Bonds” for purposes of the Recovery Act and expects to receive such subsidy payments from the federal government. The County received \$1,178,000, or 89.5% of the interest paid on the 2010D Bonds, in such federal subsidy during the year ended June 30, 2015, and if the new federal sequester rate remains unchanged, expects to receive \$13,425,512 in such subsidies over the remaining life of the bonds. Such cash subsidy payments are not pledged to the repayment of the 2010C or 2010D Bonds, but are expected to be a source of payment of debt service on the bonds. Such cash subsidy payments do not constitute a full faith and credit guarantee of the federal government, but are required to be paid by the United States Treasury under the Recovery Act. If such cash subsidy payments from the United States Treasury are reduced or eliminated as a result of the change in the law, the 2010C and 2010D Bonds are subject to extraordinary optional redemption.

On January 28, 2015, the County issued \$72,245,000 general obligation refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of \$7,970,000 general obligation public improvement bonds, Series 2008, \$49,150,000 general obligation School bonds, Series 2008, and \$23,050,000 general obligation Educational Facilities bonds, Series 2009. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$9,712,337. This amount is being netted against the new debt and amortized over the life of the new debt, which is the same as the life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 14 years by \$9,457,384 and resulted in an economic gain of \$7,807,172.

In prior years, the County defeased certain general obligation bonds by placing the proceeds of refunding bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County’s financial statements. On June 30, 2015, \$137,155,000 of outstanding general obligation bonds are considered defeased.

On June 24, 2004, the County sold two \$15,000,000 issues of general obligation School bonds that initially bear interest at a weekly variable rate. The County has the option to convert to a flexible term rate, a medium-term rate, or a fixed rate by written notice at least 25 days in advance of the proposed conversion date. The current variable rate is determined weekly based on the lowest interest rate necessary to enable the remarketing of the bonds at par plus accrued interest, as determined by the remarketing agent, and shall not exceed an annual rate of 12%. At June 30, 2015, the rate of interest for both issues was 0.08%.

The County issued \$30,000,000 general obligation School bonds on April 19, 2007, that initially bear interest at a weekly variable rate. The County has the option to convert to a flexible term rate, a medium-term rate, or a fixed rate by written notice at least

25 days in advance of the proposed conversion date. The current variable rate is determined weekly based on the lowest interest rate necessary to enable the remarketing of the bonds at par plus accrued interest, as determined by the remarketing agent, and shall not exceed an annual rate of 12%. At June 30, 2015, the rate of interest was 0.08%.

A summary of outstanding general obligation bonds follows:

Purpose of Issue	Date of Issue	Effective Interest Rate	Amount Issued	Principal Outstanding June 30, 2015
<u>Governmental Activities</u>				
School Building	06-24-04	Variable Rate %	\$ 15,000,000	10,000,000
	06-24-04	Variable Rate	15,000,000	10,000,000
	02-01-06	4.0735	6,500,000	1,600,000
	04-01-07	3.9543	11,300,000	5,350,000
	04-19-07	Variable Rate	30,000,000	24,050,000
	09-17-08	4.1701	23,850,000	7,950,000
	09-02-10	4.9860	26,405,000	26,405,000
Community College	04-01-07	3.9543	4,400,000	2,300,000
	01-09-13	2.4014	5,000,000	4,550,000
Educational Facilities	06-23-09	3.7687	13,200,000	6,600,000
Library	11-05-14	2.4617	34,000,000	34,000,000
Public Improvement	02-01-06	4.0735	3,000,000	800,000
	09-16-08	4.1175	3,150,000	1,050,000
	09-01-10	2.0350	14,225,000	8,525,000
	09-02-10	2.0350	36,615,000	18,315,000
	09-02-10	3.1682	80,380,000	80,380,000
	01-08-13	2.2334	13,750,000	12,600,000
Refunding	11-04-14	2.4455	13,550,000	13,550,000
	09-17-08	2.8798	28,885,000	5,150,000
	09-16-09	2.5103	42,870,000	30,590,000
	09-02-10	2.0350	50,295,000	43,905,000
	01-09-13	1.7692	35,090,000	35,090,000
	01-28-15	1.8425	72,245,000	72,245,000
Totals			\$ 578,710,000	455,005,000

Of the \$365,170,000 public improvement bonds issued, \$45,573,913 funded County facilities and capital projects, \$292,558,836 funded School facilities, and \$27,037,251 funded Community College facilities.

Annual debt service requirements to maturity for general obligation bonds are as follows:

June 30	Principal	Interest	Total
2016	\$ 33,075,000	18,695,612	51,770,612
2017	32,400,000	17,352,339	49,752,339
2018	31,150,000	16,111,175	47,261,175
2019	30,410,000	14,733,746	45,143,746
2020	29,995,000	13,514,174	43,509,174
2021 - 2025	148,930,000	49,742,788	198,672,788
2026 - 2030	133,245,000	18,441,923	151,686,923
2031 - 2033	15,800,000	818,250	16,618,250
Totals	\$ 455,005,000	149,410,007	604,415,007

There are \$25,755,000 in authorized but unissued general obligation bonds at June 30, 2015.

Conduit Debt Obligations Forsyth County Industrial Facility and Pollution Control Financing Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as by letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of

the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2015, there were three series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$22,452,232.

Certificates of Participation and Limited Obligation Bonds Outstanding certificates of participation and limited obligation bonds are as follows:

Purpose of Issue	Principal Outstanding June 30, 2015
Governmental Activities	
Issued May 31, 2012 to finance County facility renovation and construction; interest varies from 2.00% to 5.00%	\$ 14,660,000
Issued December 22, 2009 to finance County facility renovation and construction; interest varies from 3.00% to 5.00%	11,250,000
Issued May 5, 2005 to advance refund portions of three previous issues; interest varies from 3.50% to 5.00%	32,905,000
Total	\$ 58,815,000

Debt service requirements to maturity for certificates of participation and limited obligation bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2016	\$ 5,450,000	2,685,175	8,135,175
2017	5,650,000	2,439,625	8,089,625
2018	5,860,000	2,175,675	8,035,675
2019	6,080,000	1,900,975	7,980,975
2020	5,300,000	1,640,275	6,940,275
2021 - 2025	20,215,000	4,583,600	24,798,600
2026 - 2030	7,825,000	1,782,500	9,607,500
2031 - 2033	2,435,000	243,250	2,678,250
Total	\$ 58,815,000	17,451,075	76,266,075

Principal and interest requirements for certificates of participation are provided by a General Fund appropriation in the year in which they are due.

Installment Purchases As authorized by State law, the County has entered into installment financing agreements, for which interest is payable semiannually, as follows:

Purpose of Issue	Date of Issue	Interest Rate	Amount Issued	Principal Outstanding June 30, 2015
Governmental Activities				
Computer equipment and software	07-01-11	2.82 %	\$ 2,400,000	845,996
Refunding	01-22-14	2.47	8,230,000	7,490,000
Totals			\$ 10,630,000	8,335,996

Annual maturities are as follows:

Year Ending June 30	Principal	Interest	Total
2016	\$ 1,580,996	208,352	1,789,348
2017	720,000	166,849	886,849
2018	715,000	149,065	864,065
2019	705,000	131,404	836,404
2020	695,000	113,991	808,991
2021 - 2025	3,305,000	317,025	3,622,025
2026	615,000	15,191	630,191
Total	\$ 8,335,996	1,101,877	9,437,873

As of June 30, 2015, the County's legal debt limit was \$2,575,929,054, computed at 8% of the total appraised property valuation of \$32,199,113,172. With \$492,044,964 in County, School, and Community College bonds outstanding at June 30, 2015 and \$70,143,384 committed under certificates of participation, limited obligation bonds and installment purchases, the County could issue additional bonds up to \$2,013,740,706 if authorized.

Debt Related to Capital Activities. Of the total governmental activities debt only \$125,616,136 relates to assets the County holds title. Unspent restricted cash related to this debt is \$43,671,374.

4j. Fund Balances

Restricted for Stabilization by state statute. The amounts reported on the governmental funds balance sheet identified as Restricted for Stabilization by state statute are comprised of the following:

	General Fund	2009 Phillips Building (Phases 1A and 1B)	2011 Library Bond	Nonmajor Governmental Funds	Total Governmental Funds
Restricted by state statute	\$ 26,625,722	1,820	366	1,607,888	28,235,796
Encumbrances	2,848,172	370,015	920,366	649,617	4,788,170
Less: Prepaid items	(122,250)	--	--	--	(122,250)
Totals	\$ 29,351,644	371,835	920,732	2,257,505	32,901,716

Restricted for Other. The amounts reported in the general fund balance sheet identified as Restricted for Other is comprised of \$24,203 for soil and water conservation activities, and \$59,883 for special children's adoption.

The following schedule provides information on the portion of General Fund fund balance that is available for appropriation.

Total fund balance – General Fund	\$ 145,540,055
Less:	
Nonspendable	122,250
Restricted	30,627,178
Committed	29,078,705
Assigned	27,673,036
Minimum fund balance reserve	\$ 58,038,886

Subsequent Years Budget Appropriation. The following schedule provides information on the portion of restricted and committed fund balance that has been appropriated in the budget for the fiscal year ending June 30, 2016:

	Subsequent Year's Budget Appropriation	Unappropriated Fund Balance	Total
Restricted for:			
Other – Special Children's Adoption	\$ 20,000	39,883	59,883
Committed for:			
Education Debt Leveling Plan	5,058,018	23,151,942	28,209,960

5. Other Information

5a. Pension Costs

North Carolina Local Governmental Employees' Retirement System

Plan Description. Forsyth County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G. S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information

for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, visiting their website at www.osc.nc.gov, or by calling (919) 981-5454.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly survivor's alternate benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are law enforcement officers (LEO) are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly survivor's alternate benefit for life or a return of the member's contributions.

Funding Policy. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Plan members are required to contribute 6.0% of their annual covered salary. The County is required to contribute at an actuarially determined rate. The current rate for employees not engaged in law enforcement and for law enforcement officers is 7.07% and 7.41%, respectively, of annual covered payroll. The County's contributions to LGERS for the years ended June 30, 2015, 2014, and 2013 were \$5,880,990, \$5,821,865, and \$5,505,610, respectively. The contributions made by the County equaled the required contributions for each year.

County employees who have terminated service as a contributing member of LGERS may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Local Governmental Employees' Retirement System (LGERS) Pension

At June 30, 2015, the County reported an asset of \$8,218,234 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2014, the County's proportion was 1.394%, which was a decrease of .061% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$426,371. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	897,984
Net difference between projected and actual earnings on pension plan investments	-	19,131,859
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	354,588
Employer contributions subsequent to the measurement date	5,880,990	-
Totals	\$ 5,880,990	20,384,431

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the subsequent fiscal year. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2016	\$ (5,096,893)
2017	(5,096,893)
2018	(5,096,893)
2019	(5,093,752)
Total	\$ (20,384,431)

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc cost of living adjustment amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected real rate of return
Fixed income	36.0 %	2.5 %
Global equity	40.5	6.1
Real estate	8.0	5.7
Alternatives	6.5	10.5
Credit	4.5	6.8
Inflation protection	4.5	3.7
Total	100.0 %	

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments

of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability (asset)	\$ 27,896,233	(8,218,228)	(38,625,444)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report for the State of North Carolina.

Law Enforcement Officers' Special Separation Allowance

Plan Description. Forsyth County administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. For reporting purposes, the Separation Allowance is presented in the County's report as a pension trust fund; however, it does not meet the criteria for trust funds outlined in Governmental Accounting Standards Board Statement 68. No stand-alone financial report is issued for the plan.

All full-time County law enforcement officers are covered by the Separation Allowance.

At December 31, 2014, the Separation Allowance's membership consisted of:

Retirees currently receiving benefits	44
Active plan members	213
Total	257

Summary of Significant Accounting Policies

Basis of Accounting. Financial statements for the Separation Allowance are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and when the County has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments. Investments are reported at fair value. Short-term discount notes, deposits, repurchase agreements, and the North Carolina Capital Management Trust are reported at cost or amortized cost, which approximates fair value. Certain longer term United States Government and United States Agency securities are valued at the last reported sales price.

Funding Policy. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the current year, the County contributed \$772,628, or 8.04% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

Annual Pension Cost and Net Pension (Asset) Obligation The County's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	\$ 763,561
Interest on net pension obligation	(13,889)
<u>Adjustment to annual required contribution</u>	<u>34,140</u>
Annual pension cost	783,812
<u>Contributions made</u>	<u>(772,628)</u>
Increase in net pension asset	11,184
Net pension asset, beginning of year	(462,974)
<u>Net pension asset, end of year</u>	<u>\$ (451,790)</u>

The annual required contribution for the fiscal year ended June 30, 2015 was determined as part of the December 31, 2013 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 3.00% investment rate of return and (b) projected salary increases of 4.25% to 7.85% per year. Item (b) included an inflation component of 3.00%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was market value. The remaining amortization period at December 31, 2013 was 17 years.

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension (Asset) Obligation
6/30/2013	\$ 654,385	107.47%	(473,543)
6/30/2014	779,121	98.64%	(462,974)
6/30/2015	783,812	98.57%	(451,790)

Funded Status and Funding Progress. As of December 31, 2014, the most recent actuarial valuation date, the plan was 6.22% funded. The actuarial accrued liability for benefits was \$7,272,258, and the actuarial value of assets was \$452,310, resulting in an unfunded actuarial accrued liability (UAAL) of \$6,819,948. The covered payroll (annual payroll of active employees covered by the plan) was \$9,611,028, and the ratio of the UAAL to the covered payroll was 70.96%. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The following are financial statements for the Law Enforcement Officers' Special Separation Allowance Trust Fund included in Exhibits 9 and 10 of the Basic Financial Statements at June 30, 2015.

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE TRUST FUND STATEMENT OF NET POSITION

June 30, 2015

ASSETS

Cash and cash equivalents / investments	\$ 532,218
Accrued interest receivable	<u>152</u>
Total assets	<u>532,370</u>

LIABILITIES

Due to other governments	<u>598</u>
Total liabilities	<u>598</u>

NET POSITION

Held in trust for pension benefits	\$ <u>531,772</u>
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LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE TRUST FUND

STATEMENT OF CHANGES IN NET POSITION

For the Fiscal Year Ended June 30, 2015

ADDITIONS

Employer contributions	\$	772,628
Net investment income		<u>1,683</u>
Total additions		774,311

DEDUCTIONS

Benefits		<u>645,727</u>
Change in net position		128,584
Net position – beginning		<u>403,188</u>
Net position – ending	\$	<u>531,772</u>

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, visiting their website at www.osc.nc.gov, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires that the County contribute each month an amount equal to 5.0% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan. The County's contributions for the year ended June 30, 2015 were \$499,091, exclusive of voluntary employee contributions.

Register of Deeds' Supplemental Pension Fund

Plan Description. The County contributes to the Register of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Governmental Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Register of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, visiting their website at www.osc.nc.gov or by calling (919) 981-5454.

Benefits Provided. An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to 1.5% of the monthly receipts collected pursuant to Article 1 of North Carolina General Statute Chapter 161. The statutory contribution currently has no relationship to the actuarial required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Immediately following January 1 of each year, the Department of State Treasurer divides 93% of the amount in the RODSPF at the end of the preceding calendar year into equal shares, up to the statutory maximum, to be disbursed as monthly benefits. The remaining 7% of the fund's assets may be used by the State Treasurer in administering the fund. For the fiscal year ended June 30, 2015, the County's required and actual contributions were \$31,436.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Register of Deeds' Supplemental Pension Fund (RODSPF)

At June 30, 2015, the County reported an asset of \$877,062 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2014, the County's proportion was 3.869%, which was an increase of .072% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$(27,087). At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,048	-
Net difference between projected and actual earnings on pension plan investments	-	4,721
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	10,558
Employer contributions subsequent to the measurement date	31,436	-
Totals	\$ 39,484	15,279

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the subsequent fiscal year. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2016	\$ (2,321)
2017	(2,321)
2018	(1,408)
2019	(1,180)
Total	\$ (7,230)

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 7.75 percent, including inflation and productivity factor
Investment rate of return	5.75 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc cost of living adjustment amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2014 is 2.5%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 5.75 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	1% Decrease (4.75%)	Discount Rate (5.75%)	1% Increase (6.75%)
County's proportionate share of the net pension liability (asset)	\$ (787,544)	(877,043)	(953,968)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report for the State of North Carolina.

5b. Other Post-employment Benefits (OPEB)

Healthcare, Life Insurance, and Death Benefits

Plan Description. Forsyth County administers a single-employer defined benefit Healthcare Plan (the Plan). The Board of County Commissioners established and may amend the benefit provisions of the Plan.

As of July 1, 2007, the Plan provides postemployment healthcare benefits to retirees of the County until they reach age 65 or are eligible for Medicare, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and (1) have at least 5 years of creditable service with the County if employed prior to July 1, 2007; (2) have at least twenty years of creditable service with the County if employed on or after July 1, 2007. Coverage on eligible dependents that are on the retiree's policy the day before retirement may be continued until eligibility ceases. Based on level of coverage, the County pays between 68.4% and 87.9% of the established premium cost, and the retiree pays the same premium as active employees.

All employees that retire with fifteen or more continuous years of full-time service, other than those that retire under a disability retirement, are eligible to receive a benefit in the amount of \$2,000 in the event of death. This benefit is provided at no cost to the retiree.

Those members that retire under a disability retirement are entitled to a life insurance benefit equal to one and a half times salary at the time they retire, subject to age reductions. The County pays the full cost of the life insurance premium.

The County has elected to partially pay the future overall cost of coverage for these benefits. A separate report was not issued for the Plan.

Membership of the Plan consisted of the following at December 31, 2014, the date of the latest actuarial valuation:

Retirees currently receiving benefits	914
Active plan members:	
General employees	1,801
Law enforcement officers	213
Total	2,928

Funding policy. The contribution requirements of plan members and the County are established and may be amended by the Board of County Commissioners. The required contribution is based on projected pay-as-you-go financing requirements and an additional amount to prefund benefits as determined annually by the Board of County Commissioners.

The County pays the full costs of retiree death benefits and life insurance for disability retirees, which were \$10,000 and \$9,443, respectively, for fiscal year 2015. The monthly cost of healthcare benefits is shared by the County and covered retirees, respectively, as follows: retiree-only coverage, \$615 and \$85; retiree and one dependent, \$766 and \$208; and retiree and more than one dependent, \$1,070 and \$495. For fiscal year 2015, the County contributed \$2,484,624 for healthcare benefits, and retiree Plan members contributed \$357,540. Additionally, the County contributed \$1,600,000 to prefund benefits.

The current ARC rate is 6.95% of annual covered payroll. For the current year, the County contributed \$5,906,214 or 7.18% of annual covered payroll. The County self-funds its healthcare benefits, and premiums are set at a level to cover current costs and fund actuarially computed reserves. The County obtains life insurance coverage through a private insurer. The County's required contribution, set by the Board of County Commissioners, is the same for all employees.

Summary of Significant Accounting Policies. The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and when the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the County's net OPEB obligation for the Plan benefits:

Annual required contribution	\$5,722,531
Interest on net OPEB obligation	635,594
Adjustment to annual required contribution	570,022
Annual OPEB cost (expense)	5,788,103
Contributions made	(5,906,214)
Decrease in net OPEB obligation	(118,111)
Net OPEB obligation, beginning of year	10,593,237
Net OPEB obligation, end of year	\$10,475,126

The annual required contribution for the fiscal year ended June 30, 2015 was determined as part of the December 31, 2012 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 6.00% investment rate of return and (b) projected medical cost increases of 5.0% to 8.5% per year. Item (b) included an inflation component of 3.00%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was market value. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2012 was 27 years.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the preceding three years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$ 5,861,805	82.4%	\$ 10,418,444
6/30/2014	5,562,731	96.9%	10,593,237
6/30/2015	5,788,103	102.0%	10,475,126

Funded Status and Funding Progress. As of December 31, 2014, the most recent actuarial valuation date, the plan was 25.0% funded. The actuarial accrued liability for benefits was \$64,270,831, and the actuarial value of assets was \$16,092,613, resulting in an unfunded actuarial accrued liability (UAAL) of \$48,178,218. The covered payroll (annual payroll of active employees covered by the plan) was \$82,304,632, and the ratio of the UAAL to the covered payroll was 58.5%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following are financial statements for the Other Post-Employment Benefit Trust Fund included in Exhibits 9 and 10 of the Basic Financial Statements at June 30, 2015.

**OTHER POST-EMPLOYMENT BENEFIT TRUST - HEALTHCARE PLAN
STATEMENT OF NET POSITION**

June 30, 2015

ASSETS

Cash and investments held by fiscal agent \$ 16,466,902

NET POSITION

Held in trust for other post-employment benefits \$ 16,466,902

**OTHER POST-EMPLOYMENT BENEFIT TRUST - HEALTHCARE PLAN
STATEMENT OF CHANGES IN NET POSITION**

For the Fiscal Year Ended June 30, 2015

ADDITIONS

Contributions:

Employer \$ 4,104,067

Plan members 357,540

Total contributions 4,461,607

Net investment income 714,127

Total additions 5,175,734

DEDUCTIONS

Benefits 2,861,607

Change in net position 2,314,127

Net position – beginning 14,152,775

Net position – ending \$ 16,466,902

5c. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees on the job; certain employee, dependent, and retiree health care costs; and natural disasters. These risks of loss are handled through a combination of risk retention and insurance. The County uses the Employee Health Benefits Fund (an internal service fund) to account for and finance its risks of loss for employee, dependent, and retiree health care. Other risks of loss are accounted for in the General Fund.

The County's risk retention program provides coverage for a maximum of \$700,000 for each workers' compensation claim, \$175,000 for each health care claim, \$75,000 for each auto liability and general liability claim, \$250,000 each public officials and law enforcement claim, and \$100,000 for each property damage claim. The County purchases commercial insurance for claims in excess of coverage provided by this program. One workers' compensation claim exceeded the self-insured retention in the last three years. The County's retention was \$350,000 at the time of the accident which was July 4, 2007. The commercial carrier paid the excess settlement cost since the County had already met the retention limit. The claim is now closed. No other settled claims have exceeded the commercial coverage in the past three fiscal years.

The County carries commercial flood insurance with maximum coverage of \$15,000,000 per year for property in areas that have been mapped and designated "X" (an area with moderate to minimal flood hazard) by the Federal Emergency Management Agency (FEMA.) Most of the County's property is located in areas designated "X." The County has some property of lower value located in areas designated "A" (an area close to a river, lake, or stream) by FEMA, and the County has purchased flood insurance with maximum coverage of \$1,000,000 per year for this property.

In accordance with G.S. 159-29, the County's employees that have access at any given time to \$100 or more of the County's funds are performance bonded through a commercial surety bond. The chief financial officer and tax collector are individually bonded for \$100,000 and \$150,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$750,000.

Claims liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). For losses other than employee, dependent, and retiree health care costs, the County's actuarially determined claims liability, which does not include non-incremental claims adjustment expenses, is \$ 1,298,462 at June 30, 2015. It is reported in the Statement of Net Position as a long-term liability, and \$ 863,864 is considered due within one year.

The County's actuarially determined claims liability for employee, dependent, and retiree health care costs is \$2,244,967 at June 30, 2015. It is reported as a current liability in the proprietary fund Statement of Net Position and as a long-term liability, due

within one year, in the government-wide Statement of Net Position.

The County's risk retention program for employee, dependent, and retiree health care costs, and premiums is maintained at a level to cover future catastrophic losses as well as the actuarially determined claims liability, and also to enable matching revenues and expenses over a reasonable period of time without significant year-to-year increases. The net position of \$2,901,718 in the Employee Health Benefits Fund are designated for these purposes.

Changes in the claims liability amount in fiscal 2013 through fiscal 2015 were as follows:

	Beginning Balance	Current-Year Claims and Changes in Estimates	Claims Payments	Ending Balance
2012-2013	\$3,887,868	18,793,868	(19,156,369)	3,525,367
2013-2014	3,525,367	21,265,912	(21,005,692)	3,785,587
2014-2015	3,785,587	23,155,653	(23,397,811)	3,543,429

The County also provided risk management services, contractually, to local agencies and municipalities. There was no transfer or pooling of risks between or among any of the participants, and each participant was completely responsible for (and only responsible for) its own claims liabilities.

5d. Contingent Liabilities

The County has received proceeds from a number of Federal and State of North Carolina grants. Periodic audits of these grants are required, and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial.

The County is involved in several other claims and lawsuits, which it intends to defend vigorously. The County's legal counsel estimates that any possible liability to the County resulting from such litigation and not covered by insurance would not have a material adverse effect on the financial position of the County at June 30, 2015.

5e. Related Organization

The County's governing board is responsible for a majority of the board appointments of the Airport Commission of Forsyth County, but the County's accountability for this organization does not extend beyond making these appointments. The Airport Commission was established by state statute for the purpose of operating an airport on land owned by the County, and it is funded primarily by airport revenue and federal grants. In fiscal year 2015, Forsyth County provided risk management services totaling \$5,500 to the Airport Commission, and \$1,375 of this amount comprised a receivable at year-end.

5f. Joint Ventures

The County, in conjunction with the State of North Carolina and the Winston-Salem/Forsyth County Board of Education, participates in a joint venture to operate Forsyth Technical Community College. Each of the three participants appoints four members of the thirteen-member board of trustees of the community college. The president of the community college's student government serves as an ex officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds or certificates of participation to provide financing for new facilities. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$9,118,402 and \$7,643,038 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2015. In addition, the County made debt service payments of \$ 4,253,628 during the fiscal year on general obligation bonds and certificates of participation issued for community college capital facilities. The participating governments do not have an equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2015. Complete financial statements for the community college may be obtained from the community college's administrative offices at 2100 Silas Creek Parkway, Winston-Salem, North Carolina, 27103.

The County participates with Stokes County, Davie County and Rockingham County, North Carolina in CenterPoint Human Services to provide services for general mental health, mental disorder, developmental disabilities, substance abuse and mental health education in Forsyth, Stokes, Davie, and Rockingham Counties. CenterPoint's board is comprised of sixteen voting members who are appointed as follows: six members appointed by Forsyth County; two members appointed by Davie County; two members appointed by Rockingham County; two members appointed by Stokes County; three members recommended by the Consumer and Family Advisory Committee; and, one member appointed by the Secretary of the Department of Health and Human Services.

