



# 2017

## Comprehensive Annual Financial Report

Year ended June 30, 2017

Forsyth County, North Carolina

**Forsyth County,  
North Carolina**

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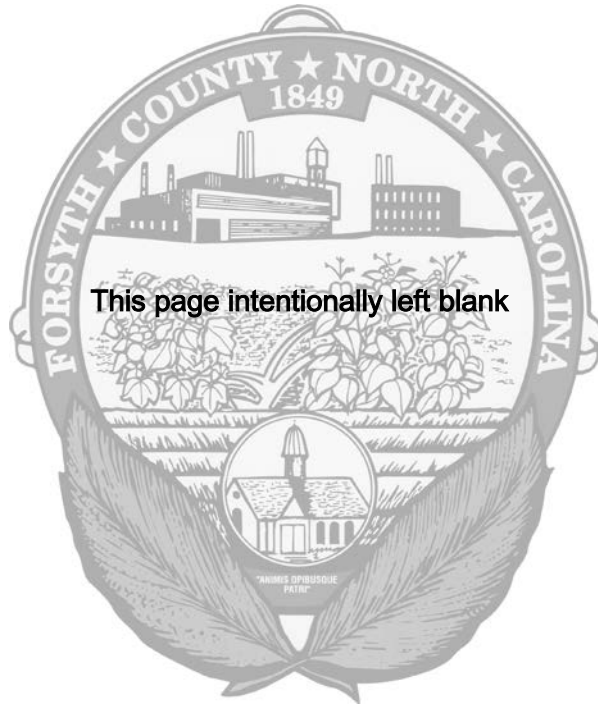
**Comprehensive Annual Financial Report**

For the Fiscal Year Ended June 30, 2017

**Prepared by the Forsyth County Finance Department:**

**Paul L. Fulton, Jr., CPA, Chief Financial Officer**  
**Terri L. Goodman, CPA, Deputy Chief Financial Officer**  
**Lee H. Plunkett, Assistant Chief Financial Officer**  
**Michael J. Phelps, CPA, Controller and Systems Manager**  
**Teresa G. Everhart, CISR, Risk Manager**  
**M. Brandon Branscome, CPA, Internal Audit Manager**

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# Forsyth County, North Carolina

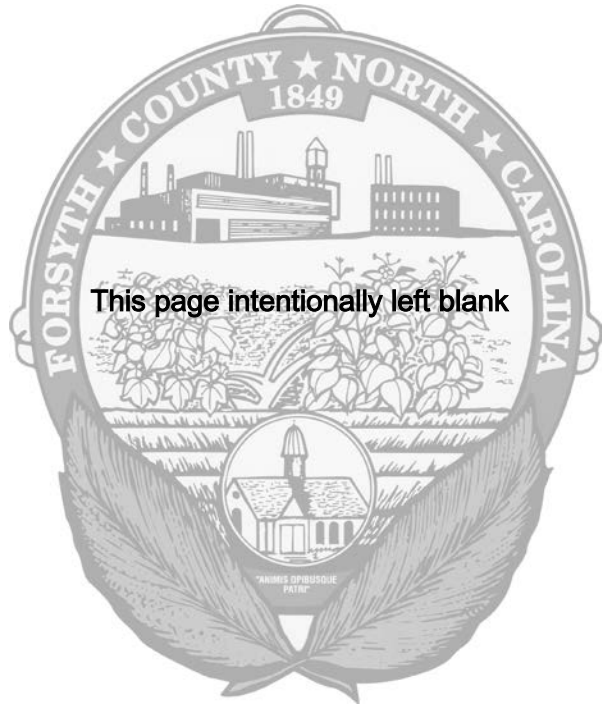
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## FINANCE DEPARTMENT

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

**Terri L. Goodman, CPA**  
DEPUTY CHIEF FINANCIAL OFFICER

**Lee H. Plunkett**  
ASSISTANT CHIEF FINANCIAL OFFICER



**Michael J. Phelps, CPA**  
CONTROLLER AND SYSTEMS MANAGER

**Teresa G. Everhart, CISR**  
RISK MANAGER

**M. Brandon Branscome, CPA**  
INTERNAL AUDIT MANAGER

October 31, 2017

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, 2017.

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, 2017, 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, 2017, 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 and Forsyth Technical Community College.

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 16 as part of the basic financial statements for the governmental funds and, in greater detail, on pages 60 - 62 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 64. 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 1.7 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 369,688 and a workforce of more than 182,000, 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, 2017 is 4.7 percent, which is lower than the State rate of 4.9 percent and the same as the national rate of 4.7 percent.

Economic resilience and employment stability have formed the foundation for strong local consumer and commercial markets. The most recent per capita personal income levels from 2015 remain consistently higher than state figures. The County's per capita income is \$43,859, the tenth highest among counties in the state, and higher than the State's \$40,759. Capital investment, as measured by the value of new residential and commercial building permits issued during the year, totaled \$523.5 million during the year ended June 30, 2017, a slight decrease of 2.0 percent despite a 3.5 percent increase in the total number of permits.

**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.

As of June 30, 2017, the County's CIP through the year 2023 consists of \$511.563 million for proposed projects funded with long term financing. General obligation bonds will be incurred for public schools (\$288 million), community college projects (\$55.65 million), park system development and maintenance (\$17.250 million), and County general capital maintenance (\$6.0 million). A replacement of court facilities now housed in the Hall of Justice (\$126.823 million) will be funded with limited obligation bonds and sales of property and other revenues will fund replacement of the SciWorks facility (\$17.84 million). A bond referendum, approved in November 2016, provides the bulk of

schools, community college and park system development and maintenance funds with the balance coming from non-voter approved two-thirds bonds.

**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. The fiscal year 2017 tax rate of \$.7310 is unchanged from the prior year rate.

**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 \$18.9 million.

**Library Debt Leveling Plan ("LDLP")** – In order to level the effects of issuing the \$40 million library bonds authorized in the November 2010 referendum, the County has dedicated proceeds a \$.006 property tax increase first levied in fiscal year 2016 to debt service on these bonds. No additional tax increases are anticipated to pay this debt service. Each year applicable debt service will be paid from fund balance designated from the \$.006 levy plus any interest on that designated fund balance. The LDLP currently has a balance of \$1.9 million.

**Debt Policy** - Forsyth County recognizes that a formally adopted debt policy is fundamental to sound financial management. The fiscal year 2017 budget was adopted under the policy goal that the total annual debt service for long-term obligations would not exceed 18% of the appropriations in the annually adopted budget as shown in the Budget Ordinance. 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** – During the fiscal year ended June 30, 2017, the County committed over \$11 million for future economic development projects including \$1.5 million in support of the Airport Commission, \$4.0 million for redevelopment of Whitaker Park, \$3.0 million for renovation and development of the Bailey Power Plant, and \$2.5 million in support of the construction of the New Family Museum.

**Capital** – In the General Fund, unassigned fund balance at June 30 in excess of 14% 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. This policy allowed the County to establish the 2016 Pay-Go capital project fund which provided funds for Arts Council downtown support, Reynolda House, Creative Corridors, and commissioner meeting room technology improvements.

**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 2017 fiscal year with an available fund balance, net of committed fund balance, of 18.5% of its 2018 budget. \$9.2 million of available fund balance was appropriated to balance the fiscal 2018 budget leaving 16.3% available fund balance of which 14% was set aside in accordance with the County's fund balance policy. The

remaining 2.3%, or \$9.2 million, was assigned for fiscal 2018 management special projects 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 2017 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 2018 budget is on maintaining the policies which form the financial foundation of the County; the 18% debt ceiling, the 14% fund balance target, the school, library and public improvement debt leveling plans, the school funding formula which uses economic and demographic data to determine growth in school funding, and the use of a multi-year approach to mitigate effects of revaluations. 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, 2016. This was the 33<sup>rd</sup> 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 2017 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 2018 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, Assistant Chief Financial Officer; Michael J.

Phelps, Controller and Systems Manager; Teresa Everhart, Risk Manager; Brandon Branscome, Internal Audit Manager; Jean-Baptiste Lagnie, 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 (left to right): Chairman David R. Plyler , Gloria D. Whisenhunt and Vice-Chairman Don Martin  
Standing (left to right): Richard V. Linville, Everette Witherspoon, Fleming El-Amin and Ted Kaplan

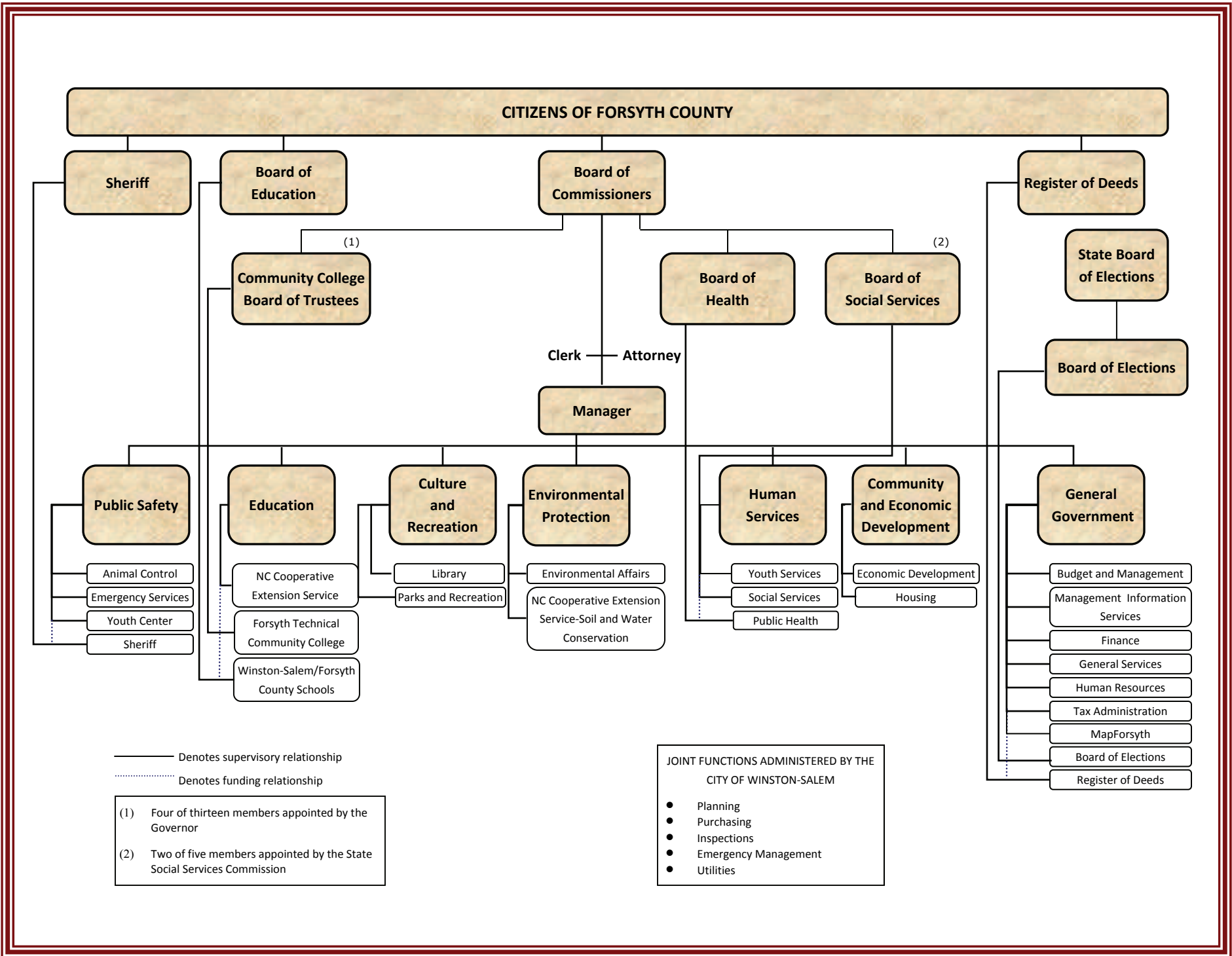
## **County Officials**



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

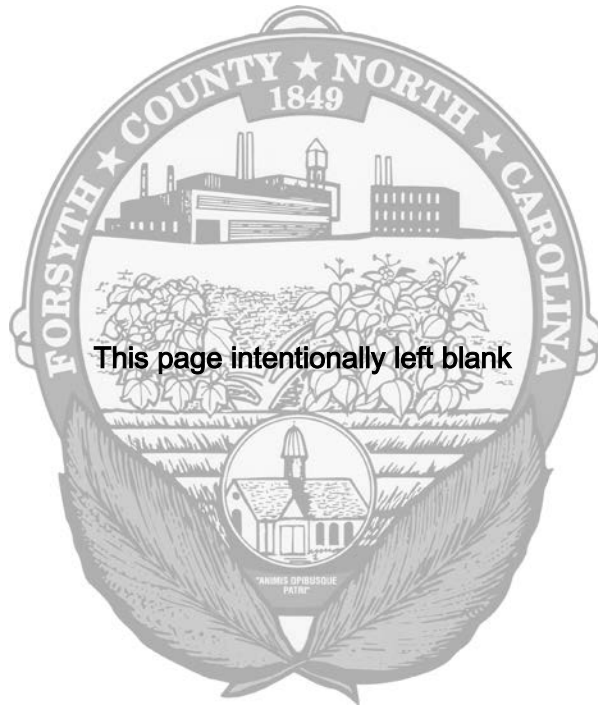
**Forsyth County  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

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, 2017, 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, 2017, 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 fully implemented Governmental Accounting Standards Board Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB 68, and Amendments to Certain provisions of GASB Statements 67 and 68*, beginning July 1, 2016. As a result, net position as of June 30, 2016 has been restated. The County also implemented Governmental Accounting Standards Board Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, beginning July 1, 2016. Our opinions are 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 Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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.

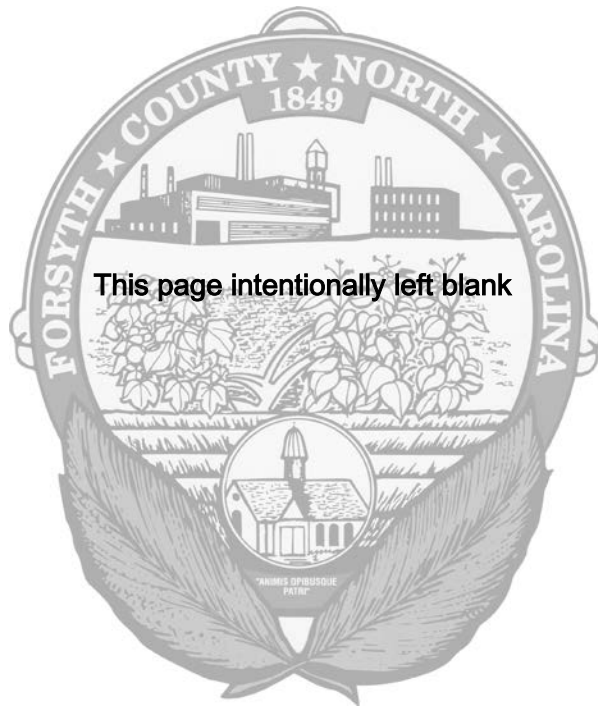
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2017 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 Ruchert LLP

Raleigh, North Carolina  
October 31, 2017



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# MANAGEMENT'S DISCUSSION AND ANALYSIS

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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, 2017. 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.

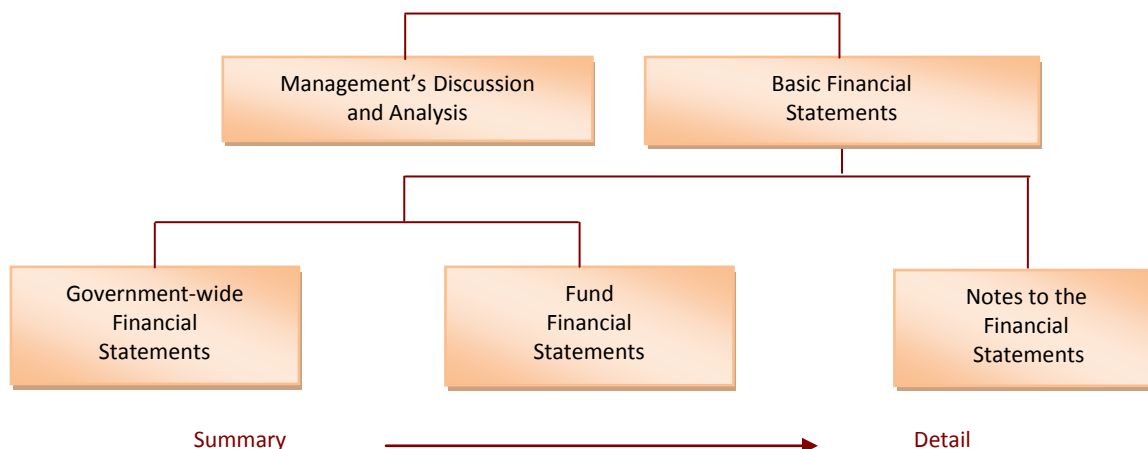
## FINANCIAL HIGHLIGHTS

- 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 \$122.0 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 \$245.2 million.
- The County's total net position increased by \$29.5 million from net position of the prior period (as restated) despite the payment of \$9.5 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 22nd consecutive year.
- As of the close of the current fiscal year, Forsyth County's governmental funds reported combined ending fund balances of \$300.5 million, an increase of \$100.8 million in comparison with the prior year. This increase is largely attributed to several new debt-funded capital project funds established during the year.
- The balance in the Education Leveling Plan decreased by a net \$4.6 million for the year bringing the total available to pay for future education-related debt service to \$18.9 million. The balance in the Library Leveling Plan decreased by a net \$357,000 for the year bringing the total available to pay for future library-related debt service to \$1.9 million.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$59.6 million or 15.2% 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 33 governmental funds for the year ended June 30, 2017. 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 two capital project funds, the 2011 Library Bond fund and the 2016 Schools Facilities 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. One trust fund, the other post-employment benefit trust, and four 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 21 - 50 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 51 - 57 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 64 – 99 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 \$122.0 million as of June 30, 2017. 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 \$367.2 million at year-end and is reported as a reduction of unrestricted net position for governmental activities, resulting in a deficit balance of \$259.2 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 \$108 million and total net position would be \$245.2 million, a decrease in total net position of \$5.6 million over the prior year.

The following summarizes Net Position at June 30, 2017 and 2016:

<b>Forsyth County’s Net Position</b>		
	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
Current and other assets	\$ 335,327,906	\$ 232,586,010
Capital assets	186,014,863	169,800,811
Total assets	<u>521,342,769</u>	<u>402,386,821</u>
Deferred outflows of resources		
- unamortized bond refunding charges	<u>38,400,187</u>	<u>21,174,144</u>
Long-term liabilities outstanding	619,330,521	535,303,470
Other liabilities	60,685,331	28,411,838
Total liabilities	<u>680,015,852</u>	<u>563,715,308</u>
Deferred inflows of resources	<u>1,730,273</u>	<u>3,561,900</u>
Net position:		
Net investment in capital assets	93,927,835	91,997,431
Restricted	43,255,799	55,613,795
Unrestricted deficit	<u>(259,186,803)</u>	<u>(291,327,469)</u>
Total net position	<u>\$ (122,003,169)</u>	<u>\$ (143,716,243)</u>



A major portion of net position reflects the County's \$93.9 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 \$43.3 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 \$32.1 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 \$29.5 million for the fiscal year ended June 30, 2017.

The following summarizes the changes in net position for the years ended June 30, 2017 and 2016:

<b>Forsyth County's Changes in Net Position</b>		
	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 29,521,434	\$ 32,718,694
Operating grants and contributions	56,206,822	55,707,532
General revenues:		
Property taxes	253,812,982	248,996,613
Other taxes	67,023,740	64,763,434
Grants and contributions not restricted to specific programs	4,028,266	3,744,478
Other	1,664,889	4,047,214
Total revenues	<u>412,258,133</u>	<u>409,977,965</u>
<b>Expenses:</b>		
General government	41,691,056	39,710,432
Public safety	80,973,981	77,733,569
Environmental protection	2,435,366	2,777,088
Human services	76,711,222	78,666,572
Culture and recreation	16,641,402	15,951,292
Community and economic development	3,840,814	4,211,266
Education	143,258,413	135,927,424
Interest on long-term debt	17,161,545	16,179,523
Total expenses	<u>382,713,799</u>	<u>371,157,166</u>
Increase in net position	<b>29,544,334</b>	<b>38,820,799</b>
Net position, July 1 as previously reported	(143,716,243)	(183,068,814)
Restatement	(7,831,260)	531,772
Net position, July 1 as restated	<u>(151,547,503)</u>	<u>(182,537,042)</u>
Net position, June 30	<b><u>\$ (122,003,169)</u></b>	<b><u>\$ (143,716,243)</u></b>

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 \$2.3 million from the prior year.
- Education expenses of \$9.5 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.

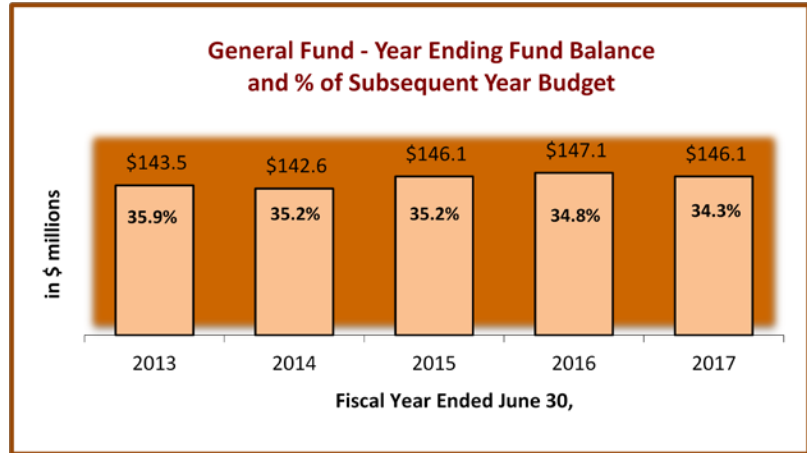
**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

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, 2017, the County's three major funds were the General Fund, and two capital projects funds, the 2011 Library Bond fund and the 2016 Schools Facilities 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 \$146.1 million, a decrease of \$1.0 million, with \$117.1 million available for appropriation and \$59.6 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 2017 fiscal year with an available fund balance, net of committed fund balance, of \$78.6 million, 18.5% of its 2018 budget. \$9.2

million of fund balance was appropriated to balance the fiscal 2018 budget leaving 16.3% 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 2018 capital maintenance projects.



Key factors that resulted in the \$1.0 million decrease in the General Fund fund balance include:

- Continued diligence in the collection of property taxes which resulted the maintenance of a 99.1% collection percentage.
- Total actual revenues were less than budgeted revenue estimates by \$6.4 million. Property tax collections exceeded budget expectation by \$3.0 million which partially offset the under-realization of other governmental revenues. Intergovernmental revenues were \$4.9 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 \$1.5 million and \$3.9 million, respectively.
- Expenditure appropriations were under-spent by \$34.6 million. Significant under-expenditures occurred in public safety (\$5.6 million), human services (\$8.6 million), culture and recreation (\$1.5 million), general government (\$8.4 million), and community and economic development (\$5.3 million). In public safety, outlays for the sheriff's department and emergency services were \$2.5 million and \$2.8 million under-budget, respectively. In human services, savings were in public health (\$3.3 million) and social services (\$5.3 million). The Parks and Recreation Department and the libraries were \$623,000 and \$900,000 under budget, respectively. Tax Administration is \$1.4 million under budget.
- General fund revenues exceeded expenditures by \$641,000. Transfers out of the General Fund totaling \$7.5 million included: \$1.7 million for schools capital maintenance projects, \$1.5 million for emergency and fleet vehicle purchases, \$4.2 million to establish the 2016 Pay-Go fund, and \$26,000 local match for the 2017 Housing fund.
- Transfers to the General Fund totaling \$5.8 million included: lottery proceeds (\$3.7 million) and \$1.8 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 \$18.9 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 proceeds from .60 cents on the ad valorem tax rate and interest earned thereon totaled \$1.9 million and has been committed for the retirement of library debt authorized in the November 2010 referendum. This commitment is a key component of the Library Debt Leveling Plan.
- \$2.0 million has been committed to establish the Public Improvement Debt Leveling Plan for the retirement of schools, community college, and parks and recreation debt authorized in the November 2016 referendum.
- \$11.0 million remains committed for economic development activities including \$1.5 million for the Airport Commission, \$4.0 million for Whitaker Park, \$3.0 million for the Bailey Power Plant project, and \$2.5 million for the New Family Museum.

- \$873,000 has been committed for the future payment of Law Enforcement Special Separation Allowance benefits.
- The amount by which available fund balance net of committed fund balance and fund balance appropriated for fiscal year 2018 budget exceeds 14% of the subsequent year's budgeted expenditures totaled \$9.3 million of which \$7.2 million has been assigned for special management projects 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 \$300.5 million, an increase of \$100.8 million from the prior year. This increase is primarily the result of several new bond-funded capital project funds established during the year. Approximately 59.9%, or \$179.8 million of total combined fund balance, is restricted or non-spendable. \$137.2 million of this restricted total is restricted for debt funded capital expenditures. \$42.2 million is committed for future debt service, economic development projects, or capital projects. \$19.0 million is assigned for subsequent fiscal year 2018 expenditures and capital 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 \$14.6 million. Unanticipated state and federal grants totaling \$1.4 million were appropriated for public health and social services. Appropriations of \$12.9 million were made from fund balance, including \$4.8 million for economic development projects, \$7.5 million for pay-go projects, and \$576,000 for encumbrances re-appropriated from fiscal year 2016.

Although \$29.3 million of fund balance was appropriated in the final budget, as discussed above, the net change in fund balance for the year was a decrease of just \$1.0 million.

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital assets.** Forsyth County's investment in capital assets for its governmental activities as of June 30, 2017, totals \$186 million (net of accumulated depreciation), a \$16.2 million increase from the prior year. These assets include land, buildings, construction-in-progress, park facilities, equipment, vehicles and software.

<b>Forsyth County's Capital Assets (net of depreciation)</b>		
	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
Land	\$ 17,059,332	\$ 16,045,866
Art collections	517,907	517,907
Construction-in-progress	24,422,674	10,920,194
Buildings	124,896,141	122,299,538
Improvements other than buildings	9,699,688	10,523,926
Equipment	4,520,521	4,640,157
Vehicles	4,042,999	4,010,474
Software	855,601	842,749
Total Capital Assets	<u>\$ 186,014,863</u>	<u>\$ 169,800,811</u>

Major capital asset transactions during the year include:

- Library projects totaling \$15.1 million.
- Public safety center projects totaling \$4.7 million.

Additional information on the County's capital assets can be found in Note 4e on page 32 of the Basic Financial Statements.

**Long-term Debt.** At June 30, 2017, Forsyth County had total bonded debt outstanding of \$512.7 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 \$566.7 million, an increase of \$83.9 million. New debt included \$123.1 million in general obligation bonds for schools, community college, parks and recreation, and court facilities, as well as capital maintenance projects for the schools, community college and County.

At June 30, 2017 and 2016, the County's bonded and non-bonded debt consisted of:

<b>Forsyth County's Outstanding Debt</b>		
	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
General obligation bonds	\$ 512,675,000	\$ 421,930,000
Certificates of Participation and Limited Obligation Bonds	22,780,000	24,345,000
Installment purchase obligations	31,195,000	36,475,000
<b>Total Outstanding Debt</b>	<b>\$ 566,650,000</b>	<b>\$ 482,750,000</b>

As mentioned in the financial highlights section of this document, Forsyth County maintained for the 22<sup>nd</sup> 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 \$2.69 billion. The County's total bonded debt is 1.62% 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 34 - 37 of the Basic Financial Statements.

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

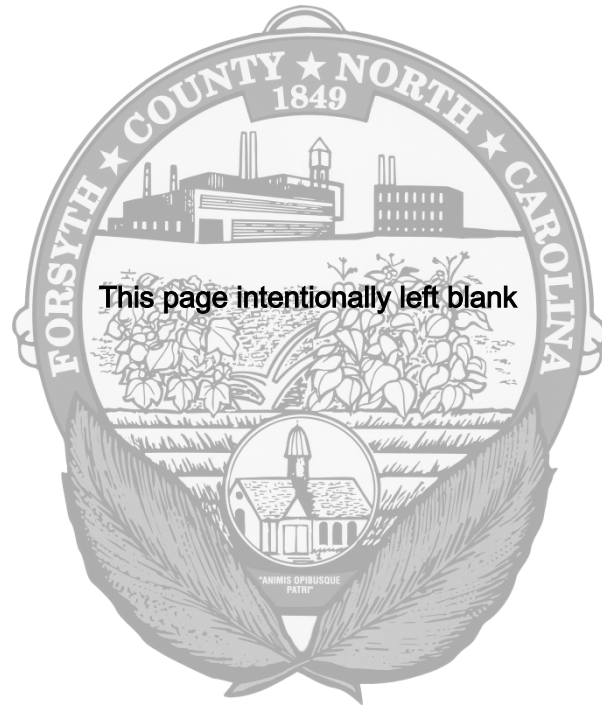
The County has adopted a General Fund budget for the fiscal year ending June 30, 2018 in the amount of \$425.4 million, a decrease of \$11.9 million or 2.7% from the final 2017 budget of \$437.4 million. The property tax rate of \$0.7235 per hundred dollars assessed value is \$.0075 lower than the prior year rate. \$16.8 million of the County's \$117.1 million available fund balance was appropriated, of which \$2.0 million was for the reappropriation of prior year encumbrances and \$5.4 million was from the Education Debt and Library Debt Leveling Plans. Fund balance available net of committed fund balance and fund balance appropriated for fiscal year 2018 budget remains 14.5% of 2018 budgeted expenditures.

