



Comprehensive Annual Financial Report

Year ended June 30, 2016

Forsyth County
North Carolina
2016

Forsyth County, North Carolina

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2016

Prepared by the Forsyth County Finance Department:

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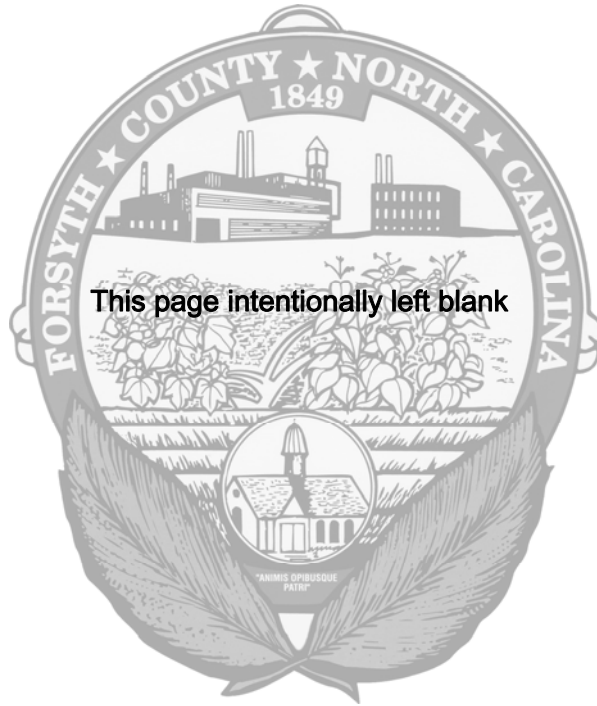
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Forsyth County, North Carolina

Comprehensive Annual Financial Report

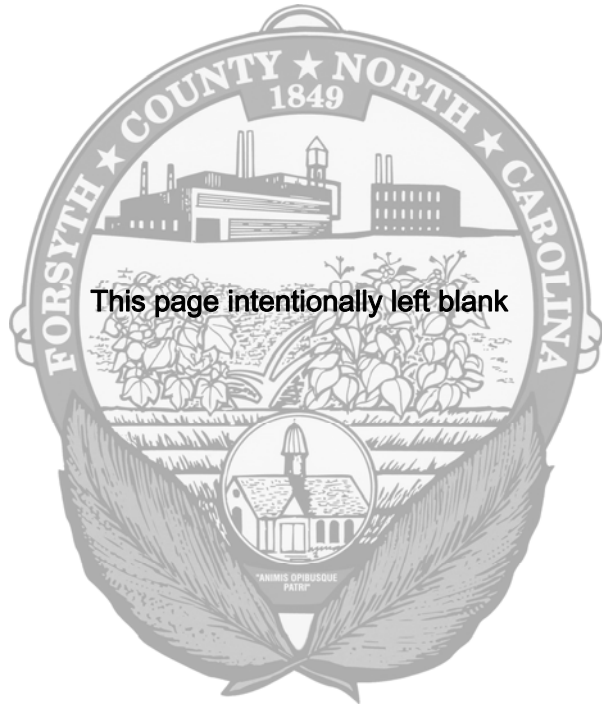
For the Fiscal Year Ended June 30, 2016

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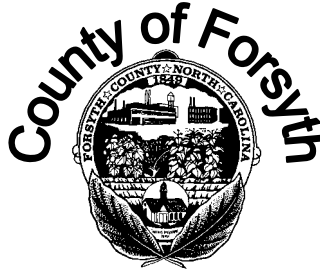
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FINANCE DEPARTMENT

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

Terri L. Goodman, CPA
DEPUTY CHIEF FINANCIAL OFFICER

Lee H. Plunkett
TREASURER



Michael J. Phelps, CPA
CONTROLLER AND SYSTEMS MANAGER

Teresa G. Everhart, CISR
RISK MANAGER

M. Brandon Branscome, CPA
INTERNAL AUDIT MANAGER

October 24, 2016

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, 2016.

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, 2016, 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, 2016, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

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

Profile of the Government

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

The mission of Forsyth County government is to help create a community, which is safe and healthy, convenient and pleasant to live in, with educational and economic opportunities for everyone. We cooperate with many other public agencies and community organizations in this mission. We provide certain services and functions, which are responsibilities of all county governments, and other services, which the Board of Commissioners has determined to be necessary and appropriate. We are committed to providing quality services, efficiently and effectively, with courteous attention to the opinions and needs of individual citizens. To fulfill its mission, Forsyth County provides a broad range of services that include public safety, environmental protection, health and social services, cultural and recreational programs, community and economic development, and education. This report encompasses the County's activities in maintaining these services and includes its financial support to certain separate agencies, boards, and commissions to assist their efforts in serving citizens. Among these are the Winston-Salem/Forsyth County Schools, Forsyth Technical Community College, and CenterPoint Human Services.

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

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

information on budgetary data. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 16 as part of the basic financial statements for the governmental funds and, in greater detail, on pages 56 - 58 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 61. 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 1.69 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 367,853 and a workforce of more than 181,000, 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, 2016 is 5.3 percent, which is lower than the State rate of 5.4 percent and higher the national rate of 5.0 percent.

Economic resilience and employment stability have formed the foundation for strong local consumer and commercial markets. Personal income levels remain consistently higher than state figures. The County's per capita income is \$41,437, the tenth highest among counties in the state, and higher than the State's \$39,171. Capital investment, as measured by the value of new residential and commercial building permits issued during the year, totaled \$534 million during the year ended June 30, 2016, an increase of 9.6 percent.

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, 2016, the County's CIP through the year 2022 consists of \$447.65 million for proposed projects funded with long term financing. Long-term debt will be incurred for public schools (\$288 million), community college projects (\$55.65 million), park system development and maintenance (\$16 million), County general capital maintenance (\$8.0 million), renovations to court facilities in the Hall of Justice (\$80 million) and sales of property and other revenues will fund replacement of the SciWorks facility (\$25.0 million). A bond referendum is tentatively planned for November 2016 and debt acquired projects will either be funded via general obligation bonds or limited obligation bonds as that referendum is developed.

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

Tax Rate - The Board of Commissioners strives to limit the growth of the annual operating budget to an amount which can be accommodated by growth in the tax base as well as other local, state and federal revenues, without a tax rate increase, whenever possible. The fiscal year 2016 tax rate of \$.7310 represents a modest \$.0142 increase above the prior year rate, with \$.006 of that increase earmarked for the Library Debt Leveling Plan discussed below.

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 \$23.6 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 \$2.3 million.

Debt Policy - Forsyth County recognizes that a formally adopted debt policy is fundamental to sound financial management. The fiscal year 2016 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, 2016, 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 2015 Pay-Go capital project fund which provided funds for Arts Council downtown support and up fitting the public safety center in the Phillips Building.

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 2016 fiscal year with an available fund balance, net of committed fund balance, of 18.4% of its 2017 budget. \$9.1 million of available fund balance was appropriated to balance the fiscal 2017 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 \$9.6 million, was assigned for fiscal 2017 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 2016 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 2017 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 debt leveling plan which raised taxes one time for the life of \$337.2 million of school and community college debt, the school funding formula which uses economic and demographic data to determine growth in school funding, 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, 2015. This was the 32nd 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 2016 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 2017 budget continues to conform to program requirements, and we are submitting it to GFOA to determine eligibility for another award.

Acknowledgements. The preparation of the annual financial report was made possible by the dedicated service of the entire staff of the Finance Department. The year-end closing of the accounting system, report preparation and overall coordination was effectively managed by Terri L. Goodman, Deputy Chief Financial Officer. Also providing substantial support in report preparation and related accounting activities were: Lee H. Plunkett, Treasurer; Michael J. Phelps, Controller and

Systems Manager; Teresa Everhart, Risk Manager; Brandon Branscome, Internal Audit Manager; 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: Vice-Chairman Don Martin, Gloria D. Whisenhunt and Chairman David R. Plyler
Standing (left to right): Walter Marshall, Richard V. Linville, Ted Kaplan and Everette Witherspoon