The County has an ongoing financial responsibility for CenterPoint because it provides funding for a substantial portion of its annual budget. The County contributed \$5,859,920 for CenterPoint operations for the fiscal year ended June 30, 2015. Additionally, the County provided services to CenterPoint during the year for which it invoiced \$1,845,428, of which \$165,712 was outstanding at year-end. The participating governments do not have an equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2015. Complete financial statements for CenterPoint may be obtained from its administrative offices at 4045 University Parkway, Winston-Salem, North Carolina, 27106.

In conjunction with the City of Winston-Salem and the Greater Winston-Salem Chamber of Commerce, Inc., the County takes part in a joint venture to operate the Forsyth County Tourism Development Authority, which was established pursuant to state statute for the purpose of furthering the development of travel, tourism, and conventions in the County. The Authority board is comprised of nine members of which the County and the City of Winston-Salem each appoint four, and the Chamber appoints one. The Authority receives approximately 61.0% of room occupancy taxes which are levied and collected by the County. For the year ended June 30, 2015, occupancy taxes totaling \$2,992,106 were distributed to the Authority. The County also provided \$20,096 in financial services to the Authority during fiscal year 2015. The participating governments and agency do not have an equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2015. Complete financial statements for the Authority can be obtained from the Authority's finance officer at Forsyth County Government Center, 201 N. Chestnut Street, Winston-Salem, North Carolina 27101.

5g. Jointly Governed Organizations

The County, in conjunction with eleven other counties and 61 municipalities, is a member of the Piedmont Triad Regional Council (PTRC). The PTRC is a voluntary association of municipal and county governments, enabled by state law to promote regional issues and cooperation among members and to coordinate funding from federal and state agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$75,071 to the Council during the fiscal year ended June 30, 2015.

The County participates with Guilford County and three municipalities in the Piedmont Triad International Airport Authority which operates the airport of the same name. Each participating government has one appointment to the seven-member board except Guilford County, which has three appointments. The County made no payments to the Airport Authority in the fiscal year ended June 30, 2015.

5h. Change in Accounting Principles

Effective July 1, 2014, the County adopted the provisions of GASB Statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)* and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement 68)*. The implementation of the statement required the County to record a beginning net pension liability and the effects on net position of contributions made by the County during the measurement period (the fiscal year ending June 30, 2014). As a result, net position for governmental activities decreased by \$10,897,083. As the provisions of Statement No. 68 were effective July 1, 2014, net position as of that date has been adjusted as follows:

	Governmental Activities
Net position - beginning, previously reported	\$ (207,618,853)
Adjustments:	
Net pension liability and related costs	(10,897,083)
Net Position - beginning, restated	\$ (218,515,936)

Required Supplementary Schedules

This section contains additional information required by generally accepted accounting principles.

Law Enforcement Officers' Special Separation Allowance – Schedule of Funding Progress

Law Enforcement Officers' Special Separation Allowance – Schedule of Employer Contributions

Law Enforcement Officers' Special Separation Allowance – Notes to the Required Schedules

Healthcare Plan – Schedule of Funding Progress

Healthcare Plan – Schedule of Employer Contributions

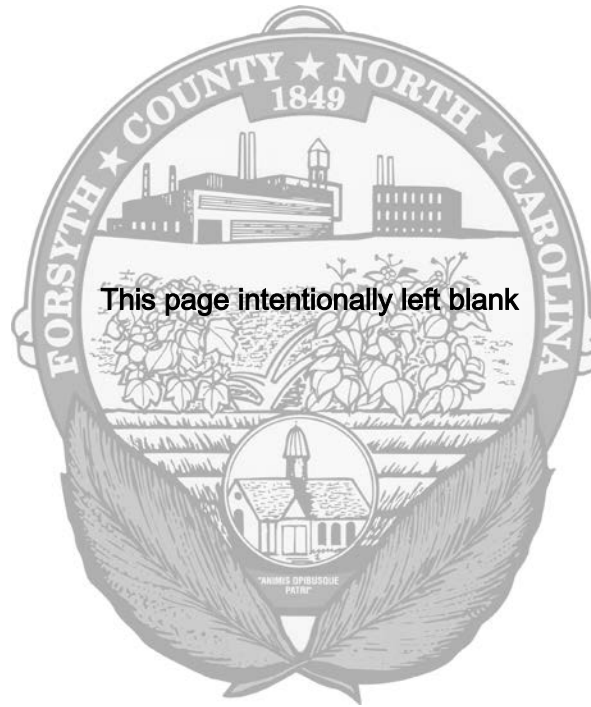
Healthcare Plan – Notes to the Required Schedules

Local Governmental Employees' Retirement System – Schedule of the Proportionate Share of the Net Pension Liability (Asset)

Local Governmental Employees' Retirement System – Schedule of Employer Contributions

Register of Deeds' Supplemental Pension Fund – Schedule of the Proportionate Share of the Net Pension Liability (Asset)

Register of Deeds' Supplemental Pension Fund – Schedule of Employer Contributions



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LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
 FORSYTH COUNTY, NORTH CAROLINA

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)		Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
		\$	\$				
12/31/2005	\$ 924,989	\$ 4,438,017	\$ 3,513,028		20.84 %	\$ 9,092,712	38.64 %
12/31/2006	742,951	4,414,409	3,671,458		16.83	8,980,782	40.88
12/31/2007	494,627	4,942,272	4,447,645		10.01	9,481,989	46.91
12/31/2008	263,693	5,101,499	4,837,806		5.17	9,585,542	50.47
12/31/2009	65,952	6,215,412	6,149,460		1.06	10,007,668	61.45
12/31/2010	43,969	5,644,750	5,600,781		0.78	9,905,749	56.54
12/31/2011	117,087	6,796,585	6,679,498		1.72	10,141,205	65.86
12/31/2012	171,585	6,863,867	6,692,282		2.50	9,775,803	68.46
12/31/2013	322,249	6,907,528	6,585,279		4.67	9,637,860	68.33
12/31/2014	452,310	7,272,258	6,819,948		6.22	9,611,028	70.96

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
 FORSYTH COUNTY, NORTH CAROLINA

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2006	\$ 386,989	104.93 %
2007	365,576	97.74
2008	379,512	104.65
2009	436,202	102.46
2010	474,990	123.16
2011	567,128	112.28
2012	545,865	113.52
2013	644,775	109.07
2014	759,899	101.14
2015	763,561	101.19

Notes to the Required Schedules: The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	16 years
Asset valuation method	Market value
Actuarial assumptions: Investment rate of return*	3.0%
Projected salary increases*	4.25% to 7.85%
*Includes inflation at	3.0%
Cost-of-living adjustments	None

HEALTHCARE PLAN

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

FORSYTH COUNTY, NORTH CAROLINA

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2007	\$ -	\$ 65,181,263	\$ 65,181,263	0.0 %	\$ 76,036,540	85.7 %
12/31/2008	1,661,067	69,258,530	67,597,463	2.4	81,150,253	83.3
12/31/2009	3,539,497	67,480,466	63,940,969	5.2	84,578,860	75.6
12/31/2010	3,897,349	59,077,600	55,180,251	6.6	83,435,173	66.1
12/31/2012	9,915,644	63,379,261	53,463,617	15.6	81,541,641	65.6
12/31/2014	16,092,613	64,270,831	48,178,218	25.0	82,304,632	58.5

HEALTHCARE PLAN

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

FORSYTH COUNTY, NORTH CAROLINA

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2009	\$ 5,840,379	61.8 %
2010	6,278,243	60.3
2011	5,760,165	88.1
2012	5,547,802	94.0
2013	5,779,512	83.6
2014	5,484,297	98.2
2015	5,722,531	103.2

Notes to the Required Schedules: The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, closed
Remaining amortization period	25 years
Asset valuation method	Market value of Assets
Actuarial assumptions: Investment rate of return*	6.00%
Medical cost trend rate	7.50% - 5.00%
Year of ultimate trend rate	2020
*Includes inflation at	3.00%

LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

FORSYTH COUNTY, NORTH CAROLINA

Last Two Fiscal Years (see Note 1 below)

	<u>2015</u>		<u>2014</u>	
Proportion of the net pension liability (asset)	1.394	%	1.454	%
County's proportionate share of the net pension liability (asset)	\$ (8,218,228)		17,531,105	
County's covered-employee payroll	\$ 81,718,579		81,535,693	
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-10.06	%	21.50	%
Plan fiduciary net position as a percentage of the total pension liability	102.64	%	94.35	%

¹ The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30. This data is presented for those years that information is available.

LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS ¹

FORSYTH COUNTY, NORTH CAROLINA

	<u>2015</u>		<u>2014</u>	
Contractually required contribution	\$ 5,880,990		5,791,279	
Contributions in relation to the contractually required contribution	<u>5,880,990</u>		<u>5,791,279</u>	
Contribution deficiency (excess)	<u>\$ -</u>		<u>-</u>	
Covered-employee payroll	\$ 82,451,507		81,718,579	
Contributions as a percentage of covered-employee payroll	7.13	%	7.09	%

¹ This data is presented for those years that information is available.

REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

FORSYTH COUNTY, NORTH CAROLINA

Last Two Fiscal Years (see Note 1 below)

	<u>2015</u>		<u>2014</u>	
Proportion of the net pension liability (asset)	3.869	%	3.798	%
County's proportionate share of the net pension liability (asset)	\$ (877,043)		(811,150)	
County's covered-employee payroll	\$ 87,044		83,168	
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(1007.59)	%	(975.32)	%
Plan fiduciary net position as a percentage of the total pension liability	102.64	%	190.5	%

¹ The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30. This data is presented for those years that information is available.

REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS ¹

FORSYTH COUNTY, NORTH CAROLINA

	<u>2015</u>		<u>2014</u>	
Contractually required contribution	\$ 31,436		31,593	
Contributions in relation to the contractually required contribution	<u>31,436</u>		<u>31,593</u>	
Contribution deficiency (excess)	<u>\$ -</u>		<u>-</u>	
Covered-employee payroll	\$ 90,114		87,044	
Contributions as a percentage of covered-employee payroll	34.88	%	36.30	%

¹ This data is presented for those years that information is available.

Major Governmental Funds

Budgetary Comparison Schedules

General Fund

The **General Fund** accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.

Major Capital Projects Fund

2009 Educational Facilities Fund – This fund accounts for the use of proceeds of educational facilities bonds authorized by a 2008 referendum. Projects include acquisition by Forsyth Technical Community College of existing facilities from the Winston-Salem/Forsyth County Schools and the renovation and equipping of those facilities for community college purposes, and the acquisition, construction, renovation, and equipping of replacement facilities by the Winston-Salem/Forsyth County Schools for public school educational and administrative purposes.

2009 Phillips Building (Phases 1A and 1B) Fund – The acquisition of an existing building, asbestos abatement, engineering and architectural services, and renovation and rehabilitation of two floors of the building will be funded with proceeds of limited obligation bonds and accounted for in this fund.

2011 Library Bond Fund – This fund accounts for the planning, design and construction of library facilities.

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property:				
Current year	\$ 223,534,163	223,534,163	228,399,128	4,864,965
Prior years	4,160,000	4,160,000	2,339,126	(1,820,874)
Interest and fees	950,000	950,000	939,371	(10,629)
Total property	<u>228,644,163</u>	<u>228,644,163</u>	<u>231,677,625</u>	<u>3,033,462</u>
Occupancy taxes	<u>560,000</u>	<u>560,000</u>	<u>673,224</u>	<u>113,224</u>
Local option sales:				
Article 39 one cent	27,382,105	27,382,105	27,702,604	320,499
Article 40 one-half cent	14,562,016	14,562,016	14,231,644	(330,372)
Article 42 one-half cent	16,062,339	16,062,339	16,263,812	201,473
Article 44 one-half cent	-	-	1,353	1,353
Total sales	<u>58,006,460</u>	<u>58,006,460</u>	<u>58,199,413</u>	<u>192,953</u>
Other taxes	<u>310,970</u>	<u>310,970</u>	<u>408,843</u>	<u>97,873</u>
Total taxes	<u>287,521,593</u>	<u>287,521,593</u>	<u>290,959,105</u>	<u>3,437,512</u>
Licenses and permits	855,737	855,737	840,176	(15,561)
Intergovernmental	53,681,654	54,921,548	53,334,543	(1,587,005)
Charges for services	24,638,199	24,701,199	23,615,714	(1,085,485)
Investment earnings	355,400	355,400	439,885	84,485
Other	<u>11,723,531</u>	<u>11,723,531</u>	<u>10,531,887</u>	<u>(1,191,644)</u>
Total revenues	<u>378,776,114</u>	<u>380,079,008</u>	<u>379,721,310</u>	<u>(357,698)</u>
Expenditures:				
Current:				
General government:				
Budget and management	487,903	478,663	382,775	95,888
Management information services	6,717,921	7,091,484	6,296,171	795,313
Finance	2,306,815	2,514,051	2,236,898	277,153
General services	13,095,084	13,209,063	12,033,750	1,175,313
Human resources	895,767	894,741	747,622	147,119
Planning	1,472,790	1,455,790	1,353,141	102,649
Purchasing	108,970	123,970	108,838	15,132
Attorney	1,309,323	1,383,505	1,330,700	52,805
Board of elections	942,156	1,109,214	987,599	121,615
County commissioners and manager	1,055,701	1,069,595	1,006,036	63,559
Register of deeds	1,324,254	1,366,026	1,189,101	176,925
Tax administration	6,112,750	8,422,280	5,600,583	2,821,697
Non-departmental:				
Contingency	750,000	323,484	-	323,484
County-wide salary savings	(2,558,706)	(2,558,706)	-	(2,558,706)
Other services and adjustments	3,963,391	2,390,333	1,477,967	912,366
Merit adjustment	1,449,910	1,449,910	-	1,449,910
Prior year encumbrances	1,800,000	3,505	-	3,505
Special appropriations	-	-	-	-
Total general government	<u>41,234,029</u>	<u>40,726,908</u>	<u>34,751,181</u>	<u>5,975,727</u>

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Public safety:				
Animal control	\$ 1,964,223	1,961,475	1,774,646	186,829
Emergency management	355,590	484,610	456,702	27,908
Interagency communications	1,219,440	1,232,184	1,148,679	83,505
Sheriff	41,672,798	42,839,616	40,395,887	2,443,729
Emergency services	17,401,655	17,601,955	16,082,092	1,519,863
Court services	521,477	562,845	480,769	82,076
Medical examiner	190,000	220,000	186,100	33,900
Youth center	1,985,213	2,008,666	1,910,077	98,589
Nondepartmental other services and adjustments	1,369,656	1,369,656	1,282,544	87,112
Total public safety	<u>66,680,052</u>	<u>68,281,007</u>	<u>63,717,496</u>	<u>4,563,511</u>
Environmental protection:				
NC cooperative extension service - conservation of natural resources	174,135	189,315	150,533	38,782
Environmental assistance and protection	2,202,041	2,228,779	2,102,432	126,347
Inspections	309,230	309,230	266,480	42,750
Nondepartmental other services and adjustments	40,391	40,391	37,880	2,511
Total environmental protection	<u>2,725,797</u>	<u>2,767,715</u>	<u>2,557,325</u>	<u>210,390</u>
Human services:				
Public health	23,749,620	24,232,527	19,569,797	4,662,730
Social services	52,054,158	53,407,406	48,492,289	4,915,117
Ageing services	400,000	400,000	294,280	105,720
Special appropriations	-	-	-	-
Nondepartmental other services and adjustments	718,876	718,876	678,625	40,251
Total human services	<u>76,922,654</u>	<u>78,758,809</u>	<u>69,034,991</u>	<u>9,723,818</u>
Culture and recreation:				
Library	7,352,639	7,513,441	6,865,983	647,458
Parks and recreation	7,831,965	7,870,084	7,127,626	742,458
Nondepartmental other services and adjustments	189,939	189,939	179,330	10,609
Total culture and recreation	<u>15,374,543</u>	<u>15,573,464</u>	<u>14,172,939</u>	<u>1,400,525</u>
Community and economic development:				
Economic development	2,156,995	2,176,009	2,125,802	50,207
Housing	448,876	459,857	423,611	36,246
Total community and economic development	<u>2,605,871</u>	<u>2,635,866</u>	<u>2,549,413</u>	<u>86,453</u>
Education:				
NC cooperative extension service	697,723	760,920	932,376	(171,456)
Nondepartmental other services and adjustments	39,390	39,390	36,706	2,684
Total education	<u>737,113</u>	<u>800,310</u>	<u>969,082</u>	<u>(168,772)</u>
Intergovernmental:				
Human services - CenterPoint Human Services	6,148,706	6,148,706	5,861,305	287,401
Education:				
Forsyth Technical Community College:				
Current expense	9,047,406	9,119,402	9,118,402	1,000
Capital outlay	455,000	455,000	455,000	-
Total Forsyth Technical Community College	<u>9,502,406</u>	<u>9,574,402</u>	<u>9,573,402</u>	<u>1,000</u>

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Winston-Salem/Forsyth County Schools:				
Instructional programs	\$ 60,090,319	60,090,319	60,090,319	-
Support services	43,064,939	43,064,939	43,064,939	-
Community services	364,960	364,960	364,960	-
Charter schools	4,500,001	4,500,001	4,500,001	-
Capital outlay	3,995,636	3,995,636	3,995,636	-
Total Winston-Salem/Forsyth County Schools	<u>112,015,855</u>	<u>112,015,855</u>	<u>112,015,855</u>	<u>-</u>
Total intergovernmental education	<u>121,518,261</u>	<u>121,590,257</u>	<u>121,589,257</u>	<u>1,000</u>
Debt service:				
General obligation bonds:				
Principal	34,345,000	34,345,000	32,555,000	1,790,000
Interest and other charges	20,328,394	20,526,278	18,712,524	1,813,754
Limited obligation bonds, installment purchases and certificates of participation:				
Principal	6,495,433	6,495,433	6,495,432	1
Interest and other charges	3,161,681	3,186,681	3,162,089	24,592
Total debt service	<u>64,330,508</u>	<u>64,553,392</u>	<u>60,925,045</u>	<u>3,628,347</u>
Total expenditures	<u>398,277,534</u>	<u>401,836,434</u>	<u>376,128,034</u>	<u>25,708,400</u>
Excess (deficiency) of revenues over expenditures	<u>(19,501,420)</u>	<u>(21,757,426)</u>	<u>3,593,276</u>	<u>25,350,702</u>
Other financing sources (uses):				
Refunding bonds issuance	-	222,884	72,245,000	72,022,116
Premium on refunding bonds	-	-	18,145,244	18,145,244
Transfers in:				
Fire Tax Districts Fund	1,602,232	1,602,232	1,650,542	48,310
Law Enforcement Equitable Distribution Fund	210,000	210,000	65,005	(144,995)
State Public School Building Capital Fund	4,833,087	4,833,087	3,582,635	(1,250,452)
2007 Forsyth Technical Community College Fund	361,000	361,000	-	(361,000)
2007 School Facilities Fund	1,735,000	1,735,000	1,735,000	-
2012 Motive Equipment Replacement Fund	-	-	30,217	30,217
2012 Housing Fund	-	-	7,211	7,211
2010 FTCC Capital Maintenance Fund	-	-	136,617	136,617
2012 FTCC Capital Maintenance Fund	-	-	158,608	158,608
2014 Reynolda Manor Branch Library Fund	-	-	460	460
Total transfers in	<u>8,741,319</u>	<u>8,741,319</u>	<u>7,366,295</u>	<u>(1,375,024)</u>
Transfers out:				
2014 WSFCS Capital Maintenance Fund	(1,735,000)	(1,735,000)	(1,735,000)	-
2014 Motive Equipment Replacement Fund	(1,467,145)	(1,467,145)	(1,467,145)	-
2014 FTCC Carolina Building Renovation Fund	(3,600,000)	(3,600,000)	(3,600,000)	-
2015 Housing Fund	(27,690)	(27,690)	(27,690)	-
2015 Winston-Salem/Forsyth County Schools Facilities Fund	-	(1,681,000)	(1,681,000)	-
Total transfers out	<u>(6,829,835)</u>	<u>(8,510,835)</u>	<u>(8,510,835)</u>	<u>-</u>
Payment to refunded bond escrow agent	-	-	(89,882,337)	(89,882,337)
Total other financing sources (uses)	<u>1,911,484</u>	<u>453,368</u>	<u>(636,633)</u>	<u>(1,090,001)</u>
Net change in fund balance	<u>\$ (17,589,936)</u>	<u>(21,304,058)</u>	<u>2,956,643</u>	<u>24,260,701</u>
Fund balances - June 30, 2014			142,583,412	
Fund balances - June 30, 2015			<u>\$ 145,540,055</u>	

2009 EDUCATIONAL FACILITIES FUND

A-2

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues - investment earnings	\$ 300,000	118,776	492	118,284
Expenditures:				
Current - intergovernmental - education:				
School Career Center	26,150,745	26,140,822	-	26,140,822
School administrative offices	13,449,850	13,449,850	-	13,449,850
FTCC expansion	23,500,000	22,953,932	5,663,272	17,290,660
Technology projects	826,034	826,034	-	826,034
Unallocated	582,865	-	-	-
Debt service - interest and other charges	544,477	524,115	-	524,115
Total expenditures	<u>65,053,971</u>	<u>63,894,753</u>	<u>5,663,272</u>	<u>58,231,481</u>
Deficiency of revenues over expenditures	<u>(64,753,971)</u>	<u>(63,775,977)</u>	<u>(5,662,780)</u>	<u>(58,113,197)</u>
Other financing sources:				
General obligation bonds issued	62,150,000	62,150,000	-	62,150,000
Premium on general obligation bonds	2,603,971	2,787,983	-	2,787,983
Total other financing sources	<u>64,753,971</u>	<u>64,937,983</u>	<u>-</u>	<u>64,937,983</u>
Net change in fund balance	\$ <u>-</u>	<u>1,162,006</u>	<u>(5,662,780)</u>	<u>6,824,786</u>
Fund balance - June 30, 2014			<u>6,824,786</u>	
Fund balance - June 30, 2015			<u>\$ <u>1,162,006</u></u>	

2009 PHILLIPS BUILDING (PHASES 1A AND 1B) FUND

A-3

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues:				
Other	\$ -	50,030	30	50,000
Investment earnings	-	29,619	261	29,358
Total revenues	<u>-</u>	<u>79,649</u>	<u>291</u>	<u>79,358</u>
Expenditures:				
Phase 1A:				
Current - debt service - interest and other charges	200,000	200,000	-	200,000
Capital outlay - public safety:				
Site acquisition	3,480,000	3,483,122	-	3,483,122
Asbestos abatement; re-fireproofing; engineering and architectural services for two floors and parking level	6,720,000	5,385,350	-	5,385,350
Professional fees	10,000	10,000	-	10,000
Phase 1B:				
Current - debt service - interest and other charges	300,000	307,414	-	307,414
Capital outlay - public safety - renovation and rehabilitation of two floors and parking level	25,400,000	23,777,444	218,944	23,558,500
Total expenditures	<u>36,110,000</u>	<u>33,163,330</u>	<u>218,944</u>	<u>32,944,386</u>
Deficiency of revenues over expenditures	<u>(36,110,000)</u>	<u>(33,083,681)</u>	<u>(218,653)</u>	<u>(32,865,028)</u>
Other financing sources:				
Limited obligation bonds issued	36,110,000	31,290,000	-	31,290,000
Premium on limited obligation bonds	-	3,117,869	-	3,117,869
Total other financing sources	<u>36,110,000</u>	<u>34,407,869</u>	<u>-</u>	<u>34,407,869</u>
Net change in fund balance	<u>\$ -</u>	<u>1,324,188</u>	<u>(218,653)</u>	<u>1,542,841</u>
Fund balance - June 30, 2014			1,542,841	
Fund balance - June 30, 2015			<u>\$ 1,324,188</u>	

2011 LIBRARY BOND FUND

A-4

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues - investment earnings	\$ -	5,463	5,463	-
Expenditures:				
Debt service - interest and other charges	143,000	130,036	130,036	-
Capital outlay - culture and recreation				
Library planning	240,000	197,920	148,849	49,071
Library projects	40,000,000	1,554,903	1,396,833	158,070
Total expenditures	<u>40,383,000</u>	<u>1,882,859</u>	<u>1,675,718</u>	<u>207,141</u>
Deficiency of revenues over expenditures	<u>(40,383,000)</u>	<u>(1,877,396)</u>	<u>(1,670,255)</u>	<u>(207,141)</u>
Other financing sources:				
General obligation bonds issued	40,000,000	34,000,000	34,000,000	-
Premium on general obligation bonds	143,000	2,920,099	2,920,099	-
Transfer from 2008 Pay-Go fund	240,000	240,000	-	240,000
Total other financing sources	<u>40,383,000</u>	<u>37,160,099</u>	<u>36,920,099</u>	<u>240,000</u>
Net change in fund balance	<u>\$ -</u>	<u>35,282,703</u>	<u>35,249,844</u>	<u>32,859</u>
Fund balance - June 30, 2014			32,859	
Fund balance - June 30, 2015			<u>\$ 35,282,703</u>	

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Fire Tax Districts Fund – This fund is used to account for property tax collections and other revenue sources for distribution to the County’s twenty-three fire tax districts and one service district.

Law Enforcement Equitable Distribution Fund – This fund is used to account for the expenditure of funds distributed to the County through the federal Equitable Sharing Program and from the North Carolina unauthorized substance tax. Expenditures are restricted to law enforcement purposes.

Emergency Telephone System Fund – The Emergency Telephone System Fund accounts for distributions to the County from the 911 Fund administered by the State 911 Board. Use of the funds is restricted to allowable expenditures in support of the County 911 system, as specified by State statute.

Moser Bequest for Care of Elderly – This fund accounts for the bequest of Odis Moser to the Forsyth County Social Services Department, the use of which is restricted for the care of the elderly.

State Public School Building Capital Fund – This fund is used to account for capital expenditures by the Winston-Salem/Forsyth County Schools, financed by grant monies from the State Public School Building Capital Fund, transfers from the Schools Facilities Funds, and lottery proceeds, and for transfers to the General Fund of lottery proceeds approved to fund debt service.

2012 Housing Fund – This fund accounts for the use of state and federal grants initiated in fiscal year 2012 for rehabilitation and reconstruction of substandard dwellings in Forsyth County, down-payment assistance for Forsyth County citizens who meet eligibility requirements, and other housing rehabilitation and first-time home buyer related purposes.