Significant factors considered in the preparation of the fiscal year 2018 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 \$3.1 million, or 4.9% 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](http://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

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**FORSYTH COUNTY, NORTH CAROLINA**  
**Statement of Net Position**  
June 30, 2017

**Exhibit 1**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents / investments	\$ 169,437,166
Investments - restricted	128,756,016
Pension asset - restricted	740,482
Taxes receivable (net)	2,712,019
Accounts receivable (net)	8,359,921
Accrued interest on investments	39,718
Due from other governments	25,144,426
Prepaid items	138,158
Capital assets:	
Land, collections, and construction-in-progress	41,999,913
Other capital assets, net of depreciation	144,014,950
Total capital assets	<u>186,014,863</u>
<b>Total assets</b>	<b><u>521,342,769</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related deferrals	25,864,254
Deferred charge on refunding	12,535,933
<b>Total deferred outflows of resources</b>	<b><u>38,400,187</u></b>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	12,301,353
Unearned revenue	2,921,633
Accrued interest payable	5,939,998
Due to other governments	2,625,733
Long-term liabilities:	
Pension liabilities	36,896,614
Due within one year	49,813,477
Due in more than one year	569,517,044
<b>Total liabilities</b>	<b><u>680,015,852</u></b>
<b>DEFERRED INFLOWS OF RESOURCES - pension related deferrals</b>	<b><u>1,730,273</u></b>
<b>NET POSITION</b>	
Net investment in capital assets	93,927,835
Restricted for:	
Stabilization by state statute	35,786,596
Pension asset - Register of Deeds	740,482
Public safety	2,598,048
Human services	2,475,209
Community and economic development	242,286
Other purposes	1,413,178
Unrestricted deficit	(259,186,803)
<b>Total net position</b>	<b>\$ <u><u>(122,003,169)</u></u></b>

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, 2017

**Exhibit 2**

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental:				
General government	\$ 41,691,056	3,648,384	581,454	(37,461,218)
Public safety	80,973,981	16,137,539	4,270,996	(60,565,446)
Environmental protection	2,435,366	172,683	815,512	(1,447,171)
Human services	76,711,222	5,247,617	44,429,639	(27,033,966)
Culture and recreation	16,641,402	4,162,505	1,904,836	(10,574,061)
Community and economic development	3,840,814	103,560	329,492	(3,407,762)
Education	143,258,413	49,146	3,874,893	(139,334,374)
Interest on long-term debt	17,161,545	-	-	(17,161,545)
<b>Total governmental activities</b>	<b>\$ 382,713,799</b>	<b>29,521,434</b>	<b>56,206,822</b>	<b>(296,985,543)</b>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				253,812,982
Local option sales tax				63,841,660
Occupancy taxes, levied for economic development				787,567
Gross receipts tax				475,501
Excise stamp tax				1,919,012
Grants and contributions not restricted to specific programs				4,028,266
Investment earnings, unrestricted				1,548,280
Miscellaneous, unrestricted				116,609
<b>Total general revenues</b>				<b>326,529,877</b>
Change in net position				29,544,334
Net position - beginning, previously reported				(143,716,243)
Restatement				(7,831,260)
Net position - beginning, restated				(151,547,503)
<b>Net position - ending</b>				<b>\$ (122,003,169)</b>

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



**FORSYTH COUNTY, NORTH CAROLINA**  
**Balance Sheet**

Governmental Funds  
 June 30, 2017

**Exhibit 3**

Page 1 of 2

	<u>General Fund</u>	<u>Capital Project Fund</u>		<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
		<u>2011 Library Bond</u>	<u>2016 Schools Facilities</u>		
<b>ASSETS</b>					
Cash and cash equivalents / investments	\$ 134,318,245	4,580	-	28,166,074	162,488,899
Investments - restricted	-	17,574,553	83,412,506	27,768,957	128,756,016
Receivables (net):					
Property taxes	1,996,262	-	-	58,090	2,054,352
Occupancy taxes	70,699	-	-	-	70,699
Other taxes	63,562	-	-	-	63,562
Accounts	8,094,738	-	-	-	8,094,738
Accrued interest	34,934	610	-	4,174	39,718
Due from other governments	24,049,463	184	162,332	932,447	25,144,426
Due from other funds	40,613	-	-	-	40,613
Prepaid items	122,250	-	-	-	122,250
<b>Total assets</b>	<b>\$ 168,790,766</b>	<b>17,579,927</b>	<b>83,574,838</b>	<b>56,929,742</b>	<b>326,875,273</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 8,683,706	3,063,169	-	531,394	12,278,269
Due to other governments	2,625,733	-	-	-	2,625,733
Due to other funds	-	-	-	40,613	40,613
Unearned revenue	2,608,258	-	-	2,883	2,611,141
<b>Total liabilities</b>	<b>13,917,697</b>	<b>3,063,169</b>	<b>-</b>	<b>574,890</b>	<b>17,555,756</b>
Deferred Inflows of Resources:					
Unavailable taxes	1,996,262	-	-	58,090	2,054,352
Unavailable other revenue	6,792,247	-	-	-	6,792,247
<b>Total deferred inflows of resources</b>	<b>8,788,509</b>	<b>-</b>	<b>-</b>	<b>58,090</b>	<b>8,846,599</b>
Fund balances:					
Nonspendable	122,250	-	-	-	122,250
Restricted	32,644,300	14,512,178	83,574,838	48,979,883	179,711,199
Committed	34,743,602	4,580	-	7,410,875	42,159,057
Assigned	19,017,695	-	-	-	19,017,695
Unassigned	59,556,713	-	-	(93,996)	59,462,717
<b>Total fund balances</b>	<b>146,084,560</b>	<b>14,516,758</b>	<b>83,574,838</b>	<b>56,296,762</b>	<b>300,472,918</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 168,790,766</b>	<b>17,579,927</b>	<b>83,574,838</b>	<b>56,929,742</b>	<b>326,875,273</b>

**FORSYTH COUNTY, NORTH CAROLINA**

**Exhibit 3**

**Balance Sheet**

Governmental Funds

Page 2 of 2

June 30, 2017

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

Fund balances - total governmental funds	\$	300,472,918
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		186,014,863
Net pension asset.		740,482
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.		6,804,904
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.		31,611,191
Earned revenue that is not available to pay current period expenditures is deferred in the funds.		9,370,005
Pension related deferrals.		(1,730,273)
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.		4,743,891
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(660,031,150)
<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>(122,003,169)</u></b>

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, 2017

	<u>General Fund</u>	<u>Capital Project Fund</u>		<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
		<u>2011 Library Bond</u>	<u>2016 Schools Facilities</u>		
<b>Revenues:</b>					
Property taxes	\$ 246,512,903	-	-	7,844,084	254,356,987
Occupancy taxes	787,567	-	-	-	787,567
Local option sales taxes	61,983,507	-	-	1,858,153	63,841,660
Other taxes	475,501	-	-	-	475,501
Licenses and permits	837,632	-	-	-	837,632
Intergovernmental	53,813,420	-	-	6,027,684	59,841,104
Charges for services	22,091,047	-	-	14,782	22,105,829
Investment earnings	1,106,281	104,541	162,097	202,671	1,575,590
Other	8,273,030	116,550	-	241,311	8,630,891
Total revenues	<u>395,880,888</u>	<u>221,091</u>	<u>162,097</u>	<u>16,188,685</u>	<u>412,452,761</u>
<b>Expenditures:</b>					
Current:					
General government	39,040,088	-	-	-	39,040,088
Public safety	69,548,490	-	-	9,331,145	78,879,635
Environmental protection	2,497,067	-	-	-	2,497,067
Human services	74,916,128	-	-	2,489	74,918,617
Culture and recreation	15,064,741	-	-	-	15,064,741
Community and economic development	3,499,791	-	-	339,361	3,839,152
Education	807,656	-	-	-	807,656
Intergovernmental:					
Human services	1,948,784	-	-	-	1,948,784
Education	129,938,505	-	3,836,607	8,677,298	142,452,410
Debt service:					
Principal retirement	39,184,853	-	-	-	39,184,853
Interest and other charges	18,793,497	-	251,143	45,840	19,090,480
Capital outlay	-	15,053,283	-	8,207,225	23,260,508
Total expenditures	<u>395,239,600</u>	<u>15,053,283</u>	<u>4,087,750</u>	<u>26,603,358</u>	<u>440,983,991</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>641,288</u>	<u>(14,832,192)</u>	<u>(3,925,653)</u>	<u>(10,414,673)</u>	<u>(28,531,230)</u>
<b>Other financing sources (uses):</b>					
General obligation bonds issued	-	-	83,519,767	39,625,233	123,145,000
Premium on general obligation bonds	-	-	3,980,724	2,176,306	6,157,030
Transfers in	5,785,472	-	-	12,836,841	18,622,313
Transfers out	(7,475,126)	-	-	(11,147,187)	(18,622,313)
Total other financing sources (uses)	<u>(1,689,654)</u>	<u>-</u>	<u>87,500,491</u>	<u>43,491,193</u>	<u>129,302,030</u>
<b>Net change in fund balances</b>	<u>(1,048,366)</u>	<u>(14,832,192)</u>	<u>83,574,838</u>	<u>33,076,520</u>	<u>100,770,800</u>
Fund balance - June 30, 2016	<u>147,132,926</u>	<u>29,348,950</u>	<u>-</u>	<u>23,220,242</u>	<u>199,702,118</u>
<b>Fund balance - June 30, 2017</b>	<u>\$ 146,084,560</u>	<u>14,516,758</u>	<u>83,574,838</u>	<u>56,296,762</u>	<u>300,472,918</u>

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, 2017

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

Net change in fund balances - total governmental funds	\$ 100,770,800
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.	15,681,680
Contributions to the pension plans in the current fiscal year are not included on the Statement of Activities.	6,804,904
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	532,372
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	(1,640,539)
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.	(90,057,030)
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.	(6,813,244)
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.	4,265,391
Change in net position of governmental activities	\$ <u>29,544,334</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 243,478,894	243,478,894	246,512,903	3,034,009
Occupancy taxes	625,000	625,000	787,567	162,567
Local option sales taxes	61,874,310	61,874,310	61,983,507	109,197
Other taxes	355,000	355,000	475,501	120,501
Total taxes	<u>306,333,204</u>	<u>306,333,204</u>	<u>309,759,478</u>	<u>3,426,274</u>
Licenses and permits	930,853	930,853	837,632	(93,221)
Intergovernmental	57,394,144	58,748,928	53,813,420	(4,935,508)
Charges for services	23,587,335	23,587,335	22,091,047	(1,496,288)
Investment earnings	567,100	567,100	1,106,281	539,181
Other	11,925,524	12,141,317	8,273,030	(3,868,287)
Total revenues	<u>400,738,160</u>	<u>402,308,737</u>	<u>395,880,888</u>	<u>(6,427,849)</u>
<b>Expenditures:</b>				
Current:				
General government	46,968,103	47,484,609	39,040,088	8,444,521
Public safety	73,186,556	75,157,079	69,548,490	5,608,589
Environmental protection	2,926,602	3,029,023	2,497,067	531,956
Human services	81,078,838	83,470,274	74,916,128	8,554,146
Culture and recreation	16,075,488	16,575,106	15,064,741	1,510,365
Community and economic development	3,577,673	8,763,280	3,499,791	5,263,489
Education	942,717	957,549	807,656	149,893
Intergovernmental:				
Human services	6,148,706	5,888,860	1,948,784	3,940,076
Education	129,853,196	129,939,505	129,938,505	1,000
Debt service:				
Principal retirement	39,184,853	39,184,853	39,184,853	-
Interest and other charges	19,429,091	19,429,091	18,793,497	635,594
Total expenditures	<u>419,371,823</u>	<u>429,879,229</u>	<u>395,239,600</u>	<u>34,639,629</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(18,633,663)</u>	<u>(27,570,492)</u>	<u>641,288</u>	<u>28,211,780</u>
Other financing sources (uses):				
Transfers in	5,629,975	5,761,614	5,785,472	23,858
Transfers out	(3,397,205)	(7,475,126)	(7,475,126)	-
Total other financing sources (uses)	<u>2,232,770</u>	<u>(1,713,512)</u>	<u>(1,689,654)</u>	<u>23,858</u>
<b>Net change in fund balance</b>	<u>\$ (16,400,893)</u>	<u>(29,284,004)</u>	<u>(1,048,366)</u>	<u>28,235,638</u>
Fund balance - June 30, 2016			147,132,926	
<b>Fund balance - June 30, 2017</b>			<u>\$ 146,084,560</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, 2017

**Exhibit 6**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents / investments	\$ 6,948,267
Accounts receivable	263,109
Accrued interest	2,074
Total assets	<u>7,213,450</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	23,084
Claims liability	2,135,983
Unearned revenue	310,492
Total liabilities	<u>2,469,559</u>
<b>NET POSITION</b>	
Unrestricted	<u>\$ 4,743,891</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, 2017

**Exhibit 7**

	<b>Governmental Activities</b>
Operating revenues:	
Charges for services	\$ 28,319,061
Other revenue	628,104
Total operating revenues	<u>28,947,165</u>
Operating expenses:	
Professional services	1,347,212
Claims	22,410,563
Insurance premiums	961,558
Total operating expenses	<u>24,719,333</u>
Operating income	4,227,832
Nonoperating revenues:	
Interest earnings	<u>37,559</u>
Change in net position	4,265,391
Net position at beginning of year	<u>478,500</u>
Net position at end of year	<u>\$ 4,743,891</u>

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

**FORSYTH COUNTY, NORTH CAROLINA**  
**Statement of Cash Flows**  
**Proprietary Fund - Internal Service Fund**  
For the Fiscal Year Ended June 30, 2017

**Exhibit 8**

	<b>Governmental Activities</b>
<b>Cash flows from operating activities:</b>	
Cash received from user departments and participants	\$ 29,086,918
Cash paid to suppliers, participants and others	<u>(25,431,010)</u>
Net cash provided by operating activities	<u>3,655,908</u>
<b>Cash flows from investing activities:</b>	
Interest and dividends on investments	<u>37,017</u>
Net increase in cash and cash equivalents	3,692,925
Cash/cash equivalents / investments at beginning of year	<u>3,255,342</u>
Cash/cash equivalents / investments at end of year	<u>\$ 6,948,267</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	<u>\$ 4,227,832</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Decrease in accounts receivable	157,723
Decrease in due from other governments	89
Decrease in accounts payable	(133,670)
Decrease in claims payable	(560,795)
Decrease in unearned revenue	<u>(35,271)</u>
Total adjustments	<u>(571,924)</u>
Net cash provided by operating activities	<u>\$ 3,655,908</u>

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

**FORSYTH COUNTY, NORTH CAROLINA**  
**Statement of Fiduciary Net Position**

**Exhibit 9**

Fiduciary Funds  
 June 30, 2017

	<b>Other Post-employment Benefit Trust Fund</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents / investments	\$ -	947,454
Cash and investments held by fiscal agent:		
Cash and equivalents	32	-
Short-Term OPEB Fund	5,099,634	-
Long-Term OPEB Fund	2,002,903	-
OPEB Equity Funds	14,796,925	-
Receivables:		
Property taxes	-	3,129,898
Accrued interest	-	71
Total assets	<u>21,899,494</u>	<u>4,077,423</u>
<b>LIABILITIES</b>		
Due to other governments	-	3,806,482
Other liabilities	-	270,941
Total liabilities	<u>-</u>	<u>4,077,423</u>
<b>NET POSITION</b>		
Net position restricted for post-employment benefits other than pensions	\$ <u>21,899,494</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, 2017

	<b>Other Post-employment Benefit Trust Fund</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 4,478,787
Plan members	<u>473,334</u>
Total contributions	4,952,121
Net investment income	<u>2,398,737</u>
Total additions	7,350,858
<b>DEDUCTIONS</b>	
Benefits	<u>3,352,121</u>
Change in net position	3,998,737
Net position restricted for post-employment benefits other than pensions	
Net position, beginning	<u>17,900,757</u>
<b>Net position, ending</b>	<b><u><u>\$ 21,899,494</u></u></b>

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

# Notes to the Financial Statements

Forsyth County, North Carolina  
June 30, 2017

## 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, developmental disabilities, and substance abuse services are provided in part through the County's contribution to Cardinal Innovations Healthcare Solutions. 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.

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

*2016 Schools 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 2016 referendum.

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 – Trust Fund.* 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 Tax Agency Fund, which accounts for property taxes and occupancy taxes collected on behalf of the County and other governments; 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; the Protective Payee Fund, which accounts for monies held by the County on behalf of specific clients of Social Services; and the Sheriff Fund, which accounts for monies held by the Sheriff's Office as a result of gathering evidence or executing court orders.

**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 other post-employment benefit trust fund 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 and the 2013, 2014, 2015, 2016 and 2017 Housing 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 \$14.6 million included several for unanticipated intergovernmental funding that totaled \$1.4 million and appropriations of fund balance totaling \$12.9 million. Appropriations of fund balance included \$4.8 million for economic development project funding, \$7.5 million to fund the 2016 Pay-Go fund, and \$576,500 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 Government Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at amortized cost, 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 his 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 Bond Index Fund (BIF) consisting of high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6), and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund authorized under G.S. 147-69.2(b)(8). Ownership interest of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. Valuation of the underlying assets is performed by the custodian. 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 BIF is also valued at \$1 per share. The MSCI ACWI EQ Index Non-Lendable Class B Fund is priced at \$19.1579 per share at June 30, 2017.

**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, 2016.

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.

**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 acquisition value at the date of the 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 which, if not used, will be paid upon termination of service at the rates of pay then in effect. All vacation 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 government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. The restricted component of net position represents 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.

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

*Restricted for Human Services.* This represents the unspent portion of maintenance of efforts funding for mental health, developmental disabilities, and substance abuse services provided by a third party and unspent revenue restricted by source for social services and public health purposes.

*Restricted for Soil and Water Conservation.* This portion of fund balance is restricted by revenue source for soil and water conservation activities.

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

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

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

*Restricted for Community and Economic Development.* 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 Plans.* 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 Library Debt Leveling Plan.* In the General Fund, unspent revenue generated by .006 cents of the ad valorem tax rate and interest on the unspent portions thereof is committed for retirement of general obligation library debt authorized in a November 2010 referendum for library construction purposes.

*Committed for Public Improvement Debt Leveling Plan.* Portion of fund balance committed for retirement of general obligation public improvement debt authorized by a November 2016 referendum.

*Committed for Law Enforcement Special Separation Allowance.* Portion of fund balance committed for law enforcement officers' pension obligations.

*Committed for Economic Development.* Portion of fund balance committed by action of the governing board for certain future economic development purposes.

*Committed for Capital Projects.* Portion of fund balance 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 2017-2018 Budget Ordinance that is not already classified in restricted or committed.

*Assigned for Human Services.* The portion of fund balance assigned for potential Medicaid cost settlement payback.

*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 for these purposes, the first \$2.1 million is assigned for capital maintenance, and the remainder is assigned for management special projects.

*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.

*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 Chief Financial 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 Chief Financial 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 or liability, 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.

The County administers a public employee retirement plan, the Law Enforcement Officers' Special Separation Allowance, a single-employer defined benefit pension plan that provides benefits to the County's qualified sworn law enforcement officers. The County is required to provide these benefits by the North Carolina General Statutes. These benefits are funded on a pay-as-you-go basis.

For the year ended June 30, 2017, the County recognized aggregate defined benefit pension expense of \$8,324,801.

## 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 \$(422,476,087) 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.		\$ 186,014,863
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Pension assets, contributions to pension plans, prepaid expenses, and deferred outflows of resources are not financial resources and therefore are not reported in the funds.		
Net pension assets	\$ 740,482	
Pension contributions, current year	6,804,904	
Pension related deferred outflows	19,059,350	
Prepays	15,908	
Unamortized bond refunding charges	12,535,933	39,156,577
<hr/>		
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	2,577,758	
Intergovernmental revenue	19,352	
Interest earnings	12,089	
Fees and miscellaneous	6,760,806	9,370,005
<hr/>		
Deferred inflows of resources reported in the government-wide statements, but not the fund statements – pension related deferrals		(1,730,273)
<hr/>		
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	6,948,267	
Accounts receivable and amounts due from other governments	265,183	
Accounts payable	(23,084)	
Claims and judgments – health and dental	(2,135,983)	
Unearned revenue	(310,492)	4,743,891
<hr/>		
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	(5,939,998)	
Bonds, installment purchases and limited obligation bonds	(566,650,000)	
Compensated absences	(6,863,422)	
Pension liabilities	(36,896,614)	
Claims and judgments – excluding health and dental	(1,722,436)	
Net OPEB obligation	(8,949,889)	
Unamortized issuance premiums	(33,008,791)	(660,031,150)
<hr/>		
<b>Total adjustment</b>		<b>\$ (422,476,087)</b>



**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 \$(71,226,466) 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.	\$ 25,136,587	
Depreciation expense, the allocation of capital assets over their useful lives, is recorded on the statement of activities but not in the fund statements.	(9,454,907)	\$ 15,681,680
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.		6,804,904
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.		532,372
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, 2016:		
Property taxes and accrued interest on property taxes	(3,121,763)	
Intergovernmental	(57,124)	
Interest earnings	(6,787)	
Fees and miscellaneous	(6,271,967)	
Other revenue	(1,552,903)	
Record deferred inflows in the fund statements at June 30, 2017:		
Property taxes and accrued interest on property taxes	2,577,758	
Intergovernmental	19,352	
Interest earnings	12,089	
Fees and miscellaneous	6,760,806	(1,640,539)
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	(129,302,030)	
Principal payments on debt	39,245,000	(90,057,030)
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	(49,219)	
Increase in claims and judgments – excluding health and dental	(319,771)	
Net OPEB obligation	(30,217)	
Pension expense	(8,324,801)	
Accrued interest	(1,271,021)	
Prepays	(18,171)	
Amortized charge on refundings	(2,668,435)	
Amortized debt premiums	5,868,391	(6,813,244)
Internal service fund profit or loss generated by customers within the primary government is eliminated from the statement of activities.		4,265,391
Total adjustments		\$ (71,226,466)

### 3. Stewardship, Compliance, and Accountability

#### Excess of Expenditures over Appropriations

The following budget variances are not in compliance with legal budgetary control. Expenditures for Medical examiner exceeded budget by \$61,350. Appropriations for the Medical examiner department are based on historical costs. An unanticipated increase in investigative and autopsy fees resulted in excess expenditures for the year, all of which were invoiced after June 30. Expenditures for Purchasing exceeded budget by \$1,817. Purchasing is a consolidated City-County department administered by the City of Winston-Salem. Appropriations for the Purchasing department are based on historical costs, and the fourth quarter review indicated the budget was adequate; however, final costs invoiced after the end of the budget year exceeded the appropriation. Expenditures for the Attorney exceeded budget by \$35,614. Midyear position reclassifications resulted in higher than budgeted personal services costs. Expenditures for the Youth center exceeded budget by \$35,930. An unanticipated increase in juvenile detention costs and a required repayment of grant revenue resulted in excess expenditures for the year, all of which were invoiced after June 30. The cost of death benefits and retiree health and life insurance resulted in nondepartmental other services and adjustments costs to exceed budget in several functional areas by a total of \$135,821. Continued refinement of estimates may preclude future overages for these expenditures.

### 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, 2017, the deposit portion of the County's cash and investment pool was \$12,657,188. The bank balances totaled \$13,364,214, 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, 2017, the County's petty cash funds totaled \$22,310.

#### 4b. Investments

As of June 30, 2017, the County had the following investments:

	Valuation Measurement Method	Reported Value	Fair Value	Less than 1 year	1 – 2 years	More than 2 years
NCCMT Government portfolio	Amortized cost	\$ 157,867,940	157,867,940	157,867,940	-	-
NCCMT Term portfolio	Fair value – level 1	106,068,336	106,068,336	106,068,336	-	-
Commercial Paper	Amortized cost	7,984,528	7,984,528	7,984,528	-	-
Agency Securities	Fair value – level 2	14,540,334	14,540,334	3,996,680	1,989,860	8,553,794
<b>Total Portfolio</b>		<b>\$ 286,461,138</b>	<b>286,461,138</b>	<b>275,917,484</b>	<b>1,989,860</b>	<b>8,553,794</b>

The portfolio's weighted average maturity is 0.11 years.

All investments are valued using prices and other relevant information generated by market transactions involving identical or comparable assets or groups of assets. Fair value – level 1 securities are valued using directly observable, unadjusted quoted prices in active markets for identical assets. Fair value – level 2 securities are valued using a matrix pricing technique which values the security based its relationship to benchmark quoted prices.

*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, 2017, \$3,582,384 of the County's \$8,553,794 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, 2017.

*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, 2017, 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 Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2017. 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 Dealers Capital (17.7%), Credit Agricole (8.9%), ING Funding (8.9%) and bonds issued by the Federal Home Loan Mortgage Corporation (49.1%) and Federal Farm Credit Bank (15.5%).

#### **Other Post-Employment Benefits Trust**

At June 30, 2017, the Healthcare Plan had \$21,899,494 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), 23.3%; State Treasurer's Bond Index Fund (BIF), 9.1%; and, BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund, 67.6%.

*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 1.6 years at June 30, 2017. The State Treasurer's Bond Index Fund (BIF) is unrated and had a weighted average maturity of 7.99 years at June 30, 2017.

*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 BIF is unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The State Treasurer's BIF is invested in high quality debt securities eligible under NC General Statute 147-69.2(b)(1)-(6).

#### **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.

<b>Year Levied</b>	<b>Tax</b>	<b>Interest</b>	<b>Total</b>
2014	\$ 2,198,948	720,155	2,919,103
2015	2,198,948	522,250	2,721,198
2016	2,242,510	330,770	2,573,280
2017	2,242,510	128,944	2,371,454
<b>Totals</b>	<b>\$ 8,882,916</b>	<b>1,702,119</b>	<b>10,585,035</b>

#### 4d. Receivables

Receivables at June 30, 2017 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	\$ 5,302,332	(3,306,070)	1,996,262
Nonmajor governmental funds	154,294	(96,204)	58,090
Occupancy taxes			
General fund	70,699	-	70,699
Other taxes			
General fund	63,562	-	63,562
Accounts			
General fund	35,877,234	(27,782,496)	8,094,738
Accrued interest			
General fund	34,934	-	34,934
2011 Library Bond fund	610	-	610
Nonmajor governmental funds	4,174	-	4,174
<b>Total receivables</b>	<b>\$41,507,839</b>	<b>(31,184,770)</b>	<b>10,323,069</b>

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, 2017, the various components of *unavailable* and *unearned revenue* were as follows:

Description	Unavailable Revenue	Unearned Revenue
<b>Governmental Funds:</b>		
Delinquent property taxes receivable		
General fund	\$ 1,996,262	39,217
Nonmajor governmental funds	58,090	2,883
Intergovernmental and private grants		
General fund	19,352	1,941,044
Fees and other revenue – General fund	6,760,806	627,997
Investment earnings – General fund	12,089	-
<b>Total unavailable / unearned revenue for governmental funds</b>	<b>\$ 8,846,599</b>	<b>2,611,141</b>
<b>Governmental Activities:</b>		
Fees and other revenue – Internal Service fund		310,492
<b>Total unearned revenue for governmental activities</b>		<b>\$ 2,921,633</b>

#### 4e. Capital Assets

Capital asset activity for the year ended June 30, 2017, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 16,045,866	1,197,684	(184,218)	17,059,332
Art collections	517,907	--	--	517,907
Construction-in-progress	10,920,194	21,489,049	(7,986,569)	24,422,674
Total capital assets not being depreciated	27,483,967	22,686,733	(8,170,787)	41,999,913
Capital assets being depreciated:				
Buildings	209,586,645	8,556,171	(904,365)	217,238,451
Improvements other than buildings	22,578,889	53,800	--	22,632,689
Equipment	39,391,024	1,185,044	(126,228)	40,449,840
Vehicles	17,226,631	1,569,485	(1,648,263)	17,147,853
Software	9,359,398	554,102	--	9,913,500
Total capital assets being depreciated	298,142,587	11,918,602	(2,678,856)	307,382,333
Less accumulated depreciation for:				
Buildings	87,287,107	5,245,395	(190,192)	92,342,310
Improvements other than buildings	12,054,963	878,038	--	12,933,001
Equipment	34,750,867	1,304,407	(125,955)	35,929,319
Vehicles	13,216,157	1,485,817	(1,597,120)	13,104,854
Software	8,516,649	541,250	--	9,057,899
Total accumulated depreciation	155,825,743	9,454,907	(1,913,267)	163,367,383
Total capital assets being depreciated, net	142,316,844	(2,463,695)	(765,589)	144,014,950
<b>Capital assets, net</b>	<b>\$169,800,811</b>	<b>25,150,428</b>	<b>(8,936,376)</b>	<b>186,014,863</b>

Depreciation expense charged to functions for the year ended June 30, 2017, was as follows:

Function	Depreciation Expense
General government	\$ 2,847,776
Public safety	4,312,449
Environmental protection	58,413
Human services	692,490
Culture and recreation	1,520,017
Community and economic development	5,587
Education	18,175
<b>Total</b>	<b>\$ 9,454,907</b>

### Construction Commitments

Active construction projects as of June 30, 2017 include: partial demolition, renovation and construction of the central library, Public Safety Center improvements for 911 call center and probation and parole offices, and various maintenance efforts. At June 30, 2017, commitments with contractors on these projects are as follows:

Project	Spent-to-Date	Remaining Commitment
Library renovation	\$ 18,157,476	3,824,812
Law Enforcement Detention Center efficiency upgrades	1,944,129	89,549
Phillips Building	4,022,975	298,804
Hall of Justice upgrades	8,809	30,303
Park maintenance	--	250,000
Family Museum	--	434,548
Idols Road Business Park	--	137,580
Miscellaneous capital maintenance	--	6,189
<b>Totals</b>	<b>\$ 24,133,389</b>	<b>5,071,785</b>

#### 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, 2017, interfund receivables and payables are as follows:

Payable Fund	Receivable Fund - General Fund
Nonmajor governmental funds:	
2016 Housing Fund – advance from cash and investment pool	\$ 40,613

The following is a summary of interfund transfers for the year ended June 30, 2017:

Transfers out:	Transfers in:		
	General Fund	Nonmajor Governmental Funds	Total
General Fund	\$ --	7,475,126	7,475,126
Nonmajor governmental funds	5,785,472	5,361,715	11,147,187
<b>Totals</b>	<b>\$ 5,785,472</b>	<b>12,836,841</b>	<b>18,622,313</b>

The General Fund transferred \$1,735,000 to the 2014 Winston-Salem/Forsyth County Schools Capital Maintenance fund, \$1,513,000 to the 2016 Motive Equipment fund, \$4,200,876 to the 2016 PayGo fund, and \$26,250 to the 2017 Housing grant project fund to provide local matching funds for a grant.

Transfers of \$5,785,472 to the General Fund from nonmajor governmental funds included \$3,744,842 in lottery proceeds transferred from the Public School Building Capital fund for debt service; \$91,909 residual equity from several funds which were closed during the year; \$1,830,176 from the Fire Tax Districts special revenue fund to support the County fire department; and \$118,545 from the Law Enforcement Equitable Distribution special revenue fund for law enforcement programs. A residual equity transfer of \$256,023 was made from the 2014 Motive Equipment fund to the 2016 Motive Equipment fund; and, a residual equity transfer of \$200,000 was made from the 2015 Pay-Go fund to the 2016 Pay-Go fund.

#### 4g. Payables

Payables at June 30, 2017, were as follows:

Description	General Fund	2011 Library Fund	Nonmajor Governmental Funds	Total
Vendors	\$ 5,107,418	3,063,169	531,394	8,701,981
Salaries and benefits	3,576,288	--	--	3,576,288
<b>Totals</b>	<b>\$ 8,683,706</b>	<b>3,063,169</b>	<b>531,394</b>	<b>12,278,269</b>

#### 4h. Leases

*Operating Leases* The County leases buildings, office facilities, and equipment under non-cancelable operating leases. Total costs for such leases were \$942,760 for the year ended June 30, 2017. 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
2018	\$ 529,637
2019	313,812
2020	223,951
2021	83,416
2022	70,100
2023 – 2027	385,596
2028 – 2032	446,435
2033 – 2037	87,580
<b>Total minimum lease payments</b>	<b>\$ 2,140,527</b>

The total rental expenditures for all operating leases were \$1,303,810 for the year ended June 30, 2017.

#### 4i. Long-term obligations

##### Long-term obligation activity

Changes in long-term obligations during the year ended June 30, 2017, were as follows:

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
<b>Governmental activities:</b>					
Compensated absences	\$ 6,814,203	9,233,015	9,183,796	6,863,422	4,755,232
Net pension liability (LGERs)	6,283,987	23,003,616	--	29,287,603	--
Pension liability (LEOSSA) <sup>1</sup>	8,159,482	71,844	622,315	7,609,011	--
General obligation bonds	421,930,000	123,145,000	32,400,000	512,675,000	34,955,000
Unamortized premiums	30,777,749	6,157,030	5,652,722	31,282,057	--
Installment purchase obligations	36,475,000	--	5,280,000	31,195,000	5,365,000
Limited obligation bonds	24,345,000	--	1,565,000	22,780,000	1,565,000
Unamortized premiums	1,942,403	--	215,669	1,726,734	--
Net OPEB obligation	8,919,672	5,655,846	5,625,629	8,949,889	--
Claims and judgments	4,099,443	22,329,890	22,570,914	3,858,419	3,173,245
<b>Total general long-term obligations</b>	<b>\$ 549,746,939</b>	<b>189,596,241</b>	<b>83,116,045</b>	<b>656,227,135</b>	<b>49,813,477</b>

<sup>1</sup> The June 30, 2016 balance is restated due to the implementation of GASB Statement No. 73.

Compensated absences, pension liabilities, the net other postemployment benefit obligation, 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, 2017, 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 March 14, 2017, the County issued \$20,535,000 general obligation public improvement bonds, Series 2017A for the maintenance and repair of school and community college facilities, as well as various County maintenance and improvement projects. Interest rates range from 2.0 to 5.0 percent, with a final maturity of March 1, 2037. On March 15, 2017, the County issued \$102,610,000 general obligation public improvement bonds, Series 2017B for acquiring, constructing and equipping various public school, community college, parks and recreation, public building and courthouse improvements. Interest rates range from 3.0 to 5.0 percent, with a final maturity of March 1, 2037.

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 \$1,253,664 in such federal subsidy during the year ended June 30, 2017, and if the new federal sequester rate remains unchanged, expects to receive \$12,420,144 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 \$1,183,080, or 89.9% of the interest paid on the 2010D Bonds, in such federal subsidy during the year ended June 30, 2017, and if the new federal sequester rate remains unchanged, expects to receive \$11,082,988 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.