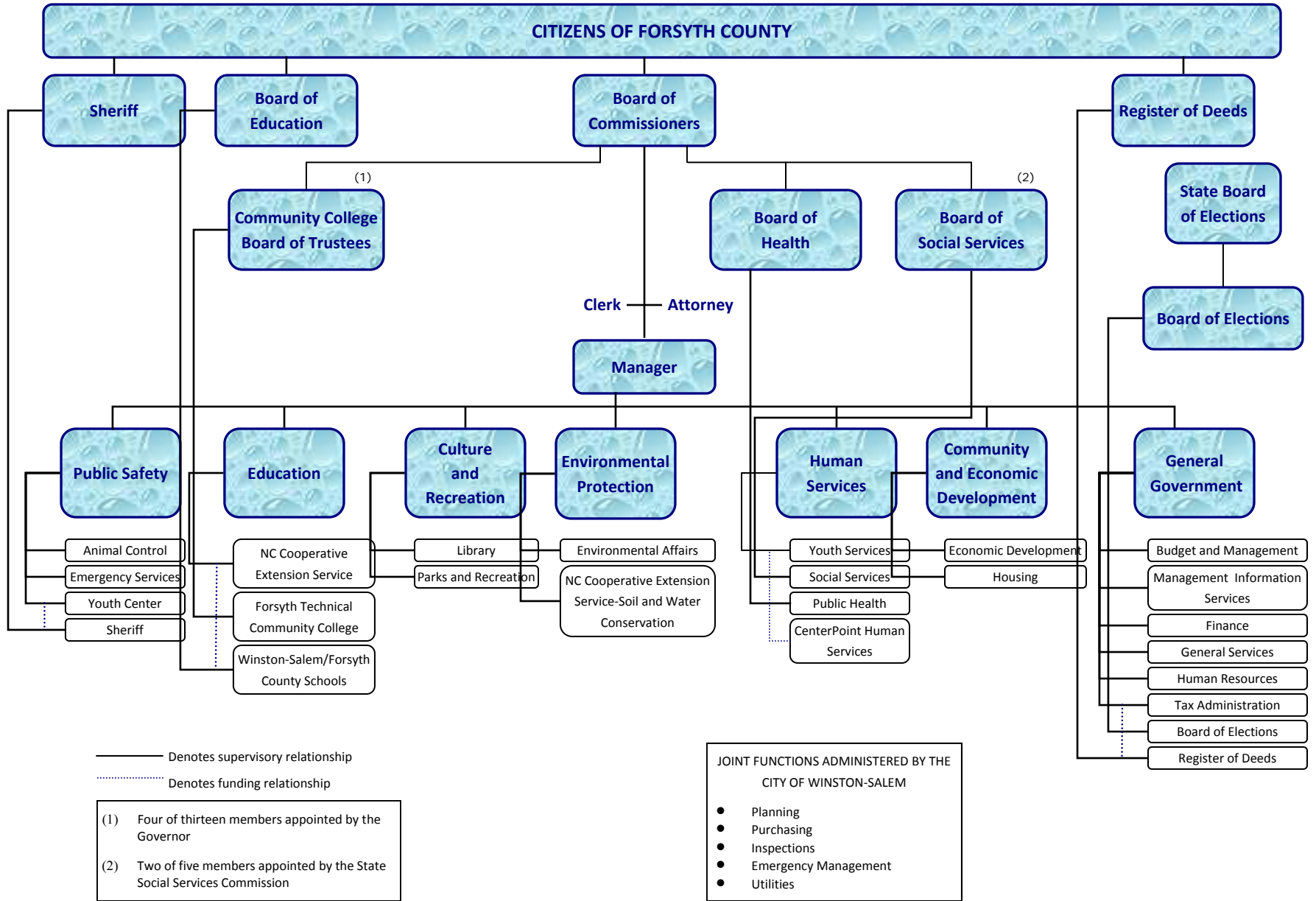
County Officials



J. Dudley Watts, Jr.
County Manager



Paul L. Fulton, Jr.
Chief Financial Officer





Government Finance Officers Association

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

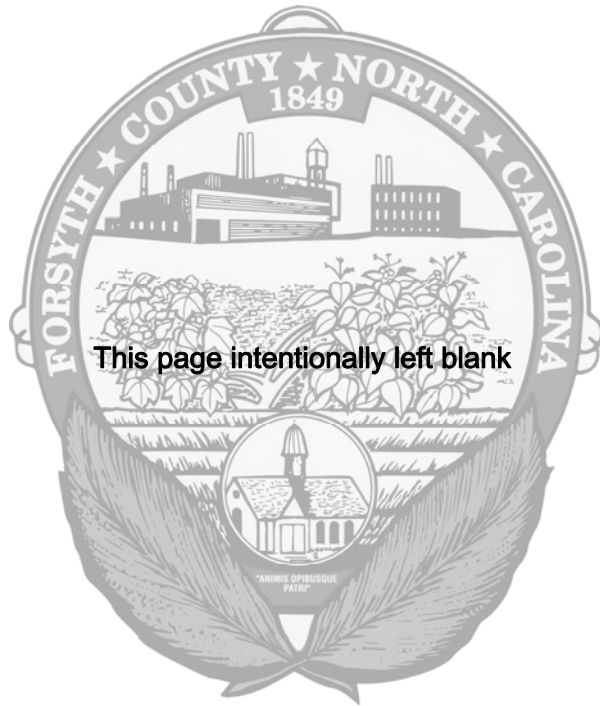
Presented to

**Forsyth County
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

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, 2016, 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, 2016, and the respective changes in financial position and cash flows, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 5h to the basic financial statements, the County adopted Governmental Accounting Standards Board Statement No. 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, 2015. As a result, net position as of June 30, 2015 has been restated. Our opinion is not modified with respect to this matter.

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.

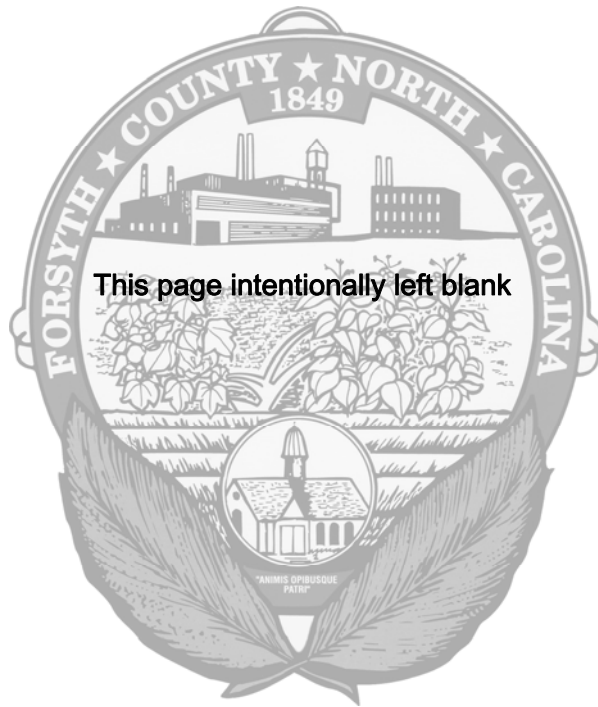
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2016 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.

Chauney Rickett LLP

Raleigh, North Carolina
October 24, 2016



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MANAGEMENT'S DISCUSSION AND ANALYSIS

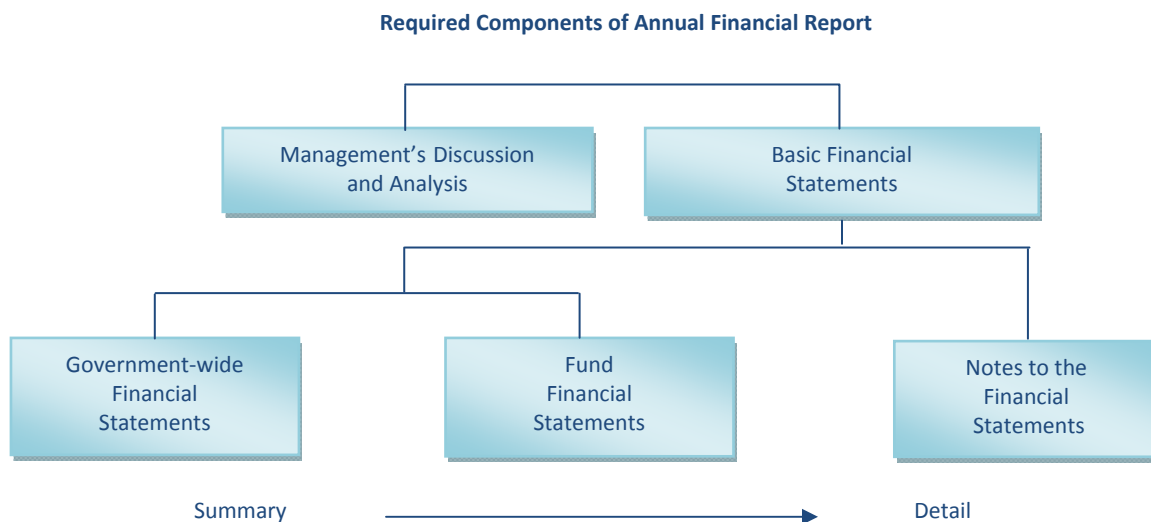
As management of Forsyth County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2016. This narrative complements the data presented in the basic financial statements and we encourage 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 \$143.7 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 \$250.7 million.
- The County's total net position increased by \$38.8 million from net position of the prior period (as restated) despite the payment of \$7.5 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 21st consecutive year.
- As of the close of the current fiscal year, Forsyth County's governmental funds reported combined ending fund balances of \$199.7 million, a decrease of \$15.5 million in comparison with the prior year. This decrease is largely attributed to an increase in capital project expenditures.
- The balance in the Education Leveling Plan decreased by a net \$4.8 million for the year bringing the total available to pay for future education-related debt service to \$23.6 million. The balance in the Library Leveling Plan decreased by a net \$468,000 for the year bringing the total available to pay for future library-related debt service to \$2.3 million.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$59.2 million or 15.1% 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.



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 29 governmental funds for the year ended June 30, 2016. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and three capital project funds, the 2009 Educational Facilities fund, the 2009 Phillips Building Phases IA and IB fund, and the 2011 Library Bond fund, which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements elsewhere in this report.

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

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

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

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 21 - 48 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 49 - 54 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 61 – 93 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 \$143.7 million as of June 30, 2016. 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 \$394.4 million at year-end and is reported as a reduction of unrestricted net position for governmental activities, resulting in a deficit balance of \$291.3 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 \$103.1 million and total net position would be \$250.7 million, an increase in total net position of \$9.6 million over the prior year.

The following summarizes Net Position at June 30, 2016 and 2015:

Forsyth County’s Net Position		
	Governmental Activities	
	2016	2015
Current and other assets	\$ 232,586,010	\$ 250,608,765
Capital assets	169,800,811	162,905,409
Total assets	<u>402,386,821</u>	<u>413,514,174</u>
Deferred outflows of resources		
- unamortized bond refunding charges	<u>21,174,144</u>	<u>24,100,581</u>
Long-term liabilities outstanding	535,303,470	583,606,068
Other liabilities	28,411,838	16,677,791
Total liabilities	<u>563,715,308</u>	<u>600,283,859</u>
Deferred inflows of resources	<u>3,561,900</u>	<u>20,399,710</u>
Net position:		
Net investment in capital assets	91,997,431	80,960,647
Restricted	55,613,795	38,012,456
Unrestricted deficit	(291,327,469)	(302,041,917)
Total net position	<u>\$ (143,716,243)</u>	<u>\$ (183,068,814)</u>

A major portion of net position reflects the County's \$92.0 million investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt still outstanding that was issued to acquire those items. Forsyth County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Forsyth County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional \$55.6 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 \$11.6 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 \$38.8 million for the fiscal year ended June 30, 2016.