2011 Justice Assistance Fund – This fund accounts for the 2011 Edward Byrne Memorial Justice Assistance grant.

2013 Housing Fund – This fund accounts for the use of state and federal grants initiated in fiscal year 2013 for rehabilitation and reconstruction of substandard dwellings in Forsyth County, down-payment assistance for Forsyth County citizens who meet eligibility requirements, and other housing rehabilitation and first-time home buyer related purposes.

2014 Housing Fund – This fund accounts for the use of state and federal grants initiated in fiscal year 2014 for rehabilitation and reconstruction of substandard dwellings in Forsyth County, down-payment assistance for Forsyth County citizens who meet eligibility requirements, and other housing rehabilitation and first-time home buyer related purposes.

2013 Justice Assistance Fund – This fund accounts for the 2013 Edward Byrne Memorial Justice Assistance grant.

2015 Housing Fund – This fund accounts for the use of state and federal grants initiated in fiscal year 2015 for rehabilitation and reconstruction of substandard dwellings in Forsyth County, down-payment assistance for Forsyth County citizens who meet eligibility requirements, and other housing rehabilitation and first-time home buyer related purposes.

Capital Project Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities and equipment.

2007 School Facilities Fund – This fund is used to account for the construction of and renovation to school facilities and the related acquisition of land, furnishings and equipment, financed by proceeds of school facilities bonds authorized by a 2006 referendum.

2008 Schools Facilities Fund – State legislation providing Medicaid relief to Counties included a reduction in Public School Building Capital Fund (ADM) monies and required counties to replace these funds in order to hold harmless the local school system. This fund accounts for the expenditure of the replacement funds required of Forsyth County, provided by transfers from the General Fund and restricted to the allowable uses of ADM funds.

2009 2/3rds Bonds Fund – Proceeds of general obligation two-thirds bonds will finance School capital maintenance projects, shelter replacements at Tanglewood Park, pharmacy renovations, roof and elevator replacements at the Hall of Justice, and Triad Park development.

2010 Forsyth Technical Community College Capital Maintenance Fund – Proceeds of general obligation two-thirds bonds will finance community college maintenance projects.

2012 Motive Equipment Replacement Fund – This fund accounts for the purchase of the County's emergency and non-emergency vehicle fleet.

2012 2/3rds Bonds Fund – Proceeds of general obligation two-thirds bonds will finance County facility and park maintenance and renovation projects.

2012 Winston-Salem/Forsyth County Schools Capital Maintenance Fund – Proceeds of general obligation two-thirds bonds will finance school capital maintenance projects.

2012 Forsyth Technical Community College Capital Maintenance Fund – Proceeds of general obligation two-thirds bonds will finance community college maintenance projects.

2012 Pay-Go Fund – This fund accounts for the upfit of several County facilities, a Law Enforcement Detention Center energy conservation project, and the purchase of special use electric vehicles.

2013 Pay-Go Fund – This fund accounts for renovations at the Social Services facility, sheriff jail technology improvements, conservation projects, upgrades to the tax office Geo Data Explorer intranet, renovations to the former environmental affairs building, computer equipment upgrades, and a financial system upgrade, funded by transfers from the General Fund.

2014 Reynolda Manor Branch Library Fund – This fund accounts for the acquisition and upfit of the Reynolda Manor branch library.

2014 Motive Equipment Replacement Fund – This fund accounts for the purchase of the County's emergency and non-emergency vehicle fleet.

2014 FTCC Carolina Building Renovation Fund – This fund accounts for the renovation of the Carolina Building on the Forsyth Technical Community College campus.

2014 2/3rds Bonds Fund – Proceeds of general obligation two-thirds bonds will finance County facility maintenance and repair and park maintenance projects.

2014 Winston-Salem/Forsyth County Schools Capital Maintenance Fund – Proceeds of general obligation two-thirds bonds will finance school capital maintenance projects.

2014 Forsyth Technical Community College Capital Maintenance Fund – Proceeds of general obligation two-thirds bonds will finance community college maintenance projects.

2015 Winston-Salem/Forsyth County Schools Facilities Fund – This fund accounts for the design costs for school replacement projects.

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

B-1

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2015

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents / investments	\$ 3,958,306	8,761,855	12,720,161
Investments - restricted	-	18,377,552	18,377,552
Receivables (net):			
Property taxes	72,618	-	72,618
Accrued interest	1,242	3,395	4,637
Due from other governments	1,285,707	317,544	1,603,251
Total assets	<u>\$ 5,317,873</u>	<u>27,460,346</u>	<u>32,778,219</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 26,242	520,218	546,460
Due to other funds	722,118	-	722,118
Unearned revenue	98,354	-	98,354
Total liabilities	<u>846,714</u>	<u>520,218</u>	<u>1,366,932</u>
Deferred Inflows of Resources:			
Unavailable taxes	<u>72,618</u>	<u>-</u>	<u>72,618</u>
Fund balances:			
Restricted for:			
Stabilization by state statute	1,310,197	947,308	2,257,505
Fire protection	872,657	-	872,657
Law enforcement	1,460,327	-	1,460,327
Emergency telephone system	975,224	-	975,224
Human services	307,703	-	307,703
Housing and community redevelopment	219,295	-	219,295
Capital projects	-	17,435,681	17,435,681
Committed for capital projects	-	8,557,139	8,557,139
Unassigned	<u>(746,862)</u>	<u>-</u>	<u>(746,862)</u>
Total fund balances	<u>4,398,541</u>	<u>26,940,128</u>	<u>31,338,669</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,317,873</u>	<u>27,460,346</u>	<u>32,778,219</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

B-2

FORSYTH COUNTY, NORTH CAROLINA
For the Fiscal Year Ended June 30, 2015

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues:			
Taxes:			
Property	\$ 6,755,759	-	6,755,759
Local option sales taxes	1,653,230	-	1,653,230
Total taxes	<u>8,408,989</u>	-	<u>8,408,989</u>
Intergovernmental	4,847,230	1,137,894	5,985,124
Charges for services	-	8,800	8,800
Investment earnings	15,228	40,909	56,137
Other	61,141	187,181	248,322
Total revenues	<u>13,332,588</u>	<u>1,374,784</u>	<u>14,707,372</u>
Expenditures:			
Current:			
Public safety	7,698,185	-	7,698,185
Human services	351	-	351
Community and economic development	385,914	-	385,914
Intergovernmental - education	-	6,460,629	6,460,629
Debt service - interest and other charges	-	51,823	51,823
Capital outlay	-	5,862,309	5,862,309
Total expenditures	<u>8,084,450</u>	<u>12,374,761</u>	<u>20,459,211</u>
Excess (deficiency) of revenues over expenditures	<u>5,248,138</u>	<u>(10,999,977)</u>	<u>(5,751,839)</u>
Other financing sources (uses):			
General obligation bonds issued	-	13,550,000	13,550,000
Premium on general obligation bonds	-	1,194,836	1,194,836
Transfers in	66,206	8,744,331	8,810,537
Transfers out	(5,343,909)	(2,322,088)	(7,665,997)
Total other financing sources (uses)	<u>(5,277,703)</u>	<u>21,167,079</u>	<u>15,889,376</u>
Net change in fund balances	(29,565)	10,167,102	10,137,537
Fund balance - June 30, 2014	<u>4,428,106</u>	<u>16,773,026</u>	<u>21,201,132</u>
Fund balance - June 30, 2015	<u><u>\$ 4,398,541</u></u>	<u><u>26,940,128</u></u>	<u><u>31,338,669</u></u>

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

C-1

FORSYTH COUNTY, NORTH CAROLINA

Page 1 of 2

June 30, 2015

	<u>Fire Tax Districts</u>	<u>Law Enforcement Equitable Distribution</u>	<u>Emergency Telephone System</u>	<u>Moser Bequest for Care of Elderly</u>	<u>State Public School Building Capital</u>
ASSETS					
Cash and cash equivalents / investments	\$ 886,438	1,460,327	987,550	307,703	-
Receivables (net):					
Property taxes	72,618	-	-	-	-
Accrued interest	285	443	316	94	-
Due from other governments	466,903	5,933	62,420	-	720,635
Total assets	<u>\$ 1,426,244</u>	<u>1,466,703</u>	<u>1,050,286</u>	<u>307,797</u>	<u>720,635</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 7,064	-	12,326	-	-
Due to other funds - General Fund	-	-	-	-	720,635
Unearned revenue	6,717	-	-	-	-
Total liabilities	<u>13,781</u>	<u>-</u>	<u>12,326</u>	<u>-</u>	<u>720,635</u>
Deferred Inflows of Resources:					
Unavailable taxes	<u>72,618</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Restricted for:					
Stabilization by state statute	467,188	6,376	62,736	94	720,635
Fire protection	872,657	-	-	-	-
Law enforcement	-	1,460,327	-	-	-
Emergency telephone system	-	-	975,224	-	-
Human services	-	-	-	307,703	-
Housing and community redevelopment	-	-	-	-	-
Unassigned	-	-	-	-	(720,635)
Total fund balances	<u>1,339,845</u>	<u>1,466,703</u>	<u>1,037,960</u>	<u>307,797</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,426,244</u>	<u>1,466,703</u>	<u>1,050,286</u>	<u>307,797</u>	<u>720,635</u>

<u>2013</u> <u>Housing</u>	<u>2014</u> <u>Housing</u>	<u>2013</u> <u>Justice</u> <u>Assistance</u>	<u>2015</u> <u>Housing</u>	<u>Total</u>
-	136,870	92,487	86,931	3,958,306
-	-	-	-	72,618
-	43	35	26	1,242
21,950	6,752	-	1,114	1,285,707
<u>21,950</u>	<u>143,665</u>	<u>92,522</u>	<u>88,071</u>	<u>5,317,873</u>
-	-	6,816	36	26,242
1,483	-	-	-	722,118
-	-	91,637	-	98,354
<u>1,483</u>	<u>-</u>	<u>98,453</u>	<u>36</u>	<u>846,714</u>
-	-	-	-	72,618
40,728	11,265	35	1,140	1,310,197
-	-	-	-	872,657
-	-	-	-	1,460,327
-	-	-	-	975,224
-	-	-	-	307,703
-	132,400	-	86,895	219,295
(20,261)	-	(5,966)	-	(746,862)
<u>20,467</u>	<u>143,665</u>	<u>(5,931)</u>	<u>88,035</u>	<u>4,398,541</u>
<u>21,950</u>	<u>143,665</u>	<u>92,522</u>	<u>88,071</u>	<u>5,317,873</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**

FORSYTH COUNTY, NORTH CAROLINA
For the Fiscal Year Ended June 30, 2015

	<u>Fire Tax Districts</u>	<u>Law Enforcement Equitable Distribution</u>	<u>Emergency Telephone System</u>	<u>Moser Bequest for Care of Elderly</u>	<u>State Public School Building Capital</u>
Revenues:					
Taxes:					
Property	\$ 6,755,759	-	-	-	-
Local option sales taxes	1,653,230	-	-	-	-
Intergovernmental	-	47,638	744,587	-	3,582,635
Investment earnings	3,880	5,484	3,240	1,155	-
Other	-	-	-	-	-
Total revenues	<u>8,412,869</u>	<u>53,122</u>	<u>747,827</u>	<u>1,155</u>	<u>3,582,635</u>
Expenditures:					
Current:					
Public safety	7,019,761	-	532,331	-	-
Human services	-	-	-	351	-
Community and economic development	-	-	-	-	-
Total expenditures	<u>7,019,761</u>	<u>-</u>	<u>532,331</u>	<u>351</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,393,108</u>	<u>53,122</u>	<u>215,496</u>	<u>804</u>	<u>3,582,635</u>
Other financing sources (uses):					
Transfers in:					
General Fund	-	-	-	-	-
2012 Housing Fund	-	-	-	-	-
Transfers out:					
General Fund	(1,650,542)	(65,005)	-	-	(3,582,635)
2015 Housing Fund	-	-	-	-	-
Total other financing sources (uses)	<u>(1,650,542)</u>	<u>(65,005)</u>	<u>-</u>	<u>-</u>	<u>(3,582,635)</u>
Net change in fund balances	(257,434)	(11,883)	215,496	804	-
Fund balance - June 30, 2014	1,597,279	1,478,586	822,464	306,993	-
Fund balance - June 30, 2015	<u><u>\$ 1,339,845</u></u>	<u><u>1,466,703</u></u>	<u><u>1,037,960</u></u>	<u><u>307,797</u></u>	<u><u>-</u></u>

2012	2011	2013	2014	2013	2015	
Housing	Justice	Housing	Housing	Justice	Housing	Total
	Assistance			Assistance		
-	-	-	-	-	-	6,755,759
-	-	-	-	-	-	1,653,230
23,038	60,102	211,768	70,846	78,003	28,613	4,847,230
115	63	6	506	549	230	15,228
-	-	-	41,257	-	19,884	61,141
23,153	60,165	211,774	112,609	78,552	48,727	13,332,588
-	61,273	-	-	84,820	-	7,698,185
-	-	-	-	-	-	351
35,747	-	220,134	103,135	-	26,898	385,914
35,747	61,273	220,134	103,135	84,820	26,898	8,084,450
(12,594)	(1,108)	(8,360)	9,474	(6,268)	21,829	5,248,138
-	-	-	-	-	27,690	27,690
-	-	-	-	-	38,516	38,516
(7,211)	-	-	-	-	-	(5,305,393)
(38,516)	-	-	-	-	-	(38,516)
(45,727)	-	-	-	-	66,206	(5,277,703)
(58,321)	(1,108)	(8,360)	9,474	(6,268)	88,035	(29,565)
58,321	1,108	28,827	134,191	337	-	4,428,106
-	-	20,467	143,665	(5,931)	88,035	4,398,541

FIRE TAX DISTRICTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property	\$ 6,451,498	6,451,498	6,755,759	304,261
Local option sales taxes	1,602,232	1,602,232	1,653,230	50,998
Total taxes	<u>8,053,730</u>	<u>8,053,730</u>	<u>8,408,989</u>	<u>355,259</u>
Investment earnings	-	-	3,880	3,880
Total revenues	<u>8,053,730</u>	<u>8,053,730</u>	<u>8,412,869</u>	<u>359,139</u>
Expenditures - current - public safety:				
Beeson's Cross Roads	277,876	277,876	277,876	-
Beeson's Cross Roads Service	26,117	26,117	26,117	-
Belews Creek	244,522	244,522	244,522	-
City View	27,146	27,146	27,146	-
Clemmons	1,161,449	1,161,449	1,161,449	-
Forest Hill	215,177	215,177	215,177	-
Griffith	105,297	105,297	105,297	-
Gumtree	75,508	75,508	75,508	-
Horneytown	209,891	209,891	209,891	-
King of Forsyth County	322,668	322,668	322,668	-
Lewisville	1,269,377	1,269,377	1,269,377	-
Mineral Springs	164,991	164,991	164,991	-
Mineral Springs Service	6,314	6,314	6,314	-
Mount Tabor	70,810	70,810	70,810	-
Old Richmond	386,120	386,120	386,120	-
Piney Grove	595,338	595,338	595,338	-
Rural Hall	436,855	436,855	436,855	-
Salem Chapel	69,769	69,769	69,769	-
South Fork	6,034	6,034	6,034	-
Talley's Crossing	129,247	129,247	129,247	-
Triangle	95,909	95,909	95,909	-
Union Cross	233,547	254,522	254,522	-
Vienna	491,643	491,643	491,643	-
Walkertown	331,085	331,085	331,085	-
West Bend	46,096	46,096	46,096	-
Total expenditures	<u>6,998,786</u>	<u>7,019,761</u>	<u>7,019,761</u>	<u>-</u>
Excess of revenues over expenditures	<u>1,054,944</u>	<u>1,033,969</u>	<u>1,393,108</u>	<u>359,139</u>

FIRE TAX DISTRICTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Other financing uses - transfers out-				
General Fund:				
Beeson's Cross Roads	(61,657)	(61,657)	(63,509)	(1,852)
Beeson's Cross Roads Service	(6,293)	(6,293)	(6,205)	88
Belews Creek	(58,183)	(58,183)	(60,098)	(1,915)
City View	(6,889)	(6,889)	(7,413)	(524)
Clemmons	(283,826)	(283,826)	(296,241)	(12,415)
Forest Hill	(2,358)	(2,358)	(2,408)	(50)
Griffith	(25,611)	(25,611)	(27,078)	(1,467)
Gumtree	(14,488)	(14,488)	(15,026)	(538)
Horneytown	(50,901)	(50,901)	(52,814)	(1,913)
King of Forsyth County	(81,517)	(81,517)	(83,921)	(2,404)
Lewisville	(284,659)	(284,659)	(285,158)	(499)
Mineral Springs	(36,727)	(36,727)	(37,859)	(1,132)
Mineral Springs Service	(1,441)	(1,441)	(1,489)	(48)
Mount Tabor	(16,870)	(16,870)	(17,615)	(745)
Old Richmond	(94,520)	(94,520)	(97,387)	(2,867)
Piney Grove	(150,563)	(150,563)	(154,693)	(4,130)
Rural Hall	(95,044)	(95,044)	(96,846)	(1,802)
Salem Chapel	(17,539)	(17,539)	(18,510)	(971)
South Fork	(1,141)	(1,141)	(1,199)	(58)
Talley's Crossing	(32,987)	(32,987)	(34,783)	(1,796)
Triangle	(21,258)	(21,258)	(21,600)	(342)
Union Cross	(56,954)	(56,954)	(59,799)	(2,845)
Vienna	(118,872)	(118,872)	(124,952)	(6,080)
Walkertown	(71,278)	(71,278)	(73,302)	(2,024)
West Bend	(10,656)	(10,656)	(10,637)	19
Total other financing uses	<u>(1,602,232)</u>	<u>(1,602,232)</u>	<u>(1,650,542)</u>	<u>(48,310)</u>
Net change in fund balance	\$ <u>(547,288)</u>	<u>(568,263)</u>	(257,434)	<u>310,829</u>
Fund balance - June 30, 2014			1,597,279	
Fund balance - June 30, 2015			\$ <u><u>1,339,845</u></u>	

LAW ENFORCEMENT EQUITABLE DISTRIBUTION FUND

C-4

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA
For the Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	-	47,638	47,638
Investment earnings	-	-	5,484	5,484
Total revenues	-	-	53,122	53,122
Other financing uses:				
Transfer to General Fund	(210,000)	(210,000)	(65,005)	144,995
Net change in fund balance	\$ (210,000)	(210,000)	(11,883)	198,117
Fund balance - June 30, 2014			1,478,586	
Fund balance - June 30, 2015			\$ 1,466,703	

EMERGENCY TELEPHONE SYSTEM FUND

C-5

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA
For the Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 858,471	858,471	744,587	(113,884)
Investment earnings	-	-	3,240	3,240
Total revenues	858,471	858,471	747,827	(110,644)
Expenditures - Public Safety	858,471	858,471	532,331	326,140
Net change in fund balance	\$ -	-	215,496	215,496
Fund balance - June 30, 2014			822,464	
Fund balance - June 30, 2015			\$ 1,037,960	

MOSER BEQUEST FOR CARE OF ELDERLY FUND

C-6

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues - investment earnings	\$ 1,000	1,000	1,155	155
Expenditures - Human Services	50,000	50,000	351	49,649
Net change in fund balance	<u>\$ (49,000)</u>	<u>(49,000)</u>	804	<u>49,804</u>
Fund balance - June 30, 2014			306,993	
Fund balance - June 30, 2015			<u>\$ 307,797</u>	

STATE PUBLIC SCHOOL BUILDING CAPITAL FUND

C-7

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues:				
Intergovernmental	\$ 83,583,811	80,371,714	3,582,635	76,789,079
Investment earnings	162,074	162,074	-	162,074
Total revenues	83,745,885	80,533,788	3,582,635	76,951,153
Expenditures - current - intergovernmental - education	51,340,383	48,538,317	-	48,538,317
Excess (deficiency) of revenues over expenditures	<u>32,405,502</u>	<u>31,995,471</u>	<u>3,582,635</u>	<u>28,412,836</u>
Other financing sources (uses):				
Transfers in:				
Schools Fund	-	1,330,321	-	1,330,321
1990 Schools Facilities Fund	4,170,049	4,169,875	-	4,169,875
1995 School Facilities Fund	65,288	65,288	-	65,288
1996 Schools Facilities Fund	1,933,499	1,933,499	-	1,933,499
2002 Schools Fund	4,161,834	4,161,834	-	4,161,834
2007 School Facilities Fund	250,000	250,000	-	250,000
Transfers out - General Fund	(44,316,322)	(43,906,288)	(3,582,635)	(40,323,653)
Total other financing sources (uses)	<u>(33,735,652)</u>	<u>(31,995,471)</u>	<u>(3,582,635)</u>	<u>(28,412,836)</u>
Net change in fund balance	<u>\$ (1,330,150)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - June 30, 2014			-	
Fund balance - June 30, 2015			<u>\$ -</u>	

2012 HOUSING FUND

C-8

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues:				
Intergovernmental:				
2011 WSFC HOME Consortium	\$ 254,700	222,300	23,038	199,262
NC DENR HUD Lead Program	237,700	9,277	-	9,277
NCHFA Urgent Repair Program	75,000	60,651	-	60,651
Local government grants	12,000	12,000	-	12,000
Total intergovernmental	<u>579,400</u>	<u>304,228</u>	<u>23,038</u>	<u>281,190</u>
Mortgage repayments	138,099	138,099	-	138,099
Investment earnings	320	304	115	189
Total revenues	<u>717,819</u>	<u>442,631</u>	<u>23,153</u>	<u>419,478</u>
Expenditures - current - community and economic development:				
2011 WSFC HOME Consortium	254,700	222,300	23,038	199,262
2011 WSFC HOME Consortium - local match	50,018	50,018	6,595	43,423
2012 NCHFA Urgent Repair Program	75,000	60,651	4	60,647
2012 HOME Program	99,604	99,604	6,110	93,494
NC DENR HUD	237,700	9,277	-	9,277
Total expenditures	<u>717,022</u>	<u>441,850</u>	<u>35,747</u>	<u>406,103</u>
Excess (deficiency) of revenues over expenditures	797	781	(12,594)	13,375
Other financing sources (uses):				
Transfer from General Fund	37,698	37,714	(7,211)	44,925
Transfer from 2009 Housing Fund	21	21	-	21
Transfer to 2015 Housing Fund	(38,516)	(38,516)	(38,516)	-
Total other financing sources	<u>(797)</u>	<u>(781)</u>	<u>(45,727)</u>	<u>44,946</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>(58,321)</u>	<u>58,321</u>
Fund balance - June 30, 2014			<u>58,321</u>	
Fund balance - June 30, 2015			<u>\$ -</u>	

2011 JUSTICE ASSISTANCE FUND

C-9

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues:				
Intergovernmental - Justice Assistance	\$ 220,673	220,673	60,102	160,571
Investment earnings	826	1,171	63	1,108
Total revenues	<u>221,499</u>	<u>221,844</u>	<u>60,165</u>	<u>161,679</u>
Expenditures - current - public safety:				
Sheriff	160,576	161,189	60,955	100,234
City of Winston-Salem police	60,923	60,655	318	60,337
Total expenditures	<u>221,499</u>	<u>221,844</u>	<u>61,273</u>	<u>160,571</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	(1,108)	<u>1,108</u>
Fund balance - June 30, 2014			<u>1,108</u>	
Fund balance - June 30, 2015			<u>\$ -</u>	

2013 HOUSING FUND

C-10

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues:				
Intergovernmental:				
2012 WSFC HOME program	\$ 167,800	138,047	96,410	41,637
NCHFA Duke Power HELP	150,000	-	-	-
2012 NCHFA Single Family Rehabilitation	200,000	107,649	43,415	64,234
CDBG Scattered Site	400,000	163,765	71,943	91,822
Local government grants	12,000	12,000	-	12,000
Total intergovernmental	<u>929,800</u>	<u>421,461</u>	<u>211,768</u>	<u>209,693</u>
Investment earnings	-	85	6	79
Total revenues	<u>929,800</u>	<u>421,546</u>	<u>211,774</u>	<u>209,772</u>
Expenditures - current - community and economic development:				
2012 WSFC HOME	167,800	138,047	96,410	41,637
2012 WSFC HOME - local match	37,755	17,373	8,366	9,007
NCHFA Duke Power HELP	150,000	-	-	-
2012 NCHFA Single Family Rehabilitation	200,000	107,649	43,415	64,234
CDBG Scattered Site	400,000	163,765	71,943	91,822
Total expenditures	<u>955,555</u>	<u>426,834</u>	<u>220,134</u>	<u>206,700</u>
Excess (deficiency) of revenues over expenditures	<u>(25,755)</u>	<u>(5,288)</u>	<u>(8,360)</u>	<u>3,072</u>
Other financing sources - transfers in General Fund	<u>25,755</u>	<u>25,755</u>	<u>-</u>	<u>25,755</u>
Net change in fund balance	<u>\$ -</u>	<u>20,467</u>	<u>(8,360)</u>	<u>28,827</u>
Fund balance - June 30, 2014			<u>28,827</u>	
Fund balance - June 30, 2015			<u>\$ 20,467</u>	

2014 HOUSING FUND

C-11

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues:				
Intergovernmental:				
2013 WSFC HOME program	\$ 167,800	9,134	7,477	1,657
2013 NCHFA Urgent Repair Program	75,000	63,440	41,725	21,715
CDBG NC Catalyst Program	70,000	32,144	21,644	10,500
Local government grants	12,000	12,000	-	12,000
Total intergovernmental	<u>324,800</u>	<u>116,718</u>	<u>70,846</u>	<u>45,872</u>
Mortgage repayments	117,500	46,184	9,257	36,927
Investment earnings	-	595	506	89
Other	-	32,000	32,000	-
Total revenues	<u>442,300</u>	<u>195,497</u>	<u>112,609</u>	<u>82,888</u>
Expenditures - current - community and economic development:				
2013 WSFC HOME	167,800	9,134	7,477	1,657
2013 WSFC HOME - local match	37,755	6,290	6,290	-
Forsyth County IDA	26,582	8,000	6,000	2,000
CDBG Program Income	153,338	20,000	20,000	-
CDBG NC Catalyst Program	70,000	32,144	21,644	10,500
2013 NCHFA Urgent Repair Program	75,000	63,439	41,724	21,715
Total expenditures	<u>530,475</u>	<u>139,007</u>	<u>103,135</u>	<u>35,872</u>
Excess (deficiency) of revenues over expenditures	(88,175)	56,490	9,474	47,016
Other financing sources - transfers in:				
General Fund	25,755	25,755	-	25,755
2009 Housing Fund	35,838	35,838	-	35,838
2011 Housing Fund	26,582	25,582	-	25,582
Total other financing sources	<u>88,175</u>	<u>87,175</u>	<u>-</u>	<u>87,175</u>
Net change in fund balance	\$ -	143,665	9,474	134,191
Fund balance - June 30, 2014			134,191	
Fund balance - June 30, 2015			\$ 143,665	