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, 2017, \$113,970,000 of outstanding general obligation bonds are considered defeased. The County has \$12,535,933 unamortized bond refunding charges from prior refunding issues. These unamortized charges are reported as a deferred outflow of resources on the Statement of Net Position.

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, 2017, the rate of interest for both issues was 0.90%.

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, 2017, the rate of interest was 0.90%.



A summary of outstanding general obligation bonds follows:

Purpose of Issue	Date of Issue	Effective Interest Rate	Amount Issued	Principal Outstanding June 30, 2017	
<u>Governmental Activities</u>					
School Building	06-24-04	Variable Rate %	\$ 15,000,000	9,000,000	
	06-24-04	Variable Rate	15,000,000	9,000,000	
	04-01-07	3.9543	11,300,000	2,050,000	
	04-19-07	Variable Rate	30,000,000	20,750,000	
	09-17-08	4.1701	23,850,000	2,650,000	
	09-02-10	4.9860	26,405,000	26,405,000	
	Community College	04-01-07	3.9543	4,400,000	900,000
		01-09-13	2.4014	5,000,000	4,100,000
	Educational Facilities	06-23-09	3.7687	13,200,000	3,300,000
	Library	11-05-14	2.4617	34,000,000	31,600,000
Public Improvement	09-16-08	4.1175	3,150,000	350,000	
	09-01-10	2.0350	14,225,000	5,680,000	
	09-02-10	2.0350	36,615,000	9,160,000	
	09-02-10	3.1682	80,380,000	80,380,000	
	01-08-13	2.2334	13,750,000	11,450,000	
	11-04-14	2.4455	13,550,000	12,550,000	
	03-14-17	2.8348	20,535,000	20,535,000	
	03-15-17	3.1155	102,610,000	102,610,000	
	Refunding	09-16-09	2.5103	42,870,000	16,995,000
		09-02-10	2.0350	50,295,000	38,005,000
01-09-13		1.7692	35,090,000	32,960,000	
01-28-15		1.8425	72,245,000	72,245,000	
<b>Totals</b>			<b>\$ 663,470,000</b>	<b>512,675,000</b>	

Of the \$402,920,000 public improvement bonds outstanding, \$42,028,576 funded County facilities and capital projects, \$320,005,623 funded School facilities, and \$40,885,801 funded Community College facilities.

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

June 30	Principal	Interest	Total
2018	\$ 34,955,000	20,961,781	55,916,781
2019	34,215,000	19,563,438	53,778,438
2020	33,800,000	18,142,567	51,942,567
2021	33,645,000	16,746,613	50,391,613
2022	33,545,000	15,423,097	48,968,097
2023 - 2027	168,370,000	54,799,796	223,169,796
2028 - 2032	125,550,000	20,356,933	145,906,933
2033 - 2037	48,595,000	4,410,631	53,005,631
<b>Totals</b>	<b>\$ 512,675,000</b>	<b>170,404,856</b>	<b>683,079,856</b>

There are \$348,255,000 in authorized but unissued general obligation bonds at June 30, 2017.

*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, 2017, there were two series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$17,419,232.

*Limited Obligation Bonds* Outstanding limited obligation bonds are as follows:

<b>Purpose of Issue</b>	<b>Principal Outstanding June 30, 2017</b>
<b>Governmental Activities</b>	
Issued May 31, 2012 to finance County facility renovation and construction; interest varies from 2.00% to 5.00%	\$ 13,030,000
Issued December 22, 2009 to finance County facility renovation and construction; interest varies from 3.00% to 5.00%	9,750,000
<b>Total</b>	<b>\$ 22,780,000</b>

Debt service requirements to maturity for limited obligation bonds are as follows:

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 1,565,000	1,036,300	2,601,300
2019	1,565,000	981,850	2,546,850
2020	1,565,000	927,400	2,492,400
2021	1,565,000	861,050	2,426,050
2022	1,565,000	794,700	2,359,700
2023 - 2027	7,825,000	2,925,600	10,750,600
2028 - 2032	6,320,000	1,037,500	7,357,500
2033 - 2037	810,000	40,500	850,500
<b>Total</b>	<b>\$ 22,780,000</b>	<b>8,604,900</b>	<b>31,384,900</b>

Principal and interest requirements for limited obligation bonds 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:

<b>Purpose of Issue</b>	<b>Date of Issue</b>	<b>Interest Rate</b>	<b>Amount Issued</b>	<b>Principal Outstanding June 30, 2017</b>
<b>Governmental Activities</b>				
Refunding	01-22-2014	2.47 %	\$ 8,230,000	6,035,000
Refunding	10-01-2015	1.90	29,720,000	25,160,000
<b>Totals</b>			<b>\$ 37,950,000</b>	<b>31,195,000</b>

Annual maturities are as follows:

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 5,365,000	582,930	5,947,930
2019	5,440,000	476,112	5,916,112
2020	4,525,000	377,331	4,902,331
2021	4,595,000	286,682	4,881,682
2022	4,660,000	194,731	4,854,731
2023 - 2027	6,610,000	194,180	6,804,180
<b>Total</b>	<b>\$ 31,195,000</b>	<b>2,111,966</b>	<b>33,306,966</b>

As of June 30, 2017, the County's legal debt limit was \$2,686,948,043, computed at 8% of the total appraised property valuation of \$33,586,850,539. With \$543,957,057 in County, School, and Community College bonds outstanding at June 30, 2017 and \$55,701,734 committed under certificates of participation, limited obligation bonds and installment purchases, the County could issue additional bonds up to \$2,087,287,252 if authorized.

*Debt Related to Capital Activities.* Of the total governmental activities debt only \$119,407,982 relates to assets the County holds title. Unspent restricted cash related to this debt is \$27,320,954.

**4j. Fund Balances**

The following are details of the governmental funds fund balances as of June 30, 2017:

	General Fund	2011 Library Fund	2016 Schools Facilities Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable – prepaid items	\$ 122,250	--	--	--	122,250
Restricted:					
State statute reserve	25,561,762	794	162,332	936,621	26,661,509
Encumbrance reserve	3,269,086	3,267,374	--	2,588,627	9,125,087
<b>Total Stabilization by State Statute</b>	<b>28,830,848</b>	<b>3,268,168</b>	<b>162,332</b>	<b>3,525,248</b>	<b>35,786,596</b>
Register of Deeds	1,385,894	--	--	--	1,385,894
Law Enforcement	229,064	--	--	1,264,773	1,493,837
Human Services	2,171,210	--	--	303,999	2,475,209
Soil and Water Conservation	27,284	--	--	--	27,284
Capital Projects	--	11,244,010	83,412,506	42,539,366	137,195,882
Fire Protection	--	--	--	603,758	603,758
Emergency Telephone System	--	--	--	500,453	500,453
Community and Economic Development	--	--	--	242,286	242,286
<b>Total Restricted</b>	<b>32,644,300</b>	<b>14,512,178</b>	<b>83,574,838</b>	<b>48,979,883</b>	<b>179,711,199</b>
Committed:					
Education Debt Leveling Plans	18,920,216	--	--	--	18,920,216
Library Debt Leveling Plan	1,905,301	--	--	--	1,905,301
Public Improvement Debt Leveling Plan	2,009,829	--	--	--	2,009,829
Law enforcement	872,933	--	--	--	872,933
Economic development	11,035,323	--	--	--	11,035,323
Capital projects	--	4,580	--	7,410,875	7,415,455
<b>Total Committed</b>	<b>34,743,602</b>	<b>4,580</b>	<b>--</b>	<b>7,410,875</b>	<b>42,159,057</b>
Assigned:					
Subsequent Year Budget	9,176,989	--	--	--	9,176,989
Human Services	552,986	--	--	--	552,986
Capital Maintenance Projects	2,100,000	--	--	--	2,100,000
Management Special Projects	7,187,720	--	--	--	7,187,720
<b>Total Assigned</b>	<b>19,017,695</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>19,017,695</b>
Unassigned	59,556,713	--	--	(93,996)	59,462,717
<b>Total Fund Balances</b>	<b>\$ 146,084,560</b>	<b>14,516,758</b>	<b>83,574,838</b>	<b>56,296,762</b>	<b>300,472,918</b>

*Subsequent Years Budget Appropriation.* The following schedule provides information on the portion of restricted and committed fund balance that has been appropriated in the general fund budget for the fiscal year ending June 30, 2018:

	Subsequent Year's Budget Appropriation	Unappropriated Fund Balance	Total
Restricted:			
Register of Deeds	\$ 22,619	1,363,275	1,385,894
Public Safety	229,064	--	229,064
Human Services	47,111	256,052	303,163
Committed:			
Education Debt Leveling Plans	5,049,021	13,871,195	18,920,216
Library Debt Leveling Plan	306,438	1,598,863	1,905,301

## 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](http://www.osc.nc.gov), or 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 7.25% and 8.00%, respectively, of annual covered payroll. The County's contributions to LGERS for the years ended June 30, 2017, 2016, and 2015 were \$6,435,317, \$5,736,808, and \$5,880,990, 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, 2017, the County reported a liability of \$29,287,603 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability 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, 2016, the County's proportion was 1.380%, which was a decrease of .020% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$7,834,963. At June 30, 2017, 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	\$ 550,263	1,026,249
Changes of assumptions	2,005,938	-
Net difference between projected and actual earnings on pension plan investments	16,192,348	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	111,475	309,143
Employer contributions subsequent to the measurement date	6,435,317	-
<b>Totals</b>	<b>\$ 25,295,341</b>	<b>1,335,392</b>

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

<b>Year ending June 30,</b>	
2018	\$ 2,606,851
2019	2,609,968
2020	7,685,129
2021	4,622,684
<b>Total</b>	<b>\$ 17,524,632</b>

*Actuarial Assumptions.* The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.75 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, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected real rate of return
Fixed income	29.0 %	1.4 %
Global equity	42.0	5.3
Real estate	8.0	4.3
Alternatives	8.0	8.9
Credit	7.0	6.0
Inflation protection	6.0	4.0
<b>Total</b>	<b>100.0 %</b>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 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 3.00%. All rates of return and inflation are annualized.

*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 liability to changes in the discount rate.* The following presents the County’s proportionate share of the net pension liability 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:

	<b>1% Decrease (6.25%)</b>	<b>Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
County’s proportionate share of the net pension liability (asset)	\$ 69,513,105	29,287,603	(4,311,758)

*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 plan (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the County’s qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2015, the Separation Allowance’s membership consisted of:

Retirees currently receiving benefits	45
Active plan members	221
<b>Total</b>	<b>266</b>

*Benefits Provided.* 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.

*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 on a pay-as-you-go basis through appropriations in the General Fund. There are 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. For the fiscal year ended June 30, 2017, the County’s required and actual benefits paid were \$641,497.

The Separation Allowance has no assets accumulated in a trust that meets the criteria which are outlined in GASB Statement 73.

*Basis of Accounting.* Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Law Enforcement Officers’ Special Separation Allowance (LEOSSA) Pension**

At June 30, 2017, the County reported a total pension liability of \$7,609,011. The total pension liability was measured as of December 31, 2016 based on an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of December 31, 2016 utilizing update procedures incorporating the actuarial assumptions.

For the year ended June 30, 2017, the County recognized pension expense of \$446,352.

At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to the LEOSSA pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions and other inputs	\$ -	373,892
Benefit payments subsequent to the measurement date	335,161	-
<b>Totals</b>	<b>\$ 335,161</b>	<b>373,892</b>

The amount reported as deferred outflows of resources related to pensions resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total pension liability in the subsequent fiscal year. Other amounts reported as deferred inflows of resources related to LEOSSA pension benefits will be recognized in pension expense as follows:

<b>Year ending June 30,</b>	
2018	\$ 81,814
2019	81,814
2020	81,814
2021	81,814
2022	46,636
<b>Total</b>	<b>\$ 373,892</b>

*Actuarial Assumptions.* The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.86 percent

The discount rate used to determine the total pension liability is the weekly average of the Bond Buyer General Obligation 20-year Municipal Bond Index determined at the end of each month.

Mortality rates are based on the RP-2014 Mortality tables projected to the valuation date.

*Sensitivity of the County's total pension liability to changes in the discount rate.* The following presents the County's total pension liability calculated using the discount rate of 3.86 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86 percent) or 1-percentage-point higher (4.86 percent) than the current rate:

	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
County's total pension liability	\$ 8,141,935	7,609,011	7,118,135

**Schedule of changes in total pension liability.**

Total pension liability as of December 31, 2015	\$ 8,159,482
Changes for the year:	
Service cost at end of year	292,100
Interest	235,450
Change in benefit terms	-0-
Difference between expected and actuarial experience	-0-
Changes of assumptions and inputs	(455,706)
Benefit payments	(622,315)
Other	-0-
Net changes	(550,471)
<b>Total pension liability as of December 31, 2016</b>	<b>\$ 7,609,011</b>

### **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](http://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, 2017 were \$552,536, 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](http://www.osc.nc.gov) or 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, 2017, the County's required and actual contributions were \$34,426.

### **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, 2017, the County reported an asset of \$740,482 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 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, 2016, the County's proportion was 3.961%, which was an increase of .032% from its proportion measured as of June 30, 2015.



For the year ended June 30, 2017, the County recognized pension expense of \$43,486. At June 30, 2017, 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	\$ 781	9,562
Changes of assumptions	197,277	-
Net difference between projected and actual earnings on pension plan investments	1,268	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	11,427
Employer contributions subsequent to the measurement date	34,426	-
<b>Totals</b>	<b>\$ 233,752</b>	<b>20,989</b>

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:

<b>Year ending June 30,</b>	
2018	\$ 71,881
2019	80,976
2020	33,745
2021	(8,265)
<b>Total</b>	<b>\$ 178,337</b>

*Actuarial Assumptions.* The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 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, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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, 2016 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 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 3.05%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 3.75%. 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 3.75 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 (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (597,059)	(740,482)	(860,953)

*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 68.8% 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 June 30, 2016, the date of the latest actuarial valuation:

Retirees currently receiving benefits	927
Active plan members	1,870
<b>Total</b>	<b>2,797</b>

*Contributions.* 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 \$18,000 and \$9,998, respectively, for fiscal year 2017. The monthly cost of healthcare benefits is shared by the County and covered retirees, respectively, as follows: retiree-only coverage, \$731 and \$101; retiree and one dependent, \$909 and \$285; and retiree and more than one dependent, \$1,271 and \$576. For fiscal year 2017, the County contributed \$2,850,789 for healthcare benefits, and retiree Plan members contributed \$473,334. Additionally, the County contributed \$1,600,000 to prefund benefits.

*Investments.* The allocation of invested assets is determined by an Investment Advisory Committee established by the County's Chief Financial Officer. The target asset allocation and best estimates of geometric real rates of return for each major asset class, as provided by the Plan's investment consultant, are summarized in the following table:

	Target Allocation	10 year expected geometric real rate of return
Equity index fund	65%	6.89%
Bond index fund	25%	1.41%
Short-term investment fund	10%	2.11%

For the year ended June 30, 2017, the money weighted annual rate of return on investments, net of investment expense, was 22.17 percent.

*Net OPEB Liability.* The components of the net OPEB liability at June 30, 2017 are:

Total OPEB liability	\$	80,754,203
Plan fiduciary net position		21,899,494
<b>Net OPEB liability</b>	<b>\$</b>	<b>58,854,709</b>

The ratio of plan fiduciary net position to total OPEB liability is 27.12 percent.

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2016 using the following key actuarial assumptions and other inputs:

Inflation	3.00 percent
Real wage growth	0.50 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation:	
General employees	3.50 – 7.75 percent
Firefighters	3.50 – 7.75 percent
Law enforcement officers	3.50 – 7.35 percent
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	5.86 percent
Municipal bond index rate:	
Prior measurement date	3.01 percent
Measurement date	3.56 percent
Year fiduciary net position to be depleted:	
Prior measurement date	N/A
Measurement date	N/A
Single equivalent interest rate, net of OPEB plan investment expense, including price inflation:	
Prior measurement date	5.86 percent
Measurement date	5.86 percent
Health care cost trends:	
Pre-Medicare	7.75 percent for 2016 decreasing to an ultimate rate of 5.00 percent by 2022

The total OPEB liability was rolled forward to June 30, 2017, utilizing update procedures incorporating the actuarial assumptions.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for Local Government Employees Retirement System experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – December 31, 2014, adopted by the Local Government Employees Retirement System.

Several factors were considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were 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 then adding expected inflation.

*Discount rate.* The discount rate used to measure the total OPEB liability was 5.86 percent. The projection of cash flows used to determine the discount rate assumed that the County pays benefits directly to Plan members as the benefits come due and will contribute an additional \$1,600,000 annually toward the Plan's financial net position. Based on these assumptions, the Plan's financial net position was projected to not be depleted.

*Sensitivity of the net OPEB liability to changes in the discount rate.* The following presents the Plan's net OPEB liability using the discount rate of 5.86 percent, as well as what the Plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.86 percent) or 1-percentage-point higher (6.86 percent) than the current rate:

		<b>Discount Rate (5.86%)</b>	<b>1% Increase (6.86%)</b>
Net OPEB liability	\$	65,484,610	58,854,709
			52,910,934

*Sensitivity of the net OPEB liability to changes in the health care cost trend rates.* The following presents the Plan's net OPEB liability using the health care cost trend rate of 7.75 percent, as well as what the Plan's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

		<b>1% Decrease (6.75%)</b>	<b>Discount Rate (7.75%)</b>	<b>1% Increase (8.75%)</b>
Net OPEB liability	\$	51,502,891	58,854,709	67,436,915

*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	\$5,627,638
Interest on net OPEB obligation	535,180
Adjustment to annual required contribution	(506,972)
Annual OPEB cost (expense)	5,655,846
Contributions made	(5,625,629)
Decrease in net OPEB obligation	30,217
Net OPEB obligation, beginning of year	8,919,672
<b>Net OPEB obligation, end of year</b>	<b>\$8,949,889</b>

The annual required contribution for the fiscal year ended June 30, 2017 was determined as part of the June 30, 2016 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 7.75% 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 June 30, 2016 was 24 years.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the preceding three years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 5,788,103	102.0%	\$ 10,475,126
6/30/2016	5,370,918	129.0%	8,919,672
6/30/2017	5,655,846	99.5%	8,949,889

*Funded Status and Funding Progress.* As of June 30, 2016, the most recent actuarial valuation date, the plan was 25.5% funded. The actuarial accrued liability for benefits was \$70,237,711, and the actuarial value of assets was \$17,900,757, resulting in an unfunded actuarial accrued liability (UAAL) of \$52,336,954. The covered payroll (annual payroll of active employees covered by the plan) was \$79,583,427, and the ratio of the UAAL to the covered payroll was 65.8%.

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 financial statements for the Other Post-Employment Benefit Trust Fund are shown in Exhibits 9 and 10 of the Basic Financial Statements at June 30, 2017.

### 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, \$75,000 for each auto liability and general liability claim, \$250,000 for each public officials and law enforcement claim, \$100,000 for each property damage claim, and \$175,000-\$350,000 for each health care claim. The County purchases commercial insurance for claims in excess of the retention limits. Two property claims exceeded the County's self-insured retention limit in the last three years for which the commercial carrier paid the excess settlement cost after the County met the retention limit. These property claims are now closed. A commercial carrier paid \$625,982 for excess health care claims during the year.

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 \$1,722,436 at June 30, 2017. It is reported in the Statement of Net Position as a long-term liability, and \$1,037,262 is considered due within one year.

The County's actuarially determined claims liability for employee, dependent, and retiree health care costs is \$2,135,983 at June 30, 2017. 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 \$4,743,891 in the Employee Health Benefits Fund are designated for these purposes.

Changes in the claims liability amount in fiscal 2015 through fiscal 2017 were as follows:

	<b>Beginning Balance</b>	<b>Current-Year Claims and Changes in Estimates</b>	<b>Claims Payments</b>	<b>Ending Balance</b>
2014-2015	\$3,785,587	23,155,653	(23,397,811)	3,543,429
2015-2016	3,543,429	28,319,596	(27,763,582)	4,099,443
2016-2017	4,099,443	22,329,890	(22,570,914)	3,858,419

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, 2017.

#### **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 2017, 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 other debt instruments 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 \$9,817,431 and \$3,411,689 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2017. In addition, the County made debt service payments of \$4,132,517 during the fiscal year on general obligation bonds and an installment financing agreement 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, 2017. 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.

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 61.4% of room occupancy taxes which are levied and collected by the County. For the year ended June 30, 2017, occupancy taxes totaling \$3,500,300 were distributed to the Authority. The County also provided \$21,552 in financial services to the Authority during fiscal year 2017. 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, 2017. 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 \$76,492 to the Council during the fiscal year ended June 30, 2017.

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, 2017.

#### **5h. Change in Accounting Principles**

The County implemented Governmental Accounting Standards Board (GASB) No. Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, for the fiscal year ending June 30, 2017. The County's Law Enforcement Officers' Special Separation Allowance pension falls under the scope of Statement 73. The implementation of the statement required the County to reverse a beginning net pension asset of \$294,709 under prior standards, and record a pension liability of \$8,159,482 and deferred outflow of resources for County contributions made during the measurement period (12-month period ending December 31, 2016) of \$622,931. As a result, net position for the governmental activities decreased \$7,831,260.

As the provisions of Statement No. 73 were effective July 1, 2016, net position as of that date has been adjusted as follows:

<b>Governmental Activities</b>	
Net position - beginning, previously reported	\$ (143,716,243)
Adjustments:	
Prepaid pension benefit	(294,709)
Net pension liability, beginning	(7,536,551)
<b>Net Position - beginning, restated</b>	<b>\$ (151,547,503)</b>

The County also implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, for the Healthcare Benefits Plan. The implementation of this statement resulted in certain changes to note disclosures related to the County's Other Postemployment Benefit Trust, but had no effect on net position.

## Required Supplementary Schedules

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

**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**

**Law Enforcement Officers' Special Separation Allowance – Schedule of Changes in Total Pension Liability (Asset)**

**Law Enforcement Officers' Special Separation Allowance – Schedule of Total Pension Liability (Asset) as a Percentage of Covered Payroll**

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

**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**

**Healthcare Plan – Schedule of Funding Progress**

**Healthcare Plan – Schedule of Employer Contributions**

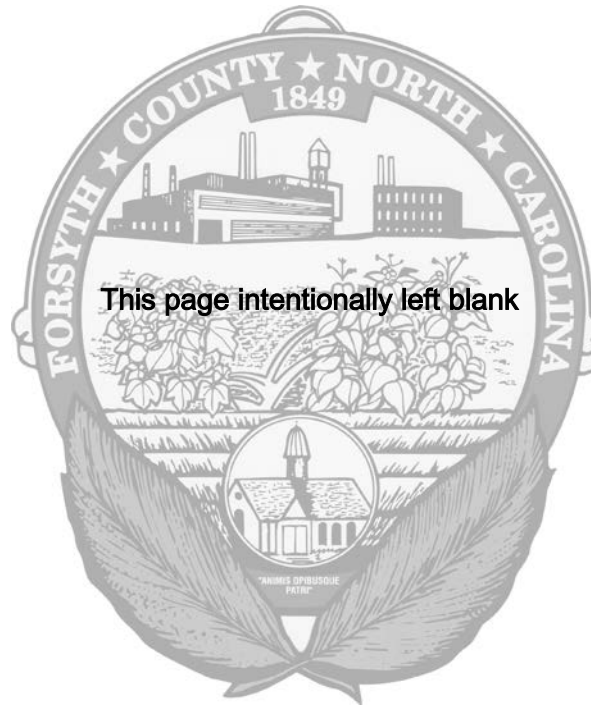
**Healthcare Plan – Schedule of Changes in Net OPEB Liability**

**Healthcare Plan – Schedule of the Net OPEB Liability**

**Healthcare Plan – Schedule of Investment Returns**

**Healthcare Plan – Notes to the Required Schedules**





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## LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

### REQUIRED SUPPLEMENTARY INFORMATION

#### SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

FORSYTH COUNTY, NORTH CAROLINA

Last Four Fiscal Years (see Note 1 below)

	<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>	
Proportion of the net pension liability (asset)	1.380	%	1.400	%	(1.394)	%	1.454	%
County's proportionate share of the net pension liability (asset)	\$ 29,287,603		6,283,987		(7,691,093)		17,531,105	
County's covered-employee payroll	\$ 84,323,090		82,451,507		81,718,579		81,535,693	
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	34.73	%	7.62	%	-9.41	%	21.50	%
Plan fiduciary net position as a percentage of the total pension liability	91.47	%	98.09	%	102.64	%	94.35	%

<sup>1</sup> 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 <sup>1</sup>

FORSYTH COUNTY, NORTH CAROLINA

	<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>	
Contractually required contribution	\$ 6,435,317		5,736,808		5,880,990		5,791,279	
Contributions in relation to the contractually required contribution	<u>6,435,317</u>		<u>5,736,808</u>		<u>5,880,990</u>		<u>5,791,279</u>	
Contribution deficiency (excess)	<u>\$ -</u>		<u>-</u>		<u>-</u>		<u>-</u>	
Covered-employee payroll	\$ 86,954,681		84,323,090		82,451,507		81,718,579	
Contributions as a percentage of covered-employee payroll	7.40	%	6.80	%	7.13	%	7.09	%

<sup>1</sup> This data is presented for those years that information is available.

## LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

### REQUIRED SUPPLEMENTARY INFORMATION

#### SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY (ASSET) <sup>1</sup>

FORSYTH COUNTY, NORTH CAROLINA

For the fiscal year ended June 30, 2017

	<u>2017</u>
Service Cost	\$ 292,100
Interest	235,450
Changes of assumptions and other inputs	(455,706)
Benefit payments	<u>(622,315)</u>
Net change in Total Pension Liability	(550,471)
Total Pension Liability - beginning	<u>8,159,482</u>
Total Pension Liability - ending	<u><u>7,609,011</u></u>

<sup>1</sup> This data is presented for those years that information is available.

## LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

### REQUIRED SUPPLEMENTARY INFORMATION

#### SCHEDULE OF TOTAL PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED PAYROLL <sup>1</sup>

FORSYTH COUNTY, NORTH CAROLINA

For the fiscal year ended June 30, 2017

	<u>2017</u>
Total Pension Liability	\$ 7,609,011
Covered-employee payroll	\$ 10,680,124
Total Pension Liability as a percent of covered-employee payroll	71.24 %

<sup>1</sup> This data is presented for those years that information is available.

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#### Notes to the Required Schedules:

- (1) No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 73 nor does the Plan provide pay related benefits.
- (2) The amounts presented for each fiscal year were determined as of the prior December 31.
- (3) The Discount Rate has changed from 3.00% to 3.86%, which is the Municipal Bond Rate as of December 31, 2016.

## REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND

### REQUIRED SUPPLEMENTARY INFORMATION

#### SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

FORSYTH COUNTY, NORTH CAROLINA

Last Four Fiscal Years (see Note 1 below)

	<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>	
Proportion of the net pension liability (asset)	3.961	%	3.929	%	3.869	%	3.798	%
County's proportionate share of the net pension liability (asset)	\$ (740,482)		(910,408)		(877,043)		(811,150)	
County's covered-employee payroll	\$ 97,488		90,114		87,044		83,168	
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(759.56)	%	(1010.28)	%	(1007.59)	%	(975.32)	%
Plan fiduciary net position as a percentage of the total pension liability	160.17	%	197.29	%	102.64	%	190.5	%

<sup>1</sup> 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 <sup>1</sup>

FORSYTH COUNTY, NORTH CAROLINA

	<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>	
Contractually required contribution	\$ 34,426		32,356		31,436		31,593	
Contributions in relation to the contractually required contribution	34,426		32,356		31,436		31,593	
Contribution deficiency (excess)	\$ -		-		-		-	
Covered-employee payroll	\$ 100,962		97,488		90,114		87,044	
Contributions as a percentage of covered-employee payroll	34.10	%	33.19	%	34.88	%	36.30	%

<sup>1</sup> This data is presented for those years that information is available.

## HEALTHCARE PLAN

### REQUIRED SUPPLEMENTARY INFORMATION

#### SCHEDULE OF FUNDING PROGRESS

FORSYTH COUNTY, NORTH CAROLINA

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued		Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
		Liability (AAL) - Projected Unit Credit <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>			
12/31/2012	\$ 9,915,644	\$ 63,379,261	\$ 53,463,617	15.64 %	\$ 81,541,641	65.57 %
12/31/2014	16,092,613	64,270,831	48,178,218	25.04	82,304,632	58.54
6/30/2016	17,900,757	70,237,711	52,336,954	25.49	79,583,427	65.76

## HEALTHCARE PLAN

### REQUIRED SUPPLEMENTARY INFORMATION

#### SCHEDULE OF EMPLOYER CONTRIBUTIONS <sup>1</sup>

FORSYTH COUNTY, NORTH CAROLINA

Fiscal Year <u>Ending</u>	Actuarially Determined <u>Contribution</u>	Contributions in relation to the Actuarially Determined <u>Contribution</u>	Annual contribution deficiency <u>(excess)</u>	Covered <u>Payroll</u>	Actual contributions as a percentage of covered <u>payroll</u>
6/30/2016	\$ 5,321,271	\$ 6,926,372	\$ (1,605,101)	\$ 79,583,427	8.70 %
6/30/2017	5,627,638	5,625,629	2,009	79,583,427	7.07

<sup>1</sup> This data is presented for those years that information is available.

## HEALTHCARE PLAN

### REQUIRED SUPPLEMENTARY INFORMATION

#### SCHEDULE OF CHANGES IN NET OPEB LIABILITY <sup>1</sup>

FORSYTH COUNTY, NORTH CAROLINA

For the fiscal year ended June 30,

	<u>2017</u>
<b>TOTAL OPEB LIABILITY</b>	
Service Cost	\$ 2,876,639
Interest on total OPEB liability	4,422,422
Benefit payments	<u>(4,025,629)</u>
Net change in total OPEB liability	3,273,432
Total OPEB liability - beginning	<u>77,480,771</u>
Total OPEB liability - ending	<u><u>80,754,203</u></u>
<b>PLAN FIDUCIARY NET POSITION</b>	
Contributions - employer	\$ 5,625,629
Net investment income	2,398,737
Benefit payments	<u>(4,025,629)</u>
Net change in Plan fiduciary net position	3,998,737
Plan fiduciary net position - beginning	<u>17,900,757</u>
Plan fiduciary net position - ending	<u><u>21,899,494</u></u>
<b>NET OPEB LIABILITY</b>	\$ 58,854,709

<sup>1</sup> This data is presented for those years that information is available.

## HEALTHCARE PLAN

### REQUIRED SUPPLEMENTARY INFORMATION

#### SCHEDULE OF THE NET OPEB LIABILITY <sup>1</sup>

FORSYTH COUNTY, NORTH CAROLINA

For the fiscal year ended June 30,

	<u>2017</u>	<u>2016</u>
TOTAL OPEB LIABILITY	\$ 80,754,203	\$ 77,480,771
PLAN FIDUCIARY NET POSITION	<u>21,899,494</u>	<u>17,900,757</u>
NET OPEB LIABILITY	58,854,709	59,580,014
Plan fiduciary net position as a percentage of the total OPEB liability	27.12 %	23.10 %
Covered payroll	\$ 79,583,427	\$ 79,583,427
Net OPEB liability as a percentage of covered payroll	73.95 %	74.86 %

<sup>1</sup> This data is presented for those years that information is available.

## HEALTHCARE PLAN

### REQUIRED SUPPLEMENTARY INFORMATION

#### SCHEDULE OF INVESTMENT RETURNS <sup>1</sup>

FORSYTH COUNTY, NORTH CAROLINA

	<u>2017</u>	<u>2016</u>
Annual money-weighted rate of return, net of investment expenses	22.17 %	2.79 %

<sup>1</sup> This data is presented for those years that information is available.