The following summarizes the changes in net position for the years ended June 30, 2016 and 2015:

Forsyth County's Changes in Net Position		
	Governmental Activities	
	2016	2015
Revenues:		
Program revenues:		
Charges for services	\$ 32,718,694	\$ 34,549,724
Operating grants and contributions	55,707,532	55,714,343
General revenues:		
Property taxes	248,996,613	237,494,550
Other taxes	64,763,434	62,637,454
Grants and contributions not restricted to specific programs	3,744,478	3,784,090
Other	4,047,214	1,017,474
Total revenues	<u>409,977,965</u>	<u>395,197,635</u>
Expenses:		
General government	39,710,432	37,104,610
Public safety	77,733,569	73,502,755
Environmental protection	2,777,088	2,504,903
Human services	78,666,572	74,304,852
Culture and recreation	15,951,292	16,535,727
Community and economic development	4,211,266	2,936,334
Education	135,927,424	134,732,270
Interest on long-term debt	16,179,523	18,129,062
Total expenses	<u>371,157,166</u>	<u>359,750,513</u>
Increase in net position	38,820,799	35,447,122
Net position, July 1 as previously reported	(183,068,814)	(207,618,853)
Restatement	531,772	(10,897,083)
Net position, July 1 as restated	<u>(182,537,042)</u>	<u>(218,515,936)</u>
Net position, June 30	<u>\$ (143,716,243)</u>	<u>\$ (183,068,814)</u>

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:

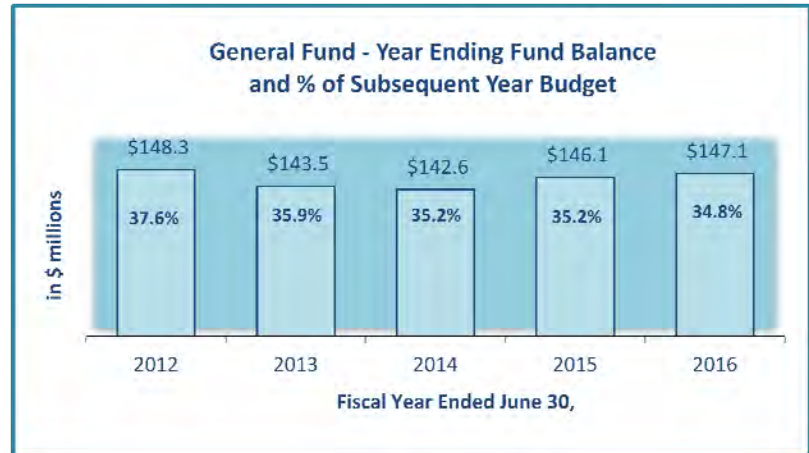
- Program and general revenues increased \$14.8 million from the prior year.
- Education expenses of \$7.5 million represent debt-funded outlays for which the resulting capital assets are not reported as assets of the County; however, liability for the applicable debt is reported on the County's Statement 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, 2016, the County's four major funds were the General Fund, and three capital projects funds, the 2009 Educational Facilities Fund, the 2009 Phillips Building Phases IA and IB fund and the 2011 Library Bond fund.

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

The General Fund is the primary operating fund of the County. At the end of the current fiscal year, the fund balance in the General Fund was \$147.1 million, an increase of \$1.1 million, with \$116.7 million available for appropriation and \$59.2 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 2016 fiscal year with an available fund balance, net of committed fund balance, of \$77.8 million, 18.4% of its 2017 budget. \$9.1 million of fund balance was appropriated to balance the fiscal 2017 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 2017 capital maintenance projects.



The County exceeded this policy target ending the 2016 fiscal year with an available fund balance, net of committed fund balance, of \$77.8 million, 18.4% of its 2017 budget. \$9.1 million of fund balance was appropriated to balance the fiscal 2017 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 2017 capital maintenance projects.

Key factors that resulted in the \$1.1 million increase in the General Fund fund balance include:

- Continued diligence in the collection of property taxes which resulted in a 99.1% collection percentage.
- Total actual revenues were less than budgeted revenue estimates by \$3.3 million. Property tax collections exceeded budget expectation by \$4.1 million which partially offset the under-realization of other governmental revenues. Intergovernmental revenues were \$4.6 million under-budget primarily due to under spending which resulted in reduced reimbursement for human services grants. Charges for services and Other Revenues were also under budget by \$1.2 million and \$2.6 million, respectively.
- Expenditure appropriations were under-spent by \$31.2 million. Significant under-expenditures occurred in public safety (\$3.8 million), human services (\$8.8 million), culture and recreation (\$1.7 million), general government (\$7.7 million), and community and economic development (\$7.7 million). In public safety, outlays for the sheriff's department and emergency services were \$2.3 million and \$1.2 million under-budget, respectively. In human services, savings were in public health (\$3.9 million) and social services (\$4.9 million). The Parks and Recreation Department and the libraries were \$601,000 and \$1.1 million under budget, respectively. Tax Administration is \$2.0 million under budget as a result of delayed completion in implementing the County's new tax collection system.
- General fund revenues exceeded expenditures by \$354,000. Transfers out of the General Fund totaling \$6.0 million included: \$1.7 million for schools capital maintenance projects, \$1.5 million for emergency and fleet vehicle purchases, \$1.2 million to establish the 2015 Pay-Go fund, and \$1.6 million to fund the 2011 Library Bond fund in lieu of debt funding.
- Transfers to the General Fund totaling \$6.6 million included: lottery proceeds (\$3.7 million), \$1.7 million from the Fire Tax Districts Funds to support county-wide fire suppression services, and residual equity from fund closures (\$989,000).

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 \$23.6 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 \$2.3 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.
- \$11.0 million has been 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.
- \$699,000 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 2017 budget exceeds 14% of the subsequent year's budgeted expenditures totaled \$9.6 million of which \$7.5 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 \$199.7 million, a decrease of \$15.5 million from the prior year. This decrease is primarily the result of capital project fund spending which resulted in a \$5.9 million decrease in fund balance in the 2011 Library Bond fund, and an aggregate decrease \$8.9 million in non-major capital project fund balances. Approximately 39.1%, or \$78.1 million of total combined fund balance, is restricted or non-spendable. \$23.3 million of this restricted total is restricted for debt funded capital expenditures. \$45.7 million is committed for future debt service, economic development projects, or capital projects. \$18.6 million is assigned for subsequent fiscal year 2017 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 \$13.6 million. Unanticipated state and federal grants totaling \$1.4 million were appropriated for public health, social services and libraries. Appropriations of \$11.3 million were made from fund balance, including \$7.7 million for economic development projects, \$1.6 million for library capital projects, \$1.1 million for pay-go projects, and \$848,000 for encumbrances re-appropriated from fiscal year 2015.

Although \$27.7 million of fund balance was appropriated in the final budget, as discussed above, the net change in fund balance for the year was an increase of \$1.1 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. Forsyth County's investment in capital assets for its governmental activities as of June 30, 2016, totals \$169.8 million (net of accumulated depreciation), a \$6.9 million increase from the prior year. These assets include land, buildings, construction-in-progress, park facilities, equipment, vehicles and software.

Forsyth County's Capital Assets (net of depreciation)		
	Governmental Activities	
	2016	2015
Land	\$ 16,045,866	\$ 13,315,718
Art collections	517,907	517,907
Construction-in-progress	10,920,194	1,543,829
Buildings	122,299,538	127,267,477
Improvements other than buildings	10,523,926	10,758,678
Equipment	4,640,157	5,012,670
Vehicles	4,010,474	3,608,090
Software	842,749	881,040
Total Capital Assets	<u>\$ 169,800,811</u>	<u>\$ 162,905,409</u>

Major capital asset transactions during the year include:

- Library projects totaling \$7.7 million.
- General government and park maintenance projects totaling \$2.5 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, 2016, Forsyth County had total bonded debt outstanding of \$421.9 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 \$482.8 million, a decrease of \$39.4 million. New debt included \$29.7 million in new installment financing debt to refund \$29.6 million in certificates of participation.

At June 30, 2016 and 2015, the County's bonded and non-bonded debt consisted of:

Forsyth County's Outstanding Debt		
	Governmental Activities	
	2016	2015
General obligation bonds	\$ 421,930,000	\$ 455,005,000
Certificates of Participation and Limited Obligation Bonds	24,345,000	58,815,000
Installment purchase obligations	36,475,000	8,335,996
Total Outstanding Debt	\$ 482,750,000	\$ 522,155,996

As mentioned in the financial highlights section of this document, Forsyth County maintained for the 21st 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 \$2.63 billion. The County's total bonded debt is 1.38% 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

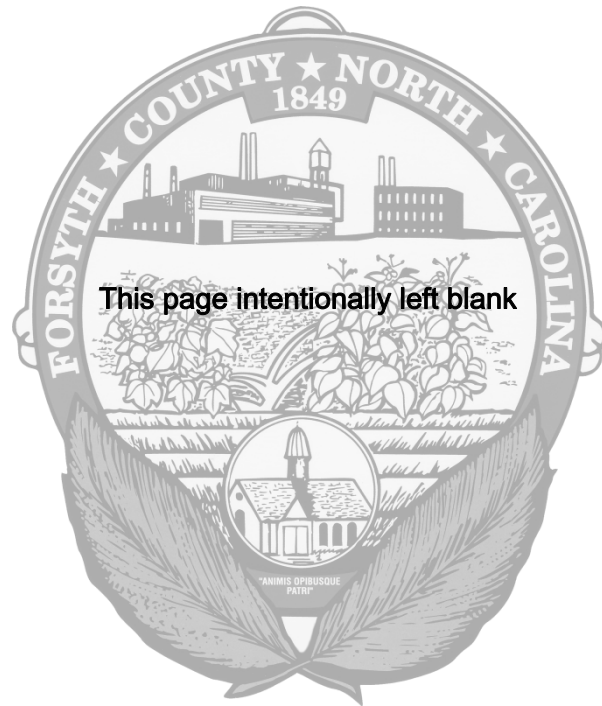
The County has adopted a General Fund budget for the fiscal year ending June 30, 2017 in the amount of \$422.8 million, a decrease of \$5.4 million or 1.3% from the final 2016 budget of \$428.2 million. The property tax rate of \$0.7310 per hundred dollars assessed value is unchanged from the prior year rate. \$16.4 million of the County's \$116.7 million available fund balance was appropriated, of which \$2.0 million was for the reappropriation of prior year encumbrances and \$5.3 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 2017 budget remains 14.5% of 2017 budgeted expenditures.

Significant factors considered in the preparation of the fiscal year 2017 County budget include:

- The County strives to limit the growth of the annual operating budget to an amount which can be accommodated by growth in the tax base as well as other local, state and federal revenues, without a tax rate increase, whenever possible.
- Continued sales tax growth expected to produce \$1.7 million, or 2.8% in additional revenue.
- Reduced lottery proceeds will continue to cause acceleration in the use of funds from the Education Debt Leveling Plan to cover education related debt costs.