2013 JUSTICE ASSISTANCE FUND

C-12

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues:				
Intergovernmental - Justice Assistance	\$ 169,640	78,003	78,003	-
Investment earnings	-	886	549	337
Total revenues	<u>169,640</u>	<u>78,889</u>	<u>78,552</u>	<u>337</u>
Expenditures - current - public safety:				
Sheriff	84,820	-	-	-
City of Winston-Salem police	84,820	84,820	84,820	-
Total expenditures	<u>169,640</u>	<u>84,820</u>	<u>84,820</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(5,931)</u>	<u>(6,268)</u>	<u>337</u>
Fund balance - June 30, 2014			<u>337</u>	
Fund balance - June 30, 2015			<u>\$ (5,931)</u>	

2015 HOUSING FUND

C-13

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues:				
Intergovernmental:				
2014 WSFC HOME program	\$ 176,400	2,970	2,970	-
CDBG NSP	50,000	13,643	13,643	-
Local government grants	12,000	12,000	12,000	-
Total intergovernmental	<u>238,400</u>	<u>28,613</u>	<u>28,613</u>	-
Mortgage repayments	200,000	19,884	19,884	-
Investment earnings	-	230	230	-
Total revenues	<u>438,400</u>	<u>48,727</u>	<u>48,727</u>	-
Expenditures - current - community and economic development:				
2014 WSFC HOME	176,400	2,970	2,970	-
2014 WSFC HOME - local match	39,690	-	-	-
CDBG NSP Program Income	50,000	-	-	-
HOME Program Income	238,099	23,928	23,928	-
Total expenditures	<u>504,189</u>	<u>26,898</u>	<u>26,898</u>	-
Excess (deficiency) of revenues over expenditures	(65,789)	21,829	21,829	-
Other financing sources - transfers in:				
General Fund	27,690	27,690	27,690	-
2012 Housing Fund	38,516	38,516	38,516	-
Total other financing sources	<u>66,206</u>	<u>66,206</u>	<u>66,206</u>	-
Net change in fund balance	<u>\$ 417</u>	<u>88,035</u>	<u>88,035</u>	-
Fund balance - June 30, 2014			-	
Fund balance - June 30, 2015			<u>\$ 88,035</u>	

COMBINING BALANCE SHEET

D-1

NONMAJOR CAPITAL PROJECTS FUNDS

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2015

Page 1 of 2

	<u>2007</u> <u>School</u> <u>Facilities</u>	<u>2008</u> <u>School</u> <u>Facilities</u>	<u>2009</u> <u>2/3rds</u> <u>Bonds</u>	<u>2012</u> <u>2/3rds</u> <u>Bonds</u>	<u>2012 WSFCS</u> <u>Capital</u> <u>Maintenance</u>	<u>2012</u> <u>Pay-Go</u>
ASSETS						
Cash and cash equivalents / investments	\$ 47,977	83,828	-	-	-	2,357,017
Investments - restricted	-	-	111,326	1,653,464	1,079,256	-
Receivables (net):						
Accrued interest	-	26	31	-	449	712
Due from other governments	31,428	10,115	109,481	12,728	90,316	4,771
Total assets	\$ 79,405	93,969	220,838	1,666,192	1,170,021	2,362,500
LIABILITIES AND FUND BALANCES						
Liabilities - accounts payable and accrued liabilities	\$ -	-	-	247,073	-	8,226
Fund balances:						
Restricted for:						
Stabilization by state statute	31,428	10,141	109,512	133,683	90,765	56,649
Capital projects	47,977	-	111,326	1,285,436	1,079,256	-
Committed for capital projects	-	83,828	-	-	-	2,297,625
Unassigned	-	-	-	-	-	-
Total fund balances	79,405	93,969	220,838	1,419,119	1,170,021	2,354,274
Total liabilities and fund balances	\$ 79,405	93,969	220,838	1,666,192	1,170,021	2,362,500

<u>2013</u> <u>Pay-Go</u>	<u>2014</u> <u>Motive</u> <u>Equipment</u> <u>Replacement</u>	<u>2014 FTCC</u> <u>Carolina</u> <u>Building</u> <u>Renovation</u>	<u>2014</u> <u>2/3rds</u> <u>Bonds</u>	<u>2014 WSFCS</u> <u>Capital</u> <u>Maintenance</u>	<u>2014 FTCC</u> <u>Capital</u> <u>Maintenance</u>	<u>2015 WSFCS</u> <u>Facilities</u>	<u>Total</u>
730,367	354,583	3,507,083	-	-	-	1,681,000	8,761,855
-	-	-	5,085,474	8,217,058	2,230,974	-	18,377,552
223	113	1,069	-	392	-	380	3,395
21	30,271	-	1,093	27,320	-	-	317,544
730,611	384,967	3,508,152	5,086,567	8,244,770	2,230,974	1,681,380	27,460,346
-	97,347	-	167,572	-	-	-	520,218
244	30,384	1,069	455,341	27,712	-	380	947,308
-	-	-	4,463,654	8,217,058	2,230,974	-	17,435,681
730,367	257,236	3,507,083	-	-	-	1,681,000	8,557,139
-	-	-	-	-	-	-	-
730,611	287,620	3,508,152	4,918,995	8,244,770	2,230,974	1,681,380	26,940,128
730,611	384,967	3,508,152	5,086,567	8,244,770	2,230,974	1,681,380	27,460,346

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS**

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FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2015

	<u>2007 School Facilities</u>	<u>2008 School Facilities</u>	<u>2009 2/3rds Bonds</u>	<u>2010 FTCC Capital Maintenance</u>	<u>2012 Motive Equipment Replacement</u>
Revenues:					
Intergovernmental	\$ -	-	1,041,094	-	-
Charges for services	-	-	-	-	-
Investment earnings	25	617	102	8	730
Other	-	-	-	-	2,945
Total revenues	<u>25</u>	<u>617</u>	<u>1,041,196</u>	<u>8</u>	<u>3,675</u>
Expenditures:					
Current:					
Intergovernmental - education	615,365	457,659	-	-	-
Debt service - interest and other charges	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	2,707
Public safety	-	-	-	-	1,599
Human services	-	-	-	-	-
Culture and recreation	-	-	1,760,464	-	-
Total expenditures	<u>615,365</u>	<u>457,659</u>	<u>1,760,464</u>	<u>-</u>	<u>4,306</u>
Excess (deficiency) of revenues over expenditures	<u>(615,340)</u>	<u>(457,042)</u>	<u>(719,268)</u>	<u>8</u>	<u>(631)</u>
Other financing sources (uses):					
General obligation bonds issued	-	-	-	-	-
Premium on general obligation bonds	-	-	-	-	-
Transfers in:					
General Fund	-	-	-	-	-
2012 Motive Equipment Replacement Fund	-	-	-	-	-
Transfers out:					
General Fund	(1,735,000)	-	-	(136,617)	(30,217)
2014 Motive Equipment Replacement Fund	-	-	-	-	(261,186)
Total other financing sources (uses)	<u>(1,735,000)</u>	<u>-</u>	<u>-</u>	<u>(136,617)</u>	<u>(291,403)</u>
Net change in fund balances	<u>(2,350,340)</u>	<u>(457,042)</u>	<u>(719,268)</u>	<u>(136,609)</u>	<u>(292,034)</u>
Fund balance - June 30, 2014	<u>2,429,745</u>	<u>551,011</u>	<u>940,106</u>	<u>136,609</u>	<u>292,034</u>
Fund balance - June 30, 2015	<u>\$ 79,405</u>	<u>93,969</u>	<u>220,838</u>	<u>-</u>	<u>-</u>

<u>2012 2/3rds Bonds</u>	<u>2012 WSFCS Capital Maintenance</u>	<u>2012 FTCC Capital Maintenance</u>	<u>2012 Pay-Go</u>	<u>2013 Pay-Go</u>	<u>2014 Reynolda Manor Branch Library</u>	<u>2014 Motive Equipment Replacement</u>	<u>2014 FTCC Carolina Building Renovation</u>
-	-	-	-	-	-	96,800	-
-	-	-	-	-	-	8,800	-
402	7,514	16	9,155	3,060	115	2,904	13,393
-	-	-	40,000	-	-	144,236	-
<u>402</u>	<u>7,514</u>	<u>16</u>	<u>49,155</u>	<u>3,060</u>	<u>115</u>	<u>252,740</u>	<u>13,393</u>
-	3,322,913	1,156,136	-	-	-	-	105,241
-	-	-	-	-	-	-	-
1,021,696	-	-	187,597	150,817	-	225,154	-
-	-	-	111,273	-	-	1,468,297	-
-	-	-	246,847	-	-	-	-
372,302	-	-	-	33,394	47,715	-	-
<u>1,393,998</u>	<u>3,322,913</u>	<u>1,156,136</u>	<u>545,717</u>	<u>184,211</u>	<u>47,715</u>	<u>1,693,451</u>	<u>105,241</u>
<u>(1,393,596)</u>	<u>(3,315,399)</u>	<u>(1,156,120)</u>	<u>(496,562)</u>	<u>(181,151)</u>	<u>(47,600)</u>	<u>(1,440,711)</u>	<u>(91,848)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,467,145	3,600,000
-	-	-	-	-	-	261,186	-
-	-	(158,608)	-	-	(460)	-	-
-	-	-	-	-	-	-	-
-	-	<u>(158,608)</u>	<u>-</u>	<u>-</u>	<u>(460)</u>	<u>1,728,331</u>	<u>3,600,000</u>
<u>(1,393,596)</u>	<u>(3,315,399)</u>	<u>(1,314,728)</u>	<u>(496,562)</u>	<u>(181,151)</u>	<u>(48,060)</u>	<u>287,620</u>	<u>3,508,152</u>
<u>2,812,715</u>	<u>4,485,420</u>	<u>1,314,728</u>	<u>2,850,836</u>	<u>911,762</u>	<u>48,060</u>	<u>-</u>	<u>-</u>
<u>1,419,119</u>	<u>1,170,021</u>	<u>-</u>	<u>2,354,274</u>	<u>730,611</u>	<u>-</u>	<u>287,620</u>	<u>3,508,152</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS**

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FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2015

	<u>2014 2/3rds Bonds</u>	<u>2014 WSFCS Capital Maintenance</u>	<u>2014 FTCC Capital Maintenance</u>	<u>2015 WSFCS Facilities</u>	<u>Total</u>
Revenues:					
Intergovernmental	-	-	-	-	1,137,894
Charges for services	-	-	-	-	8,800
Investment earnings	755	1,387	346	380	40,909
Other	-	-	-	-	187,181
Total revenues	<u>755</u>	<u>1,387</u>	<u>346</u>	<u>380</u>	<u>1,374,784</u>
Expenditures:					
Current:					
Intergovernmental - education	-	539,926	263,389	-	6,460,629
Debt service - interest and other charges	18,167	24,860	8,796	-	51,823
Capital outlay:					
General government	109,654	-	-	-	1,697,625
Public safety	-	-	-	-	1,581,169
Human services	-	-	-	-	246,847
Culture and recreation	122,793	-	-	-	2,336,668
Total expenditures	<u>250,614</u>	<u>564,786</u>	<u>272,185</u>	<u>-</u>	<u>12,374,761</u>
Excess (deficiency) of revenues over expenditures	<u>(249,859)</u>	<u>(563,399)</u>	<u>(271,839)</u>	<u>380</u>	<u>(10,999,977)</u>
Other financing sources (uses):					
General obligation bonds issued	4,750,000	6,500,000	2,300,000	-	13,550,000
Premium on general obligation bonds	418,854	573,169	202,813	-	1,194,836
Transfers in:					
General Fund	-	1,735,000	-	1,681,000	8,483,145
2012 Motive Equipment Replacement Fund	-	-	-	-	261,186
Transfers out:					
General Fund	-	-	-	-	(2,060,902)
2014 Motive Equipment Replacement Fund	-	-	-	-	(261,186)
Total other financing sources (uses)	<u>5,168,854</u>	<u>8,808,169</u>	<u>2,502,813</u>	<u>1,681,000</u>	<u>21,167,079</u>
Net change in fund balances	<u>4,918,995</u>	<u>8,244,770</u>	<u>2,230,974</u>	<u>1,681,380</u>	<u>10,167,102</u>
Fund balance - June 30, 2014	-	-	-	-	16,773,026
Fund balance - June 30, 2015	<u><u>4,918,995</u></u>	<u><u>8,244,770</u></u>	<u><u>2,230,974</u></u>	<u><u>1,681,380</u></u>	<u><u>26,940,128</u></u>

2007 SCHOOL FACILITIES FUND

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SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues:				
Intergovernmental	\$ 199,774	199,774	-	199,774
Investment earnings	4,829,705	4,846,927	25	4,846,902
Total revenues	<u>5,029,479</u>	<u>5,046,701</u>	<u>25</u>	<u>5,046,676</u>
Expenditures:				
Current - intergovernmental - education	253,499,536	253,443,085	615,365	252,827,720
Debt service - interest and other charges	1,969,600	1,963,868	-	1,963,868
Total expenditures	<u>255,469,136</u>	<u>255,406,953</u>	<u>615,365</u>	<u>254,791,588</u>
Deficiency of revenues over expenditures	<u>(250,439,657)</u>	<u>(250,360,252)</u>	<u>(615,340)</u>	<u>(249,744,912)</u>
Other financing sources (uses):				
General obligation bonds issued	250,000,000	250,000,000	-	250,000,000
Premium on general obligation bonds	7,601,614	7,601,614	-	7,601,614
Transfers to General Fund	(3,979,139)	(3,979,139)	(1,735,000)	(2,244,139)
Transfers to 2010 Schools Capital Maintenance Fund	(1,197,818)	(1,197,818)	-	(1,197,818)
Transfers to 2012 Schools Capital Maintenance Fund	(1,735,000)	(1,735,000)	-	(1,735,000)
Transfers to State Public School Building Capital Fund	(250,000)	(250,000)	-	(250,000)
Total other financing sources (uses)	<u>250,439,657</u>	<u>250,439,657</u>	<u>(1,735,000)</u>	<u>252,174,657</u>
Net change in fund balance	<u>\$ -</u>	<u>79,405</u>	<u>(2,350,340)</u>	<u>2,429,745</u>
Fund balance - June 30, 2014			2,429,745	
Fund balance - June 30, 2015			<u>\$ 79,405</u>	

2008 SCHOOL FACILITIES FUND

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SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues - investment earnings	\$ 35,000	59,993	617	59,376
Expenditures:				
Intergovernmental - education	1,587,441	1,518,464	457,659	1,060,805
Unallocated	235,420	-	-	-
Total expenditures	<u>1,822,861</u>	<u>1,518,464</u>	<u>457,659</u>	<u>1,060,805</u>
Deficiency of revenues over expenditures	<u>(1,787,861)</u>	<u>(1,458,471)</u>	<u>(457,042)</u>	<u>(1,001,429)</u>
Other financing sources:				
Transfers from General Fund	1,787,861	1,552,440	-	1,552,440
Net change in fund balance	<u>\$ -</u>	<u>93,969</u>	<u>(457,042)</u>	<u>551,011</u>
Fund balance - June 30, 2014			551,011	
Fund balance - June 30, 2015			<u>\$ 93,969</u>	

2009 2/3rds BONDS FUND

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SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues:				
Intergovernmental	\$ 1,865,096	1,810,831	1,041,094	769,737
Investment earnings	135,000	140,303	102	140,201
Total revenues	<u>2,000,096</u>	<u>1,951,134</u>	<u>1,041,196</u>	<u>909,938</u>
Expenditures:				
Intergovernmental - education	7,300,000	7,300,000	-	7,300,000
Debt service - interest and other charges	100,000	100,000	-	100,000
Capital outlay:				
General government - Hall of Justice renovations	1,200,000	1,199,500	-	1,199,500
Human services - pharmacy renovations	220,000	133,524	-	133,524
Culture and recreation:				
Tanglewood Park	1,200,000	1,199,807	-	1,199,807
Triad Park development	3,230,192	3,121,662	1,760,464	1,361,198
Total expenditures	<u>13,250,192</u>	<u>13,054,493</u>	<u>1,760,464</u>	<u>11,294,029</u>
Deficiency of revenues over expenditures	<u>(11,250,096)</u>	<u>(11,103,359)</u>	<u>(719,268)</u>	<u>(10,384,091)</u>
Other financing sources (uses):				
General obligation bonds issued	11,120,000	11,120,000	-	11,120,000
Premium on general obligation bonds	-	74,101	-	74,101
Transfer from 2012 2/3rds bond fund	165,096	165,096	-	165,096
Transfers to General Fund	(35,000)	(35,000)	-	(35,000)
Total other financing sources	<u>11,250,096</u>	<u>11,324,197</u>	<u>-</u>	<u>11,324,197</u>
Net change in fund balance	<u>\$ -</u>	<u>220,838</u>	<u>(719,268)</u>	<u>940,106</u>
Fund balance - June 30, 2014			940,106	
Fund balance - June 30, 2015			<u>\$ 220,838</u>	

2010 FORSYTH TECHNICAL COMMUNITY COLLEGE CAPITAL MAINTENANCE FUND

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SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues - investment earnings	\$ -	2,307	8	2,299
Expenditures:				
Debt service - interest and other charges	13,472	13,457	-	13,457
Current - intergovernmental - education	2,115,545	1,981,250	-	1,981,250
Total expenditures	<u>2,129,017</u>	<u>1,994,707</u>	<u>-</u>	<u>1,994,707</u>
Excess (deficiency) of revenues over expenditures	<u>(2,129,017)</u>	<u>(1,992,400)</u>	<u>8</u>	<u>(1,992,408)</u>
Other financing sources (uses):				
General obligation bonds issued	1,981,250	1,981,250	-	1,981,250
Premium on general obligation bonds	147,767	147,767	-	147,767
Transfer to General Fund	-	(136,617)	(136,617)	-
Total other financing sources	<u>2,129,017</u>	<u>1,992,400</u>	<u>(136,617)</u>	<u>2,129,017</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>(136,609)</u>	<u>136,609</u>
Fund balance - June 30, 2014			136,609	
Fund balance - June 30, 2015			<u>\$ -</u>	

2012 MOTIVE EQUIPMENT REPLACEMENT FUND

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SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues:				
Intergovernmental	\$ 149,144	171,644	-	171,644
Charges for services	15,400	17,600	-	17,600
Investment earnings	4,087	5,033	730	4,303
Other revenue	131,029	133,974	2,945	131,029
Total revenues	<u>299,660</u>	<u>328,251</u>	<u>3,675</u>	<u>324,576</u>
Expenditures:				
Capital outlay:				
General government - Non-emergency fleet	243,482	243,481	2,707	240,774
Public safety:				
Animal control	79,200	78,222	-	78,222
Emergency services	957,026	957,026	1,599	955,427
Sheriff	1,054,054	1,053,408	-	1,053,408
Unallocated	59,412	59,411	-	59,411
Total expenditures	<u>2,393,174</u>	<u>2,391,548</u>	<u>4,306</u>	<u>2,387,242</u>
Deficiency of revenues over expenditures	<u>(2,093,514)</u>	<u>(2,063,297)</u>	<u>(631)</u>	<u>(2,062,666)</u>
Other financing sources (uses):				
Transfer from (to) General Fund	2,354,700	2,324,483	(30,217)	2,354,700
Transfer to 2014 Motive Equipment Fund	(261,186)	(261,186)	(261,186)	-
	<u>2,093,514</u>	<u>2,063,297</u>	<u>(291,403)</u>	<u>2,354,700</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>(292,034)</u>	<u>292,034</u>
Fund balance - June 30, 2014			<u>292,034</u>	
Fund balance - June 30, 2015			<u>\$ -</u>	

2012 2/3rds BONDS FUND

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SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues - investment earnings	\$ -	1,667	402	1,265
Expenditures:				
Debt service - interest and other charges	250,000	134,743	-	134,743
Capital outlay:				
General Government:				
Hall of Justice renovation	1,250,000	280,272	272,755	7,517
Capital repair and maintenance	1,500,000	1,240,591	748,941	491,650
Culture and recreation - Park maintenance projects	1,834,904	1,835,539	372,302	1,463,237
Total expenditures	<u>4,834,904</u>	<u>3,491,145</u>	<u>1,393,998</u>	<u>2,097,147</u>
Deficiency of revenues over expenditures	<u>(4,834,904)</u>	<u>(3,489,478)</u>	<u>(1,393,596)</u>	<u>(2,095,882)</u>
Other financing sources:				
General obligation bonds issued	5,000,000	4,820,000	-	4,820,000
Premium on general obligation bonds	-	253,693	-	253,693
Transfer to 2009 2/3rds bond fund	<u>(165,096)</u>	<u>(165,096)</u>	-	<u>(165,096)</u>
Total other financing sources	<u>4,834,904</u>	<u>4,908,597</u>	-	<u>4,908,597</u>
Net change in fund balance	\$ -	<u>1,419,119</u>	(1,393,596)	<u>2,812,715</u>
Fund balance - June 30, 2014			2,812,715	
Fund balance - June 30, 2015			\$ <u>1,419,119</u>	

2012 WINSTON-SALEM/FORSYTH COUNTY SCHOOLS CAPITAL MAINTENANCE FUND

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SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues - investment earnings	\$ -	9,595	7,514	2,081
Expenditures:				
Current - intergovernmental - education	<u>11,268,143</u>	<u>10,202,835</u>	<u>3,322,913</u>	<u>6,879,922</u>
Deficiency of revenues over expenditures	<u>(11,268,143)</u>	<u>(10,193,240)</u>	<u>(3,315,399)</u>	<u>(6,877,841)</u>
Other financing sources:				
General obligation bonds issued	6,500,000	6,595,000	-	6,595,000
Premium on general obligation bonds	347,000	347,118	-	347,118
Transfer from General Fund	1,735,000	1,735,000	-	1,735,000
Transfer from 2007 School Facilities fund	1,735,000	1,735,000	-	1,735,000
Transfer from 2010 Winston-Salem/Forsyth County Schools Capital Maintenance Fund	<u>951,143</u>	<u>951,143</u>	-	<u>951,143</u>
Total other financing sources	<u>11,268,143</u>	<u>11,363,261</u>	-	<u>11,363,261</u>
Net change in fund balance	\$ -	<u>1,170,021</u>	(3,315,399)	<u>4,485,420</u>
Fund balance - June 30, 2014			4,485,420	
Fund balance - June 30, 2015			\$ <u>1,170,021</u>	

2012 FORSYTH TECHNICAL COMMUNITY COLLEGE CAPITAL MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

D-10

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues - investment earnings	\$ -	709	16	693
Expenditures:				
Current - intergovernmental - education	2,300,000	2,300,000	1,156,136	1,143,864
Deficiency of revenues over expenditures	<u>(2,300,000)</u>	<u>(2,299,291)</u>	<u>(1,156,120)</u>	<u>(1,143,171)</u>
Other financing sources:				
General obligation bonds issued	2,300,000	2,335,000	-	2,335,000
Premium on general obligation bonds	-	122,899	-	122,899
Transfer to General Fund	-	(158,608)	(158,608)	-
Total other financing sources	<u>2,300,000</u>	<u>2,299,291</u>	<u>(158,608)</u>	<u>2,457,899</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>(1,314,728)</u>	<u>1,314,728</u>
Fund balance - June 30, 2014			1,314,728	
Fund balance - June 30, 2015			<u>\$ -</u>	

2012 PAY-GO FUND

D-11

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues:				
Investment earnings	\$ -	18,097	9,155	8,942
Other revenue	-	47,000	40,000	7,000
Total revenues	<u>-</u>	<u>65,097</u>	<u>49,155</u>	<u>15,942</u>
Expenditures:				
Capital outlay:				
General government: Government Center upfit	523,000	247,912	187,597	60,315
Public safety:				
LEDC energy project	240,000	173,200	54,622	118,578
Phillips Building upfit	2,000,000	63,662	56,651	7,011
Public health: Government Center level 5 upfit	325,000	314,049	246,847	67,202
Total expenditures	<u>3,088,000</u>	<u>798,823</u>	<u>545,717</u>	<u>253,106</u>
Deficiency of revenues over expenditures	<u>(3,088,000)</u>	<u>(733,726)</u>	<u>(496,562)</u>	<u>(237,164)</u>
Other financing sources - transfer from General Fund	<u>3,088,000</u>	<u>3,088,000</u>	<u>-</u>	<u>3,088,000</u>
Net change in fund balance	<u>\$ -</u>	<u>2,354,274</u>	<u>(496,562)</u>	<u>2,850,836</u>
Fund balance - June 30, 2014			2,850,836	
Fund balance - June 30, 2015			<u>\$ 2,354,274</u>	

2013 PAY-GO FUND

D-12

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues - investment earnings	\$ -	4,784	3,060	1,724
Expenditures:				
Capital outlay:				
General government:				
Financial system upgrade	200,000	-	-	-
UPS equipment	11,570	11,570	-	11,570
EAD building renovation	20,115	12,324	-	12,324
Geo Data Explorer Intranet	119,000	113,145	86,545	26,600
Conservation projects	32,360	-	-	-
Hall of Justice renovations	469,276	-	-	-
MIS Network Equipment	982,308	982,308	39,372	942,936
General services equipment replacement	54,201	54,101	24,900	29,201
Public safety:				
AV project	15,651	15,651	-	15,651
Fire SCBA replacements	37,674	37,674	-	37,674
Human Services	20,457	9,822	-	9,822
Parks and Recreation: equipment replacement	96,030	96,020	33,394	62,626
Total expenditures	<u>2,058,642</u>	<u>1,332,615</u>	<u>184,211</u>	<u>1,148,404</u>
Deficiency of revenues over expenditures	<u>(2,058,642)</u>	<u>(1,327,831)</u>	<u>(181,151)</u>	<u>(1,146,680)</u>
Other financing sources:				
Transfer from 2008 Pay-Go	378,223	378,123	-	378,123
Transfer from 2010 Pay-Go	228,433	228,333	-	228,333
Transfer from 2011 Pay-Go	469,276	469,276	-	469,276
Transfer from General Fund	982,710	982,710	-	982,710
Total other financing sources	<u>2,058,642</u>	<u>2,058,442</u>	<u>-</u>	<u>2,058,442</u>
Net change in fund balance	\$ -	<u>730,611</u>	(181,151)	<u>911,762</u>
Fund balance - June 30, 2014			<u>911,762</u>	
Fund balance - June 30, 2015			<u>\$ 730,611</u>	