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**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	06/30/2016
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, closed
Remaining amortization period	24 years
Asset valuation method	Market value of Assets
Actuarial assumptions: Investment rate of return*	6.00%
Medical cost trend rate	7.750% - 5.00%
Year of ultimate trend rate	2022
*Includes inflation at	3.00%

# Major Governmental Funds

## Budgetary Comparison Schedules

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### 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 Project Funds

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

**2016 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 2016 referendum.



**GENERAL FUND**

**A-1**

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2017

Page 1 of 3

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes:				
Property:				
Current year	\$ 240,528,894	240,528,894	244,122,422	3,593,528
Prior years	2,100,000	2,100,000	1,433,787	(666,213)
Interest and fees	850,000	850,000	956,694	106,694
Total property	<u>243,478,894</u>	<u>243,478,894</u>	<u>246,512,903</u>	<u>3,034,009</u>
Occupancy taxes	<u>625,000</u>	<u>625,000</u>	<u>787,567</u>	<u>162,567</u>
Local option sales:				
Article 39 one cent	30,469,557	30,469,557	29,048,626	(1,420,931)
Article 40 one-half cent	14,608,643	14,608,643	15,447,525	838,882
Article 42 one-half cent	16,796,110	16,796,110	17,477,573	681,463
Article 44 one-half cent	-	-	9,783	9,783
Total sales	<u>61,874,310</u>	<u>61,874,310</u>	<u>61,983,507</u>	<u>109,197</u>
Other taxes	<u>355,000</u>	<u>355,000</u>	<u>475,501</u>	<u>120,501</u>
Total taxes	<u>306,333,204</u>	<u>306,333,204</u>	<u>309,759,478</u>	<u>3,426,274</u>
Licenses and permits	930,853	930,853	837,632	(93,221)
Intergovernmental	57,394,144	58,748,928	53,813,420	(4,935,508)
Charges for services	23,587,335	23,587,335	22,091,047	(1,496,288)
Investment earnings	567,100	567,100	1,106,281	539,181
Other	<u>11,925,524</u>	<u>12,141,317</u>	<u>8,273,030</u>	<u>(3,868,287)</u>
Total revenues	<u>400,738,160</u>	<u>402,308,737</u>	<u>395,880,888</u>	<u>(6,427,849)</u>
<b>Expenditures:</b>				
Current:				
General government:				
Budget and management	513,909	574,473	490,577	83,896
Management information services	6,825,447	6,972,792	5,838,300	1,134,492
Finance	2,454,987	2,638,445	2,386,587	251,858
General services	13,390,989	13,879,217	12,679,355	1,199,862
Human resources	965,237	1,006,384	954,349	52,035
Planning	1,490,250	1,490,250	1,417,326	72,924
Purchasing	108,890	108,890	110,707	(1,817)
MapForsyth	771,698	863,165	771,547	91,618
Attorney	1,458,527	1,491,122	1,526,736	(35,614)
Board of elections	1,246,019	1,580,544	1,550,235	30,309
County commissioners and manager	1,130,687	1,144,227	1,133,851	10,376
Register of deeds	1,294,927	1,342,271	1,309,300	32,971
Tax administration	6,301,828	8,022,735	6,622,779	1,399,956
Non-departmental:				
Contingency	565,000	94,291	-	94,291
Aid to other governmental agencies	175,000	175,000	150,000	25,000
County-wide salary savings	(2,544,000)	(2,544,000)	-	(2,544,000)
Other services and adjustments	3,702,465	2,155,060	1,609,281	545,779
Budget reserve - debt leveling	2,009,829	2,009,829	-	2,009,829
Merit adjustment	2,916,414	2,639,914	-	2,639,914
Prior year encumbrances	2,000,000	-	-	-
Special appropriations	<u>190,000</u>	<u>1,840,000</u>	<u>489,158</u>	<u>1,350,842</u>
Total general government	<u>46,968,103</u>	<u>47,484,609</u>	<u>39,040,088</u>	<u>8,444,521</u>

**GENERAL FUND**

**A-1**

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2017

Page 2 of 3

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Public safety:				
Animal control	\$ 2,104,287	2,166,697	1,917,244	249,453
Emergency management	382,110	382,110	357,239	24,871
Interagency communications	1,273,872	1,288,399	1,169,507	118,892
Sheriff	47,075,832	48,284,264	45,756,570	2,527,694
Emergency services	19,056,578	19,653,893	16,850,300	2,803,593
Court services	500,737	529,600	475,243	54,357
Medical examiner	304,950	304,950	366,300	(61,350)
Youth center	1,005,908	1,064,884	1,100,814	(35,930)
Nondepartmental other services and adjustments	1,482,282	1,482,282	1,555,273	(72,991)
Total public safety	<u>73,186,556</u>	<u>75,157,079</u>	<u>69,548,490</u>	<u>5,608,589</u>
Environmental protection:				
NC cooperative extension service - conservation of natural resources	192,165	194,756	159,103	35,653
Environmental assistance and protection	2,418,308	2,518,138	2,296,883	221,255
Inspections	307,270	307,270	31,578	275,692
Nondepartmental other services and adjustments	8,859	8,859	9,503	(644)
Total environmental protection	<u>2,926,602</u>	<u>3,029,023</u>	<u>2,497,067</u>	<u>531,956</u>
Human services:				
Public health	23,767,757	24,573,317	21,269,708	3,303,609
Social services	55,929,826	57,515,702	52,260,472	5,255,230
Aging services	624,630	624,630	582,374	42,256
Special appropriations	46,520	46,520	46,520	-
Nondepartmental other services and adjustments	710,105	710,105	757,054	(46,949)
Total human services	<u>81,078,838</u>	<u>83,470,274</u>	<u>74,916,128</u>	<u>8,554,146</u>
Culture and recreation:				
Library	7,591,046	7,957,479	7,057,175	900,304
Parks and recreation	7,920,482	8,053,667	7,430,314	623,353
Special appropriations	320,000	320,000	320,000	-
Nondepartmental other services and adjustments	243,960	243,960	257,252	(13,292)
Total culture and recreation	<u>16,075,488</u>	<u>16,575,106</u>	<u>15,064,741</u>	<u>1,510,365</u>
Community and economic development:				
Economic development	3,027,516	8,120,271	2,943,238	5,177,033
Housing	541,298	634,150	547,296	86,854
Nondepartmental other services and adjustments	8,859	8,859	9,257	(398)
Total community and economic development	<u>3,577,673</u>	<u>8,763,280</u>	<u>3,499,791</u>	<u>5,263,489</u>
Education:				
NC cooperative extension service	908,221	923,053	771,613	151,440
Nondepartmental other services and adjustments	34,496	34,496	36,043	(1,547)
Total education	<u>942,717</u>	<u>957,549</u>	<u>807,656</u>	<u>149,893</u>
Intergovernmental:				
Human services - CenterPoint Human Services	6,148,706	5,888,860	1,948,784	3,940,076
Education:				
Forsyth Technical Community College:				
Current expense	9,732,122	9,818,431	9,817,431	1,000
Capital outlay	455,000	455,000	455,000	-
Total Forsyth Technical Community College	<u>10,187,122</u>	<u>10,273,431</u>	<u>10,272,431</u>	<u>1,000</u>

**GENERAL FUND**

**A-1**

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2017

Page 3 of 3

	<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	\$ 64,527,057	64,527,057	64,527,057	-
Support services	43,048,773	43,048,773	43,048,773	-
Community services	393,461	393,461	393,461	-
Charter schools	5,553,870	5,553,870	5,553,870	-
Capital outlay	6,142,913	6,142,913	6,142,913	-
Total Winston-Salem/Forsyth County Schools	<u>119,666,074</u>	<u>119,666,074</u>	<u>119,666,074</u>	<u>-</u>
Total intergovernmental education	<u>129,853,196</u>	<u>129,939,505</u>	<u>129,938,505</u>	<u>1,000</u>
Debt service:				
General obligation bonds:				
Principal	32,400,000	32,400,000	32,400,000	-
Interest and other charges	17,647,009	17,647,009	17,019,015	627,994
Limited obligation bonds, installment purchases and certificates of participation:				
Principal	6,784,853	6,784,853	6,784,853	-
Interest and other charges	1,782,082	1,782,082	1,774,482	7,600
Total debt service	<u>58,613,944</u>	<u>58,613,944</u>	<u>57,978,350</u>	<u>635,594</u>
Total expenditures	<u>419,371,823</u>	<u>429,879,229</u>	<u>395,239,600</u>	<u>34,639,629</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(18,633,663)</u>	<u>(27,570,492)</u>	<u>641,288</u>	<u>28,211,780</u>
<b>Other financing sources (uses):</b>				
Transfers in:				
Fire Tax Districts Fund	1,854,834	1,854,834	1,830,176	(24,658)
Law Enforcement Equitable Distribution Fund	99,841	231,480	118,545	(112,935)
State Public School Building Capital Fund	3,675,300	3,675,300	3,744,842	69,542
2012 Pay-Go Fund	-	-	10,826	10,826
2014 Motive Equipment Replacement Fund	-	-	57,551	57,551
2015 Pay-Go Fund	-	-	23,447	23,447
2013 Housing Fund	-	-	85	85
Total transfers in	<u>5,629,975</u>	<u>5,761,614</u>	<u>5,785,472</u>	<u>23,858</u>
Transfers out:				
2016 Motive Equipment Replacement Fund	(1,636,000)	(1,513,000)	(1,513,000)	-
2016 Pay-Go Fund	-	(4,200,876)	(4,200,876)	-
2017 Housing Fund	(26,205)	(26,250)	(26,250)	-
2014 WSFCS Capital Maintenance Fund	(1,735,000)	(1,735,000)	(1,735,000)	-
Total transfers out	<u>(3,397,205)</u>	<u>(7,475,126)</u>	<u>(7,475,126)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,232,770</u>	<u>(1,713,512)</u>	<u>(1,689,654)</u>	<u>23,858</u>
<b>Net change in fund balance</b>	<u>\$ (16,400,893)</u>	<u>(29,284,004)</u>	<u>(1,048,366)</u>	<u>28,235,638</u>
Fund balances - June 30, 2016			147,132,926	
<b>Fund balances - June 30, 2017</b>			<b>\$ 146,084,560</b>	

## 2011 LIBRARY BOND 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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues:</b>				
Investment earnings	\$ -	184,350	104,541	79,809
Other revenues	201,849	212,139	116,550	95,589
Total revenues	<u>201,849</u>	<u>396,489</u>	<u>221,091</u>	<u>175,398</u>
<b>Expenditures:</b>				
Debt service - interest and other charges	143,000	130,036	-	130,036
Capital outlay - culture and recreation				
Library planning	240,000	235,420	-	235,420
Library projects	41,813,300	24,285,825	15,053,283	9,232,542
Total expenditures	<u>42,196,300</u>	<u>24,651,281</u>	<u>15,053,283</u>	<u>9,597,998</u>
<b>Deficiency of revenues over expenditures</b>	<u>(41,994,451)</u>	<u>(24,254,792)</u>	<u>(14,832,192)</u>	<u>(9,422,600)</u>
<b>Other financing sources:</b>				
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 General Fund	1,611,451	1,611,451	-	1,611,451
Transfer from 2008 Pay-Go fund	240,000	240,000	-	240,000
Total other financing sources	<u>41,994,451</u>	<u>38,771,550</u>	<u>-</u>	<u>38,771,550</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>14,516,758</u>	<u>(14,832,192)</u>	<u>29,348,950</u>
Fund balance - June 30, 2016			<u>29,348,950</u>	
<b>Fund balance - June 30, 2017</b>			<u>\$ 14,516,758</u>	

## 2016 SCHOOLS FACILITIES 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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues - investment earnings</b>	\$ 813,953	162,097	162,097	-
<b>Expenditures:</b>				
Debt service - interest and other charges	813,953	251,143	251,143	-
Current - intergovernmental - education	350,000,000	3,836,607	3,836,607	-
Total expenditures	<u>350,813,953</u>	<u>4,087,750</u>	<u>4,087,750</u>	<u>-</u>
<b>Deficiency of revenues over expenditures</b>	<u>(350,000,000)</u>	<u>(3,925,653)</u>	<u>(3,925,653)</u>	<u>-</u>
<b>Other financing sources:</b>				
General obligation bonds issued	350,000,000	83,519,767	83,519,767	-
Premium on general obligation bonds	-	3,980,724	3,980,724	-
Total other financing sources	<u>350,000,000</u>	<u>87,500,491</u>	<u>87,500,491</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>83,574,838</u>	<u>83,574,838</u>	<u>-</u>
Fund balance - June 30, 2016			<u>-</u>	
<b>Fund balance - June 30, 2017</b>			<u>\$ 83,574,838</u>	

# Nonmajor Governmental Funds

## Special Revenue Funds

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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.

**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.

**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.

**2016 Housing Fund** – This fund accounts for the use of state and federal grants initiated in fiscal year 2016 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.

**2017 Housing Fund** – This fund accounts for the use of state and federal grants initiated in fiscal year 2017 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

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

**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.

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

**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.

**2015 Pay-Go Fund** – This fund accounts for community and economic development support, upfit of the sheriff administration building, and financial system upgrade.

**2016 Motive Equipment Replacement Fund** – This fund accounts for the purchase of the County’s emergency and non-emergency vehicle fleet.

**2016 New Family Museum Fund** – This fund accounts for the sale of surplus property and other revenues to be used to fund the County’s contribution toward the design and construction of a new family museum, facilitated by the merger of SciWorks and The Children’s Museum.

**2016 2/3rds Bonds Fund** – Proceeds of general obligation two-thirds bonds will finance County facility maintenance and repair and park maintenance projects.

**2016 Winston-Salem/Forsyth County Schools Capital Maintenance Fund** – Proceeds of general obligation two-thirds bonds will finance school capital maintenance projects.

**2016 Forsyth Technical Community College Capital Maintenance Fund** – Proceeds of general obligation two-thirds bonds will finance community college maintenance projects.

**2016 Pay-Go Fund** – This fund accounts for community and economic development support, commissioner meeting room technology improvements, and financial system upgrade.

**2016 Forsyth Technical Community College Facilities Fund** – This fund is used to account for the acquisition, construction, expansion, improvement, renovation and equipment for community college facilities, financed by proceeds of community college facilities general obligation bonds authorized by a 2016 referendum.

**2016 Parks and Recreation Facilities Fund** – This fund is used to account for the acquisition, construction, expansion, improvement, renovation and equipment for parks and recreational facilities, financed by proceeds of parks and recreation facilities general obligation bonds authorized by a 2016 referendum.

**2017 Court Facilities Fund** – Proceeds of general obligation two-thirds bonds will finance acquisition, construction, expansion, improvement, renovation and equipment for courthouse buildings and facilities.

**2017 Idols Road Business Park Fund** – This fund accounts for infrastructure development at the business park.

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

**B-1**

FORSYTH COUNTY, NORTH CAROLINA  
 June 30, 2017

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents / investments	\$ 3,072,594	25,093,480	28,166,074
Investments - restricted	-	27,768,957	27,768,957
Receivables (net):			
Property taxes	58,090	-	58,090
Other	-	-	-
Accrued interest	1,199	2,975	4,174
Due from other governments	711,966	220,481	932,447
<b>Total assets</b>	<u>\$ 3,843,849</u>	<u>53,085,893</u>	<u>56,929,742</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 47,317	484,077	531,394
Due to other governments	-	-	-
Due to other funds	40,613	-	40,613
Unearned revenue	2,883	-	2,883
Total liabilities	<u>90,813</u>	<u>484,077</u>	<u>574,890</u>
Deferred Inflows of Resources:			
Unavailable taxes	58,090	-	58,090
Unavailable other revenue	-	-	-
Total deferred inflows of resources	<u>58,090</u>	<u>-</u>	<u>58,090</u>
Fund balances:			
Restricted for:			
Stabilization by state statute	873,673	2,651,575	3,525,248
Fire protection	603,758	-	603,758
Law enforcement	1,264,773	-	1,264,773
Emergency telephone system	500,453	-	500,453
Human services	303,999	-	303,999
Housing and community redevelopment	242,286	-	242,286
Capital projects	-	42,539,366	42,539,366
Committed for capital projects	-	7,410,875	7,410,875
Unassigned	(93,996)	-	(93,996)
Total fund balances	<u>3,694,946</u>	<u>52,601,816</u>	<u>56,296,762</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 3,843,849</u>	<u>53,085,893</u>	<u>56,929,742</u>



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

**B-2**

**NONMAJOR GOVERNMENTAL FUNDS**

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2017

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Revenues:</b>			
Taxes:			
Property	\$ 7,844,084	-	7,844,084
Local option sales taxes	1,858,153	-	1,858,153
Total taxes	<u>9,702,237</u>	<u>-</u>	<u>9,702,237</u>
Intergovernmental	4,863,581	1,164,103	6,027,684
Charges for services	-	14,782	14,782
Investment earnings	27,575	175,096	202,671
Other	72,696	168,615	241,311
Total revenues	<u>14,666,089</u>	<u>1,522,596</u>	<u>16,188,685</u>
<b>Expenditures:</b>			
Current:			
Public safety	9,331,145	-	9,331,145
Human services	2,489	-	2,489
Community and economic development	339,361	-	339,361
Intergovernmental - education	-	8,677,298	8,677,298
Debt service - interest and other charges	-	45,840	45,840
Capital outlay	-	8,207,225	8,207,225
Total expenditures	<u>9,672,995</u>	<u>16,930,363</u>	<u>26,603,358</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>4,993,094</u>	<u>(15,407,767)</u>	<u>(10,414,673)</u>
<b>Other financing sources (uses):</b>			
General obligation bonds issued	-	39,625,233	39,625,233
Premium on general obligation bonds	-	2,176,306	2,176,306
Transfers in	26,250	12,810,591	12,836,841
Transfers out	(5,693,648)	(5,453,539)	(11,147,187)
Total other financing sources (uses)	<u>(5,667,398)</u>	<u>49,158,591</u>	<u>43,491,193</u>
Net change in fund balances	(674,304)	33,750,824	33,076,520
Fund balance - June 30, 2016	4,369,250	18,850,992	23,220,242
<b>Fund balance - June 30, 2017</b>	<u>\$ 3,694,946</u>	<u>52,601,816</u>	<u>56,296,762</u>

**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**

**C-1**

FORSYTH COUNTY, NORTH CAROLINA  
 June 30, 2017

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	<b>Fire Tax Districts</b>	<b>Law Enforcement Equitable Distribution</b>	<b>Emergency Telephone System</b>	<b>Moser Bequest for Care of Elderly</b>	<b>State Public School Building Capital</b>
<b>ASSETS</b>					
Cash and cash equivalents / investments	\$ 614,276	1,264,773	593,343	304,199	-
Receivables (net):					
Property taxes	58,090	-	-	-	-
Other	-	-	-	-	-
Accrued interest	224	447	340	100	-
Due from other governments	512,664	3,903	93,111	42	-
<b>Total assets</b>	<b>\$ 1,185,254</b>	<b>1,269,123</b>	<b>686,794</b>	<b>304,341</b>	<b>-</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 7,635	-	31,292	200	-
Due to other governments	-	-	-	-	-
Due to other funds - General Fund	-	-	-	-	-
Unearned revenue	2,883	-	-	-	-
<b>Total liabilities</b>	<b>10,518</b>	<b>-</b>	<b>31,292</b>	<b>200</b>	<b>-</b>
Deferred Inflows of Resources:					
Unavailable taxes	58,090	-	-	-	-
Unavailable other revenue	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>58,090</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:					
Restricted for:					
Stabilization by state statute	512,888	4,350	155,049	142	-
Fire protection	603,758	-	-	-	-
Law enforcement	-	1,264,773	-	-	-
Emergency telephone system	-	-	500,453	-	-
Human services	-	-	-	303,999	-
Housing and community redevelopment	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>1,116,646</b>	<b>1,269,123</b>	<b>655,502</b>	<b>304,141</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,185,254</b>	<b>1,269,123</b>	<b>686,794</b>	<b>304,341</b>	<b>-</b>

**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**

**C-1**

FORSYTH COUNTY, NORTH CAROLINA  
 June 30, 2017

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	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Total</b>
	<u>Housing</u>	<u>Housing</u>	<u>Housing</u>	<u>Housing</u>	
<b>ASSETS</b>					
Cash and cash equivalents / investments	\$ 81,329	176,351	-	38,323	3,072,594
Receivables (net):					
Property taxes	-	-	-	-	58,090
Other	-	-	-	-	-
Accrued interest	26	49	-	13	1,199
Due from other governments	16,999	7,211	78,036	-	711,966
<b>Total assets</b>	<u>\$ 98,354</u>	<u>183,611</u>	<u>78,036</u>	<u>38,336</u>	<u>3,843,849</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 517	2,085	163	5,425	47,317
Due to other governments	-	-	-	-	-
Due to other funds - General Fund	-	-	40,613	-	40,613
Unearned revenue	-	-	-	-	2,883
<b>Total liabilities</b>	<u>517</u>	<u>2,085</u>	<u>40,776</u>	<u>5,425</u>	<u>90,813</u>
Deferred Inflows of Resources:					
Unavailable taxes	-	-	-	-	58,090
Unavailable other revenue	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,090</u>
Fund balances:					
Restricted for:					
Stabilization by state statute	17,025	38,895	131,256	14,068	873,673
Fire protection	-	-	-	-	603,758
Law enforcement	-	-	-	-	1,264,773
Emergency telephone system	-	-	-	-	500,453
Human services	-	-	-	-	303,999
Housing and community redevelopment	80,812	142,631	-	18,843	242,286
Unassigned	-	-	(93,996)	-	(93,996)
<b>Total fund balances</b>	<u>97,837</u>	<u>181,526</u>	<u>37,260</u>	<u>32,911</u>	<u>3,694,946</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 98,354</u>	<u>183,611</u>	<u>78,036</u>	<u>38,336</u>	<u>3,843,849</u>

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

**C-2**

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FORSYTH COUNTY, NORTH CAROLINA  
For the Fiscal Year Ended June 30, 2017

	<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>	<u>2013 Housing</u>
<b>Revenues:</b>						
Taxes:						
Property	\$ 7,844,084	-	-	-	-	-
Local option sales taxes	1,858,153	-	-	-	-	-
Intergovernmental	-	17,648	781,200	-	3,744,842	1,670
Investment earnings	8,551	9,890	5,238	2,224	-	-
Other	-	-	-	-	-	-
Total revenues	<u>9,710,788</u>	<u>27,538</u>	<u>786,438</u>	<u>2,224</u>	<u>3,744,842</u>	<u>1,670</u>
<b>Expenditures:</b>						
Current:						
Public safety	8,049,567	-	1,281,578	-	-	-
Human services	-	-	-	2,489	-	-
Community and economic development	-	-	-	-	-	1,500
Total expenditures	<u>8,049,567</u>	<u>-</u>	<u>1,281,578</u>	<u>2,489</u>	<u>-</u>	<u>1,500</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,661,221</u>	<u>27,538</u>	<u>(495,140)</u>	<u>(265)</u>	<u>3,744,842</u>	<u>170</u>
<b>Other financing sources (uses):</b>						
Transfers in:						
General Fund	-	-	-	-	-	-
2012 Housing Fund	-	-	-	-	-	-
Transfers out:						
General Fund	(1,830,176)	(118,545)	-	-	(3,744,842)	(85)
2015 Housing Fund	-	-	-	-	-	-
Total other financing sources (uses)	<u>(1,830,176)</u>	<u>(118,545)</u>	<u>-</u>	<u>-</u>	<u>(3,744,842)</u>	<u>(85)</u>
Net change in fund balances	(168,955)	(91,007)	(495,140)	(265)	-	85
Fund balance - June 30, 2016	1,285,601	1,360,130	1,150,642	304,406	-	(85)
<b>Fund balance - June 30, 2017</b>	<u><u>\$ 1,116,646</u></u>	<u><u>1,269,123</u></u>	<u><u>655,502</u></u>	<u><u>304,141</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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

**C-2**

**NONMAJOR SPECIAL REVENUE FUNDS**

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FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2017

	<u>2014</u> <u>Housing</u>	<u>2015</u> <u>Housing</u>	<u>2016</u> <u>Housing</u>	<u>2017</u> <u>Housing</u>	<u>Total</u>
<b>Revenues:</b>					
Taxes:					
Property	\$ -	-	-	-	7,844,084
Local option sales taxes	-	-	-	-	1,858,153
Intergovernmental	23,014	109,601	173,516	12,090	4,863,581
Investment earnings	633	860	93	86	27,575
Other	-	72,696	-	-	72,696
Total revenues	<u>23,647</u>	<u>183,157</u>	<u>173,609</u>	<u>12,176</u>	<u>14,666,089</u>
<b>Expenditures:</b>					
Current:					
Public safety	-	-	-	-	9,331,145
Human services	-	-	-	-	2,489
Community and economic development	26,893	142,008	163,445	5,515	339,361
Total expenditures	<u>26,893</u>	<u>142,008</u>	<u>163,445</u>	<u>5,515</u>	<u>9,672,995</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,246)</u>	<u>41,149</u>	<u>10,164</u>	<u>6,661</u>	<u>4,993,094</u>
<b>Other financing sources (uses):</b>					
Transfers in:					
General Fund	-	-	-	26,250	26,250
2012 Housing Fund	-	-	-	-	-
Transfers out:					
General Fund	-	-	-	-	(5,693,648)
2015 Housing Fund	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,250</u>	<u>(5,667,398)</u>
Net change in fund balances	(3,246)	41,149	10,164	32,911	(674,304)
Fund balance - June 30, 2016	<u>101,083</u>	<u>140,377</u>	<u>27,096</u>	<u>-</u>	<u>4,369,250</u>
<b>Fund balance - June 30, 2017</b>	<b>\$ <u>97,837</u></b>	<b><u>181,526</u></b>	<b><u>37,260</u></b>	<b><u>32,911</u></b>	<b><u>3,694,946</u></b>

**FIRE TAX DISTRICTS FUND**

**C-3**

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2017

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	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes:				
Property	\$ 7,651,618	7,651,618	7,844,084	192,466
Local option sales taxes	1,854,834	1,856,834	1,858,153	1,319
Total taxes	<u>9,506,452</u>	<u>9,508,452</u>	<u>9,702,237</u>	<u>193,785</u>
Investment earnings	-	-	8,551	8,551
Total revenues	<u>9,506,452</u>	<u>9,508,452</u>	<u>9,710,788</u>	<u>202,336</u>
<b>Expenditures - current - public safety:</b>				
Beeson's Cross Roads	269,255	269,255	269,255	-
Beeson's Cross Roads Service	28,440	28,440	28,440	-
Belews Creek	365,964	365,964	365,964	-
City View	46,112	46,112	46,112	-
Clemmons	1,447,393	1,447,393	1,447,393	-
Forest Hill	12,563	12,563	12,423	140
Griffith	110,469	110,469	110,469	-
Gumtree	65,137	65,137	65,137	-
Horneytown	225,288	225,288	225,288	-
King of Forsyth County	512,760	512,760	512,760	-
Lewisville	1,383,574	1,383,574	1,383,574	-
Mineral Springs	197,313	197,313	197,313	-
Mineral Springs Service	7,376	7,376	7,376	-
Mount Tabor	72,382	72,382	72,382	-
Old Richmond	432,296	432,296	432,296	-
Piney Grove	738,555	738,555	738,555	-
Rural Hall	481,332	481,332	481,332	-
Salem Chapel	98,119	98,119	98,119	-
South Fork	6,241	6,241	6,241	-
Talley's Crossing	219,135	219,135	217,847	1,288
Triangle	96,627	96,627	96,627	-
Union Cross	294,306	294,306	294,306	-
Vienna	527,193	527,193	527,193	-
Walkertown	360,737	360,737	360,737	-
West Bend	52,428	52,428	52,428	-
Total expenditures	<u>8,050,995</u>	<u>8,050,995</u>	<u>8,049,567</u>	<u>1,428</u>
<b>Excess of revenues over expenditures</b>	<u>1,455,457</u>	<u>1,457,457</u>	<u>1,661,221</u>	<u>203,764</u>

**FIRE TAX DISTRICTS FUND**

**C-3**

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2017

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	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Other financing uses - transfers out-</b>				
General Fund:				
Beeson's Cross Roads	(64,260)	(64,760)	(64,671)	89
Beeson's Cross Roads Service	(6,652)	(6,752)	(6,735)	17
Belews Creek	(60,722)	(61,022)	(60,966)	56
City View	(7,936)	(7,936)	(7,764)	172
Clemmons	(359,667)	(359,667)	(346,750)	12,917
Forest Hill	(2,517)	(2,517)	(2,498)	19
Griffith	(26,578)	(26,678)	(26,585)	93
Gumtree	(15,331)	(15,331)	(15,311)	20
Horneytown	(51,840)	(52,240)	(52,166)	74
King of Forsyth County	(95,062)	(95,062)	(95,058)	4
Lewisville	(332,785)	(332,785)	(331,354)	1,431
Mineral Springs	(39,366)	(39,366)	(39,018)	348
Mineral Springs Service	(1,551)	(1,551)	(1,540)	11
Mount Tabor	(17,350)	(17,450)	(17,430)	20
Old Richmond	(103,569)	(103,569)	(102,540)	1,029
Piney Grove	(174,840)	(174,840)	(170,726)	4,114
Rural Hall	(113,335)	(113,335)	(113,127)	208
Salem Chapel	(24,276)	(24,276)	(22,919)	1,357
South Fork	(1,453)	(1,453)	(1,410)	43
Talley's Crossing	(37,264)	(37,264)	(36,470)	794
Triangle	(22,503)	(22,603)	(22,515)	88
Union Cross	(61,754)	(61,954)	(61,929)	25
Vienna	(140,828)	(140,828)	(137,169)	3,659
Walkertown	(80,734)	(80,934)	(80,930)	4
West Bend	(12,661)	(12,661)	(12,595)	66
Total other financing uses	<u>(1,854,834)</u>	<u>(1,856,834)</u>	<u>(1,830,176)</u>	<u>26,658</u>
<b>Net change in fund balance</b>	<b>\$ <u>(399,377)</u></b>	<b><u>(399,377)</u></b>	<b>(168,955)</b>	<b><u>230,422</u></b>
Fund balance - June 30, 2016			<u>1,285,601</u>	
<b>Fund balance - June 30, 2017</b>			<b>\$ <u>1,116,646</u></b>	

**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, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ -	-	17,648	17,648
Investment earnings	-	-	9,890	9,890
Other revenue	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>27,538</u>	<u>27,538</u>
<b>Other financing uses:</b>				
Transfer to General Fund	<u>(98,002)</u>	<u>(229,641)</u>	<u>(118,545)</u>	<u>111,096</u>
<b>Net change in fund balance</b>	<u><u>\$ (98,002)</u></u>	<u><u>(229,641)</u></u>	<u>(91,007)</u>	<u>138,634</u>
Fund balance - June 30, 2016			<u>1,360,130</u>	
<b>Fund balance - June 30, 2017</b>			<u><u>\$ 1,269,123</u></u>	

**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, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 557,869	1,642,869	781,200	(861,669)
Investment earnings	-	-	5,238	5,238
<b>Total revenues</b>	<u>557,869</u>	<u>1,642,869</u>	<u>786,438</u>	<u>(856,431)</u>
<b>Expenditures - Public Safety</b>	<u>1,306,005</u>	<u>2,403,104</u>	<u>1,281,578</u>	<u>1,121,526</u>
<b>Net change in fund balance</b>	<u><u>\$ (748,136)</u></u>	<u><u>(760,235)</u></u>	<u>(495,140)</u>	<u>265,095</u>
Fund balance - June 30, 2016			<u>1,150,642</u>	
<b>Fund balance - June 30, 2017</b>			<u><u>\$ 655,502</u></u>	



## 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, 2017

	<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	2,224	1,224
Expenditures - Human Services	50,000	50,000	2,489	47,511
<b>Net change in fund balance</b>	<b>\$ (49,000)</b>	<b>(49,000)</b>	<b>(265)</b>	<b>48,735</b>
Fund balance - June 30, 2016			304,406	
<b>Fund balance - June 30, 2017</b>			<b>\$ 304,141</b>	

## 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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues:</b>				
Intergovernmental	\$ 91,053,953	87,841,856	3,744,842	84,097,014
Investment earnings	162,074	162,074	-	162,074
Total revenues	91,216,027	88,003,930	3,744,842	84,259,088
<b>Expenditures - current - intergovernmental - education</b>	<b>51,340,383</b>	<b>48,538,317</b>	<b>-</b>	<b>48,538,317</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>39,875,644</b>	<b>39,465,613</b>	<b>3,744,842</b>	<b>35,720,771</b>
<b>Other financing sources (uses):</b>				
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	(51,786,464)	(51,376,430)	(3,744,842)	(47,631,588)
Total other financing sources (uses)	(41,205,794)	(39,465,613)	(3,744,842)	(35,720,771)
<b>Net change in fund balance</b>	<b>\$ (1,330,150)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balance - June 30, 2016			-	
<b>Fund balance - June 30, 2017</b>			<b>\$ -</b>	