REQUESTS FOR INFORMATION

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



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Basic Financial Statements

FORSYTH COUNTY, NORTH CAROLINA
Statement of Net Position
June 30, 2016

Exhibit 1

	Governmental Activities
ASSETS	
Cash and cash equivalents / investments	\$ 148,124,963
Investments - restricted	43,059,172
Pension asset - restricted	910,408
Taxes receivable (net)	3,251,563
Accounts receivable (net)	9,448,782
Accrued interest on investments	29,856
Due from other governments	27,310,228
Prepaid items	451,038
Capital assets:	
Land, collections, and construction-in-progress	27,483,967
Other capital assets, net of depreciation	142,316,844
Total capital assets	<u>169,800,811</u>
Total assets	<u>402,386,821</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related deferrals	5,969,776
Deferred charge on refunding	15,204,368
Total deferred outflows of resources	<u>21,174,144</u>
LIABILITIES	
Accounts payable and accrued liabilities	12,691,447
Unearned revenue	2,606,651
Accrued interest payable	4,668,977
Due to other governments	2,160,776
Long-term liabilities:	
Pension liability	6,283,987
Due within one year	47,296,383
Due in more than one year	488,007,087
Total liabilities	<u>563,715,308</u>
DEFERRED INFLOWS OF RESOURCES - pension related deferrals	<u>3,561,900</u>
NET POSITION	
Net investment in capital assets	91,997,431
Restricted for:	
Stabilization by state statute	49,658,997
Pension asset - Register of Deeds	910,408
Public safety	3,239,022
Human services	304,233
Community and economic development	157,114
Other purposes	1,344,021
Unrestricted deficit	(291,327,469)
Total net position	\$ <u><u>(143,716,243)</u></u>

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

FORSYTH COUNTY, NORTH CAROLINA
Statement of Activities
For the Fiscal Year Ended June 30, 2016

Exhibit 2

Functions	Expenses	Program Revenues		Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental:				
General government	\$ 39,710,432	3,528,423	651,129	(35,530,880)
Public safety	77,733,569	17,143,278	4,325,041	(56,265,250)
Environmental protection	2,777,088	532,922	870,607	(1,373,559)
Human services	78,666,572	7,142,225	44,316,342	(27,208,005)
Culture and recreation	15,951,292	4,197,334	1,145,752	(10,608,206)
Community and economic development	4,211,266	126,263	476,516	(3,608,487)
Education	135,927,424	48,249	3,922,145	(131,957,030)
Interest on long-term debt	16,179,523	-	-	(16,179,523)
Total governmental activities	\$ 371,157,166	32,718,694	55,707,532	(282,730,940)
General revenues:				
Taxes:				
Property taxes, levied for general purposes				248,996,613
Local option sales tax				61,889,139
Occupancy taxes, levied for economic development				747,342
Gross receipts tax				430,692
Excise stamp tax				1,696,261
Grants and contributions not restricted to specific programs				3,744,478
Investment earnings, unrestricted				874,524
Miscellaneous, unrestricted				3,172,690
Total general revenues				321,551,739
Change in net position				38,820,799
Net position - beginning, previously reported				(183,068,814)
Restatement				531,772
Net position - beginning, restated				(182,537,042)
Net position - ending				\$ (143,716,243)

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

FORSYTH COUNTY, NORTH CAROLINA

Exhibit 3

Balance Sheet

Governmental Funds

Page 1 of 2

June 30, 2016

	<u>General Fund</u>	<u>Capital Projects Funds</u>		<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
		<u>2009 Phillips Building Phases 1A and 1B</u>	<u>2011 Library Bond</u>		
ASSETS					
Cash and cash equivalents / investments	\$ 132,488,272	-	4,580	12,376,769	144,869,621
Investments - restricted	-	1,037,757	31,845,019	10,176,396	43,059,172
Receivables (net):					
Property taxes	2,430,834	-	-	65,888	2,496,722
Occupancy taxes	66,805	-	-	-	66,805
Other taxes	62,995	-	-	-	62,995
Accounts	9,026,357	-	-	60	9,026,417
Accrued interest	17,252	-	926	11,678	29,856
Due from other governments	24,579,656	-	-	2,730,484	27,310,140
Due from other funds	1,877,892	-	-	-	1,877,892
Prepaid items	122,250	-	-	-	122,250
Total assets	\$ 170,672,313	1,037,757	31,850,525	25,361,275	228,921,870
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 8,811,489	211,966	2,501,575	1,009,663	12,534,693
Due to other governments	2,160,561	-	-	215	2,160,776
Due to other funds	-	-	-	1,877,892	1,877,892
Unearned revenue	2,259,846	-	-	1,042	2,260,888
Total liabilities	13,231,896	211,966	2,501,575	2,888,812	18,834,249
Deferred Inflows of Resources:					
Unavailable taxes	2,430,834	-	-	65,888	2,496,722
Unavailable other revenue	7,876,657	-	-	12,124	7,888,781
Total deferred inflows of resources	10,307,491	-	-	78,012	10,385,503
Fund balances:					
Nonspendable - Prepaid items	122,250	-	-	-	122,250
Restricted for:					
Stabilization by state statute	30,330,791	823,436	14,024,946	4,479,824	49,658,997
Register of Deeds	1,272,037	-	-	-	1,272,037
Other	71,984	-	-	-	71,984
Capital projects	-	2,355	15,319,424	7,974,778	23,296,557
Fire Protection	-	-	-	805,611	805,611
Law Enforcement	-	-	-	1,351,019	1,351,019
Emergency Telephone System	-	-	-	1,082,392	1,082,392
Human Services	-	-	-	304,233	304,233
Housing and Community Redevelopment	-	-	-	157,114	157,114
Committed					
Education Debt Leveling Plan	23,552,616	-	-	-	23,552,616
Library Debt Leveling Plan	2,262,198	-	-	-	2,262,198
Law Enforcement Special Separation Allowance	699,128	-	-	-	699,128
Economic Development	11,030,374	-	-	-	11,030,374
Capital projects	-	-	4,580	8,122,587	8,127,167
Assigned					
Subsequent Year Budget	9,050,853	-	-	-	9,050,853
Management Special Projects	7,453,031	-	-	-	7,453,031
Capital maintenance projects	2,100,000	-	-	-	2,100,000
Unassigned	59,187,664	-	-	(1,883,107)	57,304,557
Total fund balances	147,132,926	825,791	29,348,950	22,394,451	199,702,118
Total liabilities, deferred inflows of resources and fund balances	\$ 170,672,313	1,037,757	31,850,525	25,361,275	228,921,870

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

(continued)

FORSYTH COUNTY, NORTH CAROLINA

Exhibit 3

Balance Sheet

Governmental Funds

Page 2 of 2

June 30, 2016

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

Fund balances - total governmental funds	\$	199,702,118
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		169,800,811
Net pension asset.		910,408
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.		5,769,164
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.		15,733,768
Earned revenue that is not available to pay current period expenditures is deferred in the funds.		11,010,544
Pension related deferrals.		(3,561,900)
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.		478,500
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(543,559,656)
Net position of governmental activities	\$	<u><u>(143,716,243)</u></u>

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

FORSYTH COUNTY, NORTH CAROLINA

Exhibit 4

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2016

	<u>General Fund</u>	<u>Capital Projects Funds</u>				<u>Total Governmental Funds</u>
		<u>2009 Educational Facilities</u>	<u>2009 Phillips Building Phases 1A and 1B</u>	<u>2011 Library Bond</u>	<u>Nonmajor Governmental Funds</u>	
Revenues:						
Property taxes	\$ 241,750,508	-	-	-	7,346,698	249,097,206
Occupancy taxes	747,342	-	-	-	-	747,342
Local option sales taxes	60,164,591	-	-	-	1,724,548	61,889,139
Other taxes	430,692	-	-	-	-	430,692
Licenses and permits	885,379	-	-	-	-	885,379
Intergovernmental	53,220,536	-	-	-	5,302,117	58,522,653
Charges for services	23,112,588	-	-	-	17,004	23,129,592
Investment earnings	724,613	1,237	2,682	74,346	89,680	892,558
Other	10,309,883	-	-	95,589	194,036	10,599,508
Total revenues	391,346,132	1,237	2,682	169,935	14,674,083	406,194,069
Expenditures:						
Current:						
General government	36,742,065	-	-	-	-	36,742,065
Public safety	67,201,125	-	-	-	8,198,553	75,399,678
Environmental protection	2,770,670	-	-	-	-	2,770,670
Human services	72,598,758	-	-	-	4,720	72,603,478
Culture and recreation	14,523,516	-	-	-	-	14,523,516
Community and economic development	3,253,132	-	-	-	959,430	4,212,562
Education	789,485	-	-	-	-	789,485
Intergovernmental:						
Human services	5,811,072	-	-	-	-	5,811,072
Education	126,603,760	546,068	-	-	8,007,388	135,157,216
Debt service:						
Principal retirement	40,054,752	-	-	-	-	40,054,752
Interest and other charges	20,643,389	-	-	-	-	20,643,389
Capital outlay	-	-	501,079	7,715,139	4,866,843	13,083,061
Total expenditures	390,991,724	546,068	501,079	7,715,139	22,036,934	421,790,944
Excess (deficiency) of revenues over expenditures	354,408	(544,831)	(498,397)	(7,545,204)	(7,362,851)	(15,596,875)
Other financing sources (uses):						
Refunding installment financing issuance	29,720,000	-	-	-	-	29,720,000
Transfers in	6,599,293	-	-	1,611,451	7,363,728	15,574,472
Transfers out	(6,012,202)	(617,175)	-	-	(8,945,095)	(15,574,472)
Payment to refunded COPS escrow agent	(29,600,400)	-	-	-	-	(29,600,400)
Total other financing sources (uses)	706,691	(617,175)	-	1,611,451	(1,581,367)	119,600
Net change in fund balances	1,061,099	(1,162,006)	(498,397)	(5,933,753)	(8,944,218)	(15,477,275)
Fund balance - June 30, 2015, previously reported	145,540,055	1,162,006	1,324,188	35,282,703	31,338,669	214,647,621
Restatement	531,772					531,772
Fund balance - June 30, 2015, restated	146,071,827					215,179,393
Fund balance - June 30, 2016	\$ 147,132,926	-	825,791	29,348,950	22,394,451	199,702,118

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, 2016

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

Net change in fund balances - total governmental funds	\$ (15,477,275)
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.	4,890,113
Contributions to the pension plans in the current fiscal year are not included on the Statement of Activities.	5,769,164
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	2,005,289
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	1,064,599
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.	39,986,396
Expenses in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds. Expenditures reported in the governmental funds for prepaid items using the purchases method are not reported as expenses in the statement of activities.	3,005,731
Internal service funds are used by management to charge the costs of health and dental benefits to individual funds. The profit or loss generated by the internal service fund is eliminated on the statement of activities.	(2,423,218)
Change in net position of governmental activities	\$ <u><u>38,820,799</u></u>