2014 REYNOLDA MANOR BRANCH LIBRARY FUND

D-13

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues - investment earnings	\$ -	460	115	345
Expenditures:				
Capital outlay:				
Culture and Recreation - Branch Library	1,060,660	1,060,660	47,715	1,012,945
Deficiency of revenues over expenditures	<u>(1,060,660)</u>	<u>(1,060,200)</u>	<u>(47,600)</u>	<u>(1,012,600)</u>
Other financing sources:				
Transfer from General Fund	1,060,660	1,060,200	(460)	1,060,660
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>(48,060)</u>	<u>48,060</u>
Fund balance - June 30, 2014			48,060	
Fund balance - June 30, 2015			<u>\$ -</u>	

2014 MOTIVE EQUIPMENT REPLACEMENT FUND

D-14

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues:				
Intergovernmental	\$ 96,400	96,800	96,800	-
Charges for services	8,800	8,800	8,800	-
Investment earnings	-	2,904	2,904	-
Other revenue	119,050	144,236	144,236	-
Total revenues	<u>224,250</u>	<u>252,740</u>	<u>252,740</u>	<u>-</u>
Expenditures:				
Capital outlay:				
General government - Non-emergency fleet	227,712	225,154	225,154	-
Public safety:				
Animal control	116,984	92,530	92,530	-
Emergency services	682,082	606,730	606,730	-
Sheriff	865,803	769,037	769,037	-
Unallocated	60,000	-	-	-
Total expenditures	<u>1,952,581</u>	<u>1,693,451</u>	<u>1,693,451</u>	<u>-</u>
Deficiency of revenues over expenditures	<u>(1,728,331)</u>	<u>(1,440,711)</u>	<u>(1,440,711)</u>	<u>-</u>
Other financing sources (uses):				
Transfer from General Fund	1,467,145	1,467,145	1,467,145	-
Transfer from 2012 Motive Equipment Fund	261,186	261,186	261,186	-
	<u>1,728,331</u>	<u>1,728,331</u>	<u>1,728,331</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>287,620</u>	<u>287,620</u>	<u>-</u>
Fund balance - June 30, 2014			<u>-</u>	
Fund balance - June 30, 2015			<u>\$ 287,620</u>	

2014 FTCC CAROLINA BUILDING RENOVATION FUND

D-15

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues - investment earnings	\$ -	13,393	13,393	-
Expenditures:				
Current - intergovernmental - education	3,600,000	105,241	105,241	-
Deficiency of revenues over expenditures	<u>(3,600,000)</u>	<u>(91,848)</u>	<u>(91,848)</u>	<u>-</u>
Other financing sources:				
Transfer from General Fund	3,600,000	3,600,000	3,600,000	-
Net change in fund balance	<u>\$ -</u>	<u>3,508,152</u>	<u>3,508,152</u>	<u>-</u>
Fund balance - June 30, 2014			-	
Fund balance - June 30, 2015			<u>\$ 3,508,152</u>	

2014 2/3rds BONDS FUND

D-16

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues - investment earnings	\$ -	755	755	-
Expenditures:				
Debt service - interest and other charges	19,982	18,167	18,167	-
Capital outlay:				
Culture and recreation: Park maintenance projects	1,083,973	122,793	122,793	-
General Government: Capital repair and maintenance	4,064,899	109,654	109,654	-
Total expenditures	<u>5,168,854</u>	<u>250,614</u>	<u>250,614</u>	<u>-</u>
Deficiency of revenues over expenditures	<u>(5,168,854)</u>	<u>(249,859)</u>	<u>(249,859)</u>	<u>-</u>
Other financing sources:				
General obligation bonds issued	4,750,000	4,750,000	4,750,000	-
Premium on general obligation bonds	418,854	418,854	418,854	-
Total other financing sources	<u>5,168,854</u>	<u>5,168,854</u>	<u>5,168,854</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>4,918,995</u>	<u>4,918,995</u>	<u>-</u>
Fund balance - June 30, 2014			-	
Fund balance - June 30, 2015			<u>\$ 4,918,995</u>	

2014 WINSTON-SALEM/FORSYTH COUNTY SCHOOLS CAPITAL MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

D-17

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues - investment earnings	\$ -	1,387	1,387	-
Expenditures:				
Debt service - interest and other charges	27,343	24,860	24,860	-
Current - intergovernmental - education	8,780,826	539,926	539,926	-
Total expenditures	8,808,169	564,786	564,786	-
Deficiency of revenues over expenditures	(8,808,169)	(563,399)	(563,399)	-
Other financing sources:				
General obligation bonds issued	6,500,000	6,500,000	6,500,000	-
Premium on general obligation bonds	573,169	573,169	573,169	-
Transfer from General Fund	1,735,000	1,735,000	1,735,000	-
Total other financing sources	8,808,169	8,808,169	8,808,169	-
Net change in fund balance	\$ -	8,244,770	8,244,770	-
Fund balance - June 30, 2014			-	
Fund balance - June 30, 2015			\$ 8,244,770	

2014 FORSYTH TECHNICAL COMMUNITY COLLEGE CAPITAL MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

D-18

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues - investment earnings	\$ -	346	346	-
Expenditures:				
Debt service - interest and other charges	9,675	8,796	8,796	-
Current - intergovernmental - education	2,493,138	263,389	263,389	-
Total expenditures	2,502,813	272,185	272,185	-
Deficiency of revenues over expenditures	(2,502,813)	(271,839)	(271,839)	-
Other financing sources:				
General obligation bonds issued	2,300,000	2,300,000	2,300,000	-
Premium on general obligation bonds	202,813	202,813	202,813	-
Total other financing sources	2,502,813	2,502,813	2,502,813	-
Net change in fund balance	\$ -	2,230,974	2,230,974	-
Fund balance - June 30, 2014			-	
Fund balance - June 30, 2015			\$ 2,230,974	

2015 WINSTON-SALEM/FORSYTH COUNTY SCHOOLS FACILITIES FUND

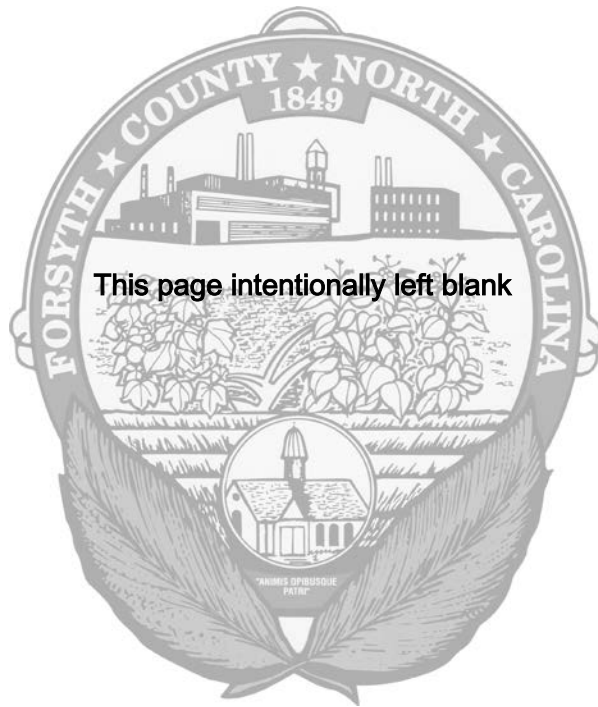
D-19

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2015

	<u>Budget</u>	<u>Cumulative Total to June 30, 2015</u>	<u>Activity Year Ended June 30, 2015</u>	<u>Cumulative Total to June 30, 2014</u>
Revenues - investment earnings	\$ -	380	380	-
Expenditures:				
Current - intergovernmental - education	1,681,000	-	-	-
Deficiency of revenues over expenditures	<u>(1,681,000)</u>	<u>380</u>	<u>380</u>	<u>-</u>
Other financing sources:				
Transfer from General Fund	1,681,000	1,681,000	1,681,000	-
Net change in fund balance	<u>\$ -</u>	<u>1,681,380</u>	<u>1,681,380</u>	<u>-</u>
Fund balance - June 30, 2014			-	
Fund balance - June 30, 2015			<u>\$ 1,681,380</u>	



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Fiduciary Funds

Agency Funds

Agency funds are used to account for assets held by the County in an agency capacity for individuals, private organizations, or other governments.

Tax Agency Fund – This fund is used to account for collections of various taxes by the County/City Tax Collector that are remitted to other funds and to other local governments and authorities and the 3% interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles.

Fines and Forfeitures Fund – This fund is used to account for legal fines and forfeitures that the County is required to remit to the Winston-Salem/Forsyth County Schools.

Social Services Protective Payee Fund – This fund is used to account for moneys held by the Social Services Department as an agent for clients.

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS

E-1

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2015

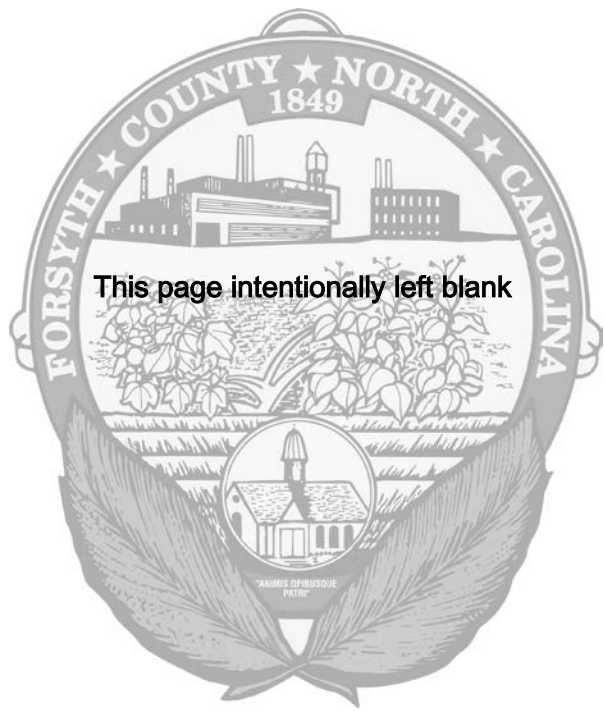
	<u>Tax</u>	<u>Fines and Forfeitures</u>	<u>Protective Payee</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents / investments	\$ 394,035	18,605	113,352	525,992
Receivables:				
Property taxes	4,208,258	-	-	4,208,258
Accrued interest	-	-	36	36
Total assets	<u>4,602,293</u>	<u>18,605</u>	<u>113,388</u>	<u>4,734,286</u>
LIABILITIES				
Due to other governments	4,602,293	18,605	-	4,620,898
Other liabilities	-	-	113,388	113,388
Total liabilities	<u>4,602,293</u>	<u>18,605</u>	<u>113,388</u>	<u>4,734,286</u>
NET POSITION	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

E-2

FORSYTH COUNTY, NORTH CAROLINA
For the Fiscal Year Ended June 30, 2015

	<u>June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2015</u>
<u>TAX AGENCY</u>				
ASSETS				
Cash and cash equivalents / investments	\$ 785,116	371,917,200	372,308,281	394,035
Receivables - property taxes	4,699,581	349,651,226	350,142,549	4,208,258
Total assets	\$ 5,484,697	721,568,426	722,450,830	4,602,293
LIABILITIES				
Due to NC Division of Motor Vehicles	\$ 49,715	-	49,715	-
Due to other governments	5,434,982	477,996,124	478,828,813	4,602,293
Total liabilities	\$ 5,484,697	477,996,124	478,878,528	4,602,293
<u>FINES AND FORFEITURES</u>				
ASSETS				
Cash and cash equivalents / investments	\$ 6,517	1,840,681	1,828,593	18,605
LIABILITIES				
Due to other governments	\$ 6,517	1,840,681	1,828,593	18,605
<u>PROTECTIVE PAYEE</u>				
ASSETS				
Cash and cash equivalents / investments	\$ 56,398	321,691	264,737	113,352
Receivables - accrued interest	11	323	298	36
Total assets	\$ 56,409	322,014	265,035	113,388
LIABILITIES				
Other liabilities	\$ 56,409	318,487	261,508	113,388
Total liabilities	\$ 56,409	318,487	261,508	113,388
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents / investments	\$ 848,031	374,079,572	374,401,611	525,992
Receivables:				
Property taxes	4,699,581	349,651,226	350,142,549	4,208,258
Accrued interest	11	323	298	36
Total assets	\$ 5,547,623	723,731,121	724,544,458	4,734,286
LIABILITIES				
Due to other governments	\$ 5,491,214	479,836,805	480,707,121	4,620,898
Other liabilities	56,409	318,487	261,508	113,388
Total liabilities	\$ 5,547,623	480,155,292	480,968,629	4,734,286



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Other Schedules

This section contains additional information on property taxes.

Schedule of Ad Valorem Taxes Receivable – General Fund

Analysis of Current Tax Levy – Countywide Levy

Ten Largest Taxpayers

**SCHEDULE OF AD VALOREM TAXES RECEIVABLE
GENERAL FUND**

F-1

FORSYTH COUNTY, NORTH CAROLINA
June 30, 2015

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2014</u>	<u>Additions Net of Releases</u>	<u>Collections And Credits</u>	<u>Writeoffs</u>	<u>Uncollected Balance June 30, 2015</u>
2014 - 2015	\$ -	230,986,702	228,618,034	-	2,368,668
2013 - 2014	3,455,262	(45,713)	1,744,588	-	1,664,961
2012 - 2013	1,386,570	(17,817)	318,254	-	1,050,499
2011 - 2012	889,294	(18,033)	102,014	298,272	470,975
2010 - 2011	458,810	(5,974)	59,071	-	393,765
2009 - 2010	373,140	(9,511)	37,293	-	326,336
2008 - 2009	287,266	(1,620)	12,908	-	272,738
2007 - 2008	190,405	(1,465)	4,982	-	183,958
2006 - 2007	168,642	(710)	4,262	-	163,670
2005 - 2006	173,465	(974)	3,392	169,099	-
	<u>\$ 7,382,854</u>	<u>230,884,885</u>	<u>230,904,798</u>	<u>467,371</u>	<u>6,895,570</u>

Less: allowance for uncollectible accounts:

General Fund

(4,177,240)

Ad valorem taxes receivable - net:

General Fund

\$ 2,718,330

Reconciliation with revenues:

Property taxes - General Fund	\$	231,677,625
Penalties collected on ad valorem taxes - Fines and Forfeitures Fund		133,817
Reconciling items:		
Interest and fees collected	\$	(939,371)
Refunds		96,419
Collection of taxes previously written off		<u>(63,692)</u>
Total reconciling items		<u>(906,644)</u>
Total collections and credits	\$	<u>230,904,798</u>

**ANALYSIS OF CURRENT TAX LEVY
COUNTYWIDE LEVY**

FORSYTH COUNTY, NORTH CAROLINA
For the Fiscal Year Ended June 30, 2015

	Countywide			Total levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Gross levy:					
Property taxed at current year's rate	\$ 31,491,434,596	\$.7168	\$ 225,771,300	\$ 211,282,054	\$ 14,489,246
Motor vehicles taxed at prior year's rate: FY 12-13	1,014,095	.6740	6,835	-	6,835
FY 13-14	713,926,618	.7168	5,117,426	-	5,117,426
Penalties	-		143,196	143,192	4
Total	<u>32,206,375,309</u>		<u>231,038,757</u>	<u>211,425,246</u>	<u>19,613,511</u>
Releases	(7,262,137)		(52,055)	(50,329)	(1,726)
Total property valuation	<u>\$ 32,199,113,172</u>				
Net levy			230,986,702	211,374,917	19,611,785
Uncollected taxes at June 30, 2014			<u>2,368,668</u>	<u>2,362,480</u>	<u>6,188</u>
Current year's taxes collected			<u>\$ 228,618,034</u>	<u>\$ 209,012,437</u>	<u>\$ 19,605,597</u>
Current levy collection percentage			<u>98.97%</u>	<u>98.88%</u>	<u>99.97%</u>

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio (1)	100%
Real Property	\$ 26,041,986,825
Personal Property	5,545,703,866
Public Service Companies (2)	<u>611,422,481</u>
Total Assessed Valuation	<u>32,199,113,172</u>
Tax Rate per \$100	<u>0.7168</u>
Levy (includes discoveries, releases and abatements)	<u>\$ 230,986,702</u>

(1) Percentage of appraised value has been established by statute.

(2) Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.

TEN LARGEST TAXPAYERS

F-3

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2015

<u>Taxpayer</u>	<u>Type of Business</u>		2013 Assessed Valuation	Percentage of Total Assessed Valuation
R. J. Reynolds Industries, Inc	Tobacco, Foods, Petroleum and Transportation	\$	720,608,956	2.24%
Caterpillar Inc	Manufacturer		356,316,127	1.11%
Duke Energy Corporation	Electric Utility		326,696,568	1.01%
JG Winston-Salem	Real Estate Management		203,476,981	0.63%
Wells Fargo Bank NA	Banking		152,995,396	0.48%
Lowe's Companies Inc	Retail		146,911,133	0.46%
Wake Forest University	Education / Health Care		123,198,521	0.38%
Wexford Science & Technology, LLC	Real Estate Development		121,426,060	0.38%
Deere-Hitachi	Manufacturer		95,949,219	0.30%
Piedmont Natural Gas	Utility		81,792,132	0.25%
		\$	<u>2,329,371,093</u>	<u>7.24%</u>

This part of the Forsyth County comprehensive annual financial report presents detail information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents

Financial Trends – These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	112
Revenue Capacity – These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property taxes.	116
Debt Capacity – These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	121
Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	124
Operating Information – These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	126

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in fiscal year 2002; schedules presenting government-wide information include information beginning in that year.

NET POSITION BY COMPONENT

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

(accrual basis of accounting)

Schedule 1

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities:										
Net investment in capital assets	\$ 62,126,511	65,335,272	66,426,734	72,988,514	78,662,765	84,541,770	83,829,746	75,547,493	76,582,427	80,960,647
Restricted	3,877,017	4,328,645	3,980,229	3,860,233	3,704,815	31,191,934	31,151,206	36,231,000	46,204,270	38,012,456
Unrestricted	<u>(133,416,466)</u>	<u>(132,368,899)</u>	<u>(120,384,798)</u>	<u>(164,391,922)</u>	<u>(227,581,718)</u>	<u>(311,324,492)</u>	<u>(340,506,961)</u>	<u>(335,671,385)</u>	<u>(330,405,550)</u>	<u>(302,041,917)</u>
Total governmental activities net deficit	\$ <u>(67,412,938)</u>	<u>(62,704,982)</u>	<u>(49,977,835)</u>	<u>(87,543,175)</u>	<u>(145,214,138)</u>	<u>(195,590,788)</u>	<u>(225,526,009)</u>	<u>(223,892,892)</u>	<u>(207,618,853)</u>	<u>(183,068,814)</u>

CHANGES IN NET POSITION

FORSYTH COUNTY, NORTH CAROLINA
Last Ten Fiscal Years
(accrual basis of accounting)

Schedule 2

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 40,702,218	40,954,886	42,473,984	38,189,282	40,075,708	40,444,367	43,252,315	39,642,837	41,283,224	37,104,610
Public safety	56,416,719	60,563,286	67,092,138	68,384,497	71,544,414	71,590,553	71,455,381	69,433,724	73,826,748	73,502,755
Environmental protection	2,160,200	2,220,009	2,521,035	2,713,093	2,682,028	2,653,528	2,642,585	2,442,611	2,229,539	2,504,903
Human services	83,026,669	83,325,627	85,670,069	81,156,032	76,826,616	75,228,239	76,403,049	77,395,541	75,195,871	74,304,852
Culture and recreation	16,913,156	17,214,387	17,401,634	16,540,703	15,936,872	15,995,428	15,830,605	15,886,345	14,556,355	16,535,727
Community and economic development	4,622,179	1,722,356	2,998,916	2,777,002	4,231,621	4,541,117	6,697,889	2,795,206	4,209,903	2,936,334
Education	139,943,619	137,732,790	140,624,177	185,747,060	217,912,687	199,596,063	181,325,863	152,410,053	144,359,143	134,732,270
Interest on long-term debt	14,846,094	15,995,831	18,501,304	17,734,361	17,800,372	21,423,843	21,732,376	21,796,354	19,259,551	18,129,062
Total expenses	<u>358,630,854</u>	<u>359,729,172</u>	<u>377,283,257</u>	<u>413,242,030</u>	<u>447,010,318</u>	<u>431,473,138</u>	<u>419,340,063</u>	<u>381,802,671</u>	<u>374,920,334</u>	<u>359,750,513</u>
Program revenues										
Governmental activities:										
Charges for services										
General government	4,335,314	4,320,684	4,163,440	3,766,905	3,326,610	3,168,910	3,834,636	3,743,500	3,617,005	3,248,381
Public safety	10,668,381	13,569,309	17,465,407	16,039,769	15,538,279	15,837,236	16,810,834	17,540,753	17,361,145	17,605,671
Environmental protection	785,380	348,683	266,457	222,569	251,076	292,471	205,762	220,956	228,599	618,162
Human services	6,686,842	6,781,195	7,752,966	8,631,222	9,140,340	8,481,786	9,936,712	8,055,427	6,479,949	8,677,070
Culture and recreation	5,291,419	5,265,639	5,098,137	4,403,575	3,872,609	3,792,170	3,908,560	4,079,006	3,944,701	4,251,360
Community and economic development	77,862	115,432	55,552	16,988	23,587	60,793	40,954	58,979	160,528	91,515
Education	33,332	33,332	33,372	42,907	41,324	43,457	77,091	67,038	62,076	57,565
Operating grants and contributions										
General government	2,048,882	1,116,784	753,817	1,142,633	944,665	605,190	648,658	564,085	831,442	587,768
Public safety	3,989,961	3,390,604	3,698,500	4,409,705	4,870,901	4,525,900	5,259,860	4,468,936	5,436,967	5,225,898
Environmental protection	747,313	843,363	880,434	1,025,921	767,359	748,827	1,035,482	747,815	837,273	717,751
Human services	35,684,538	35,702,370	36,224,878	38,460,763	39,533,989	38,387,457	41,638,514	40,842,999	41,633,018	43,276,151
Culture and recreation	1,617,563	856,098	822,806	979,233	1,112,728	694,216	672,829	904,113	1,037,768	1,783,651
Community and economic development	716,889	391,429	959,624	321,981	1,666,607	2,618,897	1,011,533	713,754	339,875	422,464
Education	2,393,376	3,459,671	5,790,588	7,098,274	9,477,257	9,118,121	5,406,597	4,627,031	4,517,993	3,700,660
Capital grants and contributions										
General government	-	-	25,975	-	-	-	-	-	-	-
Total program revenues	<u>75,077,052</u>	<u>76,194,593</u>	<u>83,991,953</u>	<u>86,562,445</u>	<u>90,567,331</u>	<u>88,375,431</u>	<u>90,488,022</u>	<u>86,634,392</u>	<u>86,488,339</u>	<u>90,264,067</u>
Net expense	<u>(283,553,802)</u>	<u>(283,534,579)</u>	<u>(293,291,304)</u>	<u>(326,679,585)</u>	<u>(356,442,987)</u>	<u>(343,097,707)</u>	<u>(328,852,041)</u>	<u>(295,168,279)</u>	<u>(288,431,995)</u>	<u>(269,486,446)</u>
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	196,540,693	203,698,340	218,253,781	223,660,085	234,161,047	234,598,651	235,293,490	239,530,106	241,781,572	237,494,550
Local option sales taxes	67,056,056	71,068,173	73,496,042	56,381,820	49,733,084	49,565,057	52,867,275	52,933,206	52,905,448	59,852,643
Occupancy taxes	493,107	539,027	562,018	466,198	436,578	483,945	542,596	558,116	619,138	673,224
Other taxes and licenses	3,752,002	3,261,547	2,587,667	1,749,344	-	-	-	-	-	-
Gross receipts tax	-	-	-	-	242,411	271,131	290,674	314,099	363,830	408,843
Excise stamp tax	-	-	-	-	1,138,069	943,248	1,039,534	1,429,078	1,254,797	1,702,744
Grants and contributions not restricted to specific programs	2,672,986	1,635,293	1,630,835	1,644,749	3,224,786	5,840,620	5,849,059	4,572,092	3,985,233	3,784,090
Investment earnings	5,473,968	7,680,796	9,025,373	4,150,368	966,309	741,526	612,725	141,520	715,063	487,307
Miscellaneous	597,480	359,359	462,735	1,061,681	8,869,740	276,879	2,421,467	1,009,905	3,080,953	530,167
Total general revenues	<u>276,586,292</u>	<u>288,242,535</u>	<u>306,018,451</u>	<u>289,114,245</u>	<u>298,772,024</u>	<u>292,721,057</u>	<u>298,916,820</u>	<u>300,488,122</u>	<u>304,706,034</u>	<u>304,933,568</u>
Change in net position - governmental activities \$	<u>(6,967,510)</u>	<u>4,707,956</u>	<u>12,727,147</u>	<u>(37,565,340)</u>	<u>(57,670,963)</u>	<u>(50,376,650)</u>	<u>(29,935,221)</u>	<u>5,319,843</u>	<u>16,274,039</u>	<u>35,447,122</u>

FUND BALANCES OF GOVERNMENTAL FUNDS

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

(modified accrual basis of accounting)

Schedule 3

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 31,829,460	31,724,371	33,727,232	27,865,589	29,731,129					
Unreserved	69,572,571	79,799,313	86,715,440	101,701,080	113,871,426					
Nonspendable						180,133	172,691	251,658	122,250	122,250
Restricted						27,663,373	27,898,443	28,735,140	34,471,195	30,627,178
Committed						40,358,769	37,892,059	36,573,358	33,141,288	29,078,705
Assigned						15,950,543	19,235,587	13,978,806	10,031,500	27,673,036
Unassigned						62,118,267	63,057,650	63,971,070	64,817,179	58,038,886
Total General Fund	\$ 101,402,031	111,523,684	120,442,672	129,566,669	143,602,555	146,271,085	148,256,430	143,510,032	142,583,412	145,540,055
All other governmental funds										
Reserved	\$ 6,378,241	3,931,316	2,054,017	11,659,953	10,483,574					
Unreserved, reported in:										
Special revenue funds	2,633,267	2,649,533	2,103,908	884,635	(194,420)					
Capital projects funds	37,964,525	90,092,438	80,459,522	132,424,595	47,918,354					
Nonspendable										
Restricted						131,779,815	68,905,275	47,662,220	30,604,023	61,255,209
Committed						5,487,886	5,206,773	7,257,834	4,166,932	8,599,219
Assigned										
Unassigned						(457,737)	(479,424)	(123,274)	(5,169,337)	(746,862)
Total all other governmental funds	\$ 46,976,033	96,673,287	84,617,447	144,969,183	58,207,508	136,809,964	73,632,624	54,796,780	29,601,618	69,107,566

Note: Amounts reported prior to the implementation of GASB 54 in fiscal year 2011 have not been restated.