**2013 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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues:</b>				
Intergovernmental:				
2012 WSFC HOME program	\$ 167,800	167,800	-	167,800
NCHFA Duke Power HELP	150,000	-	-	-
2012 NCHFA Single Family Rehabilitation	300,000	286,811	1,670	285,141
CDBG Scattered Site	400,000	214,990	-	214,990
Local government grants	<u>12,000</u>	<u>12,000</u>	<u>-</u>	<u>12,000</u>
Total intergovernmental	1,029,800	681,601	1,670	679,931
Investment earnings	<u>85</u>	<u>85</u>	<u>-</u>	<u>85</u>
Total revenues	<u>1,029,885</u>	<u>681,686</u>	<u>1,670</u>	<u>680,016</u>
<b>Expenditures - current - community and economic development:</b>				
2012 WSFC HOME	167,800	167,800	-	167,800
2012 WSFC HOME - local match	37,755	37,755	-	37,755
NCHFA Duke Power HELP	150,000	-	-	-
2012 NCHFA Single Family Rehabilitation	300,000	286,811	1,500	285,311
CDBG Scattered Site	<u>400,000</u>	<u>214,990</u>	<u>-</u>	<u>214,990</u>
Total expenditures	<u>1,055,555</u>	<u>707,356</u>	<u>1,500</u>	<u>705,856</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(25,670)</u>	<u>(25,670)</u>	<u>170</u>	<u>(25,840)</u>
<b>Other financing sources - transfers in General Fund</b>	<u>25,670</u>	<u>25,670</u>	<u>(85)</u>	<u>25,755</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>-</u>	<u>85</u>	<u>(85)</u>
Fund balance - June 30, 2016			<u>(85)</u>	
<b>Fund balance - June 30, 2017</b>			<u>\$ -</u>	

**2014 HOUSING 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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues:</b>				
Intergovernmental:				
2013 WSFC HOME program	\$ 167,800	166,100	17,414	148,686
2013 NCHFA Urgent Repair Program	75,000	63,440	-	63,440
CDBG NC Catalyst Program	70,000	58,136	5,600	52,536
Local government grants	12,000	12,000	-	12,000
Total intergovernmental	<u>324,800</u>	<u>299,676</u>	<u>23,014</u>	<u>276,662</u>
Mortgage repayments	117,500	46,184	-	46,184
Investment earnings	-	1,724	633	1,091
Other	32,000	32,000	-	32,000
Total revenues	<u>474,300</u>	<u>379,584</u>	<u>23,647</u>	<u>355,937</u>
<b>Expenditures - current - community and economic development:</b>				
2013 WSFC HOME	167,800	166,100	17,292	148,808
2013 WSFC HOME - local match	37,755	37,373	3,401	33,972
Forsyth County IDA	24,250	23,250	3,100	20,150
CDBG Program Income	91,316	20,000	-	20,000
CDBG NC Catalyst Program	70,000	58,760	3,100	55,660
2013 NCHFA Urgent Repair Program	75,000	63,439	-	63,439
Total expenditures	<u>466,121</u>	<u>368,922</u>	<u>26,893</u>	<u>342,029</u>
<b>Excess (deficiency) of revenues over expenditures</b>	8,179	10,662	(3,246)	13,908
<b>Other financing sources (uses):</b>				
Transfer from General Fund	25,755	25,755	-	25,755
Transfer from 2009 Housing Fund	35,838	35,838	-	35,838
Transfer from 2011 Housing Fund	26,582	25,582	-	25,582
Transfer to 2018 Housing Fund	(96,354)	-	-	-
Total other financing sources (uses)	<u>(8,179)</u>	<u>87,175</u>	<u>-</u>	<u>87,175</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>97,837</u>	<u>(3,246)</u>	<u>101,083</u>
Fund balance - June 30, 2016			101,083	
<b>Fund balance - June 30, 2017</b>			<u>\$ 97,837</u>	

**2015 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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues:</b>				
Intergovernmental:				
2014 WSFC HOME program	\$ 176,400	127,765	109,601	18,164
CDBG NSP	50,000	21,751	-	21,751
Local government grants	12,000	12,000	-	12,000
Total intergovernmental	<u>238,400</u>	<u>161,516</u>	<u>109,601</u>	<u>51,915</u>
Mortgage repayments	200,000	188,436	72,696	115,740
Investment earnings	-	1,589	860	729
Total revenues	<u>438,400</u>	<u>351,541</u>	<u>183,157</u>	<u>168,384</u>
<b>Expenditures - current - community and economic development:</b>				
2014 WSFC HOME	176,400	127,765	109,837	17,928
2014 WSFC HOME - local match	39,690	18,288	15,659	2,629
CDBG NSP Program Income	50,000	-	-	-
HOME Program Income	238,516	90,168	16,512	73,656
Total expenditures	<u>504,606</u>	<u>236,221</u>	<u>142,008</u>	<u>94,213</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(66,206)	115,320	41,149	74,171
<b>Other financing sources - transfers in:</b>				
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>-</u>	<u>66,206</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>181,526</u>	<u>41,149</u>	<u>140,377</u>
Fund balance - June 30, 2016			<u>140,377</u>	
<b>Fund balance - June 30, 2017</b>			<u>\$ 181,526</u>	

**2016 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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues:</b>				
Intergovernmental:				
2015 WSFC HOME program	\$ 176,400	83,956	83,956	-
2015 NCHFA Urgent Repair program	100,000	89,560	89,560	-
Local government grants	12,000	12,000	-	12,000
Total intergovernmental	<u>288,400</u>	<u>185,516</u>	<u>173,516</u>	<u>12,000</u>
Investment earnings	-	135	93	42
Total revenues	<u>288,400</u>	<u>185,651</u>	<u>173,609</u>	<u>12,042</u>
<b>Expenditures - current - community and economic development:</b>				
2015 WSFC HOME	176,400	83,956	82,885	1,071
2015 WSFC HOME - local match	39,690	-	-	-
2015 Urgent Repair program	100,000	89,560	80,560	9,000
Total expenditures	<u>316,090</u>	<u>173,516</u>	<u>163,445</u>	<u>10,071</u>
<b>Excess (deficiency) of revenues     over expenditures</b>	<u>(27,690)</u>	<u>12,135</u>	<u>10,164</u>	<u>1,971</u>
<b>Other financing sources - transfers in General Fund</b>	<u>27,690</u>	<u>25,125</u>	<u>-</u>	<u>25,125</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>37,260</u>	<u>10,164</u>	<u>27,096</u>
Fund balance - June 30, 2016			<u>27,096</u>	
<b>Fund balance - June 30, 2017</b>			<u>\$ <b>37,260</b></u>	

**2017 HOUSING 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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues:</b>				
Intergovernmental:				
2016 WSFC HOME program	\$ 170,700	90	90	-
2016 HOME Single Family Rehabilitation	225,000	-	-	-
2016 NCHFA Single Family Rehabilitation	100,000	-	-	-
Local government grants	12,000	12,000	12,000	-
Total intergovernmental	507,700	12,090	12,090	-
Investment earnings	-	86	86	-
Total revenues	507,700	12,176	12,176	-
<b>Expenditures - current - community and economic development:</b>				
2016 WSFC HOME	170,700	90	90	-
2016 WSFC HOME - local match	38,250	-	-	-
2016 NCHFA Urgent Repair	325,000	5,425	5,425	-
Total expenditures	533,950	5,515	5,515	-
<b>Excess (deficiency) of revenues over expenditures</b>	(26,250)	6,661	6,661	-
<b>Other financing sources - transfers in General Fund</b>	26,250	26,250	26,250	-
<b>Net change in fund balance</b>	\$ -	32,911	32,911	-
Fund balance - June 30, 2016			-	
<b>Fund balance - June 30, 2017</b>			<b>\$ 32,911</b>	

**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**

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FORSYTH COUNTY, NORTH CAROLINA

June 30, 2017

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	2009 Phillips Building Phases <u>1A and 1B</u>	2012 2/3rds <u>Bonds</u>	2014 FTCC Carolina Building <u>Renovation</u>	2014 2/3rds <u>Bonds</u>	2014 WSFCS Capital <u>Maintenance</u>	2014 FTCC Capital <u>Maintenance</u>	2015 WSFCS <u>Facilities</u>	2016 Motive Equipment <u>Replacement</u>	2016 New Family <u>Museum</u>
<b>ASSETS</b>									
Cash and cash equivalents / investments	\$ 1,201,253	-	1,082,505	-	-	-	156,840	741,610	1,002,487
Investments - restricted	-	814,402	-	151,358	1,349,850	451,954	-	-	-
Receivables (net):	-	-	-	-	-	-	-	-	-
Accrued interest	327	-	353	18	452	-	55	227	360
Due from other governments	47,738	1,542	-	20,700	94,901	-	618	44,226	-
<b>Total assets</b>	<b>\$ 1,249,318</b>	<b>815,944</b>	<b>1,082,858</b>	<b>172,076</b>	<b>1,445,203</b>	<b>451,954</b>	<b>157,513</b>	<b>786,063</b>	<b>1,002,847</b>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities - accounts payable and accrued liabilities	\$ 204,352	77,071	-	72,744	-	-	-	123,150	-
Fund balances:									
Restricted for:									
Stabilization by state statute	478,315	38,033	353	60,404	95,353	-	673	44,453	428,307
Capital projects	-	700,840	-	38,928	1,349,850	451,954	-	-	-
Committed for capital projects	566,651	-	1,082,505	-	-	-	156,840	618,460	574,540
Unassigned	-	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>1,044,966</b>	<b>738,873</b>	<b>1,082,858</b>	<b>99,332</b>	<b>1,445,203</b>	<b>451,954</b>	<b>157,513</b>	<b>662,913</b>	<b>1,002,847</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,249,318</b>	<b>815,944</b>	<b>1,082,858</b>	<b>172,076</b>	<b>1,445,203</b>	<b>451,954</b>	<b>157,513</b>	<b>786,063</b>	<b>1,002,847</b>

# COMBINING BALANCE SHEET

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## NONMAJOR CAPITAL PROJECTS FUNDS

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2017

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	2016 2/3rds Bonds	2016 WSFCS Capital Maintenance	2016 FTCC Capital Maintenance	2016 Pay-Go	2016 Forsyth Technical Community College Facilities	2016 Parks and Recreation Facilities	2017 Court Facilities	2017 Idols Road Business Park	Total
<b>ASSETS</b>									
Cash and cash equivalents / investments	\$ 5,140,973	9,349,476	2,006,457	4,411,879	-	-	-	-	25,093,480
Investments - restricted	-	-	-	-	16,243,178	3,748,426	5,009,789	-	27,768,957
Receivables (net):									
Accrued interest	-	252	-	931	-	-	-	-	2,975
Due from other governments	6,196	4,560	-	-	-	-	-	-	220,481
<b>Total assets</b>	<b>\$ 5,147,169</b>	<b>9,354,288</b>	<b>2,006,457</b>	<b>4,412,810</b>	<b>16,243,178</b>	<b>3,748,426</b>	<b>5,009,789</b>	<b>-</b>	<b>53,085,893</b>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities - accounts payable and accrued liabilities	\$ 6,760	-	-	-	-	-	-	-	484,077
Fund balances:									
Restricted for:									
Stabilization by state statute	262,361	4,812	-	931	-	250,000	850,000	137,580	2,651,575
Capital projects	4,878,048	9,349,476	2,006,457	-	16,243,178	3,498,426	4,159,789	(137,580)	42,539,366
Committed for capital projects	-	-	-	4,411,879	-	-	-	-	7,410,875
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	5,140,409	9,354,288	2,006,457	4,412,810	16,243,178	3,748,426	5,009,789	-	52,601,816
<b>Total liabilities and fund balances</b>	<b>\$ 5,147,169</b>	<b>9,354,288</b>	<b>2,006,457</b>	<b>4,412,810</b>	<b>16,243,178</b>	<b>3,748,426</b>	<b>5,009,789</b>	<b>-</b>	<b>53,085,893</b>



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

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**NONMAJOR CAPITAL PROJECTS FUNDS**

FORSYTH COUNTY, NORTH CAROLINA  
For the Fiscal Year Ended June 30, 2017

	<b>2009 Phillips Building Phases 1A and 1B</b>	<b>2012 2/3rds Bonds</b>	<b>2012 Pay-Go</b>	<b>2014 Motive Equipment Replacement</b>	<b>2014 FTCC Carolina Building Renovation</b>	<b>2014 2/3rds Bonds</b>
<b>Revenues:</b>						
Intergovernmental	\$ -	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment earnings	8,172	3,610	-	1,567	10,586	2,728
Other	-	-	-	-	-	-
Total revenues	<u>8,172</u>	<u>3,610</u>	<u>-</u>	<u>1,567</u>	<u>10,586</u>	<u>2,728</u>
<b>Expenditures:</b>						
Current:						
Intergovernmental - education	-	-	-	-	1,803,519	-
Debt service - interest and other charges	-	-	-	-	-	-
Capital outlay:						
General government	-	272,275	1,955	-	-	1,417,103
Public safety	4,694,689	-	-	2,990	-	-
Culture and recreation	-	-	-	-	-	211,026
Total expenditures	<u>4,694,689</u>	<u>272,275</u>	<u>1,955</u>	<u>2,990</u>	<u>1,803,519</u>	<u>1,628,129</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(4,686,517)</u>	<u>(268,665)</u>	<u>(1,955)</u>	<u>(1,423)</u>	<u>(1,792,933)</u>	<u>(1,625,401)</u>
<b>Other financing sources (uses):</b>						
General obligation bonds issued	-	-	-	-	-	-
Premium on general obligation bonds	-	-	-	-	-	-
Transfers in:						
General Fund	-	-	-	-	-	-
2014 Motive Equipment fund	-	-	-	-	-	-
2014 2/3rds Bonds fund	750,000	-	-	-	-	-
2015 Pay-Go fund	3,436,338	-	-	-	-	-
2016 2/3rds Bonds fund	719,354	-	-	-	-	-
Transfers out:						
General Fund	-	-	(10,826)	(57,551)	-	-
2016 Motive Equipment fund	-	-	-	(256,023)	-	-
2009 Phillips Building fund	-	-	-	-	-	(750,000)
2016 Pay-Go fund	-	-	-	-	-	-
Total other financing sources (uses)	<u>4,905,692</u>	<u>-</u>	<u>(10,826)</u>	<u>(313,574)</u>	<u>-</u>	<u>(750,000)</u>
<b>Net change in fund balances</b>	<u>219,175</u>	<u>(268,665)</u>	<u>(12,781)</u>	<u>(314,997)</u>	<u>(1,792,933)</u>	<u>(2,375,401)</u>
Fund balance - June 30, 2016	825,791	1,007,538	12,781	314,997	2,875,791	2,474,733
<b>Fund balance - June 30, 2017</b>	<u>\$ 1,044,966</u>	<u>738,873</u>	<u>-</u>	<u>-</u>	<u>1,082,858</u>	<u>99,332</u>

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

**NONMAJOR CAPITAL PROJECTS FUNDS**

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2017

	<b>2014 WSFCS Capital Maintenance</b>	<b>2014 FTCC Capital Maintenance</b>	<b>2015 WSFCS Facilities</b>	<b>2015 Pay-Go</b>	<b>2016 Motive Equipment Replacement</b>
<b>Revenues:</b>					
Intergovernmental	\$ -	-	-	-	164,103
Charges for services	-	-	-	-	14,782
Investment earnings	19,132	3,251	5,085	19,438	2,659
Other	-	-	-	-	168,615
<b>Total revenues</b>	<b>19,132</b>	<b>3,251</b>	<b>5,085</b>	<b>19,438</b>	<b>350,159</b>
<b>Expenditures:</b>					
Current:					
Intergovernmental - education	3,624,780	855,289	1,191,743	-	-
Debt service - interest and other charges	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	317,418
Public safety	-	-	-	-	1,138,851
Culture and recreation	-	-	-	-	-
<b>Total expenditures</b>	<b>3,624,780</b>	<b>855,289</b>	<b>1,191,743</b>	<b>-</b>	<b>1,456,269</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(3,605,648)</b>	<b>(852,038)</b>	<b>(1,186,658)</b>	<b>19,438</b>	<b>(1,106,110)</b>
<b>Other financing sources (uses):</b>					
General obligation bonds issued	-	-	-	-	-
Premium on general obligation bonds	-	-	-	-	-
Transfers in:					
General Fund	-	-	-	-	1,513,000
2014 Motive Equipment fund	-	-	-	-	256,023
2014 2/3rds Bonds fund	-	-	-	-	-
2015 Pay-Go fund	-	-	-	-	-
2016 2/3rds Bonds fund	-	-	-	-	-
Transfers out:					
General Fund	-	-	-	(23,447)	-
2016 Motive Equipment fund	-	-	-	-	-
2009 Phillips Building fund	-	-	-	(3,436,338)	-
2016 Pay-Go fund	-	-	-	(200,000)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,659,785)</b>	<b>1,769,023</b>
<b>Net change in fund balances</b>	<b>(3,605,648)</b>	<b>(852,038)</b>	<b>(1,186,658)</b>	<b>(3,640,347)</b>	<b>662,913</b>
Fund balance - June 30, 2016	5,050,851	1,303,992	1,344,171	3,640,347	-
<b>Fund balance - June 30, 2017</b>	<b>\$ 1,445,203</b>	<b>451,954</b>	<b>157,513</b>	<b>-</b>	<b>662,913</b>

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

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**NONMAJOR CAPITAL PROJECTS FUNDS**

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2017

	<b>2016 New Family Museum</b>	<b>2016 2/3rds Bonds</b>	<b>2016 WSFCS Capital Maintenance</b>	<b>2016 FTCC Capital Maintenance</b>	<b>2016 Pay-Go</b>
<b>Revenues:</b>					
Intergovernmental	\$ 1,000,000	-	-	-	-
Charges for services	-	-	-	-	-
Investment earnings	2,847	10,288	22,817	4,188	11,934
Other	-	-	-	-	-
Total revenues	<u>1,002,847</u>	<u>10,288</u>	<u>22,817</u>	<u>4,188</u>	<u>11,934</u>
<b>Expenditures:</b>					
Current:					
Intergovernmental - education	-	-	904,085	297,882	-
Debt service - interest and other charges	-	-	-	-	-
Capital outlay:					
General government	-	150,918	-	-	-
Public safety	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	<u>-</u>	<u>150,918</u>	<u>904,085</u>	<u>297,882</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,002,847</u>	<u>(140,630)</u>	<u>(881,268)</u>	<u>(293,694)</u>	<u>11,934</u>
<b>Other financing sources (uses):</b>					
General obligation bonds issued	-	5,651,835	8,006,766	2,166,537	-
Premium on general obligation bonds	-	348,558	493,790	133,614	-
Transfers in:					
General Fund	-	-	1,735,000	-	4,200,876
2014 Motive Equipment fund	-	-	-	-	-
2014 2/3rds Bonds fund	-	-	-	-	-
2015 Pay-Go fund	-	-	-	-	200,000
2016 2/3rds Bonds fund	-	-	-	-	-
Transfers out:					
General Fund	-	-	-	-	-
2016 Motive Equipment fund	-	-	-	-	-
2009 Phillips Building fund	-	(719,354)	-	-	-
2016 Pay-Go fund	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>5,281,039</u>	<u>10,235,556</u>	<u>2,300,151</u>	<u>4,400,876</u>
<b>Net change in fund balances</b>	1,002,847	5,140,409	9,354,288	2,006,457	4,412,810
Fund balance - June 30, 2016	-	-	-	-	-
<b>Fund balance - June 30, 2017</b>	<u>\$ 1,002,847</u>	<u>5,140,409</u>	<u>9,354,288</u>	<u>2,006,457</u>	<u>4,412,810</u>

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

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**NONMAJOR CAPITAL PROJECTS FUNDS**

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2017

	2016 Forsyth Technical Community <u>College Facilities</u>	2016 Parks and Recreation <u>Facilities</u>	2017 Court <u>Facilities</u>	2017 Idols Road Business <u>Park</u>	<u>Total</u>
<b>Revenues:</b>					
Intergovernmental	\$ -	-	-	-	1,164,103
Charges for services	-	-	-	-	14,782
Investment earnings	30,332	7,000	9,462	-	175,096
Other	-	-	-	-	168,615
Total revenues	<u>30,332</u>	<u>7,000</u>	<u>9,462</u>	<u>-</u>	<u>1,522,596</u>
<b>Expenditures:</b>					
Current:					
Intergovernmental - education	-	-	-	-	8,677,298
Debt service - interest and other charges	37,245	8,595	-	-	45,840
Capital outlay:					
General government	-	-	-	-	2,159,669
Public safety	-	-	-	-	5,836,530
Culture and recreation	-	-	-	-	211,026
Total expenditures	<u>37,245</u>	<u>8,595</u>	<u>-</u>	<u>-</u>	<u>16,930,363</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(6,913)</u>	<u>(1,595)</u>	<u>9,462</u>	<u>-</u>	<u>(15,407,767)</u>
<b>Other financing sources (uses):</b>					
General obligation bonds issued	15,510,814	3,579,419	4,709,862	-	39,625,233
Premium on general obligation bonds	739,277	170,602	290,465	-	2,176,306
Transfers in:					
General Fund	-	-	-	-	7,448,876
2014 Motive Equipment fund	-	-	-	-	256,023
2014 2/3rds Bonds fund	-	-	-	-	750,000
2015 Pay-Go fund	-	-	-	-	3,636,338
2016 2/3rds Bonds fund	-	-	-	-	719,354
Transfers out:					
General Fund	-	-	-	-	(91,824)
2016 Motive Equipment fund	-	-	-	-	(256,023)
2009 Phillips Building fund	-	-	-	-	(4,905,692)
2016 Pay-Go fund	-	-	-	-	(200,000)
Total other financing sources (uses)	<u>16,250,091</u>	<u>3,750,021</u>	<u>5,000,327</u>	<u>-</u>	<u>49,158,591</u>
<b>Net change in fund balances</b>	16,243,178	3,748,426	5,009,789	-	33,750,824
Fund balance - June 30, 2016	-	-	-	-	18,850,992
<b>Fund balance - June 30, 2017</b>	<u><u>\$ 16,243,178</u></u>	<u><u>3,748,426</u></u>	<u><u>5,009,789</u></u>	<u><u>-</u></u>	<u><u>52,601,816</u></u>

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

**D-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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues:</b>				
Investment earnings	\$ -	40,473	8,172	32,301
Other	-	50,030	-	50,030
Total revenues	<u>-</u>	<u>90,503</u>	<u>8,172</u>	<u>82,331</u>
<b>Expenditures:</b>				
Phase 1A:				
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	25,047,310	768,787	24,278,523
Level 4 Upfit: Capital outlay - public safety - probation and parole	4,905,692	3,925,902	3,925,902	-
Total expenditures	<u>41,015,692</u>	<u>38,359,098</u>	<u>4,694,689</u>	<u>33,664,409</u>
<b>Deficiency of revenues over expenditures</b>	<u>(41,015,692)</u>	<u>(38,268,595)</u>	<u>(4,686,517)</u>	<u>(33,582,078)</u>
<b>Other financing sources:</b>				
Limited obligation bonds issued	36,110,000	31,290,000	-	31,290,000
Premium on limited obligation bonds	-	3,117,869	-	3,117,869
Transfer from 2014 2/3rds Bonds fund	750,000	750,000	750,000	-
Transfer from 2015 Pay-Go fund	3,436,338	3,436,338	3,436,338	-
Transfer from 2016 2/3rds Bonds fund	719,354	719,354	719,354	-
Total other financing sources	<u>41,015,692</u>	<u>39,313,561</u>	<u>4,905,692</u>	<u>34,407,869</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>1,044,966</u>	<u>219,175</u>	<u>825,791</u>
Fund balance - June 30, 2016			<u>825,791</u>	
<b>Fund balance - June 30, 2017</b>			<u>\$ 1,044,966</u>	

**2012 2/3rds BONDS FUND**

**D-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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues</b> - investment earnings	\$ -	7,866	3,610	4,256
<b>Expenditures:</b>				
Debt service - interest and other charges	250,000	134,743	-	134,743
Capital outlay:				
General Government:				
Hall of Justice renovation	1,250,000	717,223	258,794	458,429
Capital repair and maintenance	1,500,000	1,490,085	13,481	1,476,604
Culture and recreation - Park maintenance projects	1,834,904	1,835,539	-	1,835,539
Total expenditures	<u>4,834,904</u>	<u>4,177,590</u>	<u>272,275</u>	<u>3,905,315</u>
<b>Deficiency of revenues over expenditures</b>	<u>(4,834,904)</u>	<u>(4,169,724)</u>	<u>(268,665)</u>	<u>(3,901,059)</u>
<b>Other financing sources (uses):</b>				
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	(165,096)	(165,096)	-	(165,096)
Total other financing sources (uses)	<u>4,834,904</u>	<u>4,908,597</u>	<u>-</u>	<u>4,908,597</u>
<b>Net change in fund balance</b>	\$ <u>-</u>	<u>738,873</u>	<u>(268,665)</u>	<u>1,007,538</u>
Fund balance - June 30, 2016			1,007,538	
<b>Fund balance - June 30, 2017</b>			\$ <u>738,873</u>	

**2012 PAY-GO FUND**

**D-5**

**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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues:</b>				
Investment earnings	\$ 19,840	24,760	-	24,760
Other revenue	47,359	47,359	-	47,359
Total revenues	<u>67,199</u>	<u>72,119</u>	<u>-</u>	<u>72,119</u>
<b>Expenditures:</b>				
Capital outlay:				
General government: Government Center upfit	359,929	354,023	1,955	352,068
Public safety:				
LEDC energy project	240,000	240,000	-	240,000
Phillips Building upfit	63,662	63,662	-	63,662
Public health: Government Center level 5 upfit	314,049	314,049	-	314,049
Total expenditures	<u>977,640</u>	<u>971,734</u>	<u>1,955</u>	<u>969,779</u>
<b>Deficiency of revenues over expenditures</b>	<u>(910,441)</u>	<u>(899,615)</u>	<u>(1,955)</u>	<u>(897,660)</u>
<b>Other financing sources (uses):</b>				
Transfer from General Fund	3,088,000	3,077,174	(10,826)	3,088,000
Transfer to 2015 Pay-Go fund	(2,177,559)	(2,177,559)	-	(2,177,559)
Total other financing sources (uses)	<u>910,441</u>	<u>899,615</u>	<u>(10,826)</u>	<u>910,441</u>
<b>Net change in fund balance</b>	\$ <u>-</u>	<u>-</u>	<u>(12,781)</u>	<u>12,781</u>
Fund balance - June 30, 2016			12,781	
<b>Fund balance - June 30, 2017</b>			\$ <u>-</u>	

**2014 MOTIVE EQUIPMENT REPLACEMENT FUND**

**D-6**

**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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues:</b>				
Intergovernmental	\$ 237,758	284,738	-	284,738
Charges for services	21,553	25,804	-	25,804
Investment earnings	6,228	8,261	1,567	6,694
Other revenue	224,057	224,057	-	224,057
Total revenues	<u>489,596</u>	<u>542,860</u>	<u>1,567</u>	<u>541,293</u>
<b>Expenditures:</b>				
Capital outlay:				
General government - Non-emergency fleet	473,896	469,609	-	469,609
Public safety:				
Animal control	189,855	189,855	-	189,855
Emergency services	1,317,203	1,317,203	-	1,317,203
Sheriff	1,493,950	1,493,950	2,990	1,490,960
Total expenditures	<u>3,474,904</u>	<u>3,470,617</u>	<u>2,990</u>	<u>3,467,627</u>
<b>Deficiency of revenues over expenditures</b>	<u>(2,985,308)</u>	<u>(2,927,757)</u>	<u>(1,423)</u>	<u>(2,926,334)</u>
<b>Other financing sources (uses):</b>				
Transfer from (to) General Fund	2,980,145	2,922,594	(57,551)	2,980,145
Transfer from 2012 Motive Equipment Fund	261,186	261,186	-	261,186
Transfer to 2016 Motive Equipment fund	(256,023)	(256,023)	(256,023)	-
Total other financing sources (uses)	<u>2,985,308</u>	<u>2,927,757</u>	<u>(313,574)</u>	<u>3,241,331</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>-</u>	<u>(314,997)</u>	<u>314,997</u>
Fund balance - June 30, 2016			314,997	
<b>Fund balance - June 30, 2017</b>			<u>\$ -</u>	

## 2014 FTCC CAROLINA BUILDING RENOVATION FUND

D-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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues</b> - investment earnings	\$ -	38,419	10,586	27,833
<b>Expenditures:</b>				
Current - intergovernmental - education	3,600,000	2,555,561	1,803,519	752,042
<b>Deficiency of revenues over expenditures</b>	<u>(3,600,000)</u>	<u>(2,517,142)</u>	<u>(1,792,933)</u>	<u>(724,209)</u>
<b>Other financing sources:</b>				
Transfer from General Fund	3,600,000	3,600,000	-	3,600,000
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>1,082,858</u>	<u>(1,792,933)</u>	<u>2,875,791</u>
Fund balance - June 30, 2016			2,875,791	
<b>Fund balance - June 30, 2017</b>			<u>\$ 1,082,858</u>	

## 2014 2/3rds BONDS FUND

D-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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues</b> - investment earnings	\$ -	12,497	2,728	9,769
<b>Expenditures:</b>				
Debt service - interest and other charges	19,982	18,167	-	18,167
Capital outlay:				
Culture and recreation: Park maintenance	1,138,238	1,138,229	211,026	927,203
General Government: Capital repair and maintenance	3,314,899	3,229,888	1,417,103	1,812,785
Total expenditures	<u>4,473,119</u>	<u>4,386,284</u>	<u>1,628,129</u>	<u>2,758,155</u>
<b>Deficiency of revenues over expenditures</b>	<u>(4,473,119)</u>	<u>(4,373,787)</u>	<u>(1,625,401)</u>	<u>(2,748,386)</u>
<b>Other financing sources (uses):</b>				
General obligation bonds issued	4,750,000	4,750,000	-	4,750,000
Premium on general obligation bonds	418,854	418,854	-	418,854
Transfer from 2009 2/3rds Bonds fund	54,265	54,265	-	54,265
Transfer to 2009 Phillips Building fund	(750,000)	(750,000)	(750,000)	-
Total other financing sources	<u>4,473,119</u>	<u>4,473,119</u>	<u>(750,000)</u>	<u>5,223,119</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>99,332</u>	<u>(2,375,401)</u>	<u>2,474,733</u>
Fund balance - June 30, 2016			2,474,733	
<b>Fund balance - June 30, 2017</b>			<u>\$ 99,332</u>	



**2014 WINSTON-SALEM/FORSYTH COUNTY SCHOOLS CAPITAL MAINTENANCE FUND** **D-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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues</b> - investment earnings	\$ -	36,867	19,132	17,735
<b>Expenditures:</b>				
Debt service - interest and other charges	27,343	24,860	-	24,860
Current - intergovernmental - education	10,515,826	9,109,973	3,624,780	5,485,193
Total expenditures	<u>10,543,169</u>	<u>9,134,833</u>	<u>3,624,780</u>	<u>5,510,053</u>
<b>Deficiency of revenues over expenditures</b>	<u>(10,543,169)</u>	<u>(9,097,966)</u>	<u>(3,605,648)</u>	<u>(5,492,318)</u>
<b>Other financing sources:</b>				
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	3,470,000	3,470,000	-	3,470,000
Total other financing sources	<u>10,543,169</u>	<u>10,543,169</u>	<u>-</u>	<u>10,543,169</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>1,445,203</u>	<u>(3,605,648)</u>	<u>5,050,851</u>
Fund balance - June 30, 2016			5,050,851	
<b>Fund balance - June 30, 2017</b>			<u>\$ 1,445,203</u>	