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

FORSYTH COUNTY, NORTH CAROLINA

Exhibit 5

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

General Fund

For the Fiscal Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 237,652,866	237,652,866	241,750,508	4,097,642
Occupancy taxes	625,000	625,000	747,342	122,342
Local option sales taxes	59,745,794	59,745,794	60,164,591	418,797
Other taxes	355,000	355,000	430,692	75,692
Total taxes	<u>298,378,660</u>	<u>298,378,660</u>	<u>303,093,133</u>	<u>4,714,473</u>
Licenses and permits	829,084	829,084	885,379	56,295
Intergovernmental	56,280,201	57,796,429	53,220,536	(4,575,893)
Charges for services	24,280,475	24,280,475	23,112,588	(1,167,887)
Investment earnings	428,100	428,100	724,613	296,513
Other	12,269,257	12,952,828	10,309,883	(2,642,945)
Total revenues	<u>392,465,777</u>	<u>394,665,576</u>	<u>391,346,132</u>	<u>(3,319,444)</u>
Expenditures:				
Current:				
General government	45,772,306	44,448,419	36,742,065	7,706,354
Public safety	69,566,091	71,013,739	67,201,125	3,812,614
Environmental protection	2,756,212	2,801,305	2,770,670	30,635
Human services	78,977,616	81,397,805	72,598,758	8,799,047
Culture and recreation	15,579,738	16,244,474	14,523,516	1,720,958
Community and economic development	3,268,743	10,967,523	3,253,132	7,714,391
Education	898,092	944,877	789,485	155,392
Intergovernmental:				
Human services	6,148,706	6,148,706	5,811,072	337,634
Education	126,561,945	126,604,760	126,603,760	1,000
Debt service:				
Principal retirement	40,054,752	40,054,752	40,054,752	-
Interest and other charges	21,424,545	21,544,145	20,643,389	900,756
Total expenditures	<u>411,008,746</u>	<u>422,170,505</u>	<u>390,991,724</u>	<u>31,178,781</u>
Excess (deficiency) of revenues over expenditures	<u>(18,542,969)</u>	<u>(27,504,929)</u>	<u>354,408</u>	<u>27,859,337</u>
Other financing sources (uses):				
Refunding installment financing issuance	-	-	29,720,000	29,720,000
Transfers in	5,756,280	5,756,280	6,599,293	843,013
Transfers out	(3,554,725)	(6,012,202)	(6,012,202)	-
Payment to refunded COPS escrow agent	-	-	(29,600,400)	(29,600,400)
Total other financing sources (uses)	<u>2,201,555</u>	<u>(255,922)</u>	<u>706,691</u>	<u>962,613</u>
Net change in fund balance	<u>\$ (16,341,414)</u>	<u>(27,760,851)</u>	<u>1,061,099</u>	<u>28,821,950</u>
Fund balance - June 30, 2015, previously reported			145,540,055	
Restatement			531,772	
Fund balance - June 30, 2015, restated			<u>146,071,827</u>	
Fund balance - June 30, 2016			<u>\$ 147,132,926</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, 2016

Exhibit 6

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents / investments	\$ 3,255,342
Accounts receivable	420,832
Accrued interest	1,533
Due from other governments	88
Total assets	<u>3,677,795</u>
LIABILITIES	
Current liabilities:	
Accounts payable	156,754
Claims liability	2,696,778
Unearned revenue	345,763
Total liabilities	<u>3,199,295</u>
NET POSITION	
Unrestricted	<u>\$ 478,500</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, 2016

Exhibit 7

	Governmental Activities
Operating revenues:	
Charges for services	\$ 25,204,610
Other revenue	1,021,255
Total operating revenues	<u>26,225,865</u>
Operating expenses:	
Professional services	1,514,050
Claims	26,270,765
Insurance premiums	879,975
Other	1,310
Total operating expenses	<u>28,666,100</u>
Operating loss	(2,440,235)
Nonoperating revenues:	
Interest earnings	<u>17,017</u>
Change in net position	(2,423,218)
Net position at beginning of year	<u>2,901,718</u>
Net position at end of year	<u>\$ 478,500</u>

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

FORSYTH COUNTY, NORTH CAROLINA

Exhibit 8

Statement of Cash Flows**Proprietary Fund - Internal Service Fund**

For the Fiscal Year Ended June 30, 2016

	Governmental Activities
Cash flows from operating activities:	
Cash received from user departments and participants	\$ 25,837,432
Cash paid to suppliers, participants and others	<u>(28,070,669)</u>
Net cash used by operating activities	<u>(2,233,237)</u>
Cash flows from investing activities:	
Interest and dividends on investments	<u>16,840</u>
Net decrease in cash and cash equivalents	(2,216,397)
Cash/cash equivalents / investments at beginning of year	<u>5,471,739</u>
Cash/cash equivalents / investments at end of year	<u>\$ 3,255,342</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating loss	<u>\$ (2,440,235)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Increase in accounts receivable	(420,832)
Increase in due from other governments	(10)
Increase in accounts payable	143,150
Increase in claims payable	451,811
Increase in unearned revenue	<u>32,879</u>
Total adjustments	<u>206,998</u>
Net cash used by operating activities	<u>\$ (2,233,237)</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, 2016

	Other Post-employment Benefit Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents / investments	\$ -	909,122
Cash and investments held by fiscal agent:		
Cash and equivalents	2,974	-
Short-Term OPEB Fund	4,310,803	-
Long-Term OPEB Fund	1,835,807	-
OPEB Equity Funds	11,751,173	-
Receivables:		
Property taxes	-	3,608,621
Accrued interest	-	77
Total assets	<u>17,900,757</u>	<u>4,517,820</u>
LIABILITIES		
Due to other governments	-	4,294,053
Other liabilities	-	223,767
Total liabilities	<u>-</u>	<u>4,517,820</u>
NET POSITION		
Held in trust for pension/other post-employment benefits	\$ <u>17,900,757</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, 2016

	Other Post-employment Benefit Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 4,297,240
Plan members	381,916
Total contributions	<u>4,679,156</u>
Net investment loss	<u>(166,145)</u>
Total additions	4,513,011
DEDUCTIONS	
Benefits	<u>3,079,156</u>
Change in net position	1,433,855
Net position, beginning	<u>16,466,902</u>
Net position, ending	<u><u>\$ 17,900,757</u></u>

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

Notes to the Financial Statements

Forsyth County, North Carolina
June 30, 2016

1. Summary of Significant Accounting Policies

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

1a. Reporting Entity

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

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

1b. Basis of Presentation, Basis of Accounting

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

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

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

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

The County reports the following major governmental funds:

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

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

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

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

Additionally, the County reports the following fund types:

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

Fiduciary – 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, the 2013, 2014, 2015 and 2016 Housing Funds, and the 2013 and 2015 Justice Assistance Funds, which are special revenue funds, and all capital projects funds are budgeted under project ordinances. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for the General Fund, except for Nondepartmental and intergovernmental education expenditures. Certain Nondepartmental appropriations are not expended until they are transferred to a specific department, so they are set apart from other Nondepartmental appropriations. Budgetary control for intergovernmental education expenditures is for current expense and capital outlay for each entity. The legal level of control varies for annually budgeted special revenue funds. Appropriations in the Fire Tax Districts Fund are controlled at the fire tax district level. The Law Enforcement Equitable Distribution Fund is controlled by an appropriation for a transfer to the General Fund. The Emergency Telephone System Fund and the Moser Bequest for Care of Elderly Fund have legal appropriation control at the program level. Amendments are required for revisions to appropriations at the legal level of control in annually budgeted funds, and these amendments may be approved by the County Manager and reported to the Board of Commissioners as long as they do not alter total expenditures of the fund. Amendments that alter total expenditures of any fund must be approved by the Board of Commissioners. During the year, Board amendments to the original budget totaling \$13.6 million included several for unanticipated intergovernmental funding that totaled \$1.5 million and appropriations of fund balance totaling \$11.3 million. Appropriations of fund balance included \$7.7 million for economic development project funding, \$1.6 million for library construction and renovation project costs, \$1.1 million to fund the 2015 Pay-Go fund, \$848,000 for prior year encumbrances. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers the period until the annual ordinance can be adopted.

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

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

The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at 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 her discretion may invest the proceeds in equities of certain publicly held companies and long or short term fixed income investments as detailed in G.S. 147-69.2(1-6) and (8). Funds submitted are managed in three different sub-funds, the State Treasurer's Short Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by G.S. 147-69.1, the long-term investment fund (LTIF) consisting of investment grade corporate securities, treasuries, and agencies, and various BlackRock Alpha Tilts Funds authorized under G.S. 147-69.2(8). Neither the STIF nor the LTIF is registered with the Securities and Exchange Commission. The STIF

securities are reported at cost. The LTIF securities are reported at fair value. Both the STIF and LTIF maintain a constant \$1 per share value. The reported value of the OPEB Trust’s position in the STIF and LTIF is the same as the fair value of the pool shares. Under the authority of G.S. 147.69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund. The BlackRock Alpha Tilts funds are valued at fair value.

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

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

Receivables and Payables The County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year, in accordance with State law. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2015.

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 estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized.

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

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

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

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or

not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences The County permits its employees to accumulate a limited amount of vacation leave 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 the government-wide and proprietary fund financial statements are classified as follows:

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

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

Restricted for Stabilization by State Statute. Net position restricted under State law [G.S. 159-8(a)].

Restricted for Pension asset – Register of Deeds. Net position restricted for Registers of Deeds' Supplemental Pension Fund.

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

Restricted for Human Services. Net position of the Moser Bequest for Care of the Elderly fund.

Restricted for Community and Economic Development. Net position of the 2014, 2015 and 2016 Housing funds.

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

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

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

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

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

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

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

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

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

Committed for 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 by in a November 2010 referendum for library construction purposes.

Committed for Law Enforcement Special Separation Allowance. In the General Fund, this portion of fund balance is committed for law enforcement officers' pension obligations.

Committed for Economic Development. In the General Fund, this portion of fund balance is committed by action of the governing board for certain future economic development purposes.

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

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

Assigned for Subsequent Year Budget. This represents the portion of fund balance appropriated in the adopted 2016-2017 Budget Ordinance that is not already classified in restricted or committed.

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

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

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

The County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The 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.