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Schedule 4

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Property taxes	\$ 196,470,273	202,802,113	217,978,822	222,931,993	234,067,805	234,253,068	235,124,729	240,017,934	242,188,927	238,433,384
Occupancy taxes	493,107	539,027	562,018	466,198	436,578	483,945	542,596	558,116	619,138	673,224
Local option sales tax	67,056,056	71,068,173	73,496,042	56,381,820	49,733,084	49,565,057	52,867,275	52,933,206	52,905,448	59,852,643
Other taxes	667,463	506,037	377,837	202,959	242,411	271,131	290,674	314,099	363,830	408,843
Licenses and permits	1,704,474	1,215,187	922,548	940,488	857,450	902,447	766,104	867,200	790,379	840,176
Intergovernmental	50,024,208	47,933,136	51,239,274	55,768,601	61,855,315	63,225,328	61,804,884	57,669,048	58,735,531	59,319,667
Charges for services	21,707,464	23,207,853	24,621,408	25,129,543	24,332,511	22,884,593	23,276,406	24,945,629	23,733,229	23,624,514
Investment earnings	5,530,265	7,774,158	9,122,280	4,251,484	984,702	758,785	626,269	152,564	727,569	502,238
Other	7,633,841	8,011,182	8,904,354	9,379,996	16,408,473	8,944,216	12,978,204	9,041,885	10,014,487	10,780,239
Total revenues	351,287,151	363,056,866	387,224,583	375,453,082	388,918,329	381,288,570	388,277,141	386,499,681	390,078,538	394,434,928
Expenditures										
Current:										
General government	36,363,475	36,184,725	36,965,763	33,038,710	36,672,233	36,208,234	36,548,586	36,031,427	36,546,154	34,751,181
Public safety	52,911,994	56,417,332	61,360,693	64,633,076	67,313,048	68,412,022	69,124,066	68,062,518	69,651,727	71,415,681
Environmental protection	2,122,814	2,188,457	2,414,429	2,686,706	2,633,641	2,613,354	2,633,817	2,477,195	2,206,012	2,557,325
Human services	76,279,429	76,741,426	77,348,513	74,142,024	68,825,351	68,481,046	70,142,751	70,607,949	68,544,801	69,035,342
Culture and recreation	16,291,544	15,888,248	16,004,016	15,459,452	15,034,842	14,657,631	14,430,037	14,488,772	14,453,569	14,172,939
Community and economic development	4,618,272	1,715,501	2,977,892	2,766,353	4,236,714	4,534,972	6,694,033	2,798,505	2,774,655	2,935,327
Education	620,556	635,338	895,261	2,243,594	1,580,098	1,391,488	788,811	698,383	604,563	969,082
Intergovernmental:										
Human services	6,013,611	5,898,652	6,181,990	6,167,610	6,379,039	5,679,583	5,692,674	6,742,601	5,740,312	5,861,305
Education	139,301,345	137,070,648	139,681,424	183,475,254	216,316,478	198,206,090	180,529,368	151,695,430	143,738,262	133,713,158
Debt service:										
Principal retirement	22,545,420	21,746,497	23,924,516	26,200,993	29,693,677	29,909,022	37,906,327	39,097,635	41,565,055	39,050,432
Interest and other charges	15,066,260	16,551,824	17,246,714	19,490,528	19,189,422	23,820,913	24,767,215	24,130,833	22,433,916	22,056,472
Capital outlay	9,263,608	8,875,245	5,360,224	8,097,429	10,192,815	10,677,148	20,995,615	13,136,326	8,029,369	7,626,935
Total expenditures	381,398,328	379,913,893	390,361,435	438,401,729	478,067,358	464,591,503	470,253,300	429,967,574	416,288,395	404,145,179
Deficiency of revenues over expenditures	(30,111,177)	(16,857,027)	(3,136,852)	(62,948,647)	(89,149,029)	(83,302,933)	(81,976,159)	(43,467,893)	(26,209,857)	(9,710,251)
Other financing sources (uses):										
Installment purchases	-	1,913,500	-	1,026,000	-	-	2,400,000	-	-	-
Refunding bonds issued	-	-	-	-	42,870,000	50,295,000	-	35,090,000	8,230,000	72,245,000
Premium on refunding bonds	-	-	-	-	5,025,171	7,503,955	-	8,795,717	-	18,145,244
General obligation bonds issuance	32,685,000	72,500,000	-	156,255,000	-	157,625,000	-	18,750,000	-	47,550,000
Premium on general obligation bonds	362,985	2,262,434	-	4,407,759	-	6,548,336	-	811,977	-	4,114,935
Certificates of participation issued	13,000,000	-	-	-	-	-	-	-	-	-
Premium on certificates of participation	262,918	-	-	-	-	-	-	-	-	-
Limited obligation bonds issued	-	-	-	-	15,000,000	-	16,290,000	-	-	-
Premium on limited obligation bonds	-	-	-	-	1,023,705	-	2,094,164	-	-	-
Transfers in	4,549,889	2,918,502	18,308,651	13,141,259	17,572,682	18,196,159	10,806,854	13,712,606	13,687,885	16,176,832
Transfers out	(4,549,889)	(2,918,502)	(18,308,651)	(13,141,259)	(17,572,682)	(18,196,159)	(10,806,854)	(13,712,606)	(13,687,885)	(16,176,832)
Payment to refunded bond escrow agent	-	-	-	(29,264,379)	(47,495,636)	(57,398,372)	-	(43,562,043)	(8,141,925)	(89,882,337)
Payment to refunded certificates of participation escrow agent	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	46,310,903	76,675,934	-	132,424,380	16,423,240	164,573,919	20,784,164	19,885,651	88,075	52,172,842
Net change in fund balances	\$ 16,199,726	59,818,907	(3,136,852)	69,475,733	(72,725,789)	81,270,986	(61,191,995)	(23,582,242)	(26,121,782)	42,462,591
Debt service as a percentage of noncapital expenditures	10.1%	10.3%	10.7%	10.6%	10.5%	11.9%	15.5%	15.2%	15.6%	15.4%

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Schedule 5

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Fiscal Year Ended	(1) Tax Year Ended						(2) Ratio of	(3) Total
		Real	Personal	Registered	Corporate	Total	Assessed Value to Estimated Actual Value	
<u>June 30</u>	<u>December 31</u>	<u>Property</u>	<u>Property</u>	<u>Vehicles</u>	<u>Excess</u>	<u>Total</u>	<u>Actual Value</u>	<u>Rate</u>
2006	2005	\$ 22,750,577,790	\$ 2,680,281,760	\$ 2,461,340,630	\$ 569,872,978	\$ 28,462,073,158	100%	\$ 0.6660
2007	2006	23,565,365,700	2,957,709,010	2,479,743,740	587,375,097	29,590,193,547	100%	0.6660
2008	2007	24,382,286,380	3,109,875,910	2,543,653,630	608,722,150	30,644,538,070	100%	0.6960
2009	2008	25,059,661,800	3,273,855,900	2,437,710,820	612,718,250	31,383,946,770	100%	0.6960
2010	2009	27,808,315,600	3,160,949,200	2,258,490,180	628,610,220	33,856,365,200	100%	0.6740
2011	2010	27,971,609,000	3,036,245,900	2,224,587,900	606,245,900	33,838,688,700	100%	0.6740
2012	2011	28,019,913,529	2,928,773,237	2,361,443,265	598,732,969	33,908,863,000	100%	0.6740
2013	2012	28,311,900,597	3,077,593,236	2,359,763,765	613,418,118	34,362,675,716	100%	0.6740
2014	2013	25,962,868,887	3,060,564,808	3,379,328,693	587,034,662	32,989,797,050	100%	0.7168
2015	2014	26,041,986,825	2,809,383,967	2,736,319,899	611,422,481	32,199,113,172	100%	0.7168

Notes: (1) Tax year for registered vehicles is the same as fiscal year.

(2) Assessed value is established at estimated market value. Real property was revalued on January 1 of 2001, 2005, and 2009. As of January 1, 1993, assessed value for registered vehicles is established monthly. Assessed value for all other property is established annually.

(3) Tax Rates per \$100 Valuation. Direct Rate shown does not include Fire Tax District Rates. See Schedule 6 for complete Direct and Overlapping Tax Rates.

DIRECT AND OVERLAPPING PROPERTY TAX RATES

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Schedule 6

Page 1 of 2

		Tax Rates per \$100 Valuation, Year Ended June 30,									
		2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Forsyth County	\$	0.7168	0.7168	0.6740	0.6740	0.6740	0.6740	0.6960	0.6960	0.6660	0.6660
Municipalities: (1)											
City of Winston-Salem		0.5400	0.5300	0.4910	0.4750	0.4750	0.4675	0.4900	0.4900	0.4850	0.4850
Combined Rate		1.2568	1.2468	1.1650	1.1490	1.1490	1.1415	1.1860	1.1860	1.1510	1.1510
Town of Bethania		0.3000	0.3000	0.3200	0.3200	0.3500	0.3500	0.3500	0.3500	0.3000	0.3000
Combined Rate		1.0168	1.0168	0.9940	0.9940	1.0240	1.0240	1.0460	1.0460	0.9660	0.9660
Village of Clemmons		0.1150	0.1150	0.1150	0.1150	0.1150	0.0985	0.0985	0.0985	0.0985	0.0900
Combined Rate		0.8318	0.8318	0.7890	0.7890	0.7890	0.7725	0.7945	0.7945	0.7645	0.7560
City of High Point		0.6640	0.6750	0.6750	0.6620	0.6330	0.6330	0.6330	0.6323	0.6075	0.5914
Combined Rate		1.3808	1.3918	1.3490	1.3360	1.3070	1.3070	1.3290	1.3283	1.2735	1.2574
Town of Kernersville		0.5425	0.5275	0.4975	0.4975	0.4975	0.4975	0.5500	0.5500	0.5500	0.5250
Combined Rate		1.2593	1.2443	1.1715	1.1715	1.1715	1.1715	1.2460	1.2460	1.2160	1.1910
City of King		0.4220	0.4220	0.3999	0.3999	0.3799	0.3799	0.3799	0.3599	0.3599	0.3599
Combined Rate		1.1388	1.1388	1.0739	1.0739	1.0539	1.0539	1.0759	1.0559	1.0259	1.0259
Town of Lewisville		0.1770	0.1770	0.1770	0.1770	0.1770	0.1770	0.1770	0.1770	0.1770	0.1770
Combined Rate		0.8938	0.8938	0.8510	0.8510	0.8510	0.8510	0.8730	0.8730	0.8430	0.8430
Town of Rural Hall		0.3000	0.2800	0.2500	0.2500	0.2400	0.2400	0.2400	0.2300	0.2300	0.2300
Combined Rate		1.0168	0.9968	0.9240	0.9240	0.9140	0.9140	0.9360	0.9260	0.8960	0.8960
Village of Tobaccoville		0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Combined Rate		0.7668	0.7668	0.7240	0.7240	0.7240	0.7240	0.7460	0.7460	0.7160	0.7160
Town of Walkertown		0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
Combined Rate		0.9168	0.9168	0.8740	0.8740	0.8740	0.8740	0.8960	0.8960	0.8660	0.8660
Fire Tax Districts: (2)											
Beesons Crossroads		0.0880	0.0880	0.0800	0.0800	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Combined Direct Rate		0.8048	0.8048	0.7540	0.7540	0.7440	0.7440	0.7660	0.7660	0.7360	0.7360
Beesons Crossroads Service		0.0880	0.0880								
Combined Direct Rate		0.8048	0.8048								
Belews Creek		0.0750	0.0750	0.0700	0.0700	0.0700	0.0700	0.0700	0.0550	0.0550	0.0450
Combined Direct Rate		0.7918	0.7918	0.7440	0.7440	0.7440	0.7440	0.7660	0.7510	0.7210	0.7110
City View		0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
Combined Direct Rate		0.7968	0.7968	0.7540	0.7540	0.7540	0.7540	0.7760	0.7760	0.7460	0.7460
Clemmons		0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Combined Direct Rate		0.7668	0.7668	0.7240	0.7240	0.7240	0.7240	0.7460	0.7460	0.7160	0.7160
Forest Hill		0.0850	0.0850	0.0750	0.0750	0.0650	0.0650	0.0650	0.0500	0.0500	0.0500
Combined Direct Rate		0.8018	0.8018	0.7490	0.7490	0.7390	0.7390	0.7610	0.7460	0.7160	0.7160
Griffith		0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550
Combined Direct Rate		0.7718	0.7718	0.7290	0.7290	0.7290	0.7290	0.7510	0.7510	0.7210	0.7210
Gumtree		0.1000	0.1000	0.0950	0.0850	0.0850	0.0850	0.0850	0.0850	0.0850	0.0850
Combined Direct Rate		0.8168	0.8168	0.7690	0.7590	0.7590	0.7590	0.7810	0.7810	0.7510	0.7510

DIRECT AND OVERLAPPING PROPERTY TAX RATES

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Schedule 6

Page 2 of 2

		Tax Rates per \$100 Valuation, Year Ended June 30,									
		2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Fire Tax Districts (cont.): (2)											
Hornetown	\$	0.1100	0.1100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Combined Direct Rate		0.8268	0.8268	0.774	0.774	0.774	0.774	0.774	0.796	0.796	0.766
King		0.0650	0.0650	0.065	0.065	0.055	0.055	0.055	0.055	0.055	0.055
Combined Direct Rate		0.7818	0.7818	0.739	0.739	0.729	0.729	0.729	0.751	0.751	0.721
Lewisville		0.0780	0.0740	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.050
Combined Direct Rate		0.7948	0.7908	0.734	0.734	0.734	0.734	0.734	0.756	0.756	0.716
Mineral Springs		0.0850	0.0850	0.075	0.075	0.065	0.065	0.065	0.050	0.050	0.040
Combined Direct Rate		0.8018	0.8018	0.749	0.749	0.739	0.739	0.739	0.746	0.746	0.706
Mineral Springs Service		0.0850	0.0850	0.075	0.075	0.065	0.065	0.065	0.050	0.050	0.040
Combined Direct Rate		0.8018	0.8018	0.749	0.749	0.739	0.739	0.739	0.746	0.746	0.706
Mount Tabor		0.0750	0.0750	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.065
Combined Direct Rate		0.7918	0.7918	0.749	0.749	0.749	0.749	0.749	0.771	0.771	0.731
Old Richmond		0.0900	0.0900	0.085	0.085	0.080	0.070	0.070	0.060	0.060	0.060
Combined Direct Rate		0.8068	0.8068	0.759	0.759	0.754	0.744	0.744	0.756	0.756	0.726
Piney Grove		0.1150	0.1150	0.107	0.107	0.090	0.090	0.090	0.090	0.080	0.080
Combined Direct Rate		0.8318	0.8318	0.781	0.781	0.764	0.764	0.764	0.786	0.776	0.746
Salem Chapel		0.0900	0.0900	0.090	0.090	0.090	0.060	0.060	0.060	0.060	0.060
Combined Direct Rate		0.8068	0.8068	0.764	0.764	0.764	0.734	0.734	0.756	0.756	0.726
South Fork		0.0500	0.0500	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Combined Direct Rate		0.7668	0.7668	0.724	0.724	0.724	0.724	0.724	0.746	0.746	0.716
Suburban (Rural Hall)		0.0960	0.0860	0.075	0.075	0.065	0.065	0.065	0.055	0.055	0.055
Combined Direct Rate		0.8128	0.8028	0.749	0.749	0.739	0.739	0.739	0.751	0.751	0.721
Talley's Crossing		0.0800	0.0800	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080
Combined Direct Rate		0.7968	0.7968	0.754	0.754	0.754	0.754	0.754	0.776	0.776	0.746
Triangle		0.0920	0.0920	0.080	0.080	0.080	0.080	0.080	0.070	0.070	0.050
Combined Direct Rate		0.8088	0.8088	0.754	0.754	0.754	0.754	0.754	0.766	0.766	0.716
Union Cross		0.1000	0.1000	0.100	0.100	0.080	0.080	0.080	0.070	0.070	0.070
Combined Direct Rate		0.8168	0.8168	0.774	0.774	0.754	0.754	0.754	0.766	0.766	0.736
Vienna		0.0750	0.0750	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.065
Combined Direct Rate		0.7918	0.7918	0.749	0.749	0.749	0.749	0.749	0.771	0.771	0.731
Walkertown (Northeast)		0.0950	0.0870	0.080	0.080	0.080	0.080	0.080	0.070	0.070	0.060
Combined Direct Rate		0.8118	0.8038	0.754	0.754	0.754	0.754	0.754	0.766	0.766	0.726
West Bend		0.0780	0.0740	0.060	0.060	0.050	0.050	0.050	0.050	0.050	0.050
Combined Direct Rate		0.7948	0.7908	0.734	0.734	0.724	0.724	0.724	0.746	0.746	0.716

- Notes:
- (1) Municipalities set their own direct rate. This rate, combined with the County Rate and any applicable Fire Tax District Rate, is the total Overlapping Tax Rate.
 - (2) The Forsyth County Board of Commissioners sets each Fire Tax District Rate.

PRINCIPAL PROPERTY TAX PAYERS

FORSYTH COUNTY, NORTH CAROLINA

Current Year and Nine Years Ago

Schedule 7

119

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2014 Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>2005 Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
R. J. Reynolds Industries, Inc	Tobacco, Foods, Petroleum and Transportation	\$ 720,608,956	1	2.24%	\$ 923,452,753	1	3.24%
Caterpillar Inc	Manufacturer	356,316,127	2	1.11%			
Duke Energy Corporation	Electric Utility	326,696,568	3	1.01%	242,738,801	2	0.85%
JG Winston-Salem	Real Estate Management	203,476,981	4	0.63%	175,000,000	4	0.61%
Wells Fargo Bank NA	Banking	152,995,396	5	0.48%	186,179,030	3	0.65%
Lowe's Companies Inc	Retail	146,911,133	6	0.46%			
Wake Forest University	Education / Health Care	123,198,521	7	0.38%			
Wexford Science & Technology, LLC	Real Estate Development	121,426,060	8	0.38%			-
Deere-Hitachi	Manufacturer	95,949,219	9	0.30%			
Piedmont Natural Gas	Utility	81,792,132	10	0.25%	75,696,599	10	0.27%
Sara Lee Corporation	Food and Textiles			-	162,696,910	5	0.57%
Highwoods/Forsyth Partners	Real Estate Management			-	136,892,187	6	0.48%
BellSouth Corporation	Communications Utility				131,349,811	7	0.46%
First State Investors	Real Estate Management				97,015,000	8	0.34%
Wells One West Fourth	Real Estate Management			-	79,446,000	9	0.28%
		<u>\$ 2,329,371,093</u>		<u>7.24%</u>	<u>\$ 2,210,467,091</u>		<u>7.75%</u>

Note: Hanesbrands Inc includes property previously reported under Sara Lee Corporation.
 Wells Fargo Bank NA includes property previously reported under Wachovia Bank NA

PROPERTY TAX LEVIES AND COLLECTIONS

Schedule 8

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Fiscal Year Ended <u>June 30</u>	Total Tax Levy for <u>Fiscal Year</u>	Collected within the		Collections in Subsequent <u>Years</u>	<u>Total Collections to Date</u>	
		<u>Fiscal Year of the Levy</u> <u>Amount</u>	<u>Percentage</u> <u>of Levy</u>		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>
2006	\$ 189,902,610	\$ 186,602,383	98.26%	\$ 2,711,242	\$ 189,313,625	99.69%
2007	197,416,909	193,927,020	98.23%	2,804,217	196,731,237	99.65%
2008	213,402,003	209,512,061	98.18%	3,115,193	212,627,254	99.64%
2009	219,385,625	213,993,232	97.54%	4,074,759	218,067,991	99.40%
2010	229,188,797	224,184,021	97.82%	4,289,717	228,473,738	99.69%
2011	229,126,449	224,104,050	97.81%	4,339,015	228,443,064	99.70%
2012	228,728,259	223,947,380	97.91%	3,958,325	227,905,706	99.64%
2013	232,910,975	228,359,406	98.05%	3,459,639	231,819,045	99.53%
2014	234,215,900	230,760,638	98.52%	1,744,590	232,505,228	99.27%
2015	230,986,702	228,618,034	98.97%	-	228,618,034	98.97%

RATIOS OF OUTSTANDING DEBT BY TYPE

Schedule 9

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Bonded Debt as a Percentage of Actual Taxable Value of Property ^a		Total Bonds Debt Per Capita ^b
2006	\$ 280,238,522	0.98%	\$	863.94
2007	337,445,883	1.14%		1,019.67
2008	318,136,642	1.04%		943.58
2009	428,904,785	1.37%		1,250.54
2010	407,697,994	1.20%		1,173.80
2011	552,547,783	1.63%		1,572.45
2012	517,690,727	1.53%		1,462.44
2013	506,841,054	1.47%		1,416.90
2014	467,559,237	1.42%		1,297.18
2015	492,044,964	1.53%		1,350.81

Governmental Activities

Fiscal Year	General Obligation Bonds	Certificates of Participation	Limited Obligation Bonds	Installment Purchase Obligations	Total Primary Government	Percentage of Personal Income ^b	Total Debt Per Capita ^b
2006	\$ 280,238,522	\$ 88,991,747	\$ -	\$ 293,390	\$ 369,523,659	3.16%	\$ 1,139.20
2007	337,445,883	83,785,583	-	2,135,393	423,366,859	3.40%	1,279.31
2008	318,136,642	78,461,313	-	1,705,877	398,303,832	3.06%	1,181.35
2009	428,904,785	73,004,074	-	2,185,884	504,094,743	3.75%	1,469.77
2010	407,697,994	67,394,069	15,977,734	1,582,207	492,652,004	3.90%	1,418.39
2011	552,547,783	61,641,500	15,139,749	812,088	630,141,120	4.84%	1,793.26
2012	517,690,727	55,731,450	32,676,028	2,835,543	608,933,748	4.51%	1,720.19
2013	506,841,054	49,976,539	31,680,167	2,141,649	590,639,409	4.17%	1,651.17
2014	467,559,237	37,650,582	29,874,372	9,620,166	544,704,357	3.79%	1,511.21
2015	492,044,964	33,730,604	28,076,784	8,335,996	562,188,348	n/a	1,543.38

Notes: 1. Details regarding the County's outstanding debt can be found in the notes to the financial statements.

^a See Schedule 5 for property value data.

^b See Schedule 12 for population and personal income data.

**DIRECT AND OVERLAPPING GOVERNMENTAL
ACTIVITIES DEBT**

Schedule 10

FORSYTH COUNTY, NORTH CAROLINA

As of June 30, 2015

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Forsyth County^a</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
City of Winston-Salem	\$ 233,687,282	100.0%	\$ 233,687,282
Town of Kernersville	12,372,766	97.0%	12,005,805
Other debt			
City of Winston-Salem	513,681,340	100.0%	<u>513,681,340</u>
Subtotal, overlapping debt			759,374,427
County direct debt			<u>562,188,348</u>
Total direct and overlapping debt			<u><u>\$ 1,321,562,775</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Forsyth County Tax Office. Debt outstanding data provided by each governmental unit.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Forsyth County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident - and therefore responsible for repaying the debt - of each overlapping government.

^a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value which is within the County's boundaries and dividing it by each unit's total taxable assessed value. This approach was also used for the City of Winston-Salem's Other Debt.

LEGAL DEBT MARGIN INFORMATION

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

(dollars in thousands)

Schedule 11

562189

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed Value of Taxable Property	\$ 32,199,113
Debt Limit - Eight percent (8%) of assessed value	2,575,929
Debt applicable to limit:	
General obligation bonds	492,045
Certificates of participation	33,730
Limited obligation bonds	28,077
Installment purchase obligations	8,336
Total debt applicable to legal debt limit	562,188
Legal debt margin	\$ 2,013,741

Fiscal Year

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt Limit	\$ 2,276,966	2,367,215	2,451,563	2,510,716	2,708,509	2,707,095	2,712,709	2,749,014	2,639,184	2,575,929
Total net debt applicable to limit	362,178	414,845	390,921	493,576	463,047	605,572	586,266	590,639	544,704	562,188
Legal debt margin	\$ 1,914,788	1,952,370	2,060,642	2,017,140	2,245,462	2,101,523	2,126,443	2,158,375	2,094,480	2,013,741
Total net debt applicable to the limit as a percentage of debt limit	15.9%	17.5%	15.9%	19.7%	17.1%	22.4%	21.6%	21.5%	20.6%	21.8%

Note: Under state law, the County's outstanding general obligation debt should not exceed eight percent (8%) of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

DEMOGRAPHIC AND ECONOMIC STATISTICS

Schedule 12

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Calendar Years

Calendar Year ^b	Population ¹	Personal Income (000's) ²	Per Capita Personal Income ²	Median Age ^{1,3}	Dropout Rates for Grades 9-12 ⁴	Public School Enrollment ⁴	Private School Enrollment ^{5, a}	Unemployment Rate ⁶
2005	324,372	\$ 11,707,040	\$ 35,313	37.2	5.0%	49,279	5,454	4.7%
2006	330,935	12,435,483	37,444	37.4	5.7%	50,305	5,455	4.3%
2007	337,159	13,003,878	38,401	37.6	6.4%	50,974	5,441	4.4%
2008	342,975	13,443,142	39,041	37.8	5.5%	51,422	5,480	5.7%
2009	347,333	12,625,034	36,223	36.7	4.8%	51,488	5,197	9.6%
2010	351,394	13,022,068	37,059	37.2	4.1%	52,050	5,056	10.1%
2011	353,992	13,489,313	38,003	37.4	3.8%	52,277	4,834	10.0%
2012	357,710	14,176,253	39,583	37.4	3.4%	52,860	4,691	9.0%
2013	360,442	14,354,615	39,739	37.5	2.7%	53,107	4,579	7.5%
2014	364,258	n/a	n/a	37.5	2.3%	53,693	4,494	5.9%

- Sources:
- ¹ Office of State Budget and Management
 - ² U.S. Department of Commerce: Bureau of Economic Analysis
 - ³ U.S. Census Bureau
 - ⁴ North Carolina Department of Public Instruction
 - ⁵ State of North Carolina Division of Non-Public Education
 - ⁶ The Employment Security Commission of North Carolina

- Notes:
- ^a Private School Enrollment does not include special schools or home schools.
 - ^b Calendar Year 2014 is the most recent data available.