**2014 FORSYTH TECHNICAL COMMUNITY COLLEGE CAPITAL MAINTENANCE FUND** **D-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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues</b> - investment earnings	\$ -	6,920	3,251	3,669
<b>Expenditures:</b>				
Debt service - interest and other charges	9,675	8,796	-	8,796
Current - intergovernmental - education	2,493,138	2,048,983	855,289	1,193,694
Total expenditures	<u>2,502,813</u>	<u>2,057,779</u>	<u>855,289</u>	<u>1,202,490</u>
<b>Deficiency of revenues over expenditures</b>	<u>(2,502,813)</u>	<u>(2,050,859)</u>	<u>(852,038)</u>	<u>(1,198,821)</u>
<b>Other financing sources:</b>				
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	<u>2,502,813</u>	<u>2,502,813</u>	<u>-</u>	<u>2,502,813</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>451,954</u>	<u>(852,038)</u>	<u>1,303,992</u>
Fund balance - June 30, 2016			1,303,992	
<b>Fund balance - June 30, 2017</b>			<u>\$ 451,954</u>	

**2015 WINSTON-SALEM/FORSYTH COUNTY SCHOOLS FACILITIES 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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues - investment earnings</b>	\$ -	12,018	5,085	6,933
<b>Expenditures:</b>				
Current - intergovernmental - education	1,681,000	1,535,505	1,191,743	343,762
<b>Deficiency of revenues over expenditures</b>	<u>(1,681,000)</u>	<u>(1,523,487)</u>	<u>(1,186,658)</u>	<u>(336,829)</u>
<b>Other financing sources:</b>				
Transfer from General Fund	1,681,000	1,681,000	-	1,681,000
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>157,513</u>	<u>(1,186,658)</u>	<u>1,344,171</u>
Fund balance - June 30, 2016			1,344,171	
<b>Fund balance - June 30, 2017</b>			<u>\$ 157,513</u>	

**2015 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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues - investment earnings</b>	\$ -	23,447	19,438	4,009
<b>Expenditures:</b>				
Community and economic development:				
Arts Council Downtown Support	400,000	400,000	-	400,000
Total expenditures	400,000	400,000	-	400,000
<b>Deficiency of revenues over expenditures</b>	<u>(400,000)</u>	<u>(376,553)</u>	<u>19,438</u>	<u>(395,991)</u>
<b>Other financing sources (uses):</b>				
Transfer from (to) General Fund	1,127,626	1,104,179	(23,447)	1,127,626
Transfer from 2012 Pay-Go	2,177,559	2,177,559	-	2,177,559
Transfer from 2013 Pay-Go	731,153	731,153	-	731,153
Transfer to 2009 Phillips Building fund	(3,436,338)	(3,436,338)	(3,436,338)	-
Transfer to 2016 Pay-Go	(200,000)	(200,000)	(200,000)	-
Total other financing sources (uses)	400,000	376,553	(3,659,785)	4,036,338
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>-</u>	<u>(3,640,347)</u>	<u>3,640,347</u>
Fund balance - June 30, 2016			3,640,347	
<b>Fund balance - June 30, 2017</b>			<u>\$ -</u>	

## 2016 MOTIVE EQUIPMENT REPLACEMENT 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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues:</b>				
Intergovernmental	\$ 96,400	164,103	164,103	-
Charges for services	8,800	14,782	14,782	-
Investment earnings	-	2,659	2,659	-
Other revenue	169,269	168,615	168,615	-
<b>Total revenues</b>	<u>274,469</u>	<u>350,159</u>	<u>350,159</u>	<u>-</u>
<b>Expenditures:</b>				
Capital outlay:				
General government - Non-emergency fleet	327,555	317,418	317,418	-
Public safety:				
Animal control	90,946	79,453	79,453	-
Emergency services	640,405	533,733	533,733	-
Sheriff	968,556	525,665	525,665	-
Culture and recreation - Parks and recreation	16,030	-	-	-
<b>Total expenditures</b>	<u>2,043,492</u>	<u>1,456,269</u>	<u>1,456,269</u>	<u>-</u>
<b>Deficiency of revenues over expenditures</b>	<u>(1,769,023)</u>	<u>(1,106,110)</u>	<u>(1,106,110)</u>	<u>-</u>
<b>Other financing sources:</b>				
Transfer from General Fund	1,513,000	1,513,000	1,513,000	-
Transfer from 2014 Motive Equipment Fund	256,023	256,023	256,023	-
<b>Total other financing sources</b>	<u>1,769,023</u>	<u>1,769,023</u>	<u>1,769,023</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>662,913</u>	<u>662,913</u>	<u>-</u>
Fund balance - June 30, 2016			-	
<b>Fund balance - June 30, 2017</b>			<u>\$ 662,913</u>	

**2016 NEW FAMILY MUSEUM**

**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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues:</b>	\$			
Intergovernmental	1,000,000	1,000,000	1,000,000	-
Investment earnings	-	2,847	2,847	-
Other revenue	14,340,000	-	-	-
<b>Total revenues</b>	<u>15,340,000</u>	<u>1,002,847</u>	<u>1,002,847</u>	<u>-</u>
<b>Expenditures:</b>				
Current - culture and recreation	500,000	-	-	-
Capital outlay - culture and recreation	17,340,000	-	-	-
<b>Total expenditures</b>	<u>17,840,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deficiency of revenues over expenditures</b>	<u>(2,500,000)</u>	<u>1,002,847</u>	<u>1,002,847</u>	<u>-</u>
<b>Other financing sources:</b>				
Transfer from General Fund	2,500,000	-	-	-
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>1,002,847</u>	<u>1,002,847</u>	<u>-</u>
Fund balance - June 30, 2016			-	
<b>Fund balance - June 30, 2017</b>			<u>\$ 1,002,847</u>	

**2016 2/3rds BONDS 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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues - investment earnings</b>	\$ -	10,288	10,288	-
<b>Expenditures:</b>				
Capital outlay:				
General Government	3,280,646	150,918	150,918	-
Culture and recreation	2,000,000	-	-	-
Total expenditures	<u>5,280,646</u>	<u>150,918</u>	<u>150,918</u>	<u>-</u>
<b>Deficiency of revenues over expenditures</b>	<u>(5,280,646)</u>	<u>(140,630)</u>	<u>(140,630)</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
General obligation bonds issued	6,000,000	5,651,835	5,651,835	-
Premium on general obligation bonds	-	348,558	348,558	-
Transfer to 2009 Phillips Building fund	(719,354)	(719,354)	(719,354)	-
Total other financing sources (uses)	<u>5,280,646</u>	<u>5,281,039</u>	<u>5,281,039</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>5,140,409</u>	<u>5,140,409</u>	<u>-</u>
Fund balance - June 30, 2016			-	
<b>Fund balance - June 30, 2017</b>			<u>\$ 5,140,409</u>	

**2016 WINSTON-SALEM/FORSYTH COUNTY SCHOOLS CAPITAL MAINTENANCE 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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues - investment earnings</b>	\$ -	22,817	22,817	-
<b>Expenditures:</b>				
Debt service - interest and other charges	-	-	-	-
Current - intergovernmental - education	10,235,000	904,085	904,085	-
Total expenditures	<u>10,235,000</u>	<u>904,085</u>	<u>904,085</u>	<u>-</u>
<b>Deficiency of revenues over expenditures</b>	<u>(10,235,000)</u>	<u>(881,268)</u>	<u>(881,268)</u>	<u>-</u>
<b>Other financing sources:</b>				
General obligation bonds issued	8,500,000	8,006,766	8,006,766	-
Premium on general obligation bonds	-	493,790	493,790	-
Transfer from General Fund	1,735,000	1,735,000	1,735,000	-
Total other financing sources	<u>10,235,000</u>	<u>10,235,556</u>	<u>10,235,556</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>9,354,288</u>	<u>9,354,288</u>	<u>-</u>
Fund balance - June 30, 2016			-	
<b>Fund balance - June 30, 2017</b>			<u>\$ 9,354,288</u>	

**2016 FORSYTH TECHNICAL COMMUNITY COLLEGE CAPITAL MAINTENANCE FUND** **D-17**  
**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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues</b> - investment earnings	\$ -	4,188	4,188	-
<b>Expenditures:</b>				
Debt service - interest and other charges	-	-	-	-
Current - intergovernmental - education	2,300,000	297,882	297,882	-
Total expenditures	<u>2,300,000</u>	<u>297,882</u>	<u>297,882</u>	<u>-</u>
<b>Deficiency of revenues over expenditures</b>	<u>(2,300,000)</u>	<u>(293,694)</u>	<u>(293,694)</u>	<u>-</u>
<b>Other financing sources:</b>				
General obligation bonds issued	2,300,000	2,166,537	2,166,537	-
Premium on general obligation bonds	-	133,614	133,614	-
Total other financing sources	<u>2,300,000</u>	<u>2,300,151</u>	<u>2,300,151</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>2,006,457</u>	<u>2,006,457</u>	<u>-</u>
Fund balance - June 30, 2016			-	
<b>Fund balance - June 30, 2017</b>			<u>\$ 2,006,457</u>	

**2016 PAY-GO FUND** **D-18**  
**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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues</b> - investment earnings	\$ -	11,934	11,934	-
<b>Expenditures:</b>				
Current -				
Culture and recreation	275,000	-	-	-
Community and economic development	175,000	-	-	-
Capital Outlay - general government	480,000	-	-	-
Unallocated	3,470,876	-	-	-
Total expenditures	<u>4,400,876</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deficiency of revenues over expenditures</b>	<u>(4,400,876)</u>	<u>11,934</u>	<u>11,934</u>	<u>-</u>
<b>Other financing sources:</b>				
Transfer from General Fund	4,200,876	4,200,876	4,200,876	-
Transfer from 2015 Pay-Go	200,000	200,000	200,000	-
Total other financing sources	<u>4,400,876</u>	<u>4,400,876</u>	<u>4,400,876</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>4,412,810</u>	<u>4,412,810</u>	<u>-</u>
Fund balance - June 30, 2016			-	
<b>Fund balance - June 30, 2017</b>			<u>\$ 4,412,810</u>	

**2016 FORSYTH TECHNICAL COMMUNITY COLLEGE 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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues - investment earnings</b>	\$ 151,163	30,332	30,332	-
<b>Expenditures:</b>				
Debt service - interest and other charges	151,163	37,245	37,245	-
Current - intergovernmental - education	65,000,000	-	-	-
Total expenditures	<u>65,151,163</u>	<u>37,245</u>	<u>37,245</u>	<u>-</u>
<b>Deficiency of revenues over expenditures</b>	<u>(65,000,000)</u>	<u>(6,913)</u>	<u>(6,913)</u>	<u>-</u>
<b>Other financing sources:</b>				
General obligation bonds issued	65,000,000	15,510,814	15,510,814	-
Premium on general obligation bonds	-	739,277	739,277	-
Total other financing sources	<u>65,000,000</u>	<u>16,250,091</u>	<u>16,250,091</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>16,243,178</u>	<u>16,243,178</u>	<u>-</u>
Fund balance - June 30, 2016			-	
<b>Fund balance - June 30, 2017</b>			<u>\$ 16,243,178</u>	

**2016 PARKS AND RECREATION FACILITIES FUND**

**D-20**

**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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues - investment earnings</b>	\$ 34,884	7,000	7,000	-
<b>Expenditures:</b>				
Debt service - interest and other charges	34,884	8,595	8,595	-
Capital outlay - culture and recreation	15,000,000	-	-	-
Total expenditures	<u>15,034,884</u>	<u>8,595</u>	<u>8,595</u>	<u>-</u>
<b>Deficiency of revenues over expenditures</b>	<u>(15,000,000)</u>	<u>(1,595)</u>	<u>(1,595)</u>	<u>-</u>
<b>Other financing sources:</b>				
General obligation bonds issued	15,000,000	3,579,419	3,579,419	-
Premium on general obligation bonds	-	170,602	170,602	-
Total other financing sources	<u>15,000,000</u>	<u>3,750,021</u>	<u>3,750,021</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>3,748,426</u>	<u>3,748,426</u>	<u>-</u>
Fund balance - June 30, 2016			-	
<b>Fund balance - June 30, 2017</b>			<u>\$ 3,748,426</u>	

**2017 COURT FACILITIES FUND**

**D-21**

**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, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues - investment earnings</b>	\$ -	9,462	9,462	-
<b>Expenditures:</b>				
Capital outlay - general government	5,000,000	-	-	-
<b>Deficiency of revenues over expenditures</b>	<u>(5,000,000)</u>	<u>9,462</u>	<u>9,462</u>	<u>-</u>
<b>Other financing sources:</b>				
General obligation bonds issued	5,000,000	4,709,862	4,709,862	-
Premium on general obligation bonds	-	290,465	290,465	-
Total other financing sources	<u>5,000,000</u>	<u>5,000,327</u>	<u>5,000,327</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>5,009,789</u>	<u>5,009,789</u>	<u>-</u>
Fund balance - June 30, 2016			-	
<b>Fund balance - June 30, 2017</b>			<u>\$ 5,009,789</u>	

**2017 IDOLS ROAD BUSINESS PARK FUND**

**D-22**

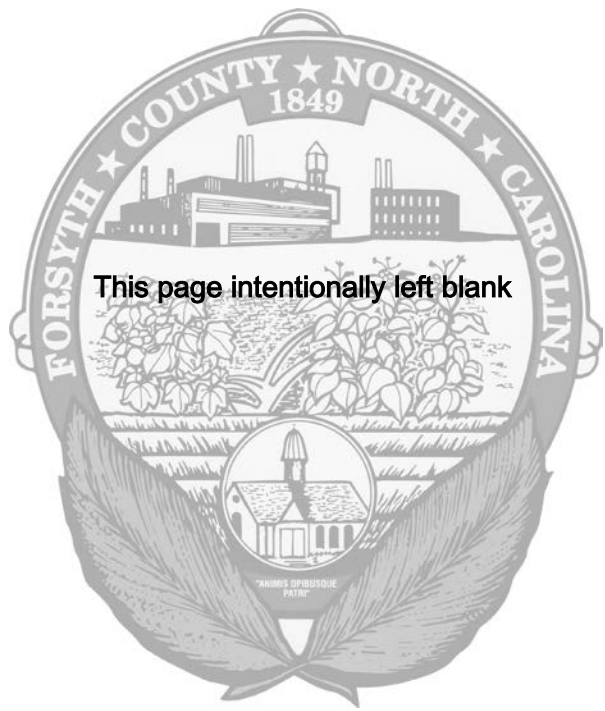
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2017

	<u>Budget</u>	<u>Cumulative Total to June 30, 2017</u>	<u>Activity Year Ended June 30, 2017</u>	<u>Cumulative Total to June 30, 2016</u>
<b>Revenues:</b>	\$			
Intergovernmental	690,000	-	-	-
Other revenue	499,500	-	-	-
Total revenues	<u>1,189,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Current -				
Community and economic development	790,000	-	-	-
Unallocated	399,500	-	-	-
Total expenditures	<u>1,189,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deficiency of revenues over expenditures</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - June 30, 2016			-	
<b>Fund balance - June 30, 2017</b>			<u>\$ -</u>	





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# Fiduciary Funds

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## 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 funds held by the Social Services Department as an agent for clients.

**Sheriff Fund** – This fund is used to account for funds held by the Sheriff's Office as a result of gathering evidence or executing court orders.

# COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

E-1

## AGENCY FUNDS

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2017

	<u>Tax</u>	<u>Fines and Forfeitures</u>	<u>Protective Payee</u>	<u>Sheriff</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents / investments	\$ 671,056	5,528	147,268	123,602	947,454
Receivables:					
Property taxes	3,129,898	-	-	-	3,129,898
Accrued interest	-	-	71	-	71
<b>Total assets</b>	<u>3,800,954</u>	<u>5,528</u>	<u>147,339</u>	<u>123,602</u>	<u>4,077,423</u>
<b>LIABILITIES</b>					
Due to other governments	3,800,954	5,528	-	-	3,806,482
Other liabilities	-	-	147,339	123,602	270,941
<b>Total liabilities</b>	<u>3,800,954</u>	<u>5,528</u>	<u>147,339</u>	<u>123,602</u>	<u>4,077,423</u>
<b>NET POSITION</b>	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

# COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

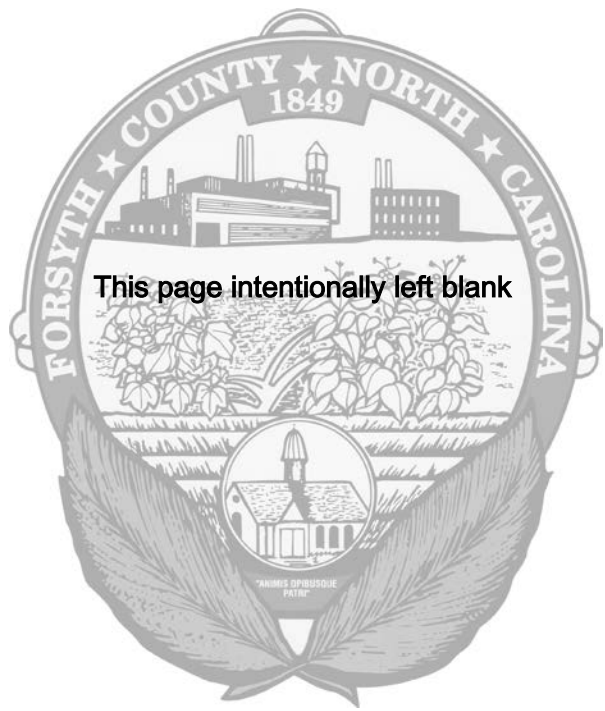
E-2

## AGENCY FUNDS

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2017

	<u>June 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2017</u>
<b><u>TAX AGENCY</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents / investments	\$ 422,759	395,704,405	395,456,108	671,056
Receivables - property taxes	3,608,621	370,422,067	370,900,790	3,129,898
<b>Total assets</b>	<b>\$ 4,031,380</b>	<b>766,126,472</b>	<b>766,356,898</b>	<b>3,800,954</b>
<b>LIABILITIES</b>				
Due to other governments	\$ 4,031,380	527,183,358	527,413,784	3,800,954
<b><u>FINES AND FORFEITURES</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents / investments	\$ 262,673	1,895,662	2,152,807	5,528
<b>LIABILITIES</b>				
Due to other governments	\$ 262,673	1,895,662	2,152,807	5,528
<b><u>PROTECTIVE PAYEE</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents / investments	\$ 128,631	446,739	428,102	147,268
Receivables - accrued interest	77	1,200	1,206	71
<b>Total assets</b>	<b>\$ 128,708</b>	<b>447,939</b>	<b>429,308</b>	<b>147,339</b>
<b>LIABILITIES</b>				
Other liabilities	\$ 128,708	446,733	428,102	147,339
<b><u>SHERIFF AGENCY</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents / investments	\$ 95,059	433,539	404,996	123,602
<b>LIABILITIES</b>				
Other liabilities	\$ 95,059	435,216	406,673	123,602
<b><u>TOTAL - ALL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents / investments	\$ 909,122	398,480,345	398,442,013	947,454
Receivables:				
Property taxes	3,608,621	370,422,067	370,900,790	3,129,898
Accrued interest	77	1,200	1,206	71
<b>Total assets</b>	<b>\$ 4,517,820</b>	<b>768,903,612</b>	<b>769,344,009</b>	<b>4,077,423</b>
<b>LIABILITIES</b>				
Due to other governments	\$ 4,294,053	529,079,020	529,566,591	3,806,482
Other liabilities	223,767	881,949	834,775	270,941
<b>Total liabilities</b>	<b>\$ 4,517,820</b>	<b>529,960,969</b>	<b>530,401,366</b>	<b>4,077,423</b>



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## Other Schedules

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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**

**F-1**

**GENERAL FUND**

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2017

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2016</u>	<u>Additions Net of Releases</u>	<u>Collections And Credits</u>	<u>Writeoffs</u>	<u>Uncollected Balance June 30, 2017</u>
2016 - 2017	\$ -	246,544,840	244,417,516	-	2,127,324
2015 - 2016	2,129,106	(255,539)	1,200,948	-	672,619
2014 - 2015	768,086	(229,598)	49,856	-	488,632
2013 - 2014	1,138,788	(305,147)	(103,161)	443,815	492,987
2012 - 2013	481,637	(21,887)	80,089	-	379,661
2011 - 2012	400,870	(8,191)	49,094	-	343,585
2010 - 2011	348,267	(1,144)	39,242	-	307,881
2009 - 2010	300,983	(757)	42,065	-	258,161
2008 - 2009	252,074	745	21,337	-	231,482
2007 - 2008	174,873	(427)	7,887	166,559	-
	<u>\$ 5,994,684</u>	<u>245,722,895</u>	<u>245,804,873</u>	<u>610,374</u>	<u>5,302,332</u>

Less: allowance for uncollectible accounts:

General Fund

(3,306,070)

Ad valorem taxes receivable - net:

General Fund

\$ 1,996,262

Reconciliation with revenues:

Property taxes - General Fund

\$ 246,512,903

Penalties collected on ad valorem taxes -

Fines and Forfeitures Fund

200,786

Reconciling items:

Interest and fees collected

\$ (956,694)

Refunds

126,741

Collection of taxes previously written off

(78,863)

Total reconciling items

(908,816)

Total collections and credits

\$ 245,804,873

# ANALYSIS OF CURRENT TAX LEVY

F-2

## COUNTYWIDE LEVY

FORSYTH COUNTY, NORTH CAROLINA  
For the Fiscal Year Ended June 30, 2017

	Countywide			Total levy	
	Property Valuation	Rate (1)	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Gross levy:					
Property taxed at current year's rate	\$ 32,903,603,809	\$ .7310	\$ 241,282,559	\$ 224,242,173	\$ 17,040,386
Motor vehicles taxed at prior year's rate: FY 14-15	2,092,563	.7168	14,999	-	14,999
FY 15-16	690,988,914	.7310	5,051,129	-	5,051,129
Penalties	-		268,045	267,984	61
Total	<u>33,596,685,286</u>		<u>246,616,732</u>	<u>224,510,157</u>	<u>22,106,575</u>
Releases	<u>(9,834,747)</u>		<u>(71,892)</u>	<u>(71,831)</u>	<u>(61)</u>
Total property valuation	<u>\$ 33,586,850,539</u>				
Net levy			246,544,840	224,438,326	22,106,514
Uncollected taxes at June 30, 2017			<u>2,127,324</u>	<u>2,126,502</u>	<u>822</u>
Current year's taxes collected			<u>\$ 244,417,516</u>	<u>\$ 222,311,824</u>	<u>\$ 22,105,692</u>
Current levy collection percentage			<u>99.14%</u>	<u>99.05%</u>	<u>99.996%</u>

### Secondary Market Disclosures:

#### Assessed Valuation:

Assessment Ratio (2)	100%
Real Property	\$ 26,875,173,026
Personal Property	6,036,628,573
Public Service Companies (3)	<u>675,048,940</u>
Total Assessed Valuation	<u>33,586,850,539</u>
Tax Rate per \$100	<u>0.7310</u>
Levy (includes discoveries, releases and abatements)	<u>\$ 246,544,840</u>

(1) The Assessed value times the tax rate will not equal the amount of levy because the levy includes discoveries and releases at prior years' rates.

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

(3) 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, 2017

<u>Taxpayer</u>	<u>Type of Business</u>		<u>2016 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
R. J. Reynolds Industries, Inc	Tobacco, Foods, Petroleum and Transportation	\$	836,644,049	2.49%
Duke Energy Corporation	Electric Utility		347,747,606	1.04%
Caterpillar Inc	Manufacturer		340,433,653	1.01%
JG Winston-Salem	Real Estate Management		203,477,018	0.61%
Wexford Science & Technology, LLC	Real Estate Development		189,496,443	0.56%
Wells Fargo Bank NA	Banking		159,398,495	0.47%
Deere-Hitachi	Manufacturer		115,952,804	0.35%
Winston Salem Healthcare	Real Estate Development		99,105,198	0.30%
Herbalife International of America	Manufacturer		97,958,003	0.29%
Wal_Mart	Retail		90,435,705	0.27%
		\$	<u>2,480,648,974</u>	<u>7.39%</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

<b>Financial Trends</b> – These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	110
<b>Revenue Capacity</b> – These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property taxes.	114
<b>Debt Capacity</b> – 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.	119
<b>Demographic and Economic Information</b> – 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.	122
<b>Operating Information</b> – 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.	124

**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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities:										
Net investment in										
capital assets	\$ 66,426,734	72,988,514	78,662,765	84,541,770	83,829,746	75,547,493	76,582,427	80,960,647	91,997,431	93,927,835
Restricted	3,980,229	3,860,233	3,704,815	31,191,934	31,151,206	36,231,000	46,204,270	38,012,456	55,613,795	43,255,799
Unrestricted	<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>	<u>(291,327,469)</u>	<u>(259,186,803)</u>
Total governmental activities net deficit	\$ <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>	<u>(143,716,243)</u>	<u>(122,003,169)</u>

## CHANGES IN NET POSITION

### FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

(accrual basis of accounting)

## Schedule 2

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental activities:										
General government	\$ 42,473,984	38,189,282	40,075,708	40,444,367	43,252,315	39,642,837	41,283,224	37,104,610	39,710,432	41,691,056
Public safety	67,092,138	68,384,497	71,544,414	71,590,553	71,455,381	69,433,724	73,826,748	73,502,755	77,733,569	80,973,981
Environmental protection	2,521,035	2,713,093	2,682,028	2,653,528	2,642,585	2,442,611	2,229,539	2,504,903	2,777,088	2,435,366
Human services	85,670,069	81,156,032	76,826,616	75,228,239	76,403,049	77,395,541	75,195,871	74,304,852	78,666,572	76,711,222
Culture and recreation	17,401,634	16,540,703	15,936,872	15,995,428	15,830,605	15,886,345	14,556,355	16,535,727	15,951,292	16,641,402
Community and economic development	2,998,916	2,777,002	4,231,621	4,541,117	6,697,889	2,795,206	4,209,903	2,936,334	4,211,266	3,840,814
Education	140,624,177	185,747,060	217,912,687	199,596,063	181,325,863	152,410,053	144,359,143	134,732,270	135,927,424	143,258,413
Interest on long-term debt	18,501,304	17,734,361	17,800,372	21,423,843	21,732,376	21,796,354	19,259,551	18,129,062	16,179,523	17,161,545
Total expenses	<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>	<u>371,157,166</u>	<u>382,713,799</u>
<b>Program revenues</b>										
Governmental activities:										
Charges for services										
General government	4,163,440	3,766,905	3,326,610	3,168,910	3,834,636	3,743,500	3,617,005	3,248,381	3,528,423	3,648,384
Public safety	17,465,407	16,039,769	15,538,279	15,837,236	16,810,834	17,540,753	17,361,145	17,605,671	17,143,278	16,137,539
Environmental protection	266,457	222,569	251,076	292,471	205,762	220,956	228,599	618,162	532,922	172,683
Human services	7,752,966	8,631,222	9,140,340	8,481,786	9,936,712	8,055,427	6,479,949	8,677,070	7,142,225	5,247,617
Culture and recreation	5,098,137	4,403,575	3,872,609	3,792,170	3,908,560	4,079,006	3,944,701	4,251,360	4,197,334	4,162,505
Community and economic development	55,552	16,988	23,587	60,793	40,954	58,979	160,528	91,515	126,263	103,560
Education	33,372	42,907	41,324	43,457	77,091	67,038	62,076	57,565	48,249	49,146
Operating grants and contributions										
General government	753,817	1,142,633	944,665	605,190	648,658	564,085	831,442	587,768	651,129	581,454
Public safety	3,698,500	4,409,705	4,870,901	4,525,900	5,259,860	4,468,936	5,436,967	5,225,898	4,325,041	4,270,996
Environmental protection	880,434	1,025,921	767,359	748,827	1,035,482	747,815	837,273	717,751	870,607	815,512
Human services	36,224,878	38,460,763	39,533,989	38,387,457	41,638,514	40,842,999	41,633,018	43,276,151	44,316,342	44,429,639
Culture and recreation	822,806	979,233	1,112,728	694,216	672,829	904,113	1,037,768	1,783,651	1,145,752	1,904,836
Community and economic development	959,624	321,981	1,666,607	2,618,897	1,011,533	713,754	339,875	422,464	476,516	329,492
Education	5,790,588	7,098,274	9,477,257	9,118,121	5,406,597	4,627,031	4,517,993	3,700,660	3,922,145	3,874,893
Capital grants and contributions										
General government	-	25,975	-	-	-	-	-	-	-	-
Total program revenues	<u>83,965,978</u>	<u>86,588,420</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>	<u>88,426,226</u>	<u>85,728,256</u>
Net expense	<u>(293,317,279)</u>	<u>(326,653,610)</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>	<u>(282,730,940)</u>	<u>(296,985,543)</u>
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Taxes: Property taxes	218,253,781	223,660,085	234,161,047	234,598,651	235,293,490	239,530,106	241,781,572	237,494,550	248,996,613	253,812,982
Local option sales taxes	73,496,042	56,381,820	49,733,084	49,565,057	52,867,275	52,933,206	52,905,448	59,852,643	61,889,139	63,841,660
Occupancy taxes	562,018	466,198	436,578	483,945	542,596	558,116	619,138	673,224	747,342	787,567
Other taxes and licenses	2,587,667	1,749,344	-	-	-	-	-	-	-	-
Gross receipts tax	-	-	242,411	271,131	290,674	314,099	363,830	408,843	430,692	475,501
Excise stamp tax	-	-	1,138,069	943,248	1,039,534	1,429,078	1,254,797	1,702,744	1,696,261	1,919,012
Grants and contributions not restricted to specific programs	1,630,835	1,644,749	3,224,786	5,840,620	5,849,059	4,572,092	3,985,233	3,784,090	3,744,478	4,028,266
Investment earnings	9,025,373	4,150,368	966,309	741,526	612,725	141,520	715,063	487,307	874,524	1,548,280
Miscellaneous	462,735	1,061,681	8,869,740	276,879	2,421,467	1,009,905	3,080,953	530,167	3,172,690	116,609
Total general revenues	<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>	<u>321,551,739</u>	<u>326,529,877</u>
<b>Change in net position - governmental activities</b>	\$ <u>12,701,172</u>	<u>(37,539,365)</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>	<u>38,820,799</u>	<u>29,544,334</u>

## FUND BALANCES OF GOVERNMENTAL FUNDS

### FORSYTH COUNTY, NORTH CAROLINA

## Schedule 3

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund										
Reserved	\$ 33,727,232	27,865,589	29,731,129							
Unreserved	86,715,440	101,701,080	113,871,426							
Nonspendable				180,133	172,691	251,658	122,250	122,250	122,250	122,250
Restricted				27,663,373	27,898,443	28,735,140	34,471,195	30,627,178	31,674,812	32,644,300
Committed				40,358,769	37,892,059	36,573,358	33,141,288	29,078,705	37,544,316	34,743,602
Assigned				15,950,543	19,235,587	13,978,806	10,031,500	27,673,036	18,603,884	19,017,695
Unassigned				62,118,267	63,057,650	63,971,070	64,817,179	58,038,886	59,187,664	59,556,713
Total General Fund	\$ 120,442,672	129,566,669	143,602,555	146,271,085	148,256,430	143,510,032	142,583,412	145,540,055	147,132,926	146,084,560
All other governmental funds										
Reserved	\$ 2,054,017	11,659,953	10,483,574							
Unreserved, reported in:										
Special revenue funds	2,103,908	884,635	(194,420)							
Capital projects funds	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	46,325,132	147,066,899
Committed				5,487,886	5,206,773	7,257,834	4,166,932	8,599,219	8,127,167	7,415,455
Assigned				-	-	-	-	-	-	-
Unassigned				(457,737)	(479,424)	(123,274)	(5,169,337)	(746,862)	(1,883,107)	(93,996)
Total all other governmental funds	\$ 84,617,447	144,969,183	58,207,508	136,809,964	73,632,624	54,796,780	29,601,618	69,107,566	52,569,192	154,388,358

**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**

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

(modified accrual basis of accounting)