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 \$(343,418,361) 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.		\$ 169,800,811
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Pension assets resulting from contributions in excess of the annual required contribution, prepaid expenses, and deferred outflows of resources are not financial resources and therefore are not reported in the funds.		
Net pension assets	910,408	
Pension contributions, current year	5,769,164	
Pension related deferred outflows	200,612	
Prepays	328,788	
Unamortized bond refunding charges	15,204,368	22,413,340
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Some of the County's revenue will be collected after year-end, but is not available soon enough to pay for the current period's expenditures, so it is reported as deferred revenue in the funds.		
Property taxes and accrued interest on property taxes	3,121,763	
Intergovernmental revenue	57,124	
Other revenue	1,552,903	
Interest earnings	6,787	
Fees and miscellaneous	6,271,967	11,010,544
<hr/>		
Deferred inflows of resources reported in the government-wide statements, but not the fund statements – pension related deferrals		(3,561,900)
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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	3,255,342	
Accounts receivable and amounts due from other governments	422,453	
Accounts payable	(156,754)	
Claims and judgments – health and dental	(2,696,778)	
Unearned revenue	(345,763)	478,500
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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	(4,668,977)	
Bonds, installment purchases, limited obligation bonds and certificates of participation	(482,750,000)	
Compensated absences	(6,814,203)	
Net pension liability	(6,283,987)	
Claims and judgments – excluding health and dental	(1,402,665)	
Net OPEB obligation	(8,919,672)	
Unamortized issuance premiums	(32,720,152)	(543,559,656)
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Total adjustment		\$ (343,418,361)

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 \$54,298,074 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.	\$ 13,983,457	
Depreciation expense, the allocation of capital assets over their useful lives, is recorded on the statement of activities but not in the fund statements.	(9,093,344)	\$ 4,890,113
Pension plan contributions in the current fiscal year are recorded as expenditures in the fund statements but are not included in the statement of activities.		5,769,164
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.		2,005,289
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, 2015:		
Property taxes and accrued interest on property taxes	(3,222,356)	
Interest earnings	(12,050)	
Fees and miscellaneous	(5,183,573)	
Other revenue	(1,527,966)	
Record deferred inflows in the fund statements at June 30, 2016:		
Property taxes and accrued interest on property taxes	3,121,763	
Intergovernmental	57,124	
Other revenue	1,552,903	
Interest earnings	6,787	
Fees and miscellaneous	6,271,967	1,064,599
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	(119,600)	
Principal payments on debt	40,105,996	39,986,396
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	584,962	
Increase in claims and judgments – excluding health and dental	(104,203)	
Prepaid pension benefit obligation	(157,081)	
Net OPEB obligation	1,555,454	
Pension expense	(3,350,927)	
Accrued interest	707,805	
Prepays	13,660	
Amortized charge on refundings	(3,556,139)	
Amortized debt premiums	7,312,200	3,005,731
Internal service fund profit or loss generated by customers within the primary government is eliminated from the statement of activities.		(2,423,218)
Total adjustments		\$ 54,298,074

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 and Inspections exceeded budget by \$54,400 and \$4,846, respectively. Appropriations for the Medical examiner department are based on historical costs. An unanticipated increase in investigative medical fees resulted in excess expenditures for the year, all of which were invoiced after June 30. Inspections is a consolidated City-County department administered by the City of Winston-Salem. Appropriations for the Inspections 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. 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 \$57,231. Continued refinement of estimates may preclude future overages for these expenditures. Residual fund equity from the 2007 Schools Facilities, 2009 Educational Facilities, and 2009 2/3rds Bonds funds exceeded appropriation in those funds. All three funds were closed during the fiscal year.

4. Detailed Notes on All Funds

4a. Deposits

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

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

At June 30, 2016, the deposit portion of the County's cash and investment pool was \$15,602,257. The bank balances totaled \$16,017,890, 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, 2016, the County's petty cash funds totaled \$22,370.

4b. Investments

As of June 30, 2016, the County had the following investments:

	Valuation		Reported Value	Fair Value	Less than 1 year	1 – 2 years	More than 2 years
	Measurement Method	Value					
NCCMT – Cash portfolio	Amortized cost	75,542,398	75,542,398	75,542,398	-	-	
NCCMT – Term portfolio	Fair value – level 1	65,426,031	65,426,031	65,426,031	-	-	
Commercial Paper	Amortized cost	24,975,506	24,975,506	24,975,506	-	-	
Agency Securities	Fair value – level 2	10,524,695	10,524,695	-	6,023,100	4,501,595	
Total Portfolio		176,468,630	176,389,848	165,865,153	6,023,100	4,501,595	

Portfolio weighted average maturity 0.1479 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, 2016, \$1,500,405 of the County's \$4,501,595 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, 2016.

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, 2016, the County's investments in the bonds of U.S. Agencies were rated with one or more of the following ratings: AAA by Standard & Poor's, AAA by Fitch Ratings, Aaa by Moody's Investors Service. The County's investment in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2016. 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 Coca Cola (5.6%), Dealers Capital (5.6%), Credit Suisse NY (8.4%), Natixis New York (11.3%), ING Funding (14.1%), Toyota Motor Credit Corporation (22.5%) and bonds issued by the Federal Farm Credit Bank (5.6%), Federal National Mortgage Association (7.0%) and Federal Home Loan Mortgage Corporation (17.0%).

Other Post-Employment Benefits Trust

At June 30, 2016, the Healthcare Plan had \$17,900,757 invested in a Local Government Other Post-Employment Benefits (OPEB) Trust established pursuant to G.S. 159-30.1. The OPEB Trust is deposited with the State Treasurer and may be invested in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the OPEB Trust was invested as follows: State Treasurer's Short Term Investment Fund (STIF), 24.1%; State Treasurer's Long Term Investment Fund (LTIF), 10.3%; and, BlackRock's Global Ex-US Alpha Tilts Fund B and BlackRock's Russell 3000 Alpha Tilts Fund B, 65.7% (the equities were split with 75% in domestic securities and 25% in international securities). The Blackrock Global Ex-US Alpha Tilts Fund B is priced at \$19.5402 per share and the Blackrock Russell 3000 Alpha Tilts Fund B is priced at \$52.9093 per share at June 30, 2016.

Interest Rate Risk: The County does not have a formal investment interest rate policy that manages its exposure to fair value losses arising from increasing interest rates for the Healthcare Plan Fund. The State Treasurer's Short Term Investment Fund (STIF) is unrated and had a weighted average maturity of 1.5 years at June 30, 2016. The State Treasurer's Long Term Investment Fund (LTIF) is unrated and had a weighted average maturity of 17.9 years at June 30, 2016.

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

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

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

Year Levied	Tax	Interest	Total
2013	\$ 2,005,965	656,954	2,662,919
2014	2,133,346	506,670	2,640,016
2015	2,133,346	314,669	2,448,015
2016	2,175,608	125,097	2,300,705
Totals	\$ 8,448,265	1,603,390	10,051,655

4d. Receivables

Receivables at June 30, 2016 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	\$ 5,994,684	(3,563,850)	2,430,834
Nonmajor governmental funds	162,486	(96,598)	65,888
Occupancy taxes			
General fund	66,805	-	66,805
Other taxes			
General fund	62,995	-	62,995
Accounts			
General fund	35,489,964	(26,463,607)	9,026,357
Nonmajor governmental funds	60	-	60
Accrued interest			
General fund	17,252	-	17,252
2011 Library Bond fund	926	-	926
Nonmajor governmental funds	11,678	-	11,678
Total receivables	\$41,806,850	(30,124,055)	11,682,795

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, 2016, the various components of *unavailable* and *unearned revenue* were as follows:

Description	Unavailable Revenue	Unearned Revenue
Governmental Funds:		
Delinquent property taxes receivable		
General fund	\$ 2,430,834	25,829
Nonmajor governmental funds	65,888	1,042
Intergovernmental and private grants		
General fund	-	1,873,497
Nonmajor governmental funds	12,124	-
Fees and other revenue – General fund	7,869,870	360,520
Investment earnings – General fund	6,787	-
Total unavailable / unearned revenue for governmental funds	\$ 10,385,503	2,260,888
Governmental Activities:		
Fees and other revenue – Internal Service fund		345,763
Total unearned revenue for governmental activities		\$ 2,606,651

4e. Capital Assets

Capital asset activity for the year ended June 30, 2016, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 13,315,718	2,730,148	--	16,045,866
Art collections	517,907	--	--	517,907
Construction-in-progress	1,543,829	10,152,940	(776,575)	10,920,194
Total capital assets not being depreciated	15,377,454	12,883,088	(776,575)	27,483,967
Capital assets being depreciated:				
Buildings	214,090,032	828,125	(5,331,512)	209,586,645
Improvements other than buildings	21,920,082	658,807	--	22,578,889
Equipment	39,419,460	861,698	(890,134)	39,391,024
Vehicles	16,674,718	1,918,676	(1,366,763)	17,226,631
Software	9,025,712	333,686	--	9,359,398
Total capital assets being depreciated	301,130,004	4,600,992	(7,588,409)	298,142,587
Less accumulated depreciation for:				
Buildings	86,822,555	5,127,674	(4,663,122)	87,287,107
Improvements other than buildings	11,161,404	893,559	--	12,054,963
Equipment	34,406,790	1,234,029	(889,952)	34,750,867
Vehicles	13,066,628	1,466,105	(1,316,576)	13,216,157
Software	8,144,672	371,977	--	8,516,649
Total accumulated depreciation	153,602,049	9,093,344	(6,869,650)	155,825,743
Total capital assets being depreciated, net	147,527,955	(4,492,352)	(718,759)	142,316,844
Capital assets, net	\$162,905,409	8,390,736	(1,495,334)	169,800,811

Depreciation expense charged to functions for the year ended June 30, 2016, was as follows:

Function	Depreciation Expense
General government	\$ 2,863,083
Public safety	3,992,304
Environmental protection	54,276
Human services	684,612
Culture and recreation	1,477,033
Community and economic development	5,587
Education	16,449
Total	\$ 9,093,344

Construction Commitments

Active construction projects as of June 30, 2016 include: partial demolition, renovation and construction of the central library, energy conservation projects, parking deck repairs, office renovations, and various maintenance efforts. At June 30, 2016, commitments with contractors on these projects are as follows:

Project	Spent-to-Date	Remaining Commitment
Library renovation	\$ 6,939,775	16,463,978
Law Enforcement Detention Center efficiency upgrades	1,221,199	1,321,805
Phillips Building	457,516	950,052
Hall of Justice upgrades	82,580	20,530
Park Maintenance	--	99,066
Miscellaneous capital maintenance	12,067	73,172
Totals	\$ 8,713,137	18,928,603

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, 2016, interfund receivables and payables are as follows:

Payable Fund	Receivable Fund - General Fund
Nonmajor governmental funds:	
State Public School Building Capital Fund – lottery proceeds due from State	\$ 1,773,970
2013 Housing Fund – advance from cash and investment pool	94,050
2013 Justice Assistance Fund – advance from cash and investment pool	4,944
2015 Justice Assistance Fund – advance from cash and investment pool	4,928
Total	\$ 1,877,892

The following is a summary of interfund transfers for the year ended June 30, 2016:

Transfers out:	Transfers in:			Total
	General Fund	2011 Library Fund	Nonmajor Governmental Funds	
General Fund	\$ --	1,611,451	4,400,751	6,012,202
2009 Educational Facilities fund	617,175	--	--	617,175
Nonmajor governmental funds	5,982,118	--	2,962,977	8,945,095
Totals	\$ 6,599,293	1,611,451	7,363,728	15,574,472

The General Fund transferred \$1,735,000 to the 2014 Winston-Salem/Forsyth County Schools Capital Maintenance fund, \$1,513,000 to the 2014 Motive Equipment fund, \$1,127,626 to the 2015 PayGo fund, and \$25,125 to the 2016 Housing grant project fund to provide local matching funds for a grant.