PRINCIPAL EMPLOYERS

FORSYTH COUNTY, NORTH CAROLINA
Current Year and Ten Years Ago

Schedule 13

<u>Employer</u>	<u>2015</u> ¹			<u>2006</u> ²		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Wake Forest University Baptist Medical Center	12,873	1	7.6%	11,440	1	6.9%
Novant Health	8,145	2	4.8%	8,145	2	4.9%
Winston-Salem/Forsyth County School System	6,692	3	3.9%	6,690	3	4.0%
Reynolds American ^b	3,000	4	1.8%	3,800	7	2.3%
Wells Fargo Bank ^a	2,800	5	1.7%	3,970	6	2.4%
City of Winston-Salem	2,660	6	1.6%	2,335	8	1.4%
Hanesbrands, Inc. ^c	2,500	7	1.5%	5,200	4	3.1%
Wake Forest University	2,401	8	1.4%	N/A		
BB&T Corporation	2,200	9	1.3%	2,260	9	1.4%
Forsyth County	1,983	10	1.2%	1,900	10	1.1%
National Textiles	N/A			4,325	5	2.6%
Total	45,254		26.7%	50,065		30.2%

¹ estimates as of June & August 2015

² estimates as of June 2006

^a formerly Wachovia Corporation

^b formerly R.J. Reynolds Tobacco Company

^c formerly Sara Lee Personal Products

Sources: Number of employees provided by the Winston-Salem Chamber of Commerce, as reported by individual companies and institutions. County civilian labor force information used to calculate percentage of total employment provided by the North Carolina Employment Security Commission.

**FULL-TIME-EQUIVALENT COUNTY GOVERNMENT
EMPLOYEES BY FUNCTION/PROGRAM**

Schedule 14

FORSYTH COUNTY, NORTH CAROLINA
Last Ten Fiscal Years

<u>Function</u>	Full-time Equivalent Employees as of June 30,									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government	376	366	370	368	361	354	346	336	320	314
Public safety	782	765	786	792	803	800	774	771	781	784
Human services	636	626	633	660	654	667	660	667	662	661
Environmental protection	25	24	23	22	22	22	22	22	22	23
Community and economic development	5	5	5	5	5	5	6	5	5	5
Education	17	18	19	16	14	9	4	4	4	5
Culture and recreation	227	225	219	216	200	204	203	205	198	191
Total	2,068	2,029	2,055	2,079	2,059	2,061	2,015	2,010	1,992	1,983

Source: Forsyth County Finance Department

Notes: The County has full-time employees scheduled to work 40-hour (2,080 hours per year), 42-hour (2,184 hours per year), 42.5-hour (2,210 hours per year), 42.75-hour (2,223 hours per year), 42.88-hour (2,230 hours per year), or 56-hour (2,912 hours per year) work weeks. Full-time-equivalent employment is calculated by dividing total labor hours employed by the standard scheduled hours.

OPERATING INDICATORS BY FUNCTION

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Schedule 15

Page 1 of 2

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government										
General services										
Number of facilities ¹	67	68	68	70	70	72	49	46	47	47
Square footage - active	2,898,258	2,917,181	2,881,478	2,917,478	2,917,478	1,864,494	1,853,678	1,827,073	2,257,302	2,257,302
Assigned fleet vehicles	584	589	597	597	597	631	622	585	577	577
Register of deeds										
Deeds recorded	17,594	17,737	16,572	13,932	10,346	10,150	9,215	9,651	10,875	11,399
Real estate copies	40,984	39,427	30,056	29,105	26,445	23,427	21,648	21,542	24,193	18,413
Birth certificates	8,247	8,538	8,216	9,325	8,526	7,825	7,314	8,140	8,499	5,575
Marriage certificates	2,193	2,233	2,113	2,097	2,039	1,937	2,001	2,083	2,038	2,092
Vital records copies	55,787	55,967	60,673	59,036	56,729	54,685	58,043	59,439	62,319	60,826
Tax administration										
Audits	335	343	351	350	n/a	n/a	n/a	n/a	n/a	n/a
Current year levy collection percentage	98.00%	98.26%	98.93%	98.96%	98.27%	98.43%	97.81%	97.91%	98.05%	98.43%
Public safety										
Animal control										
Animals sheltered	7,403	8,471	8,086	8,079	8,833	8,397	8,395	9,059	8,223	7,220
Animals adopted	1,024	1,386	1,326	1,349	1,474	1,311	1,175	1,518	1,797	1,585
Emergency management										
Responders receiving specialized training	620	612	101	448	477	480	211	474	180	200
Emergency services										
Emergency dispatches	23,096	23,724	23,533	25,809	25,238	27,057	27,854	30,912	31,349	29,348
Non-emergency dispatches	9,378	8,254	12,480	10,258	8,561	7,151	6,668	5,560	2,968	8,095
Fire										
Fire alarms (total dispatches)	3,953	4,140	4,330	4,164	3,787	3,897	3,907	3,738	4,058	7,518
Volunteer rescue squad response	21,331	22,445	23,719	24,238	24,307	25,670	27,007	28,846	10,478	19,744
911 calls received	77,414	N/A	N/A	N/A	83,669	85,614	88,635	89,006	44,444	89,695
Telephone calls processed	N/A	179,324	172,928	205,592	178,366	176,043	177,527	188,363	97,758	204,839
Sheriff										
Patrol service calls	27,390	38,011	27,837	41,720	44,219	48,284	45,791	47,669	74,125	66,409
Detention - avg. daily inmate population	847	869	897	881	869	824	675	775	695	761
Detention - avg. length of stay (in days)	23	26	26	26	25	24	20	21	20	22
Youth services										
Youth receiving drug assessments	82	107	74	81	79	115	175	243	153	168
Youth receiving individual counseling	113	101	133	140	175	205	250	312	180	228
Avg daily population: in-county / out-of-county	7.33/.12	13/.26	12.7/0.4	12.7/0.4	12/1	9/2	6/4	8/3	6/3	8/5

OPERATING INDICATORS BY FUNCTION

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Human services										
Public health										
Wait time on improvement permits (in days)	21.0	21.0	20.0	21.0	10.5	12.3	12.3	9.0	7.5	7.5
Children Immunized by 23 months of age	91%	91%	83%	82%	82%	90%	90%	88%	82%	87%
Social services										
Average number of public assistance cases	1,950	1,562	1,250	1,214	1,202	1,195	n/a	n/a	n/a	n/a
Children in foster care returned to homes	36%	47%	30%	57%	62%	65%	n/a	n/a	n/a	n/a
Medicaid/Health Choice applications completed within statutory timeframe	n/a	n/a	n/a	n/a	n/a	n/a	91.3%	96.9%	93.5%	75.0%
Food/nutrition applications processed within 7 calendar days	n/a	n/a	n/a	n/a	n/a	n/a	99.3%	99.7%	99.6%	91.0%
Environmental protection										
Environmental assistance & protection										
Permits processed within prescribed timeframe	100%	99%	99%	99%	100%	99%	97%	91%	91%	100%
Correct air quality forecasting	75%	80%	80%	90%	89%	80%	80%	78%	81%	78%
Economic development										
Housing										
Homes rehabilitated	20	19	12	21	21	18	38	35	24	23
First time home buyers & IDA	126	96	76	48	44	64	37	24	15	33
Culture and recreation										
NC cooperative extension service										
Educational meetings conducted	1,743	1,460	2,645	1,778	2,539	7,950	9,103	5,493	4,145	2,824
Economic value of volunteer service	\$248,000	\$250,000	\$310,000	\$345,000	\$475,000	\$305,169	\$592,880	\$565,117	\$523,119	\$613,391
Library										
Number of libraries	10	10	10	10	10	10	10	10	10	10
Program Attendance	143,553	78,815	89,743	90,867	107,468	95,791	101,284	96,108	104,377	180,489
Materials Circulated	1,717,875	1,734,473	1,806,564	1,913,042	2,044,856	1,956,849	1,933,496	1,915,971	1,887,526	1,819,410
Recreation and parks										
Number of parks	11	11	11	11	11	11	11	11	11	11
Park visitors	2,742,368	2,267,209	2,317,301	2,826,255	3,188,518	2,914,185	2,889,969	2,854,524	3,192,212	3,716,992
Golf rounds played	66,000	66,190	67,400	70,720	65,449	59,193	49,642	56,553	52,038	51,370
Festival of lights - visitors	281,082	244,750	274,530	282,700	250,458	223,236	217,362	263,100	262,818	245,808
Education										
Winston-Salem/Forsyth County Schools										
Number of schools	70	70	72	75	76	80	80	80	79	81
Number of classrooms	2,364	2,364	2,416	2,653	n/a	n/a	n/a	n/a	n/a	n/a
Number of teachers	2,968	2,968	3,020	3,293	3,585	3,938	3,768	3,778	3,878	3,749
Forsyth Technical Community College										
Enrollment	7,001	7,200	7,203	7,895	9,144	9,922	10,616	9,941	9,881	12,968

Source: Forsyth County Budget Office. North Carolina Department of Public Instruction. Fiscal Year 2014 is the most recent actual data available.

CAPITAL ASSET STATISTICS BY FUNCTION

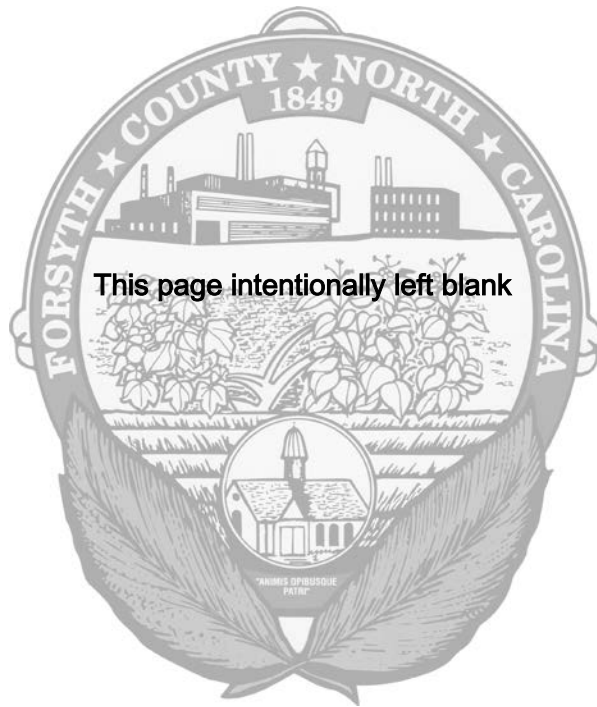
FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Schedule 16

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
General services										
Number of facilities ¹	68	68	70	70	72	72	53	47	48	44
Square footage - active ²	2,917,181	2,881,478	2,917,478	2,917,478	1,864,494	1,853,678	1,827,073	2,257,302	2,277,389	2,150,982
Fleet vehicles ³	589	595	613	590	620	615	585	575	569	562
Public safety³										
Emergency medical services										
Assigned vehicles	30	29	29	30	31	31	34	34	34	34
Fire										
Assigned vehicles	12	13	13	13	13	13	17	17	16	14
Sheriff										
Assigned vehicles	235	233	255	242	244	260	237	237	227	229

² Square footage is estimated based on general services building records.



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**Report of Independent Auditor on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

To the Board of County Commissioners
Forsyth County, North Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Forsyth County, North Carolina (the "County"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprises the County's basic financial statements, and have issued our report thereon dated October 31, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Roubert LLP

Raleigh, North Carolina
October 31, 2015

**Report of Independent Auditor on Compliance for Each Major Federal Program
and Internal Control Over Compliance in Accordance with
OMB Circular A-133 and the State Single Audit Implementation Act**

To the Board of County Commissioners
Forsyth County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Forsyth County, North Carolina (the "County"), compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2015. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the summary of auditor's results section accompanying the schedule of findings and questioned costs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2015-001, 2015-002, 2015-003, 2015-004, and 2015-005. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs and the corrective action plan. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Cherry Roubert LLP

Raleigh, North Carolina
October 31, 2015

**Report of Independent Auditor on Compliance for Each Major State Program
and Internal Control Over Compliance in Accordance with OMB Circular A-133
and the State Single Audit Implementation Act**

To the Board of County Commissioners
Forsyth County, North Carolina

Report on Compliance for Each Major State Program

We have audited the Forsyth County, North Carolina (the "County"), compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major State programs for the year ended June 30, 2015. The County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major State Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major State programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with applicable sections of OMB Circular A-133 which are described in the *Audit Manual for Governmental Auditors in North Carolina* and which are described in the accompanying schedule of findings and questioned costs as findings 2015-006, 2015-007, and 2015-008. Our opinion on each major State program is not modified with respect to these matters.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance as described in the accompanying schedule of findings and questioned costs as finding 2015-009 to be a material weakness.

The County's responses to the noncompliance findings and the internal control over compliance finding identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Channing R. Ricketts LLP

Raleigh, North Carolina
October 31, 2015

FORSYTH COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant Deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes no
- Significant Deficiency(ies) identified that are not considered to be material weaknesses? yes no

Noncompliance material to federal awards noted? yes no

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133 yes no

FORSYTH COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section I. Summary of Auditor's Results (Continued)

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
	Medicaid Cluster:
93.778	Medical Assistance Administration
93.778	Adult Home Specialist
93.778	Medical Assistance Transportation Administration
93.778	Medical Assistance Transportation Vendor Payments
93.778	Direct Benefit Payments
93.778	CCNC Pregnancy Prevention
93.778	Pregnancy Care Management
93.767	State Children's Insurance Program
93.767	Direct Benefit Payments
	Temporary Assistance for Needy Families Cluster:
93.558	TANF Administration
93.558	TANF Services/Domestic Violence
N/A	TANF Incentives
93.558	Direct Benefit Payments
93.558	TANF Child Protective Services/Foster Care/Adoption
	Low Income Home Energy Assistance:
93.568	Low Income Home Energy Assistance Administration
93.568	Low Income Home Energy Assistance Crisis Intervention
93.568	Low Income Home Energy Assistance Payments
	Child Welfare Services – State Grants
93.645	Child Welfare Services Permanency Special/Regular
N/A	Child Welfare Services Adoption Assistance
93.645	Family Reunification
N/A	Direct Benefit Payments

Federal programs that did not meet the criteria for a major program using the criteria discussed in OMB Circular No. A-133 Section .520 but were tested as a major program because the State awards met the threshold for a major State program or were required to be tested as major by the State are included in the list of major federal programs.

FORSYTH COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Dollar threshold used to distinguish
between Type A and Type B Programs \$ 3,000,000

Auditee qualified as low-risk auditee yes no

State Awards

Internal control over major State programs:

- Material weakness(es) identified? yes no
- Significant Deficiency(ies) identified
that are not considered to be
material weaknesses? yes none reported

Noncompliance material to State awards noted? yes no

Type of auditor's report issued on compliance for
major state programs: Unmodified

Any audit findings disclosed that are required to be
reported in accordance with the State Single Audit
Implementation Act yes no

Identification of major State program

Program Name

State/County Special Assistance
State/County Special Assistance for Adults – Direct Benefit Payments

Juvenile Justice and Delinquency Prevention

Public School Building Capital Fund

Other Major State programs are Medical Assistance, Children's Health Insurance Program, Temporary Assistance for Needy Families, and Child Welfare Services - State Grants which are State matches on Federal programs. Therefore, these programs have been included in the list of major federal programs above.

Section II. Financial Statement Findings

None reported.

FORSYTH COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section III. Federal Award Findings and Questioned Costs

U.S. Department of Health and Human Services
Passed through the N.C. Department of Health and Human Services
Medical Assistance
CFDA # 93.778

Finding 2015-001

Nonmaterial Noncompliance – Eligibility

Criteria: The County should have adequate monitoring controls to ensure that all information is updated appropriately in recipient's files and in the NC FAST system, and to ensure that all required physical documentation is located in the file to properly document eligibility with program requirements.

Condition: Twenty-one case files noted instances in which documentation was missing or incorrectly documented in the case file. No instances of incorrect eligibility determination were noted. However, the lack of controls allows for inaccuracies with the potential for over or under payment of benefits.

Questioned costs: None. Through review of system documentation we were able to determine the recipient was eligible for assistance.

Context: We examined 60 Medical Assistance case files. Of the 60 files tested, we noted that 21 of the files had missing or incorrect documentation as follows:

- Two cases where documentation could not be provided for the time period selected for audit
- Two cases where no budget sheet was provided for the time period selected for audit
- Seven cases where determination/redetermination form did not agree to NC Fast case profile
- One case where no budget sheet was provided for the time period selected for audit and the individual had health insurance that was not entered into the system.
- Two cases where budget sheet was calculated incorrectly and determination/redetermination form did not agree to NC Fast case profile.
- Six cases where budget sheet was calculated incorrectly
- One case where no budget sheet was provided for the time period selected for audit and no signed application was in the system for the recertification period.

Effect: By not having the required documentation in the files or information being incorrectly documented, eligibility cannot be readily substantiated and there is a risk that the County could provide funding to individuals who are not eligible.

Cause: Caseworker failed to scan and store the appropriate budget sheets when completing the eligibility determination. Lack of second party audits caused a failure to identify budgeting issues.

Recommendation: Although these issues will occur from time to time considering the volume of case files that the County processes and maintains, it is recommended that policies be put in place or reinforced to ensure that participant eligibility and documentation is maintained appropriately. The County should implement an internal control in order to ensure that all proper documentation is kept and maintained in the case files in an attempt to prevent loose filings in the future which can result in missing documentation.

FORSYTH COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section III. Federal Award Findings and Questioned Costs (Continued)

Views of responsible officials: The County believes that all of the cases with missing documentation are indeed eligible even though the documentation is missing. The County bases this on the results of QC audits for Medicaid that have shown minimal quality errors.

U.S. Department of Health and Human Services
Passed through the N.C. Department of Health and Human Services
NC Health Choice
CFDA # 93.767

Finding 2015-002

Nonmaterial Noncompliance – Eligibility

Criteria: The County should have adequate monitoring controls to ensure that all information is updated appropriately in recipient's files and in the NC FAST system, and to ensure that all required physical documentation is located in the file to properly document eligibility with program requirements.

Condition: Five files noted instances in which documentation was missing or incorrectly documented in the case file. No instances of incorrect eligibility determination were noted. However, the lack of controls allows for inaccuracies with the potential for over or under payment of benefits.

Questioned costs: None. Through review of system documentation we were able to determine the recipient was eligible for assistance.

Context: We examined 60 NC Health Choice case files. Of the 60 files tested, we noted that five of the files had missing or incorrect documentation as follows:

- One case where documentation could not be provided for the time period selected for audit
- Two cases where budget sheet was calculated incorrectly
- One case where the determination/redetermination form did not agree to NC Fast case profile.
- One case where health insurance coverage was not documented in the case record and accurately entered in the eligibility system.

Effect: By not having the required documentation in the files or information being incorrectly documented, eligibility cannot be readily substantiated and there is a risk that the County could provide funding to individuals who are not eligible.

Cause: The County agrees that the documentation is unable to be found. Inconsistent auditing of case files by supervisors resulted in the additional errors. In addition, backlogs of cases to be processed in addition to numerous vacancies in the division resulted in supervisors and lead workers processing cases instead of completing second party reviews.

Recommendation: Although these issues will occur from time to time considering the volume of case files that the County processes and maintains, it is recommended that policies be put in place or reinforced to ensure that participant eligibility and documentation is maintained appropriately. The County should implement an internal control in order to ensure that all proper documentation is kept and maintained in the case files in an attempt to prevent loose filings in the future which can result in missing documentation.

FORSYTH COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section III. Federal Award Findings and Questioned Costs (Continued)

Views of responsible officials: Continued technical issues with NC FAST caused a backlog of work. In addition, the division had numerous vacancies. As a result, supervisors and lead workers turned their attention to processing cases and away from auditing.

U.S. Department of Health and Human Services
Passed-through the N.C. Dept. of Health and Human Services
Division of Social Services:
Program Name: Temporary Assistance for Needy Families
CFDA # 93.558

Finding 2015-003

Nonmaterial Noncompliance – Eligibility

Criteria: All parents and caretakers must sign the Mutual Responsibility Agreement (MRA) Core Requirements in order to become and remain eligible for Work First. For the month of application, Work First Family Assistance payments are prorated from the date of application, with the date of application being day one.

Condition: Seven instances in which documentation was missing in the case file and one instance where the Work First Assistance payment was not appropriately prorated.

Questioned costs: None. The County was able to be substantiated that all were eligible to receive TANF benefits.

Context: We examined 60 case files. Of the 60 sampled, we noted that seven of the files had missing MRA's in the case file and one where the payment was incorrect.

Upon re-examination of each of the files listed above, the County was able to substantiate that all were eligible to receive TANF benefits.

Effect: The County may provide benefits to individuals that are not eligible for the program.

Cause: Vacancies in the Work First program (down 2 of the 5 workers) caused the remaining staff to take on additional caseloads which led to the failure to scan all paperwork. Failure to complete second party audits contributed to these errors.

Recommendation: Although these issues will occur from time to time considering the volume of case files that the County processes and maintains, it is recommended that procedures are in place to verify that all required eligibility information is obtained, recorded, and updated appropriately.

Views of responsible officials: Vacancies in the program area led to increased workloads for staff. Supervisors were assisting with processing cases which took away time from auditing.

FORSYTH COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section III. Federal Award Findings and Questioned Costs (Continued)

U.S. Department of Health and Human Services
Passed-through the N.C. Dept. of Health and Human Services
Division of Social Services:
Program Name: Temporary Assistance for Needy Families
CFDA # 93.558

Finding 2015-004

Nonmaterial Noncompliance – Special Test and Provisions

Criteria: According to the Work First Manual, a sanction of at least a 25% reduction in payment must be applied for non-cooperation with child support enforcement.

Condition: One instance in which sanctions were not applied to the case in a timely manner

Questioned costs: None.

Context: We examined 6 case files. Of the 6 sampled, we noted that one of the files did not apply sanctions to the case in a timely manner.

Effect: Individuals who are not eligible may be receiving benefits.

Cause: Technical issues with NC FAST impacted the Work First program as they were converted into the new system. These issues along with the loss of two of the five TANF workers impacted the ability of supervisors to audit cases as they assisted with processing.

Recommendation: A review procedure should be in place to ensure that all sanctions are properly entered into the system in a timely manner.

Views of responsible officials: Technical issues with NC FAST impacted the Work First program as they were converted into the new system. These issues with the loss of two of the five TANF workers impacted the ability of supervisors to audit cases. The remaining staff were required to take on additional cases to process.

U.S. Department of Health and Human Services
Passed through the N.C. Department of Health and Human Services
Low-Income Energy Assistance
CFDA # 93.568

Finding 2015-005

Nonmaterial Noncompliance – Eligibility

Criteria: As noted in the Energy Programs Manual Section 300.04, the County is responsible for informing the applicant or his representative of the eligibility requirements and hearing rights. A case record must be maintained on each household to include a copy of the Rights and Responsibilities page with the applicant's signature and any other documents used to determine eligibility.

FORSYTH COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section III. Federal Award Findings and Questioned Costs (Continued)

Condition: During our testing of eligibility we noted one instance where the Rights and Responsibilities page did not contain the applicant's signature.

Questioned costs: None.

Context: We examined 40 case files to ensure that each case record complied with the specific eligibility requirements documented in the Energy Programs Manual Section 300.04. Of the 40 case files reviewed one did not include a signed rights and responsibilities page with the applicant's signature.

Upon reexamination of the file, the County was able to substantiate that the individual was eligible to receive Low-Income Energy Assistance benefits.

Effect: Individual may not have been properly informed of their eligibility requirements and hearing rights.

Cause: Oversight by management.

Recommendation: Although these issues will occur from time to time considering the volume of case files that the County processes and maintains, it is recommended that management enforce training to ensure that each applicant signed the rights and responsibilities page to ensure that they are properly informed.

Views of responsible officials: As stated above, it is our hope that through quality checks we will catch errors such as these so that we can correct them before it becomes an issue. I have set up a meeting with Staff Development to assist me in implementing an annual training for Salvation Army staff before our large allocation is received, so that we can review policies and procedures, any changes being implemented, and address any issues that may have been identified.

Section IV. State Award Findings and Questioned Costs

N.C. Department of Health and Human Services
DSS Crosscutting

Finding 2015-006

Nonmaterial Noncompliance – Reporting

Criteria: As noted in the DSS Service Information Systems User's Manual day sheet entries should be transferred accurately to the DSS 1571 and expenditures should be properly reported as detailed in Section III of the DSS Fiscal Manual.

Condition: One instance where reported time on a contracted employee day sheet did not agree to time reported on 1571 and one instance where the expenditure was coded and therefore reported to the wrong Service Code.

Questioned costs: None. The worker claimed less reimbursement than physically worked and the improper coding did not affect DSS reimbursement.

FORSYTH COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section IV. State Award Findings and Questioned Costs (Continued)

Context: We examined 40 case files to ensure that day sheet summaries are transferred to the DSS 1571 accurately to an eligible fund source and 40 expenditures across all major programs to verify that costs are properly reported on the DSS-1571 as detailed in the Section III of the DSS Fiscal Manual.

Effect: Day sheets are completed by employees and contracted workers to track program time. They are used to determine proper reimbursement for the program. This is required by the State and failure to report proper day sheet entries may lead to error or inefficiencies in requesting reimbursement for the Program. Expenditures are to be properly reported or the County could be reimbursed by the State out of the wrong budgeted funding.

Cause: There have been many temporary staff and many new codes added to the SIS Manual during the Fiscal Year as a result of changes in the State's NC FAST Case Management System and New Programs added.

Recommendation: The County should continue to train contracted employees to ensure all posted time has proper documentation and agrees to what is being reported and that all expenditures are properly coded.

Views of responsible officials: The County agrees and will continue to retrain permanent and temporary staff on a regular basis but no less often than annually.

N.C. Department of Health and Human Services
DSS Crosscutting

Finding 2015-007

Nonmaterial Noncompliance – Special Tests and Provisions

Criteria: Physical documentation is required to properly document EPICS claims.