**Schedule 4**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Property taxes	\$ 217,978,822	222,931,993	234,067,805	234,253,068	235,124,729	240,017,934	242,188,927	238,433,384	249,097,206	254,356,987
Occupancy taxes	562,018	466,198	436,578	483,945	542,596	558,116	619,138	673,224	747,342	787,567
Local option sales tax	73,496,042	56,381,820	49,733,084	49,565,057	52,867,275	52,933,206	52,905,448	59,852,643	61,889,139	63,841,660
Other taxes	377,837	202,959	242,411	271,131	290,674	314,099	363,830	408,843	430,692	475,501
Licenses and permits	922,548	940,488	857,450	902,447	766,104	867,200	790,379	840,176	885,379	837,632
Intergovernmental	51,239,274	55,768,601	61,855,315	63,225,328	61,804,884	57,669,048	58,735,531	59,319,667	58,522,653	59,841,104
Charges for services	24,621,408	25,129,543	24,332,511	22,884,593	23,276,406	24,945,629	23,733,229	23,624,514	23,129,592	22,105,829
Investment earnings	9,122,280	4,251,484	984,702	758,785	626,269	152,564	727,569	502,238	892,558	1,575,590
Other	8,904,354	9,379,996	16,408,473	8,944,216	12,978,204	9,041,885	10,014,487	10,780,239	10,599,508	8,630,891
Total revenues	<u>387,224,583</u>	<u>375,453,082</u>	<u>388,918,329</u>	<u>381,288,570</u>	<u>388,277,141</u>	<u>386,499,681</u>	<u>390,078,538</u>	<u>394,434,928</u>	<u>406,194,069</u>	<u>412,452,761</u>
<b>Expenditures</b>										
Current:										
General government	36,965,763	33,038,710	36,672,233	36,208,234	36,548,586	36,031,427	36,546,154	34,751,181	36,742,065	39,040,088
Public safety	61,360,693	64,633,076	67,313,048	68,412,022	69,124,066	68,062,518	69,651,727	71,415,681	75,399,678	78,879,635
Environmental protection	2,414,429	2,686,706	2,633,641	2,613,354	2,633,817	2,477,195	2,206,012	2,557,325	2,770,670	2,497,067
Human services	77,348,513	74,142,024	68,825,351	68,481,046	70,142,751	70,607,949	68,544,801	69,035,342	72,603,478	74,918,617
Culture and recreation	16,004,016	15,459,452	15,034,842	14,657,631	14,430,037	14,488,772	14,453,569	14,172,939	14,523,516	15,064,741
Community and economic development	2,977,892	2,766,353	4,236,714	4,534,972	6,694,033	2,798,505	2,774,655	2,935,327	4,212,562	3,839,152
Education	895,261	2,243,594	1,580,098	1,391,488	788,811	698,383	604,563	969,082	789,485	807,656
Intergovernmental:										
Human services	6,181,990	6,167,610	6,379,039	5,679,583	5,692,674	6,742,601	5,740,312	5,861,305	5,811,072	1,948,784
Education	139,681,424	183,475,254	216,316,478	198,206,090	180,529,368	151,695,430	143,738,262	133,713,158	135,157,216	142,452,410
Debt service:										
Principal retirement	23,924,516	26,200,993	29,693,677	29,909,022	37,906,327	39,097,635	41,565,055	39,050,432	40,054,752	39,184,853
Interest and other charges	17,246,714	19,490,528	19,189,422	23,820,913	24,767,215	24,130,833	22,433,916	22,056,472	20,643,389	19,090,480
Capital outlay	5,360,224	8,097,429	10,192,815	10,677,148	20,995,615	13,136,326	8,029,369	7,626,935	13,083,061	23,260,508
Total expenditures	<u>390,361,435</u>	<u>438,401,729</u>	<u>478,067,358</u>	<u>464,591,503</u>	<u>470,253,300</u>	<u>429,967,574</u>	<u>416,288,395</u>	<u>404,145,179</u>	<u>421,790,944</u>	<u>440,983,991</u>
Deficiency of revenues over expenditures	<u>(3,136,852)</u>	<u>(62,948,647)</u>	<u>(89,149,029)</u>	<u>(83,302,933)</u>	<u>(81,976,159)</u>	<u>(43,467,893)</u>	<u>(26,209,857)</u>	<u>(9,710,251)</u>	<u>(15,596,875)</u>	<u>(28,531,230)</u>
<b>Other financing sources (uses):</b>										
Installment purchases	-	1,026,000	-	-	2,400,000	-	-	-	-	-
Refunding bonds issued	-	-	42,870,000	50,295,000	-	35,090,000	8,230,000	72,245,000	29,720,000	-
Premium on refunding bonds	-	-	5,025,171	7,503,955	-	8,795,717	-	18,145,244	-	-
General obligation bonds issuance	-	156,255,000	-	157,625,000	-	18,750,000	-	47,550,000	-	123,145,000
Premium on general obligation bonds	-	4,407,759	-	6,548,336	-	811,977	-	4,114,935	-	6,157,030
Limited obligation bonds issued	-	-	15,000,000	-	16,290,000	-	-	-	-	-
Premium on limited obligation bonds	-	-	1,023,705	-	2,094,164	-	-	-	-	-
Transfers in	18,308,651	13,141,259	17,572,682	18,196,159	10,806,854	13,712,606	13,687,885	16,176,832	15,574,472	18,622,313
Transfers out	(18,308,651)	(13,141,259)	(17,572,682)	(18,196,159)	(10,806,854)	(13,712,606)	(13,687,885)	(16,176,832)	(15,574,472)	(18,622,313)
Payment to refunded bond escrow agent	-	(29,264,379)	(47,495,636)	(57,398,372)	-	(43,562,043)	(8,141,925)	(89,882,337)	(29,600,400)	-
Payment to refunded certificates of participation escrow agent	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>132,424,380</u>	<u>16,423,240</u>	<u>164,573,919</u>	<u>20,784,164</u>	<u>19,885,651</u>	<u>88,075</u>	<u>52,172,842</u>	<u>119,600</u>	<u>129,302,030</u>
Net change in fund balances	\$ <u>(3,136,852)</u>	<u>69,475,733</u>	<u>(72,725,789)</u>	<u>81,270,986</u>	<u>(61,191,995)</u>	<u>(23,582,242)</u>	<u>(26,121,782)</u>	<u>42,462,591</u>	<u>(15,477,275)</u>	<u>100,770,800</u>
Debt service as a percentage of noncapital expenditures	10.7%	10.6%	10.5%	11.9%	15.5%	15.2%	15.6%	15.4%	14.9%	14.0%

# 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	Real Property	Personal Property	Registered Vehicles	Corporate Excess	Total	(2) Ratio of	(3) Total
							Assessed Value to Estimated	Direct Tax Rate
<u>June 30</u>	<u>December 31</u>						<u>Actual Value</u>	<u>Rate</u>
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
2016	2015	26,239,522,214	3,040,006,463	2,885,713,744	660,896,757	32,826,139,178	100%	0.7310
2017	2016	26,875,173,026	3,012,441,003	3,024,187,570	675,048,940	33,586,850,539	100%	0.7310

Source: Assessed Valuation amounts provided by the Forsyth County Tax Office.

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 2005 and 2013. 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

Tax Rates per \$100 Valuation, Year Ended June 30,

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Forsyth County	\$ <b>0.7310</b>	0.7310	0.7168	0.7168	0.6740	0.6740	0.6740	0.6740	0.6960	0.6960
Municipalities: (1)										
City of Winston-Salem	<b>0.5850</b>	0.5650	0.5400	0.5300	0.4910	0.4750	0.4750	0.4675	0.4900	0.4900
Combined Rate	<b>1.3160</b>	<b>1.2960</b>	<b>1.2568</b>	<b>1.2468</b>	<b>1.1650</b>	<b>1.1490</b>	<b>1.1490</b>	<b>1.1415</b>	<b>1.1860</b>	<b>1.1860</b>
Town of Bethania	<b>0.3000</b>	0.3000	0.3000	0.3000	0.3200	0.3200	0.3500	0.3500	0.3500	0.3500
Combined Rate	<b>1.0310</b>	<b>1.0310</b>	<b>1.0168</b>	<b>1.0168</b>	<b>0.9940</b>	<b>0.9940</b>	<b>1.0240</b>	<b>1.0240</b>	<b>1.0460</b>	<b>1.0460</b>
Village of Clemmons	<b>0.1150</b>	0.1150	0.1150	0.1150	0.1150	0.1150	0.1150	0.0985	0.0985	0.0985
Combined Rate	<b>0.8460</b>	<b>0.8460</b>	<b>0.8318</b>	<b>0.8318</b>	<b>0.7890</b>	<b>0.7890</b>	<b>0.7890</b>	<b>0.7725</b>	<b>0.7945</b>	<b>0.7945</b>
City of High Point	<b>0.6475</b>	0.6500	0.6640	0.6750	0.6750	0.6620	0.6330	0.6330	0.6330	0.6323
Combined Rate	<b>1.3785</b>	<b>1.3810</b>	<b>1.3808</b>	<b>1.3918</b>	<b>1.3490</b>	<b>1.3360</b>	<b>1.3070</b>	<b>1.3070</b>	<b>1.3290</b>	<b>1.3283</b>
Town of Kernersville	<b>0.5700</b>	0.5425	0.5425	0.5275	0.4975	0.4975	0.4975	0.4975	0.5500	0.5500
Combined Rate	<b>1.3010</b>	<b>1.2735</b>	<b>1.2593</b>	<b>1.2443</b>	<b>1.1715</b>	<b>1.1715</b>	<b>1.1715</b>	<b>1.1715</b>	<b>1.2460</b>	<b>1.2460</b>
City of King	<b>0.4220</b>	0.4220	0.4220	0.4220	0.3999	0.3999	0.3799	0.3799	0.3799	0.3599
Combined Rate	<b>1.1530</b>	<b>1.1530</b>	<b>1.1388</b>	<b>1.1388</b>	<b>1.0739</b>	<b>1.0739</b>	<b>1.0539</b>	<b>1.0539</b>	<b>1.0759</b>	<b>1.0559</b>
Town of Lewisville	<b>0.1770</b>	0.1770	0.1770	0.1770	0.1770	0.1770	0.1770	0.1770	0.1770	0.1770
Combined Rate	<b>0.9080</b>	<b>0.9080</b>	<b>0.8938</b>	<b>0.8938</b>	<b>0.8510</b>	<b>0.8510</b>	<b>0.8510</b>	<b>0.8510</b>	<b>0.8730</b>	<b>0.8730</b>
Town of Rural Hall	<b>0.3100</b>	0.3100	0.3000	0.2800	0.2500	0.2500	0.2400	0.2400	0.2400	0.2300
Combined Rate	<b>1.0410</b>	<b>1.0410</b>	<b>1.0168</b>	<b>0.9968</b>	<b>0.9240</b>	<b>0.9240</b>	<b>0.9140</b>	<b>0.9140</b>	<b>0.9360</b>	<b>0.9260</b>
Village of Tobaccoville	<b>0.0500</b>	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Combined Rate	<b>0.7810</b>	<b>0.7810</b>	<b>0.7668</b>	<b>0.7668</b>	<b>0.7240</b>	<b>0.7240</b>	<b>0.7240</b>	<b>0.7240</b>	<b>0.7460</b>	<b>0.7460</b>
Town of Walkertown	<b>0.2000</b>	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
Combined Rate	<b>0.9310</b>	<b>0.9310</b>	<b>0.9168</b>	<b>0.9168</b>	<b>0.8740</b>	<b>0.8740</b>	<b>0.8740</b>	<b>0.8740</b>	<b>0.8960</b>	<b>0.8960</b>
Fire Tax Districts: (2)										
Beesons Crossroads	<b>0.0880</b>	0.0880	0.0880	0.0880	0.0800	0.0800	0.0700	0.0700	0.0700	0.0700
Combined Direct Rate	<b>0.8190</b>	<b>0.8190</b>	<b>0.8048</b>	<b>0.8048</b>	<b>0.7540</b>	<b>0.7540</b>	<b>0.7440</b>	<b>0.7440</b>	<b>0.7660</b>	<b>0.7660</b>
Beesons Crossroads Service	<b>0.0880</b>	<b>0.0880</b>	<b>0.0880</b>	<b>0.0880</b>						
Combined Direct Rate	<b>0.8190</b>	<b>0.8190</b>	<b>0.8048</b>	<b>0.8048</b>						
Belews Creek	<b>0.1100</b>	0.0750	0.0750	0.0750	0.0700	0.0700	0.0700	0.0700	0.0700	0.0550
Combined Direct Rate	<b>0.8410</b>	<b>0.8060</b>	<b>0.7918</b>	<b>0.7918</b>	<b>0.7440</b>	<b>0.7440</b>	<b>0.7440</b>	<b>0.7440</b>	<b>0.7660</b>	<b>0.7510</b>
City View	<b>0.1050</b>	0.0900	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
Combined Direct Rate	<b>0.8360</b>	<b>0.8210</b>	<b>0.7968</b>	<b>0.7968</b>	<b>0.7540</b>	<b>0.7540</b>	<b>0.7540</b>	<b>0.7540</b>	<b>0.7760</b>	<b>0.7760</b>
Clemmons	<b>0.0600</b>	0.0600	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Combined Direct Rate	<b>0.7910</b>	<b>0.7910</b>	<b>0.7668</b>	<b>0.7668</b>	<b>0.7240</b>	<b>0.7240</b>	<b>0.7240</b>	<b>0.7240</b>	<b>0.7460</b>	<b>0.7460</b>
Forest Hill	<b>0.1050</b>	0.0900	0.0850	0.0850	0.0750	0.0750	0.0650	0.0650	0.0650	0.0500
Combined Direct Rate	<b>0.8360</b>	<b>0.8210</b>	<b>0.8018</b>	<b>0.8018</b>	<b>0.7490</b>	<b>0.7490</b>	<b>0.7390</b>	<b>0.7390</b>	<b>0.7610</b>	<b>0.7460</b>
Griffith	<b>0.0550</b>	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550
Combined Direct Rate	<b>0.7860</b>	<b>0.7860</b>	<b>0.7718</b>	<b>0.7718</b>	<b>0.7290</b>	<b>0.7290</b>	<b>0.7290</b>	<b>0.7290</b>	<b>0.7510</b>	<b>0.7510</b>
Gumtree	<b>0.1000</b>	0.1000	0.1000	0.1000	0.0950	0.0850	0.0850	0.0850	0.0850	0.0850
Combined Direct Rate	<b>0.8310</b>	<b>0.8310</b>	<b>0.8168</b>	<b>0.8168</b>	<b>0.7690</b>	<b>0.7590</b>	<b>0.7590</b>	<b>0.7590</b>	<b>0.7810</b>	<b>0.7810</b>



**DIRECT AND OVERLAPPING PROPERTY TAX RATES**

**FORSYTH COUNTY, NORTH CAROLINA**

Last Ten Fiscal Years

		Tax Rates per \$100 Valuation, Year Ended June 30,									
		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Fire Tax Districts (cont.): (2)											
Hornetown	\$	<b>0.1100</b>	0.1100	0.1100	0.1100	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Combined Direct Rate		<b>0.8410</b>	<b>0.8410</b>	<b>0.8268</b>	<b>0.8268</b>	<b>0.7740</b>	<b>0.7740</b>	<b>0.7740</b>	<b>0.7740</b>	<b>0.7740</b>	<b>0.7960</b>
King		<b>0.0750</b>	0.0650	0.0650	0.0650	0.0650	0.0650	0.0550	0.0550	0.0550	0.0550
Combined Direct Rate		<b>0.8060</b>	<b>0.7960</b>	<b>0.7818</b>	<b>0.7818</b>	<b>0.7390</b>	<b>0.7390</b>	<b>0.7290</b>	<b>0.7290</b>	<b>0.7290</b>	<b>0.7510</b>
Lewisville		<b>0.0800</b>	0.0800	0.0780	0.0740	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Combined Direct Rate		<b>0.8110</b>	<b>0.8110</b>	<b>0.7948</b>	<b>0.7908</b>	<b>0.7340</b>	<b>0.7340</b>	<b>0.7340</b>	<b>0.7340</b>	<b>0.7340</b>	<b>0.7560</b>
Mineral Springs		<b>0.1050</b>	0.0900	0.0850	0.0850	0.0750	0.0750	0.0650	0.0650	0.0650	0.0500
Combined Direct Rate		<b>0.8360</b>	<b>0.8210</b>	<b>0.8018</b>	<b>0.8018</b>	<b>0.7490</b>	<b>0.7490</b>	<b>0.7390</b>	<b>0.7390</b>	<b>0.7390</b>	<b>0.7460</b>
Mineral Springs Service		<b>0.1050</b>	0.0900	0.0850	0.0850	0.0750	0.0750	0.0650	0.0650	0.0650	0.0500
Combined Direct Rate		<b>0.8360</b>	<b>0.8210</b>	<b>0.8018</b>	<b>0.8018</b>	<b>0.7490</b>	<b>0.7490</b>	<b>0.7390</b>	<b>0.7390</b>	<b>0.7390</b>	<b>0.7460</b>
Mount Tabor		<b>0.0750</b>	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750
Combined Direct Rate		<b>0.8060</b>	<b>0.8060</b>	<b>0.7918</b>	<b>0.7918</b>	<b>0.7490</b>	<b>0.7490</b>	<b>0.7490</b>	<b>0.7490</b>	<b>0.7490</b>	<b>0.7710</b>
Old Richmond		<b>0.0950</b>	0.0950	0.0900	0.0900	0.0850	0.0850	0.0800	0.0700	0.0700	0.0600
Combined Direct Rate		<b>0.8260</b>	<b>0.8260</b>	<b>0.8068</b>	<b>0.8068</b>	<b>0.7590</b>	<b>0.7590</b>	<b>0.7540</b>	<b>0.7440</b>	<b>0.7440</b>	<b>0.7560</b>
Piney Grove		<b>0.1300</b>	0.1300	0.1150	0.1150	0.1070	0.1070	0.0900	0.0900	0.0900	0.0900
Combined Direct Rate		<b>0.8610</b>	<b>0.8610</b>	<b>0.8318</b>	<b>0.8318</b>	<b>0.7810</b>	<b>0.7810</b>	<b>0.7640</b>	<b>0.7640</b>	<b>0.7640</b>	<b>0.7860</b>
Salem Chapel		<b>0.1200</b>	0.1200	0.0900	0.0900	0.0900	0.0900	0.0900	0.0600	0.0600	0.0600
Combined Direct Rate		<b>0.8510</b>	<b>0.8510</b>	<b>0.8068</b>	<b>0.8068</b>	<b>0.7640</b>	<b>0.7640</b>	<b>0.7640</b>	<b>0.7340</b>	<b>0.7340</b>	<b>0.7560</b>
South Fork		<b>0.0600</b>	0.0600	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Combined Direct Rate		<b>0.7910</b>	<b>0.7910</b>	<b>0.7668</b>	<b>0.7668</b>	<b>0.7240</b>	<b>0.7240</b>	<b>0.7240</b>	<b>0.7240</b>	<b>0.7240</b>	<b>0.7460</b>
Suburban (Rural Hall)		<b>0.1050</b>	0.1050	0.0960	0.0860	0.0750	0.0750	0.0650	0.0650	0.0650	0.0550
Combined Direct Rate		<b>0.8360</b>	<b>0.8360</b>	<b>0.8128</b>	<b>0.8028</b>	<b>0.7490</b>	<b>0.7490</b>	<b>0.7390</b>	<b>0.7390</b>	<b>0.7390</b>	<b>0.7510</b>
Talley's Crossing		<b>0.1050</b>	0.0900	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
Combined Direct Rate		<b>0.8360</b>	<b>0.8210</b>	<b>0.7968</b>	<b>0.7968</b>	<b>0.7540</b>	<b>0.7540</b>	<b>0.7540</b>	<b>0.7540</b>	<b>0.7540</b>	<b>0.7760</b>
Triangle		<b>0.0920</b>	0.0920	0.0920	0.0920	0.0800	0.0800	0.0800	0.0800	0.0800	0.0700
Combined Direct Rate		<b>0.8230</b>	<b>0.8230</b>	<b>0.8088</b>	<b>0.8088</b>	<b>0.7540</b>	<b>0.7540</b>	<b>0.7540</b>	<b>0.7540</b>	<b>0.7540</b>	<b>0.7660</b>
Union Cross		<b>0.1200</b>	0.1000	0.1000	0.1000	0.1000	0.1000	0.0800	0.0800	0.0800	0.0700
Combined Direct Rate		<b>0.8510</b>	<b>0.8310</b>	<b>0.8168</b>	<b>0.8168</b>	<b>0.7740</b>	<b>0.7740</b>	<b>0.7540</b>	<b>0.7540</b>	<b>0.7540</b>	<b>0.7660</b>
Vienna		<b>0.0750</b>	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750
Combined Direct Rate		<b>0.8060</b>	<b>0.8060</b>	<b>0.7918</b>	<b>0.7918</b>	<b>0.7490</b>	<b>0.7490</b>	<b>0.7490</b>	<b>0.7490</b>	<b>0.7490</b>	<b>0.7710</b>
Walkertown (Northeast)		<b>0.1000</b>	0.0950	0.0950	0.0870	0.0800	0.0800	0.0800	0.0800	0.0800	0.0700
Combined Direct Rate		<b>0.8310</b>	<b>0.8260</b>	<b>0.8118</b>	<b>0.8038</b>	<b>0.7540</b>	<b>0.7540</b>	<b>0.7540</b>	<b>0.7540</b>	<b>0.7540</b>	<b>0.7660</b>
West Bend		<b>0.0800</b>	0.0800	0.0780	0.0740	0.0600	0.0600	0.0500	0.0500	0.0500	0.0500
Combined Direct Rate		<b>0.8110</b>	<b>0.8110</b>	<b>0.7948</b>	<b>0.7908</b>	<b>0.7340</b>	<b>0.7340</b>	<b>0.7240</b>	<b>0.7240</b>	<b>0.7240</b>	<b>0.7460</b>

Source: Property Tax Rates provided by the Forsyth County Tax Office

- 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

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2016 Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>2007 Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
R. J. Reynolds Industries, Inc	Tobacco, Foods, Petroleum and Transportation	\$ 836,644,049	1	2.49%	\$ 1,051,976,630	1	3.43%
Duke Energy Corporation	Electric Utility	347,747,606	2	1.04%	272,178,722	3	0.89%
Caterpillar Inc	Manufacturer	340,433,653	3	1.01%			
JG Winston-Salem	Real Estate Management	203,477,018	4	0.61%	178,849,000	5	0.58%
Wexford Science & Technology, LLC	Real Estate Development	189,496,443	5	0.56%			
Wells Fargo Bank NA	Banking	159,398,495	6	0.47%	333,528,540	2	1.09%
Deere-Hitachi	Manufacturer	115,952,804	7	0.35%			
Winston Salem Healthcare	Real Estate Development	99,105,198	8	0.30%			
Herbalife International of America	Manufacturer	97,958,003	9	0.29%			
Walmart	Retail	90,435,705	10	0.27%			
Lowes Home Center	Retail				245,477,800	4	0.80%
Hanesbrands Inc.	Textiles				177,385,310	6	0.58%
Highwoods/Forsyth Partners	Real Estate Management				141,736,700	7	0.46%
BellSouth Corporation	Communications Utility				122,318,655	8	0.40%
Dell Inc	Computer Manufacturer				114,252,900	9	0.37%
Wake Forest University	Education / Health Care				106,654,147	10	0.35%
		<u>\$ 2,480,648,974</u>		<u>7.39%</u>	<u>\$ 2,744,358,404</u>		<u>8.95%</u>

Source: Property Tax Rates provided by the Forsyth County Tax Office

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>	Percentage		<u>Amount</u>	Percentage
		<u>Amount</u>	<u>of Levy</u>		<u>Amount</u>	<u>of Levy</u>
2008	213,402,003	209,512,061	98.18%	3,129,474	212,641,535	99.64%
2009	219,385,625	213,993,232	97.54%	4,111,557	218,104,789	99.42%
2010	229,188,797	224,184,021	97.82%	4,311,064	228,495,085	99.70%
2011	229,126,449	224,104,050	97.81%	4,375,945	228,479,995	99.72%
2012	228,728,259	223,947,380	97.91%	4,029,135	227,976,516	99.67%
2013	232,910,975	228,359,406	98.05%	3,658,755	232,018,161	99.62%
2014	234,215,900	230,760,638	98.52%	2,121,092	232,881,730	99.43%
2015	230,986,702	228,618,034	98.97%	1,601,385	230,219,419	99.67%
2016	241,192,603	239,063,497	99.12%	1,200,948	240,264,445	99.62%
<b>2017</b>	<b>246,544,840</b>	<b>244,417,516</b>	<b>99.14%</b>	-	<b>244,417,516</b>	<b>99.14%</b>

## 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 <sup>a</sup>	Total Bonded Debt Per Capita <sup>b</sup>
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%	1,572.16
2012	517,690,727	1.53%	1,462.35
2013	506,841,054	1.47%	1,417.06
2014	467,559,237	1.42%	1,297.62
2015	492,044,964	1.53%	1,352.26
2016	452,707,749	1.38%	1,235.07
<b>2017</b>	<b>543,957,057</b>	<b>1.62%</b>	<b>1,471.39</b>

Governmental Activities							
Fiscal Year	General Obligation Bonds	Certificates of Participation	Limited Obligation Bonds	Installment Purchase Obligations	Total Primary Government	Percentage of Personal Income <sup>b</sup>	Total Debt Per Capita <sup>b</sup>
2009	428,904,785	73,004,074	-	2,185,884	504,094,743	3.55%	1,469.77
2010	407,697,994	67,394,069	15,977,734	1,582,207	492,652,004	3.68%	1,418.39
2011	552,547,783	61,641,500	15,139,749	812,088	630,141,120	4.59%	1,792.93
2012	517,690,727	55,731,450	32,676,028	2,835,543	608,933,748	4.38%	1,720.08
2013	506,841,054	49,976,539	31,680,167	2,141,649	590,639,409	4.06%	1,651.35
2014	467,559,237	37,650,582	29,874,372	9,620,166	544,704,357	3.78%	1,511.72
2015	492,044,964	33,730,604	28,076,784	8,335,996	562,188,347	3.63%	1,545.03
2016	452,707,749	-	26,287,402	36,475,000	515,470,151	3.18%	1,406.30
<b>2017</b>	<b>543,957,057</b>	<b>-</b>	<b>24,506,734</b>	<b>31,195,000</b>	<b>599,658,791</b>	<b>n/a</b>	<b>1,622.07</b>

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

<sup>a</sup> See Schedule 5 for property value data.

<sup>b</sup> See Schedule 12 for population and personal income data. The last year of personal income data was not published at the time of this schedule.

**DIRECT AND OVERLAPPING GOVERNMENTAL  
ACTIVITIES DEBT**

**Schedule 10**

FORSYTH COUNTY, NORTH CAROLINA

As of June 30, 2017

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Forsyth County <sup>a</sup></u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
City of Winston-Salem	\$ 299,223,886	100.0%	\$ 299,223,886
Town of Kernersville	20,250,896	94.9%	19,218,100
Town of King	1,029,343	11.1%	113,745
<b>Other debt</b>			
City of Winston-Salem	541,127,857	100.0%	<u>541,127,857</u>
Subtotal, overlapping debt			859,683,588
County direct debt			<u>599,658,791</u>
<b>Total direct and overlapping debt</b>			<b>\$ <u>1,459,342,379</u></b>

Sources: Assessed value data used to estimate applicable percentages provided by the Forsyth County Tax Office or the governmental units. 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.

<sup>a</sup> 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

Schedule 11

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

(dollars in thousands)

### Legal Debt Margin Calculation for Fiscal Year 2017

Assessed Value of Taxable Property	\$ 33,586,851
Debt Limit - Eight percent (8%) of assessed value	2,686,948
Debt applicable to limit:	
General obligation bonds	543,957
Limited obligation bonds	24,507
Installment purchase obligations	31,195
Total debt applicable to legal debt limit	599,659
Legal debt margin	\$ 2,087,289

	Fiscal Year									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt Limit	\$ 2,451,563	2,510,716	2,708,509	2,707,095	2,712,709	2,749,014	2,639,184	2,575,929	2,626,091	2,686,948
Total net debt applicable to limit	390,921	493,576	463,047	605,572	586,266	590,639	544,704	562,188	515,470	599,659
Legal debt margin	\$ 2,060,642	2,017,140	2,245,462	2,101,523	2,126,443	2,158,375	2,094,479	2,013,741	2,110,621	2,087,289
Total net debt applicable to the limit as a percentage of debt limit	15.9%	19.7%	17.1%	22.4%	21.6%	21.5%	20.6%	21.8%	19.6%	22.3%

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 <sup>b</sup>	Population <sup>1</sup>	Personal Income (000's) <sup>2</sup>	Per Capita Personal Income <sup>2</sup>	Median Age <sup>1,3</sup>	Dropout Rates for Grades 9-12 <sup>4</sup>	Public School Enrollment <sup>4</sup>	Private School Enrollment <sup>5, a</sup>	Unemployment Rate <sup>6</sup>
2007	337,159	13,421,920	39,635	37.6	6.4%	50,974	5,441	4.4%
2008	342,975	14,192,325	41,217	37.8	5.5%	51,422	5,480	5.6%
2009	347,333	13,398,550	38,443	37.1	4.8%	51,488	5,197	9.5%
2010	351,458	13,727,506	39,058	37.2	4.1%	52,050	5,056	10.1%
2011	354,014	13,899,034	39,206	37.2	3.8%	52,277	4,834	9.8%
2012	357,671	14,536,438	40,614	37.3	3.4%	52,860	4,691	8.9%
2013	360,320	14,410,752	39,877	37.5	2.7%	53,107	4,579	7.5%
2014	363,869	15,477,536	42,335	37.6	2.3%	53,693	4,494	6.0%
2015	366,543	16,184,845	43,859	37.7	2.8%	53,908	4,458	5.5%
<b>2016</b>	<b>369,688</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>2.4%</b>	<b>54,162</b>	<b>4,505</b>	<b>4.9%</b>

Sources: <sup>1</sup> Office of State Budget and Management. Subject to change as OSBM updates periodically. 2016 is a projection.

<sup>2</sup> U.S. Department of Commerce: Bureau of Economic Analysis

<sup>3</sup> U.S. Census Bureau

<sup>4</sup> North Carolina Department of Public Instruction

<sup>5</sup> State of North Carolina Division of Non-Public Education

<sup>6</sup> The Employment Security Commission of North Carolina

Notes:

<sup>a</sup> Private School Enrollment does not include special schools or home schools.

<sup>b</sup> Personal Income, Per Capital Personal Income, and Median Age for 2016 had not been released by the Bureau of Economic Analysis at the time of this schedule.