Transfers of \$5,982,118 to the General Fund from nonmajor governmental funds included \$3,725,300 in lottery proceeds transferred from the Public School Building Capital fund for debt service; \$371,627 residual equity from several funds which were closed during the year; \$1,724,207 from the Fire Tax Districts special revenue fund to support the County fire department; and \$160,984 from the Law Enforcement Equitable Distribution special revenue fund for law enforcement programs. A residual equity transfer of \$54,265 was made from the 2009 2/3's Bonds fund to the 2014 2/3's Bonds fund; and, a residual equity transfer of \$731,153 was made from the 2013 Pay-Go fund to the 2015 Pay-Go fund. A \$2,177,559 transfer from the 2012 Pay-Go fund was made to the 2015 Pay-Go fund in anticipation of fund closure.

4g. Payables

Payables at June 30, 2016, were as follows:

Description	General Fund	2009 Phillips Building (Phase 1A and 1B) Fund	2011 Library Fund	Nonmajor Governmental Funds	Total
Vendors	\$ 5,694,221	211,966	2,501,575	1,009,663	9,417,425
Salaries and benefits	3,117,268	--	--	--	3,117,268
Totals	\$ 8,811,489	211,966	2,501,575	1,009,663	12,534,693

4h. Leases

Operating Leases The County leases buildings, office facilities, and equipment under non-cancelable operating leases. Total costs for such leases were \$900,439 for the year ended June 30, 2016. 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
2017	\$ 721,950
2018	227,017
2019	190,060
2020	141,852
2021	83,416
2022 – 2026	374,532
2027 – 2031	433,625
2032 – 2034	181,554
Total minimum lease payments	\$ 2,354,007

The total rental expenditures for all operating leases were \$1,181,226 for the year ended June 30, 2016.

4i. Long-term obligations

Long-term obligation activity

Changes in long-term obligations during the year ended June 30, 2016, were as follows:

	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
Governmental activities:					
Compensated absences	\$ 7,399,165	8,385,128	8,970,090	6,814,203	4,480,956
Net pension liability (LERS)	--	6,283,987	--	6,283,987	--
General obligation bonds	455,005,000	--	33,075,000	421,930,000	32,400,000
Unamortized premiums	37,039,964	--	6,262,215	30,777,749	--
Installment purchase obligations	8,335,996	29,720,000	1,580,996	36,475,000	5,280,000
Certificates of participation and limited obligation bonds	58,815,000	--	34,470,000	24,345,000	1,565,000
Unamortized premiums	2,992,388	--	1,049,985	1,942,403	--
Net OPEB obligation	10,475,126	5,370,918	6,926,372	8,919,672	--
Claims and judgments	3,543,429	28,319,596	27,763,582	4,099,443	3,570,427
Total general long-term obligations	\$ 583,606,068	78,079,629	120,098,240	541,587,457	47,296,383

The Local Governmental Employees' Retirement System (LERS) plan had a net pension asset at the beginning of the fiscal year, however, the plan had a net pension liability as of June 30, 2016.

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

Arbitrage In accordance with Section 148 of the Internal Revenue Code of 1986, as amended, and Sections 1.103-13 to 1.103-15 of the related Treasury Regulations, the County must rebate to the federal government “arbitrage profits” earned on governmental bonds issued after August 31, 1986. Arbitrage profits are the excess of the amount earned on investments over the interest paid on the borrowings. At June 30, 2016, 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.

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 \$1,250,972 in such federal subsidy during the year ended June 30, 2016, and if the new federal sequester rate remains unchanged, expects to receive \$13,635,927 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 \$1,180,540, or 89.7% of the interest paid on the 2010D Bonds, in such federal subsidy during the year ended June 30, 2016, and if the new federal sequester rate remains unchanged, expects to receive \$12,232,369 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, 2016, \$113,970,000 of outstanding general obligation bonds are considered defeased.

On June 24, 2004, the County sold two \$15,000,000 issues of general obligation School bonds that initially bear interest at a weekly variable rate. The County has the option to convert to a flexible term rate, a medium-term rate, or a fixed rate by written notice at least 25 days in advance of the proposed conversion date. The current variable rate is determined weekly based on the lowest interest rate necessary to enable the remarketing of the bonds at par plus accrued interest, as determined by the remarketing agent, and shall not exceed an annual rate of 12%. At June 30, 2016, the rate of interest for both issues was 0.40%.

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, 2016, the rate of interest was 0.40%.

A summary of outstanding general obligation bonds follows:

Purpose of Issue	Date of Issue	Effective Interest Rate	Amount Issued	Principal Outstanding June 30, 2016
<u>Governmental Activities</u>				
School Building	06-24-04	Variable Rate %	\$ 15,000,000	9,500,000
	06-24-04	Variable Rate	15,000,000	9,500,000
	04-01-07	3.9543	11,300,000	3,700,000
	04-19-07	Variable Rate	30,000,000	22,400,000
	09-17-08	4.1701	23,850,000	5,300,000
	09-02-10	4.9860	26,405,000	26,405,000
Community College	04-01-07	3.9543	4,400,000	1,600,000
	01-09-13	2.4014	5,000,000	4,325,000
Educational Facilities	06-23-09	3.7687	13,200,000	4,950,000
Library	11-05-14	2.4617	34,000,000	32,800,000
Public Improvement	09-16-08	4.1175	3,150,000	700,000
	09-01-10	2.0350	14,225,000	7,100,000
	09-02-10	2.0350	36,615,000	13,740,000
	09-02-10	3.1682	80,380,000	80,380,000
	01-08-13	2.2334	13,750,000	12,025,000
	11-04-14	2.4455	13,550,000	13,050,000
Refunding	09-17-08	2.8798	28,885,000	2,570,000
	09-16-09	2.5103	42,870,000	23,605,000
	09-02-10	2.0350	50,295,000	40,945,000
	01-09-13	1.7692	35,090,000	35,090,000
	01-28-15	1.8425	72,245,000	72,245,000
Totals			\$ 569,210,000	421,930,000

Of the \$362,170,000 public improvement bonds issued, \$42,573,913 funded County facilities and capital projects, \$292,558,836 funded School facilities, and \$27,037,251 funded Community College facilities.

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

June 30	Principal	Interest	Total
2017	\$ 32,400,000	17,405,007	49,805,007
2018	31,150,000	16,159,843	47,309,843
2019	30,410,000	14,777,746	45,187,746
2020	29,995,000	13,553,177	43,548,177
2021	29,840,000	12,360,849	42,200,849
2022 - 2026	149,180,000	43,591,463	192,771,463
2027 - 2031	109,905,000	12,813,471	122,718,471
2032 - 2033	9,050,000	347,375	9,397,375
Totals	\$ 421,930,000	131,008,932	552,938,932

There are \$25,755,000 in authorized but unissued general obligation bonds at June 30, 2016.

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, 2016, there were three series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$21,507,232.

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

Purpose of Issue	Principal Outstanding June 30, 2016
Governmental Activities	
Issued May 31, 2012 to finance County facility renovation and construction; interest varies from 2.00% to 5.00%	\$ 13,845,000
Issued December 22, 2009 to finance County facility renovation and construction; interest varies from 3.00% to 5.00%	10,500,000
Total	\$ 24,345,000

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

Year Ending June 30	Principal	Interest	Total
2017	\$ 1,565,000	1,090,750	2,655,750
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 - 2026	7,825,000	3,285,550	11,110,550
2027 - 2031	7,075,000	1,391,250	8,466,250
2032 - 2033	1,620,000	121,500	1,741,500
Total	\$ 24,345,000	9,695,650	34,040,650

Principal and interest requirements for certificates of participation and 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:

Purpose of Issue	Date of Issue	Interest Rate	Amount Issued	Principal Outstanding June 30, 2016
Governmental Activities				
Refunding	01-22-2014	2.47 %	\$ 8,230,000	6,755,000
Refunding	10-01-2015	1.90	29,720,000	29,720,000
Totals			\$ 37,950,000	36,475,000

Annual maturities are as follows:

Year Ending June 30	Principal	Interest	Total
2017	\$ 5,280,000	688,209	5,968,209
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 - 2026	11,270,000	388,911	11,658,911
Total	\$ 36,475,000	2,800,173	39,275,173

As of June 30, 2016, the County's legal debt limit was \$2,626,091,134, computed at 8% of the total appraised property valuation of \$32,826,139,178. With \$452,707,749 in County, School, and Community College bonds outstanding at June 30, 2016 and \$62,762,403 committed under certificates of participation, limited obligation bonds and installment purchases, the County could issue additional bonds up to \$2,110,620,982 if authorized.

Debt Related to Capital Activities. Of the total governmental activities debt only \$114,665,438 relates to assets the County holds title. Unspent restricted cash related to this debt is \$36,862,058.

4j. Fund Balances

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

	2009 General Fund	2009 Phillips Building (Phases 1A and 1B)	2011 Library Bond	Nonmajor Governmental Funds	Total Governmental Funds
Restricted by state statute	\$ 27,876,550	--	926	2,730,098	30,607,574
Encumbrances	2,576,491	823,436	14,024,020	1,749,726	19,173,673
Less: Prepaid items	(122,250)	--	--	--	(122,250)
Totals	\$ 30,330,791	823,436	14,024,946	4,479,824	49,658,997

Restricted for Other. The amounts reported in the general fund balance sheet identified as Restricted for Other is comprised of \$26,465 for soil and water conservation activities, and \$45,519 for special children's adoption.

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

Total fund balance – General Fund	\$ 147,132,926
Less:	
Nonspendable	122,250
Restricted	31,674,812
Committed	37,544,316
Assigned	18,603,884
Minimum fund balance reserve	\$ 59,187,664

Subsequent Years Budget Appropriation. The following schedule provides information on the portion of restricted and committed fund balance that has been appropriated in the budget for the fiscal year ending June 30, 2017:

	Subsequent Year's Budget Appropriation	Unappropriated Fund Balance	Total
Restricted for:			
Register of Deeds	\$ 22,619	1,249,418	1,272,037
Committed for:			
Education Debt Leveling Plan	4,920,834	18,631,782	23,552,616
Library Debt Leveling Plan	406,587	1,855,611	2,262,198

5. Other Information

5a. Pension Costs

North Carolina Local Governmental Employees' Retirement System

Plan Description. Forsyth County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G. S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, visiting their website at www.osc.nc.gov, or 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 6.67% and 7.15%, respectively, of annual covered payroll. The County's contributions to LGERS for the years ended June 30, 2016, 2015, and 2014 were \$5,736,808, \$5,880,990, and \$5,821,865, 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, 2016, the County reported a liability of \$6,283,987 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 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, 2015, the County's proportion was 1.400%, which was an increase of .006% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the County recognized pension expense of \$2,819,679. At June 30, 2016, 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	\$ -	1,477,091
Net difference between projected and actual earnings on pension plan investments	-	1,789,025
Changes in proportion and differences between employer contributions and proportionate share of contributions	151,005	265,718
Employer contributions subsequent to the measurement date	5,736,808	-
Totals	\$ 5,887,813	3,531,834

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:

Year ending June 30,	
2017	\$ (2,133,867)
2018	(2,133,867)
2019	(2,130,717)
2020	3,017,622
Total	\$ (3,380,829)

Actuarial Assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected real rate of return
Fixed income	29.0 %	2.2 %
Global equity	42.0	5.8
Real estate	8.0	5.2
Alternatives	8.0	9.8
Credit	7.0	6.8
Inflation protection	6.0	3.4
Total	100.0 %	

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 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:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability (asset)	\$ 43,818,992	6,283,987	(25,338,457)

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

Law Enforcement Officers' Special Separation Allowance

Plan Description. Forsyth County administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

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
Total	266

Summary of Significant Accounting Policies

Basis of Accounting. The County has chosen to fund the Separation Allowance on a pay-as-you-go basis. 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.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statement 67 and 68:

- Contributions to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing benefits to plan members.
- Pension plan assets are legally protected from creditors or employers.