Condition: Six instances in which the County was unable to provide the EPICS claims supporting documentation for testing and three files where the EPICS information did not agree with the case file.

Questioned costs: None.

Context: We examined 40 case files and reviewed to ensure that proper supporting documentation was kept on file to support the claim.

Effect: By not having the required documentation on file, the EPICS claim cannot be readily substantiated and there is a risk that the County could be requesting funding from individuals who were truly eligible.

Cause: The EPICS system was created at a point in time with instructions from the State to enter all prior and future Program Integrity Investigations from the point of referral to investigation to outcome as well as create a tracking mechanism for paid and unpaid claims. Prior to the creation of EPICS, all cases were kept in paper files with no statewide tracking mechanism. As a result, the data entered into the system was not always accurate.

FORSYTH COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section IV. State Award Findings and Questioned Costs (Continued)

Recommendation: The County should maintain all case documentation necessary to substantiate the claim entry into EPICS and review procedures should be reinforced to ensure that information agrees with the case file.

Views of responsible officials: Forsyth County DSS combined program-specific Program Integrity functions into a single unit in October 2013. The Program Integrity Unit began cleaning up outstanding records in June 2014. Because neither the records nor the unit was organization-wide, this was a tremendous effort. At the time of the audit, the Program Integrity Unit was still reconciling old records that could not be substantiated while continuing to work USDA charge letters and current PI referrals.

N.C. Department of Health and Human Services
Direct Benefit Payments
Program Name: SC/SA Domiciliary Care

Finding 2015-008

Nonmaterial Noncompliance – Eligibility

Criteria: County should adhere to eligibility criteria by complying with specific requirements which are documented in the Special Assistance Manual under SA-3100 eligibility requirements.

Condition: During our testing of eligibility for special assistance, we noted ten instances where there was noncompliance with the Special Assistance eligibility requirements.

Questioned costs: \$996 which is the actual over-payment of benefits to three individuals during fiscal year 2014-2015.

Context: We examined 40 case files and reviewed to ensure that each case record complied with the specific eligibility requirements which are documented in the Manual under SA 3100 eligibility requirements. Of the 40 sampled, we noted the following:

- One case file where the application was not processed timely
- Three case files where the notification of eligibility change was not timely
- Three case files where there was not a valid FL-2 for the period tested
- One instance where supporting documentation for the case record could not be provided
- Two instances where the benefits were calculated incorrectly

Upon re-examination of each of the files listed above, the County was able to substantiate that the cases were eligible to receive Special Assistance benefits with the exception of one where supporting documentation could not be provided.

Effect: By case documentation not being provided, improper payments could be provided to individuals.

Cause: Caseworkers failed to scan the necessary information into the document management system. Vacancies in this unit contributed to cases going overdue. A lead worker vacancy also contributed to less attention being given to second party audits. There was no reliable tracking system for monitoring the status of FL-2s.

FORSYTH COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section IV. State Award Findings and Questioned Costs (Continued)

Recommendation: Although these issues will occur from time to time considering the volume of case files that the County processes and maintains, it is recommended that management implement proper review procedures over special assistance eligibility determinations to ensure that records contain current, reliable and appropriate documentation in each participant file.

Views of responsible officials: Continued issues with NC FAST regarding this program have made it difficult to process applications timely. Vacancies also contributed to having overdue applications.

N.C. Department of Health and Human Services
Direct Benefit Payments
Program Name: SC/SA Domiciliary Care

Finding 2015-009

Material Weakness – Quality Review of case files

Criteria: An effective system of internal control contemplates that management properly review and assess the eligibility of individuals to ensure the accuracy of the benefits being provided. This includes ensuring that all reviewers have the proper training and qualifications in order to appropriately access the eligibility of participants.

Condition: We noted that the special assistance program did not have proper review controls in place to ensure that proper eligibility determinations were being met.

Effect: By not having proper review procedures in place over eligibility determination, participant files could contain incorrect documentation where funding could be provided to individuals who are truly not eligible or not provided to truly eligible individuals.

Cause: Due to caseworker vacancies and a lead worker vacancy in this unit, second party reviews were not completed.

Recommendation: We recommend that management implement proper review procedures over the special assistance program eligibility determinations to ensure that records contain current, reliable and appropriate documentation in each participant file.

Views of responsible officials: The County did not conduct consistent audits of Special Assistance Cases due to vacancies within the unit.

FORSYTH COUNTY, NORTH CAROLINA
SCHEDULE OF CORRECTIVE ACTION PLAN

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section II. Financial Statement Findings

None reported.

Section III. Federal Award Findings and Questioned Costs

Finding 2015-001

Name of contact person: Kim Collie, Assistant Division Director
Artetta McKinney, Program Manager
Matthew Faircloth, Program Manager
Patrick Read, Business Officer

Corrective Action: FCDSS is in the process of forming a training unit for the Income Support Division which will include a designated trainer for technology including our stand-alone document management system. A planned segment of training will include refresher training for all staff on the use of this system. To address the issue of budgeting errors, supervisors with audit 100% of new workers' activity and a minimum of ten cases completed by seasoned staff. This will include an audit of all denials.

Proposed Completion Date: Refresher training: March 31, 2016
Audits: December 31, 2015

Finding 2015-002

Name of contact person: Kim Collie, Assistant Division Director
Artetta McKinney, Program Manager
Matthew Faircloth, Program Manager
Patrick Read, Business Officer

Corrective Action: Second Party Audits that include 100% of activity completed by new staff and a minimum of ten cases per worker to include all denials for seasoned staff.

Proposed Completion Date: December 31, 2015.

Finding 2015-003

Name of contact person: Kim Collie, Assistant Division Director
Artetta McKinney, Program Manager
Matthew Faircloth, Program Manager

Corrective Action: Begin second party reviews of 50% of Work First actions.

Proposed Completion Date: Applications: currently in place
Recertifications: December 31, 2015

FORSYTH COUNTY, NORTH CAROLINA
SCHEDULE OF CORRECTIVE ACTION PLAN

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section III. Federal Award Findings and Questioned Costs (Continued)

Finding 2015-004

Name of contact person: Kim Collie, Assistant Division Director
Artetta McKinney, Program Manager
Matthew Faircloth, Program Manager
Patrick Read, Business Officer

Corrective Action: Applications: Audit of 50% of applications processed.
Recertifications: Audit of 50% of reviews processed.

Proposed Completion Date: Applications: currently in place
Recertifications: December 31, 2015

Finding 2015-005

Name of contact person: Becky Hancock, Community Resources Consultant
Patrick Read, Business Officer

Corrective Action: See views of responsible officials above.

Proposed Completion Date: Two trainings will be scheduled. One in September 2015 and a second training in November 2015 in collaboration with Salvation Army.

Section IV. State Award Findings and Questioned Costs

Finding 2015-006

Name of contact person: Pat Read, Business Officer

Corrective Action: The Business Office will review monthly Services Information System Detail Reports more closely in order to better identify patterns of possible inaccurate or inconsistent minute reporting.

Proposed Completion Date: Effective Immediately

Finding 2015-007

Name of contact person: Pat Read, Business Officer
Tiffany Lamarque, Program Integrity Supervisor

Corrective Action: Program Integrity has created a detailed, Program by Program, Outcome by Outcome, Referral Type and Referral Date data base to capture this information and reconcile it to the EPICS system.

Proposed Completion Date: Any remaining reconciliation will be completed by September 30, 2015. Going forward, the database, and a quarterly review of all Active EPICS referrals, and outcomes will ensure the problem does not continue going forward.

FORSYTH COUNTY, NORTH CAROLINA
SCHEDULE OF CORRECTIVE ACTION PLAN

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section IV. State Award Findings and Questioned Costs (Continued)

Finding 2015-008

Name of contact person: Kim Collie, Assistant Division Director
Carla Jenkins, LTC/CAP/SA Supervisor

Corrective Action: See views of responsible officials above.

Proposed Completion Date: To track the status of all FL-2s, the SA unit will develop a spreadsheet that tracks the renewal due date for this document. This will allow workers to easily see when a new form needs to be completed.

Finding 2015-009

Name of contact person: Kim Collie, Assistant Division Director, Income Support
Carla Jenkins, SA/LTC/CAP Supervisor

Corrective Action: Complete a minimum of five audits per worker per month.

Proposed Completion Date: December 31, 2015

FORSYTH COUNTY, NORTH CAROLINA
SUMMARY OF PRIOR YEAR FINDINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

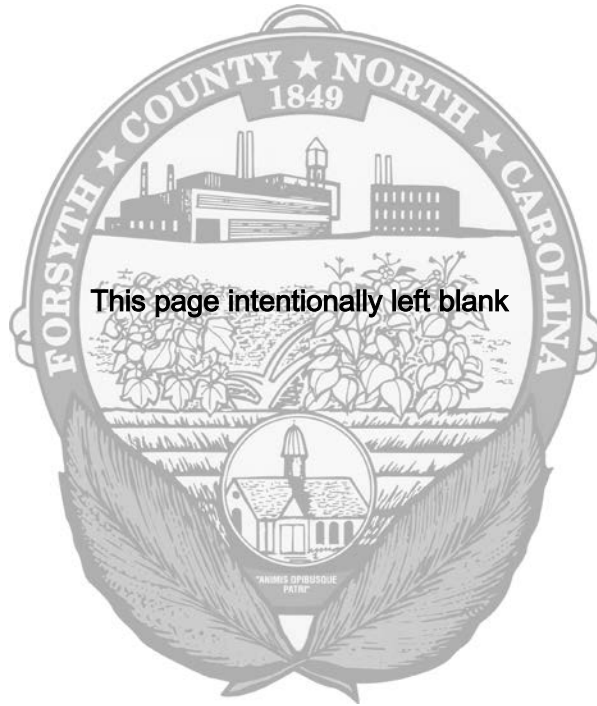
Findings: 2014-001 – Not corrected See 2015-001

Findings: 2014-002 – Not corrected See 2015-003

Findings: 2014-003 – Corrected

Findings: 2014-004 – Not corrected See 2015-007

Findings: 2014-005 – Corrected



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SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FORSYTH COUNTY

For the Fiscal Year Ended June 30, 2015

Page 1 of 5

Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Federal/State Pass-Through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures
Federal Awards:				
<u>U.S. Dept. of Health and Human Services</u>				
<u>Administration for Children and Families</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Social Services:				
Temporary Assistance for Needy Families:				
(a) TANF Administration	93.558	-	\$ 148,079	\$ -
(a) TANF Services/Domestic Violence	93.558	-	1,230,675	-
(a) TANF Child Protective Services/Foster Care/Adoption	93.558	-	458,066	-
(a) TANF Incentives	-	-	-	2,413
(a) Direct Benefit Payments	93.558	-	1,444,246	-
Child Support Enforcement Administration	93.563	-	2,357,443	-
Child Support Incentive	93.563	-	513,603	-
Child Support Reimbursement	93.563	-	1,910	-
Child Support Enforcement Fees	93.563	-	30,749	-
Refugee MA/PA	93.566	-	9,908	-
(a) Low Income Home Energy Assistance:				
(a) Low Income Home Energy Assistance Administration	93.568	-	242,208	-
(a) Low Income Home Energy Assistance Crisis Intervention	93.568	-	1,218,523	-
(a) Low Income Home Energy Assistance Payments	93.568	-	1,698,400	-
(a) Child Welfare Services - State Grants:				
(a) Child Welfare Services Permanency Special/Regular	93.645	-	40,520	-
(a) Child Welfare Services Adoption Assistance	-	-	-	19,649
(a) Family Reunification	93.556	-	29,072	-
(a) Direct Benefit Payments	-	-	-	564,400
Foster Care Caseworker Visit	93.556	-	11,057	-
<u>Foster Care and Adoption Cluster: (Note 3)</u>				
Title IV-E Foster Care Administration	93.658	-	797,192	-
Title IV-E Foster Care	93.658	-	279,167	75,146
Title IV-E Foster Care Training	93.658	-	2,127	-
Title IV-E Foster Care Child Protective Services	93.658	-	46,132	(6,692)
Title IV-E Maximization	93.658	-	167,708	-
Maximization of State Funds	-	-	-	179,479
State Foster Care/HIV	93.658	-	118,202	132,958
Adoption Assistance	93.659	-	2,351	1,175
IV-E Optional Adoption	93.659	-	31,047	-
Adoption Assistance - Direct Benefit Payments	93.659	-	1,474,425	382,183
Total Foster Care and Adoption Cluster (Note 3)			<u>2,918,351</u>	<u>764,249</u>
Social Services Block Grant:				
Social Services Block Grant Administration	93.667	-	1,219,956	135,119
Social Services Block Grant In Home Services	93.667	-	246,604	-
Social Services Block Grant Adult Day Care	93.667	-	72,620	64,234
Social Services Block Grant Transportation	93.667	-	35,614	-
Chafee Foster Care - Independent Living	93.674	-	17,118	4,280
Independent Living - Direct Benefit Payments	93.674	-	44,035	-
<u>Subsidized Child Care (Note 3)</u>				
<u>Child Care and Development Fund Cluster</u>				
Division of Social Services:				
Child Care and Development Fund Administration	93.596	-	450,845	-
Division of Child Development:				
Child Care and Development Fund - Discretionary	93.575	-	1,883,614	-
Child Care and Development Fund - Mandatory	93.596	-	2,381,611	-
Child Care and Development Fund - Match	93.596	-	1,221,823	-
Total Child Care Fund Cluster			<u>5,937,893</u>	<u>-</u>

The notes to the schedule of expenditures of federal and state awards are an integral part of this schedule.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FORSYTH COUNTY

For the Fiscal Year Ended June 30, 2015

Page 2 of 5

Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Federal/State Pass-Through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures
<u>U.S. Dept. of Health and Human Services (continued)</u>				
<u>Child Care and Development Fund Cluster (continued)</u>				
Temporary Assistance for Needy Families	93.558	-	\$ 778,038	\$ -
TANF to CCDF Discretionary	93.575	-	5,518,644	-
TANF Swap	93.575	-	120,111	-
IV-E Foster Care	93.658	-	155,718	-
IV-E Foster Care Match	-	-	-	80,648
State Appropriations	-	-	-	462,792
TANF-MOE	-	-	-	235,661
Total Subsidized Child Care (Note 3)			12,510,404	779,101
<u>Centers for Medicare and Medicaid Services</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Social Services:				
(a) State Children's Insurance Program	93.767	-	154,256	13,075
(a) Direct Benefit Payments	93.767	-	4,301,147	1,356,075
Medical Assistance Program:				
(a) Medical Assistance Administration	93.778	-	5,971,430	-
(a) Adult Home Specialist	93.778	-	74,991	27,579
(a) MAC CORD Transp	93.778	-	98,672	-
(a) Medical Assistance Transportation Administration	93.778	-	370,384	2,050
Division of Medical Assistance:				
Medical Assistance Program:				
(a) Medical Assistance Transportation Vendor Payments	93.778	-	720,007	405,004
(a) Direct Benefit Payments	93.778	-	261,665,223	141,825,731
<u>Administration on Aging</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Aging:				
Passed-through Piedmont Regional Council of Government				
Special Programs for the Aging - Title III, Part B	93.044	-	127,607	-
<u>Centers for Disease Control and Prevention</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Public Health:				
Project Grants and Cooperative Agreements for				
Tuberculosis Control Programs	93.116	-	40,330	-
Healthy Communities	93.217	-	27,099	-
Immunization Outreach	93.268	-	73,807	-
Cooperative Agreements for State-Based Comprehensive:				
Comp Breast Cancer Screen	93.283	-	37,156	-
BCCP Wisewoman Project	93.283	-	2,960	-
HIV Prevention Activities - Health Department Based	93.940	-	23,960	-
Jail Screening Program	93.940	-	158,707	-
CAPUS	93.940	-	28,272	-
Speech and Hearing	93.994	-	22,200	-
Preparedness and Response Team	93.283	-	55,528	-
Passed-through Northwest Community Care Network:				
CCNC Pregnancy Prevention (Note 4)	93.778	-	634,261	-
Pregnancy Care Management (Note 4)	93.778	-	576,329	-
<u>Health Resources and Services Administration</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Public Health:				
Healthy Start Initiative	93.926	-	192,154	-
Minority Infant Mortality Rate	93.994	-	43,591	-
Maternal and Child Health Services Block Grant to the States	93.994	-	205,925	-
STD Drugs	93.997	-	1,025	-
Women's Preventive Health	93.558	-	27,816	-
Family Planning Title X (Note 4)	93.217	-	117,285	-
Total U.S. Dept. of Health and Human Services			302,251,283	145,962,959

The notes to the schedule of expenditures of federal and state awards are an integral part of this schedule.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FORSYTH COUNTY

For the Fiscal Year Ended June 30, 2015

Page 3 of 5

Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Federal/State Pass-Through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures
<u>National Foundation on the Arts and the Humanities</u>				
<u>Office of Library Services</u>				
Passed-through N.C. Department of Cultural Resources:				
Division of State Library:				
State Library Program	45.310	-	\$ 50,442	\$ -
<u>U. S. Dept. of Housing and Urban Development</u>				
<u>Community Planning and Development</u>				
Passed through N. C. Department of Commerce:				
Division of Community Assistance:				
Community Development Block Grants - NC Catalyst	14.228	09-D-2468	21,644	-
Community Development Block Grants - SS	14.228	12-C-2416	71,942	-
Passed-through N.C. Housing Finance Agency:				
NCHFA URP				
NCHFA Single Family Rehabilitation	14.239	-	43,415	41,725
Passed through City of Winston-Salem:				
HOME Investment Partnerships Program:				
2011 Winston-Salem/Forsyth County HOME Consortium	14.239	M11-DC-37-0204	23,038	-
2012 Winston-Salem/Forsyth County HOME Consortium	14.239	M12-DC-37-0204	96,410	-
2013 Winston-Salem/Forsyth County HOME Consortium	14.239	M13-DC-37-0204	7,477	-
2014 Winston-Salem/Forsyth County HOME Consortium	14.239	M14-DC-37-0204	2,970	-
Total U. S. Dept. of Housing and Urban Development			266,896	41,725
<u>U.S. Dept. of Agriculture</u>				
<u>Food and Nutrition Service</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Social Services:				
<u>Supplemental Nutrition Assistance Program (SNAP) Cluster:</u>				
State Administrative Matching Grants:				
SNAP Administration	10.561	-	2,446,004	-
SNAP Incentives	10.561	-	10,179	-
SNAP Fraud Administration	10.561	-	70,288	-
Total SNAP Cluster			2,526,471	-
Division of Public Health:				
Special Supplemental Nutrition Program for				
Women, Infants, & Children:				
Administration	10.557	-	2,002,064	-
Direct Benefits	10.557	-	8,463,819	-
Total U. S. Dept. of Agriculture			12,992,354	-
<u>Environmental Protection Agency</u>				
Direct Programs:				
Surveys, Studies, Investigations and Special Purpose Grants	66.034	-	104,707	-
<u>Office of Air and Radiation</u>				
Air Pollution Control Program Support	66.001	-	313,131	-
Total Environmental Protection Agency			417,838	-
<u>Department of Homeland Security</u>				
Direct programs:				
<u>Federal Emergency Management Agency</u>				
Assistance to Firefighters Grant	97.044	2013-FP-00367	176,759	-
Passed-through N.C. Dept. of Crime Control and Public Safety:				
Homeland Preparedness Grant	97.067	2011-SS-0019	157,698	-
Total Department of Homeland Security			334,457	-

The notes to the schedule of expenditures of federal and state awards are an integral part of this schedule.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FORSYTH COUNTY

For the Fiscal Year Ended June 30, 2015

Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Federal/State Pass-Through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures
<u>U.S. Dept. of Justice</u>				
Direct programs:				
<u>Office of Justice Programs</u>				
Bureau of Justice Assistance				
2011 Justice Assistance Grant Program	16.738	2011-DJ-BX-2909	\$ 61,274	\$ -
2013 Justice Assistance Grant Program	16.738	2013-DJ-BX-1163	84,820	-
<u>Office of Violence Against Women</u>				
Forsyth Unified Domestic Violence Center	16.588	2010-WE-AX-0066	148,963	-
Passed-through N.C. Dept. of Crime Control and Public Safety:				
Governor's Crime Commission:				
Safe on Seven Domestic Violence Grant	16.588	034-1-07-3VA-AW-833	103,858	-
Total U.S. Dept. of Justice			252,821	-
Total federal awards			316,712,185	146,004,684
State Awards:				
<u>N.C. Dept. of Health and Human Services</u>				
Division of Social Services:				
Adoption/Foster Care			-	3,477
Share the Warmth			-	16,529
CPS State			-	278,289
(a) State/County Special Assistance			-	167,153
(a) State/County Special Assistance for Adults - Direct Benefit Payments			-	2,285,597
Division of Child Development:				
Passed-through Forsyth Early Childhood Partnership:				
General Health Administration			-	215,999
AIDS			-	29,814
Offsite HIV CTS			-	133,698
Tuberculosis			-	51,630
TB Medical Services			-	741
Comp Breast Cancer Screen			-	51,000
Communicable Disease			-	14,260
CSHS Speech and Hearing			-	16,652
Minority Infant Mortality Reduction			-	32,687
Maternal and Child Health Services			-	154,562
Women's Preventive Health			-	20,295
Child Svc Coordination			-	2,747
High Risk Maternity Unit			-	119,548
School Nurse Funding			-	81,959
STD Drugs			-	2,411
Division of Public Health:				
Division of Aging:				
Passed-through Piedmont Regional Council of Governments:				
Home and Community Care			-	167,444
Total N.C. Dept. of Health and Human Services			-	3,846,492
<u>N.C. Dept. of Cultural Resources</u>				
Division of State Library:				
State Aid to Libraries			-	290,061
Total N.C. Dept. of Cultural Resources			-	290,061
<u>N.C. Dept. of Environment and Natural Resources</u>				

The notes to the schedule of expenditures of federal and state awards are an integral part of this schedule.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FORSYTH COUNTY

For the Fiscal Year Ended June 30, 2015

Page 5 of 5

Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Federal/State Pass-Through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures
<u>N.C. Dept. of Environment and Natural Resources</u>				
Triad Air Awareness Ozone Reduction		-	\$ -	\$ 81,005
Air Quality Mobile Source Program		-	-	183,247
Food and Lodging Permit Distribution		-	-	24,125
Environmental Health		-	-	4,000
NC A&T University Position Reimbursement		-	-	80,440
SWC - Agricultural Cost Share Program		-	-	25,385
SWC - Administration and Technical Assistance		-	-	4,975
Total N.C. Dept. of Environment and Natural Resources			-	<u>403,177</u>
<u>N.C. Department of Commerce</u>				
One North Carolina Grant Funds				
TurboCare		-	-	75,000
Total N.C. Dept. of Commerce			-	<u>75,000</u>
<u>N.C. Department of Public Safety</u>				
(a) Juvenile Justice and Delinquency Prevention		-	-	707,658
Total N.C. Dept. of Public Safety			-	<u>707,658</u>
<u>N.C. Dept. of Public Instruction</u>				
(a) Public School Building Capital Fund		0-002-933	-	3,582,635
<u>N.C. Dept. of Transportation</u>				
Rural Operating Assistance Program:				
Work First Transitional/Employment Transportation Assistance		9.9051570	-	29,550
Elderly and Disabled Transportation Assistance		9.9050716	-	144,280
Total N.C. Dept. of Transportation			-	<u>173,830</u>
Total state awards			-	<u>9,078,853</u>
Total awards			\$ <u>316,712,185</u>	<u>155,083,537</u>

(a) Major federal and / or state award program.

The notes to the schedule of expenditures of federal and state awards are an integral part of this schedule.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FORSYTH COUNTY, NORTH CAROLINA
 For the Fiscal Year Ended June 30, 2015

(1) Basis of Presentation

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Forsyth County, North Carolina and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. Benefit payments are paid directly to recipients and are not included in the County's financial statements. However, due to the County's involvement in determining eligibility, they are considered federal and state awards to the County and are included on this schedule.

(2) Subrecipients

Of the federal and state expenditures presented in the schedule, Forsyth County provided federal and state awards to subrecipients as follows:

<u>Program Title/Subrecipient</u>	<u>Federal CFDA Number</u>	<u>Federal/State Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
U.S. Department of Justice				
<u>Office of Justice Programs</u>				
Passed through to the City of Winston-Salem				
2011 Justice Assistance Grant Programs	16.738	2011-DJ-Bx-2909	318	
2013 Justice Assistance Grant Programs	16.738	2013-DJ-Bx-1163	84,820	
N.C. Department of Crime Control and Public Safety				
Governor's Crime Commission - Juvenile Crime Prevention Council:				
Safe on Seven Domestic Violence Grant	16.588	034-1-07-3VA-AW-833	103,858	-
N.C. Department of Juvenile Justice and Delinquency				
Prevention - Juvenile Crime Prevention:				
Juvenile Psychological Services	-	334-10746	-	97,632
Strengthening Families	-	334-10530	-	60,378
Work & Earn It	-	334-10479	-	62,000
Catholic Charities	-	334-10371	-	100,000
Parent Teen Solutions	-	334-11916	-	30,656
Just Us	-	334-12013	-	39,092
TCH Emergency Shelter	-	334-10921	-	260,000
Teen Court	-	334-10480	-	42,400
JCPC Administrative	-	334-11424	-	15,500
Rural Operating Assistance Program:				
City of Winston-Salem - Elderly and Disabled Transportation Assistance	-	9.9050716	-	144,280

(3) Clusters

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirements: Foster Care and Adoption, Subsidized Child Care.

(4) Pass-through Entity

The following programs report the entire amount as federal funds as the amount is not determinable between federal and State: CCNC Pregnancy Prevention Pregnancy Care Management and Family Planning Title X.

ACKNOWLEDGEMENTS

The preparation of the annual financial report was made possible by the dedicated service of the entire staff of the Forsyth County Finance Department. The year-end closing of the accounting system and report preparation was effectively managed by [Terri L. Goodman](#), Deputy Chief Financial Officer.

Also providing substantial support in report preparation and related accounting activities were:

[Lee H. Plunkett](#), Treasurer

[Michael J. Phelps](#), Controller and Systems Manager

[Teresa G. Everhart](#), Risk Manager

[Gloria M. Turowski](#), Fiscal Analyst

[M. Brandon Branscome](#), Internal Audit Manager

[Penny K. Efird](#), Internal Auditor

Cover Design: [Keith Spencer](#)