## PRINCIPAL EMPLOYERS

Schedule 13

FORSYTH COUNTY, NORTH CAROLINA

Current Year and Ten Years Ago

<u>Employer</u>	<u>2017</u> <sup>1</sup>			<u>2008</u> <sup>2</sup>		
	<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	7.4%	11,570	1	6.9%
Novant Health	8,145	2	4.7%	7,500	3	4.5%
Winston-Salem/Forsyth County School System	6,860	3	3.9%	7,550	2	4.5%
Reynolds American <sup>a</sup>	3,000	4	1.7%	2,140	8	1.3%
Wake Forest University	2,784	5	1.6%	2,310	7	1.4%
Wells Fargo Bank <sup>b</sup>	2,745	6	1.6%	3,055	5	1.8%
Hanesbrands, Inc. <sup>c</sup>	2,500	7	1.4%	4,000	4	2.4%
City of Winston-Salem	2,420	8	1.4%	2,360	6	1.4%
Forsyth County	2,275	9	1.3%	2,140	8	1.3%
BB&T Corporation	2,134	10	1.2%	1,400	10	0.8%
<b>Total</b>	<b>45,736</b>		<b>26.2%</b>	<b>44,025</b>		<b>26.3%</b>

<sup>1</sup> estimates as of July 2017

<sup>2</sup> estimates as of June 2007

<sup>b</sup> formerly Wachovia Corporation

<sup>a</sup> formerly R.J. Reynolds Tobacco Company

<sup>c</sup> 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>	<u>Full-time Equivalent Employees as of June 30,</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>	<u>2016</u>	<u>2017</u>
General government	370	368	361	354	346	336	320	314	314	325
Public safety	786	792	803	800	774	771	781	784	782	786
Human services	633	660	654	667	660	667	662	661	661	710
Environmental protection	23	22	22	22	22	22	22	23	24	23
Community and economic development	5	5	5	5	6	5	5	5	4	5
Education	19	16	14	9	4	4	4	5	5	6
Culture and recreation	219	216	200	204	203	205	198	191	184	192
Total	<u>2,055</u>	<u>2,079</u>	<u>2,059</u>	<u>2,061</u>	<u>2,015</u>	<u>2,010</u>	<u>1,992</u>	<u>1,983</u>	<u>1,974</u>	<u>2,047</u>

Source: Forsyth County Finance Department

Notes: The County has full-time employees scheduled to work 32-hour (1,728 hours per year), 36-hour (1,944 hours per year), 40-hour (2,080 hours per year), 42-hour (2,184 hours per year), 42.5-hour (2,210 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

# Schedule 15

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Page 1 of 2

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 <sup>2</sup>
<b>General government</b>										
General services										
Number of facilities <sup>1</sup>	68	70	70	72	49	46	47	47	47	41
Square footage - active	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	2,099,727
Assigned fleet vehicles	597	597	597	631	622	585	577	577	577	562
Register of deeds										
Deeds recorded	16,572	13,932	10,346	10,150	9,215	9,651	10,875	11,399	11,335	12,108
Real estate copies	30,056	29,105	26,445	23,427	21,648	21,542	24,193	18,413	15,795	17,735
Birth certificates	8,216	9,325	8,526	7,825	7,314	8,140	8,499	5,575	8,134	9,691
Marriage certificates	2,113	2,097	2,039	1,937	2,001	2,083	2,038	2,092	2,329	2,483
Vital records copies	60,673	59,036	56,729	54,685	58,043	59,439	62,319	60,826	65,744	65,740
Tax administration										
Audits	351	350	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Current year levy collection percentage	98.93%	98.96%	98.27%	98.43%	97.81%	97.91%	98.05%	98.43%	98.89%	99.04%
<b>Public safety</b>										
Animal control										
Animals sheltered	8,086	8,079	8,833	8,397	8,395	9,059	8,223	7,220	6,750	6,772
Animals adopted	1,326	1,349	1,474	1,311	1,175	1,518	1,797	1,585	1,672	1,730
Emergency management										
Responders receiving specialized training	101	448	477	480	211	474	125	125	125	75
Emergency services										
Emergency dispatches	23,533	25,809	25,238	27,057	27,854	30,912	31,349	29,348	29,364	30,818
Non-emergency dispatches	12,480	10,258	8,561	7,151	6,668	5,560	2,968	8,095	9,484	10,296
Fire										
Fire alarms (total dispatches)	4,330	4,164	3,787	3,897	3,907	3,738	4,058	7,518	7,241	7,711
Volunteer rescue squad response	23,719	24,238	24,307	25,670	27,007	28,846	10,478	19,744	20,060	20,942
911 calls received	N/A	N/A	83,669	85,614	88,635	89,006	44,444	89,695	93,542	98,333
Telephone calls processed	172,928	205,592	178,366	176,043	177,527	188,363	97,758	204,839	209,199	215,479
Sheriff										
Patrol service calls	27,837	41,720	44,219	48,284	45,791	47,669	74,125	66,409	80,851	83,851
Detention - avg. daily inmate population	897	881	869	824	675	775	695	761	731	682
Detention - avg. length of stay (in days)	26	26	25	24	20	21	20	22	21	22

Source: Forsyth County Budget Office. (See Note 3 for exception.)

Notes: <sup>1</sup> General Services changed the method in which it identified the number of facilities maintained in 2011. Various facilities were consolidated into one facility which resulted in a much lower number but approximately the same square footage maintained.

<sup>2</sup> Fiscal Year 2016 is the most recent actual data available.

<sup>3</sup> Source for Winston-Salem/Forsyth County Schools data is North Carolina Department of Public Instruction.

## OPERATING INDICATORS BY FUNCTION

Schedule 15

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Page 2 of 2

<b>Function</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016<sup>2</sup></b>
<b>Human services</b>										
Public health										
Wait time on improvement permits (in days)	20.0	21.0	10.5	12.3	12.3	9.0	7.5	7.5	8.0	8.0
Children Immunized by 23 months of age	83%	82%	82%	90%	90%	88%	82%	87%	91%	91%
Social services										
Adult guardianships	n/a	n/a	n/a	1,424	1,739	1,813	1,812	2,114	2,485	2,737
Adoptions finalized	n/a	63	63	53	37	34	22	24	25	29
Child protective services investigations	n/a	2,625	2,756	2,621	2,688	2,893	2,724	2,952	2,819	3,514
Child day care clients served	n/a	n/a	n/a	40,621	37,190	37,639	36,994	34,941	33,423	32,505
<b>Environmental protection</b>										
Permits processed within prescribed timeframe	99%	99%	100%	99%	97%	91%	91%	100%	100%	85%
Correct air quality forecasting	80%	90%	89%	80%	80%	78%	81%	78%	76%	77%
<b>Community and Economic development</b>										
Homes rehabilitated	12	21	21	18	38	35	24	23	16	16
First time home buyers & IDA	76	48	44	64	37	24	15	33	39	36
<b>Culture and recreation</b>										
NC cooperative extension service										
Educational meetings attendance	2,645	1,778	2,539	7,950	9,103	5,493	4,145	2,824	4,522	5,423
Economic value of volunteer service	\$310,000	\$345,000	\$475,000	\$305,169	\$592,880	\$565,117	\$523,119	\$613,391	\$663,391	\$1,093,246
Library										
Number of libraries	10	10	10	10	10	10	10	10	10	10
Program Attendance	89,743	90,867	107,468	95,791	101,284	96,108	104,377	81,141	102,577	108,526
Materials Circulated	1,806,564	1,913,042	2,044,856	1,956,849	1,933,496	1,915,971	1,887,526	1,819,410	1,613,189	1,560,638
Recreation and parks										
Number of parks	11	11	11	11	11	11	11	11	11	11
Park visitors	2,317,301	2,826,255	3,188,518	2,914,185	2,889,969	2,854,524	3,192,212	3,716,992	4,256,936	4,376,870
Golf rounds played	67,400	70,720	65,449	59,193	49,642	56,553	52,038	51,370	52,513	51,950
Festival of lights - visitors	274,530	282,700	250,458	223,236	217,362	263,100	262,818	245,808	280,842	281,016
<b>Education</b>										
Winston-Salem/Forsyth County Schools <sup>3</sup>										
Number of schools	72	75	76	80	80	80	79	81	81	81
Number of classrooms	2,416	2,653	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of teachers	3,020	3,293	3,585	3,938	3,768	3,778	3,878	3,749	3,826	3,758
Forsyth Technical Community College										
Enrollment	7,203	7,895	9,144	9,922	10,616	9,941	9,881	12,968	13,036	12,238

Source: Forsyth County Budget Office. (See Note 3 for exception.)

Notes: <sup>1</sup> General Services changed the method in which it identified the number of facilities maintained in 2011. Various facilities were consolidated into one facility which resulted in a much lower number but approximately the same square footage maintained.

<sup>2</sup> Fiscal Year 2016 is the most recent actual data available.

<sup>3</sup> Source for Winston-Salem/Forsyth County Schools data is North Carolina Department of Public Instruction.

# CAPITAL ASSET STATISTICS BY FUNCTION

Schedule 16

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

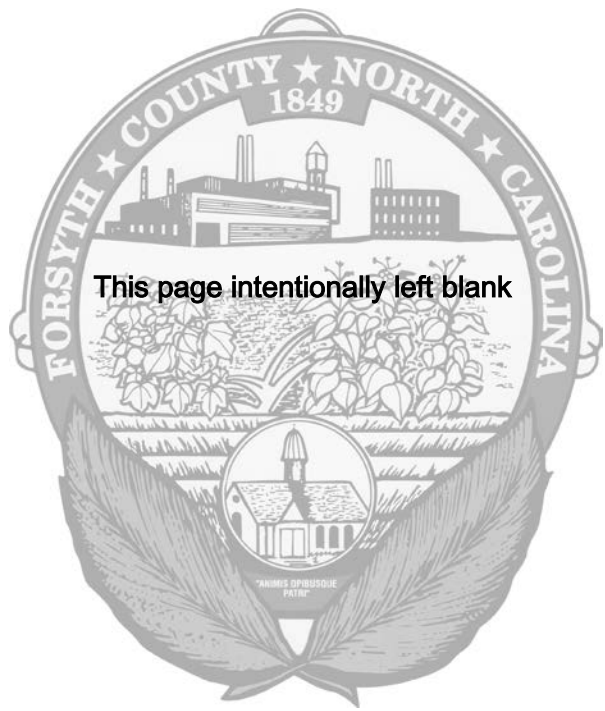
Function	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General government</b>										
General services										
Number of facilities <sup>1</sup>	70	70	72	72	53	47	48	44	41	41
Square footage - active <sup>2</sup>	2,917,478	2,917,478	1,864,494	1,853,678	1,827,073	2,257,302	2,277,389	2,150,982	2,099,727	2,146,032
Fleet vehicles <sup>3</sup>	613	590	620	615	585	575	569	562	577	571
<b>Public safety<sup>3</sup></b>										
Emergency medical services										
Assigned vehicles	29	30	31	31	34	34	34	34	35	38
Fire										
Assigned vehicles	13	13	13	13	17	17	16	14	15	14
Sheriff										
Assigned vehicles	255	242	244	260	237	237	227	229	238	234

Source: Facility, Square footage and Vehicle data provided by the Forsyth County General Services Department.

Notes: <sup>1</sup> Starting in FY2012, General Services changed their method of counting facilities resulting in a consolidated number.

<sup>2</sup> Square footage is estimated based on general services building records.

<sup>3</sup> Public safety vehicles listed are included in the general services fleet vehicles. Source: fleet vehicle 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, 2017, 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, 2017.

**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 opinions 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.

Channing Ruchel LLP

Raleigh, North Carolina  
October 31, 2017

**Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Uniform Guidance 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 *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, 2017. 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, 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 for the year ended June 30, 2017.



## Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2017-001. Our opinion on the major federal program is not modified with respect to this matter.

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

## 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 the Uniform Guidance, 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 the OMB Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Channing R. Burchett* LLP

Raleigh, North Carolina  
October 31, 2017

**Report of Independent Auditor on Compliance for Each Major State Program and on Internal Control Over Compliance in Accordance with OMB Uniform Guidance 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, 2017. 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, 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 major State programs for the year ended June 30, 2017.

**Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with applicable sections of the Uniform Guidance as described in the *Audit Manual for Governmental Auditors in North Carolina* and which is described in the accompanying schedule of findings and questioned costs as item 2017-002. Our opinion the major State program is not modified with respect to this matter.

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


### **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 the Uniform Guidance, 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 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.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

 LLP

Raleigh, North Carolina  
October 31, 2017

**FORSYTH COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE FISCAL YEAR ENDED JUNE 30, 2017*

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**Section I. Summary of Auditor's Results**

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**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes

no

Significant deficiency(ies) identified?

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?

Yes

none reported

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 2 CFR 200.516 (a)

yes

no

**FORSYTH COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
	<b>Child Support Enforcement:</b>
93.563	Child Support Enforcement Administration
93.563	Child Support Incentive
93.563	Child Support Reimbursement
93.563	Child Support Enforcement Fees
93.778	Medical Assistance Program
10.561	Supplemental Nutrition Assistance Program (SNAP) Cluster
	<b>Special Supplemental Nutrition Program for Women, Infants &amp; Children:</b>
10.557	Administration
10.557	Direct Benefits

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

Auditee qualified as low-risk auditee     yes   X   no

**State Awards**

Internal control over major State programs:

Material weakness(es) identified?     yes   X   no

Significant deficiency(ies) identified?     yes   X   none reported

Noncompliance material to State awards noted?     yes   X   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   X   yes     no

**FORSYTH COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE FISCAL YEAR ENDED JUNE 30, 2017*

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

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Identification of major State programs:

Program Name

State/County Special Assistance for Adults – Direct Benefit Payments

Other major State program is Medical Assistance Program which is State match on a Federal program. Therefore, this program has been included in the list of major federal programs above.

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**Section II. Financial Statement Findings**

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None reported.

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**Section III. Federal Award Findings and Questioned Costs**

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

**Finding: 2017-001**

**Nonmaterial Noncompliance – Eligibility**

**Criteria:** The County should have adequate monitoring controls to ensure that all required physical documentation is located in the recipient's file and in NCFAST in accordance with program requirements. The County also should ensure timely notices are sent for cases that should be terminated.

**Condition:** Two cases noted instances in which documentation was missing in the case file or the case was not properly terminated. No instances of incorrect eligibility determination were noted.

The missing documentation or untimely notice for termination could allow for the over payment of benefits.

**Questioned costs:** Upon receipt of additional income information in December 2016 it was noted that the recipient was no longer considered eligible. At that time case workers had 10 days to terminate the case; however, the case was not terminated until January 2017. As a result, the individual received benefits during the month of January 2017. The questioned costs would represent the total benefits paid to this one individual in the month of January 2017. We were unable to determine the questioned costs paid to this individual as the County does not have access to this information. Benefits paid from the State represents the period of July 2016 through January 2017 and not for a one month period. The other case had no questioned costs. Both cases were eligible for assistance at the initial determination.

**FORSYTH COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE FISCAL YEAR ENDED JUNE 30, 2017*

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

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**Context:** We examined 63 Medical Assistance case files. Of the 63 files tested, we noted that two of the files had missing documentation or the case was not terminated in a timely manner. Specifically, we noted the following:

- One case where verification of liquid assets documentation was missing from the file.
- One case where the case worker failed to timely terminate the case which resulted in questioned costs for the one month period due to the untimely case termination.

Initial eligibility determination was appropriate based on information provided. Once income support was provided that made the case ineligible, the case worker conducted sufficient investigation and sent the case to fraud referral. The case is now under investigation for repayment of Medicaid benefits provided.

**Effect:** By not having the required documentation in the files and failing to terminate cases timely, there is a risk that the County will determine individuals eligible who are truly not eligible and individuals could receive benefits longer than they should.

**Cause:** The caseworker failed to follow procedures outlined in the NC FAST Job Aid "Closing a Case".

**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 reinforced to ensure that documentation is maintained appropriately and cases are terminated timely.

**Views of responsible officials:** Management agrees with the finding.

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**Section IV. State Award Findings and Questioned Costs**

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

**Finding 2017-002**

**Nonmaterial Noncompliance – Allowable Costs/Cost Principles**

**Criteria:** As noted in the DSS Services Information System User's Manual, day sheet entries should be supported by documentation in the case record files and expenditures should be properly coded.

**Condition:** We noted the following three exceptions:

- One instance where the day sheet entry was not supported by documentation in the case record file.
- Two instances where the expenditures were not properly coded.

**Questioned costs:** None as all expenditures were eligible.

**Context:** We examined 40 payroll files and 40 expenditures across all major programs to verify that costs are properly reported on the 1571 as detailed in the DSS Services Information System User's Manual.

**FORSYTH COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE FISCAL YEAR ENDED JUNE 30, 2017*

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**Section IV. State Award Findings and Questioned Costs (continued)**

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**Effect:** We noted the following effects to 1571 Reporting:

- Day sheets are completed by employees to track program time which is 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 may be reimbursed by the State from the wrong budgeted funding or may be improperly reimbursed.

**Cause:**

- Exception #1: Employee did not record program time within case record file.
- Exception #2 and #3: Business Office did not accurately code automated data acquisition costs to appropriate Application Codes (380-383) on the Form 1571.

**Identification of a repeat finding:** This is a repeat finding from the immediate previous audit, 2016-003.

**Recommendation:** We recommend the County continue to train employees to ensure the following:

- All posted time is properly supported by documentation before the Form 1571 is submitted to the State.
- Expenditures are properly coded.

**Views of responsible officials:**

- **Exception #1:** The County agrees that day sheet entries should be supported by case documentation to support request for reimbursement. The Division has several process controls in place to ensure dictation and day sheets are completed in effort to minimize errors. The employee and his immediate supervisor have been provided additional training on: 1.) The importance of accurately recording program time and 2.) Maintaining accurate supporting documentation within the case record file.
- **Exception #2 and #3:** The County agrees that expenditures are to be properly reported to insure appropriate reimbursement. The Business Office staff continues to receive additional training in reportable and non-reportable expenditures through monthly on-site visits with the State Local Business Liaison.



**FINANCE DEPARTMENT**

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

**Terri L. Goodman, CPA**  
DEPUTY CHIEF FINANCIAL OFFICER

**Lee H. Plunkett**  
ASSISTANT CHIEF FINANCIAL OFFICER



**Michael J. Phelps, CPA**  
CONTROLLER AND SYSTEMS MANAGER

**Teresa G. Everhart, CISR**  
RISK MANAGER

**M. Brandon Branscome, CPA**  
INTERNAL AUDIT MANAGER

**FORSYTH COUNTY, NORTH CAROLINA**  
**SCHEDULE OF CORRECTIVE ACTION PLAN**

*FOR THE FISCAL YEAR ENDED JUNE 30, 2017*

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**Section II. Financial Statement Findings**

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None reported.

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**Section III. Federal Award Findings and Questioned Costs**

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**Finding 2017-001**

**Name of contact person:** Diane Wimmer, Adult Services Division Director, Shantele F. Williams, Adult Medicaid Program Manager and Carla Jenkins, Income Support Supervisor

**Corrective action plan:** On January 3, 2017, the supervisor completed an audit on the case and discovered the case was not closed per the DSS-8110. Supervisor met with the caseworker in question and instructed her to close the case. This was captured on a Quality Assurance audit and the case was referred to Program Integrity.

Caseworkers are required to send notice of benefits changing (DSS-8110) form when there is a termination or benefit change. At the time the notice is sent (which is now in NCFast). The caseworkers are required to close the product deliver case on the same day the notice is sent. This marks the product deliver case as pending closure and on the last day of the month the case will automatically close in NCFast resulting in termination of benefits.

NCFast generates the DSS-8110 based on the closure of a Product Deliver Case and the notice is mailed from central print from the State.

On October 5, 2017, a meeting was held to notify caseworkers of the termination process outlined above. Workers are required to log terminated cases on a Google spreadsheet and the supervisor will complete a Quality Assurance audit to ensure the pending closure cases will terminate timely.

**Proposed completion date:** October 5, 2017 and ongoing

**FINANCE DEPARTMENT**

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

**Terri L. Goodman, CPA**  
DEPUTY CHIEF FINANCIAL OFFICER

**Lee H. Plunkett**  
ASSISTANT CHIEF FINANCIAL OFFICER



**Michael J. Phelps, CPA**  
CONTROLLER AND SYSTEMS MANAGER

**Teresa G. Everhart, CISR**  
RISK MANAGER

**M. Brandon Branscome, CPA**  
INTERNAL AUDIT MANAGER

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**Section IV. State Award Findings and Questioned Costs**

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**Finding 2017-002**

**Name of contact person:** Linda Daum and Sherri Cook

**Corrective action:**

- **Exception #1:** Business Office will perform a "Prior Year" adjustment of the DSS-1571 (Part I) to accurately reflect employee's program time for this period.
- **Exception #2 and #3:** Business office will perform a "Prior Year" adjustment of the DSS-1571 (Part II) to accurately reflect the appropriate Application Codes (380-383) and associated expenses.

**Proposed completion date:** No later than December 2017.

**FORSYTH COUNTY, NORTH CAROLINA**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

*FOR THE FISCAL YEAR ENDED JUNE 30, 2017*

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**Findings: 2016-001** – Corrected

**Findings: 2016-002** – Corrected

**Findings: 2016-003** – Not corrected. See finding at 2017-002.

**Findings: 2016-004** – Corrected

**Findings: 2016-005** – Corrected

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

FORSYTH COUNTY

For the Fiscal Year Ended June 30, 2017

Page 1 of 4

Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Federal/State Pass-Through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<b>Federal Awards:</b>					
<b>U.S. Dept. of Health and Human Services</b>					
<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:					
TANF Administration	93.558	-	\$ 516,266	-	-
TANF Services/Domestic Violence	93.558	-	951,958	-	-
TANF Child Protective Services/Foster Care/Adoption	93.558	-	233,454	-	-
TANF Incentives	-	-	1,275	329	-
Direct Benefit Payments	93.558	-	1,354,459	-	-
Total TANF Cluster			<u>3,057,412</u>	<u>329</u>	<u>-</u>
(a) Child Support Enforcement Administration	93.563	-	2,822,804	-	-
(a) Child Support Incentive	93.563	-	437,921	-	-
(a) Child Support Reimbursement	93.563	-	5,780	-	-
(a) Child Support Enforcement Fees	93.563	-	33,793	-	-
Refugee MA/PA	93.566	-	11,218	-	-
Low Income Home Energy Assistance:					
Low Income Home Energy Assistance Administration	93.568	-	232,505	-	-
Low Income Home Energy Assistance Crisis Intervention	93.568	-	1,624,910	-	-
Low Income Home Energy Assistance Payments	93.568	-	1,288,535	-	-
Child Welfare Services - State Grants:					
Child Welfare Services Permanency Special/Regular	93.645	-	109,223	-	-
Child Welfare Services Adoption Assistance	-	-	-	21,786	-
Family Reunification	93.556	-	42,132	-	-
Direct Benefit Payments	-	-	-	438,095	-
Foster Care Caseworker Visit	93.556	-	9,869	-	-
<u>Foster Care and Adoption Cluster: (Note 3)</u>					
Title IV-E Foster Care Administration	93.658	-	835,554	-	-
Title IV-E Foster Care	93.658	-	261,188	66,003	-
Title IV-E Foster Care Training	93.658	-	2,977	-	-
Title IV-E Foster Care Child Protective Services	93.658	-	92,995	-	-
Title IV-E Maximization	93.658	-	307,275	237,821	-
State Foster Care/HIV	93.658	-	-	137,430	-
Special Children's Adoption Fund	93.658	-	80,400	246,600	-
CPS State	93.658	-	132,230	203,445	-
Adoption Assistance	93.659	-	2,746	1,373	-
IV-E Optional Adoption	93.659	-	8,737	-	-
Adoption Assistance - Direct Benefit Payments	93.659	-	1,514,815	379,323	-
Total Foster Care and Adoption Cluster (Note 3)			<u>3,238,917</u>	<u>1,271,995</u>	<u>-</u>
Social Services Block Grant:					
Social Services Block Grant Administration	93.667	-	1,497,890	126,301	-
Social Services Block Grant In Home Services	93.667	-	156,207	-	-
Social Services Block Grant Adult Day Care	93.667	-	71,738	64,184	-
Social Services Block Grant Transportation	93.667	-	11,599	-	-
Chafee Foster Care - Independent Living	93.674	-	41,148	(1,977)	-
Independent Living - Direct Benefit Payments	93.674	-	13,852	-	-
<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	-	579,684	-	-
Division of Child Development:					
Child Care and Development Fund - Discretionary	93.575	-	1,640,301	-	-
Child Care and Development Fund - Mandatory	93.596	-	2,251,417	-	-
Child Care and Development Fund - Match	93.596	-	705,034	-	-
TANF to CCDF Discretionary	93.575	-	4,951,874	-	-
Temporary Assistance for Needy Families	93.558	-	845,061	-	-
IV-E Foster Care	93.658	-	195,817	-	-
IV-E Foster Care Match	-	-	-	97,816	-
State Appropriations	-	-	-	506,537	-
TANF-MOE	-	-	-	1,078,406	-
Total Subsidized Child Care (Note 3)			<u>11,169,188</u>	<u>1,682,759</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, 2017

Page 2 of 4

Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Federal/State Pass-Through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<u>Centers for Medicare and Medicaid Services</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Administration:					
State Children's Insurance Program - N.C. Health Choice	93.767	-	\$ 209,300	232	-
Direct Benefit Payments:					
State Children's Insurance Program - N.C. Health Choice	93.767	-	6,403,027	29,505	-
Total State Children's Insurance Program - N.C. Health Choice			<u>6,612,327</u>	<u>29,737</u>	<u>-</u>
Medical Assistance Program:					
(a) Medical Assistance Administration	93.778	-	5,815,556	-	-
(a) Adult Home Specialist	93.778	-	42,183	21,092	-
(a) MAC CORD Transp	93.778	-	139,885	-	-
(a) Medical Assistance Transportation Administration	93.778	-	292,034	40	-
(a) State/County Special Assistance	93.778	-	166,019	-	-
State/County Special Assistance for Adults -					
(a) Direct Benefit Payments	-	-	-	2,179,110	-
Division of Medical Assistance:					
Passed-through Northwest Community Care Network:					
(a) CCNC Pregnancy Prevention (Note 4)	93.778	-	582,919	-	-
(a) Pregnancy Care Management (Note 4)	93.778	-	667,273	-	-
Medical Assistance Program:					
(a) Medical Assistance Transportation Vendor Payments	93.778	-	798,230	468,802	-
(a) Direct Benefit Payments	93.778	-	275,044,337	145,397,310	-
Total Medical Assistance program			<u>283,548,436</u>	<u>148,066,354</u>	<u>-</u>
<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	-	143,176	-	-
<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					
EBOLA	93.074	-	9,668	-	-
Tuberculosis Control Programs	93.116	-	51,557	-	-
Healthy Communities	93.217	-	31,811	-	-
Immunization Outreach	93.268	-	65,646	-	-
Cooperative Agreements for State-Based Comprehensive:					
Comp Breast Cancer Screen	93.283	-	53,037	39,783	-
BCCP Wisewoman Project	93.283	-	5,610	-	-
Jail Screening Program	93.940	-	151,508	-	-
Speech and Hearing	93.994	-	15,674	11,757	-
Child Svc Coordinator	93.994	-	6,222	4,667	-
Preparedness and Response Team	93.283	-	54,550	-	-
<u>Health Resources and Services Administration</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Refugee Health Assessments	93.566	-	6,669	-	-
Healthy Start Initiative	93.926	-	210,805	-	-
Minority Infant Mortality Rate	93.994	-	41,833	31,378	-
Maternal and Child Health Services Block Grant to the States	93.994	-	194,804	-	-
STD Drugs	93.977	-	1,218	914	-
Women's Preventive Health	93.558	-	49,737	-	-
Family Planning Title X (Note 4)	93.217	-	33,942	-	-
Total U.S. Dept. of Health and Human Services			<u>317,164,871</u>	<u>151,788,062</u>	<u>-</u>
<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	-	100,985	-	-

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, 2017

Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Federal/State Pass-Through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<b><u>U. S. Dept. of Housing and Urban Development</u></b>					
<b><u>Community Planning and Development</u></b>					
Passed through N. C. Department of Commerce:					
Division of Community Assistance:					
Community Development Block Grants - NC Catalyst	14.228	09-D-2468	\$ 5,600	-	-
Passed-through N.C. Housing Finance Agency:					
NCHFA Single Family Rehabilitation	14.239	-	1,670	-	-
NCHFA URP		-		89,560	-
Passed through City of Winston-Salem:					
HOME Investment Partnerships Program:					
2013 Winston-Salem/Forsyth County HOME Consortium	14.239	M13-DC-37-0204	17,414	-	-
2014 Winston-Salem/Forsyth County HOME Consortium	14.239	M14-DC-37-0204	109,601	-	-
2015 Winston-Salem/Forsyth County HOME Consortium	14.239	M15-DC-37-0204	83,956	-	-
2016 Winston-Salem/Forsyth County HOME Consortium	14.239	M16-DC-37-0204	90	-	-
Total U. S. Dept. of Housing and Urban Development			<u>218,331</u>	<u>89,560</u>	<u>-</u>
<b><u>U.S. Dept. of Agriculture</u></b>					
<b><u>Food and Nutrition Service</u></b>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
<b><u>Supplemental Nutrition Assistance Program (SNAP) Cluster:</u></b>					
State Administrative Matching Grants:					
(a) SNAP Administration	10.561	-	2,952,942	-	-
(a) SNAP Incentives	10.561	-	22,712	-	-
(a) SNAP Fraud Administration	10.561	-	190,470	-	-
Total SNAP Cluster			<u>3,166,124</u>	<u>-</u>	<u>-</u>
Division of Public Health:					
Special Supplemental Nutrition Program for Women, Infants, & Children:					
(a) Administration	10.557	-	2,031,224	-	-
(a) Direct Benefits	10.557	-	6,935,266	-	-
Total U. S. Dept. of Agriculture			<u>12,132,614</u>	<u>-</u>	<u>-</u>
<b><u>Environmental Protection Agency</u></b>					
Direct Programs:					
Surveys, Studies, Investigations and Special Purpose Grants	66.034	-	103,099	-	-
<b><u>Office of Air and Radiation</u></b>					
Air Pollution Control Program Support	66.001	-	451,317	-	-
Total Environmental Protection Agency			<u>554,416</u>	<u>-</u>	<u>-</u>
<b><u>U.S. Dept. of Justice</u></b>					
Direct programs:					
<b><u>Office of Violence Against Women</u></b>					
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	67,346	-	67,346
Total U.S. Dept. of Justice			<u>67,346</u>	<u>-</u>	<u>67,346</u>
Total federal awards			<u>330,238,563</u>	<u>151,877,622</u>	<u>67,346</u>
<b>State Awards:</b>					
<b><u>N.C. Dept. of Health and Human Services</u></b>					
Division of Social Services:					
State Adoption Fund				9,281	-
Share the Warmth				16,587	-
Child WLFR STNHM SVC				70,525	-
ST COS Caseload Reduction				104,292	-
General Health Administration				198,000	-
AIDS				54,500	-
Offsite HIV CTS				123,980	-

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, 2017

Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Federal/State Pass-Through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<b>State Awards: (cont)</b>					
<b><u>N.C. Dept. of Health and Human Services (cont)</u></b>					
Division of Child Development:					
Passed-through Forsyth Early Childhood Partnership:					
Tuberculosis		-	\$ -	20,321	-
TB Medical Services		-	-	2,868	-
Communicable Disease		-	-	16,280	-
Maternal and Child Health Services		-	-	129,450	-
Women's Preventive Health		-	-	30,212	-
Family Planning State		-	-	20,741	-
High Risk Maternity Unit		-	-	102,657	-
School Nurse Funding		-	-	100,755	-
Zika		-	-	22,065	-
Minority Diabetes Prevention		-	-	131,263	-
Division of Public Health:					
Division of Aging:					
Passed-through Piedmont Regional Council of Governments:					
Home and Community Care		-	-	173,639	-
Total N.C. Dept. of Health and Human Services			-	1,327,416	-
<b><u>N.C. Dept. of Cultural and Natural Resources</u></b>					
Division of State Library:					
State Aid to Libraries		-	-	292,277	-
Total N.C. Dept. of Cultural and Natural Resources			-	292,277	-
<b><u>N.C. Dept. of Environmental Quality</u></b>					
Triad Air Awareness Ozone Reduction		-	-	49,732	-
Air Quality Mobile Source Program		-	-	203,431	-
Food and Lodging Permit Distribution		-	-	28,028	-
NC A&T University Position Reimbursement		-	-	51,338	-
SWC - Agricultural Cost Share Program		-	-	26,013	-
SWC - Administration and Technical Assistance		-	-	4,193	-
Total N.C. Dept. of Environmental Quality			-	362,735	-
<b><u>N.C. Department of Public Safety</u></b>					
Juvenile Justice and Delinquency Prevention		-	-	730,729	730,729
Total N.C. Dept. of Public Safety			-	730,729	730,729
<b><u>N.C. Dept. of Public Instruction</u></b>					
Public School Building Capital Fund		0-002-933	-	3,744,842	-
<b><u>N.C. Dept. of Transportation</u></b>					
Rural Operating Assistance Program:					
Work First Transitional/Employment Transportation Assistance		9.9051570	-	20,644	-
Elderly and Disabled Transportation Assistance		9.9050716	-	162,374	162,374
Total N.C. Dept. of Transportation			-	183,018	162,374
Total state awards			-	6,641,017	893,103
Total federal and State awards			\$ 330,238,563	158,518,639	960,449

(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, 2017

### **(1) Basis of Presentation**

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and state grant activity of Forsyth County, North Carolina (the "County") under the program of the federal government and the State of North Carolina for the year ended June 30, 2017. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of the County it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

### **(2) Summary of Significant Accounting Policies**

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Forsyth County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

### **(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 and Pregnancy Care Management

## 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**, Assistant Chief Financial Officer

**Michael J. Phelps**, Controller and Systems Manager

**Teresa G. Everhart**, Risk Manager

**Gloria M. Turowski**, Fiscal Analyst

**M. Brandon Branscome**, Internal Audit Manager

**Jean-Baptiste A. Lagnie**, Internal Auditor

Cover Design: **Keith Spencer**