Contributions. 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 were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly.

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

Annual required contribution	\$ 800,767
Interest on net pension obligation	(13,554)
Adjustment to annual required contribution	34,920
Annual pension cost	822,133
Benefit payments	(665,052)
Increase in net pension asset	157,081
Net pension asset, beginning of year	(451,790)
Net pension asset, end of year	\$ (294,709)

The annual required contribution for the fiscal year ended June 30, 2016 was determined as part of the December 31, 2014 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 3.00% investment rate of return and (b) projected salary increases of 4.25% to 7.85% per year. Item (b) included an inflation component of 3.00%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was market value. The remaining amortization period at December 31, 2014 was 16 years.

Assets reserved to pay benefits are reported as committed fund balance in the General Fund. Benefit payments reduce the net pension obligation.

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension (Asset) Obligation
6/30/2014	\$ 779,121	98.64%	(462,974)
6/30/2015	783,812	98.57%	(451,790)
6/30/2016	822,133	80.89%	(294,709)

Funded Status and Funding Progress. As of December 31, 2015, the most recent actuarial valuation date, the plan was 7.32% funded. The actuarial accrued liability for benefits was \$8,159,482, and the actuarial value of assets was \$597,486, resulting in an unfunded actuarial accrued liability (UAAL) of \$7,561,996. The covered payroll (annual payroll of active employees covered by the plan) was \$10,680,124, and the ratio of the UAAL to the covered payroll was 70.80%. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy. Article 12E of G.S. Chapter 143 requires that the County contribute each month an amount equal to 5.0% of each officer’s salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan. The County’s contributions for the year ended June 30, 2016 were \$534,225, exclusive of voluntary employee contributions.

Register of Deeds’ Supplemental Pension Fund

Plan Description. The County contributes to the Register of Deeds’ Supplemental Pension Fund (RODSPF), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Governmental Employees’ Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Register of Deeds’ Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State’s CAFR includes financial statements and required supplementary information for the Registers of Deeds’ Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, visiting their website at www.osc.nc.gov or 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, 2016, the County's required and actual contributions were \$32,356.

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, 2016, the County reported an asset of \$910,408 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 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, 2015, the County's proportion was 3.929%, which was an increase of .060% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the County recognized pension expense of \$(28,683). At June 30, 2016, 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	\$ 4,457	15,065
Net difference between projected and actual earnings on pension plan investments	45,150	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	15,001
Employer contributions subsequent to the measurement date	32,356	-
Totals	\$ 81,963	30,066

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

Year ending June 30,	
2017	\$ (1,150)
2018	(279)
2019	8,778
2020	12,192
Total	\$ 19,541

Actuarial Assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2015 is 2.2%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return

underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

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

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

	1% Decrease (4.75%)	Discount Rate (5.75%)	1% Increase (6.75%)
County's proportionate share of the net pension liability (asset)	\$ (821,375)	(910,408)	(987,001)

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 December 31, 2014, the date of the latest actuarial valuation:

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

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

The County pays the full costs of retiree death benefits and life insurance for disability retirees, which were \$10,000 and \$9,720, respectively, for fiscal year 2016. The monthly cost of healthcare benefits is shared by the County and covered retirees, respectively, as follows: retiree-only coverage, \$676 and \$93; retiree and one dependent, \$842 and \$218; and retiree and more than one dependent, \$1,177 and \$533. For fiscal year 2016, the County contributed \$2,677,519 for healthcare benefits, and retiree Plan members contributed \$381,916. Additionally, the County contributed \$1,600,000 to prefund benefits.

The current ARC rate is 6.47% of annual covered payroll. For the current year, the County contributed \$6,926,372 or 8.42% of

annual covered payroll. The County self-funds its healthcare benefits, and premiums are set at a level to cover current costs and fund actuarially computed reserves. The County obtains life insurance coverage through a private insurer. The County's required contribution, set by the Board of County Commissioners, is the same for all employees.

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

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

Annual required contribution	\$5,321,271
Interest on net OPEB obligation	628,508
Adjustment to annual required contribution	578,861
Annual OPEB cost (expense)	5,370,918
Contributions made	(6,926,372)
Decrease in net OPEB obligation	(1,555,454)
Net OPEB obligation, beginning of year	10,475,126
Net OPEB obligation, end of year	\$8,919,672

The annual required contribution for the fiscal year ended June 30, 2016 was determined as part of the December 31, 2014 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 7.5% per year. Item (b) included an inflation component of 3.00%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was market value. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2014 was 25 years.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the preceding three years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	\$ 5,562,731	96.9%	\$ 10,593,237
6/30/2015	5,788,103	102.0%	10,475,126
6/30/2016	5,370,918	129.0%	8,919,672

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

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

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

The 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, 2016.

5c. Risk Management

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

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

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

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

Claims liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). For losses other than employee, dependent, and retiree health care costs, the County's actuarially determined claims liability, which does not include non-incremental claims adjustment expenses, is \$1,402,665 at June 30, 2016. It is reported in the Statement of Net Position as a long-term liability, and \$873,649 is considered due within one year.

The County's actuarially determined claims liability for employee, dependent, and retiree health care costs is \$2,696,778 at June 30, 2016. 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 \$478,500 in the Employee Health Benefits Fund are designated for these purposes.

Changes in the claims liability amount in fiscal 2014 through fiscal 2016 were as follows:

	Beginning Balance	Current-Year Claims and Changes in Estimates	Claims Payments	Ending Balance
2013-2014	\$3,525,367	21,265,912	(21,005,692)	3,785,587
2014-2015	3,785,587	23,155,653	(23,397,811)	3,543,429
2015-2016	3,543,429	28,319,596	(27,763,582)	4,099,443

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, 2016.

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 2016, Forsyth County provided risk management services totaling \$5,500 to the Airport Commission, and \$1,375 of this amount comprised a receivable at year-end.

5f. Joint Ventures

The County, in conjunction with the State of North Carolina and the Winston-Salem/Forsyth County Board of Education, participates in a joint venture to operate Forsyth Technical Community College. Each of the three participants appoints four members of the thirteen-member board of trustees of the community college. The president of the community college's student government serves as an ex officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds or certificates of participation to provide financing for new facilities. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$9,627,839 and \$2,578,175 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2016. In addition, the County made debt service payments of \$4,262,391 during the fiscal year on general obligation bonds and certificates of participation issued for community college capital facilities. The participating governments do not have an equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2016. Complete financial statements for the community college may be obtained from the community college's administrative offices at 2100 Silas Creek Parkway, Winston-Salem, North Carolina 27103.

The County participates with Stokes County, Davie County and Rockingham County, North Carolina in CenterPoint Human Services to provide services for general mental health, mental disorder, developmental disabilities, substance abuse and mental health education in Forsyth, Stokes, Davie, and Rockingham Counties. CenterPoint's board is comprised of sixteen voting members who are appointed as follows: six members appointed by Forsyth County; two members appointed by Davie County; two members appointed by Rockingham County; two members appointed by Stokes County; three members recommended by the Consumer and Family Advisory Committee; and, one member appointed by the Secretary of the Department of Health and Human Services. The County has an ongoing financial responsibility for CenterPoint because it provides funding for a substantial portion of its annual budget. The County contributed \$5,811,072 for CenterPoint operations for the fiscal year ended June 30, 2016. Additionally, the County provided services to CenterPoint during the year for which it invoiced \$1,795,195. No balances were outstanding at year-end. The participating governments do not have an equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2016. Complete financial statements for CenterPoint may be obtained from its administrative offices at 4045 University Parkway, Winston-Salem, North Carolina 27106.

In conjunction with the City of Winston-Salem and the Greater Winston-Salem Chamber of Commerce, Inc., the County takes part in a joint venture to operate the Forsyth County Tourism Development Authority, which was established pursuant to state statute for the purpose of furthering the development of travel, tourism, and conventions in the County. The Authority board is comprised of nine members of which the County and the City of Winston-Salem each appoint four, and the Chamber appoints one. The Authority receives approximately 61.4% of room occupancy taxes which are levied and collected by the County. For the year ended June 30, 2016, occupancy taxes totaling \$3,321,521 were distributed to the Authority. The County also provided \$22,046 in financial services to the Authority during fiscal year 2016. 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, 2016. Complete financial statements for the Authority can be obtained from the Authority's finance officer at Forsyth County Government Center, 201 N. Chestnut Street, Winston-Salem, North Carolina 27101.

5g. Jointly Governed Organizations

The County, in conjunction with eleven other counties and 61 municipalities, is a member of the Piedmont Triad Regional Council (PTRC). The PTRC is a voluntary association of municipal and county governments, enabled by state law to promote regional issues and cooperation among members and to coordinate funding from federal and state agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$75,699 to the Council during the fiscal year ended June 30, 2016.

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, 2016.

5h. Change in Accounting Principles

Effective July 1, 2015, the County adopted the provisions of GASB Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68*. The implementation of the statement required the County to reclassify the Law Enforcement Officers' Special Separation Allowance trust fund to the General Fund. As a result, net position for governmental activities increased by \$531,772. As the provisions of Statement No. 73 were effective July 1, 2015, net position as of that date has been adjusted as follows:

	Governmental Activities
Net position - beginning, previously reported	\$ (183,068,814)
Adjustments:	
Prepaid pension benefit	531,772
Net Position - beginning, restated	\$ (182,537,042)

Required Supplementary Schedules

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

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

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

Healthcare Plan – Schedule of Funding Progress

Healthcare Plan – Schedule of Employer Contributions

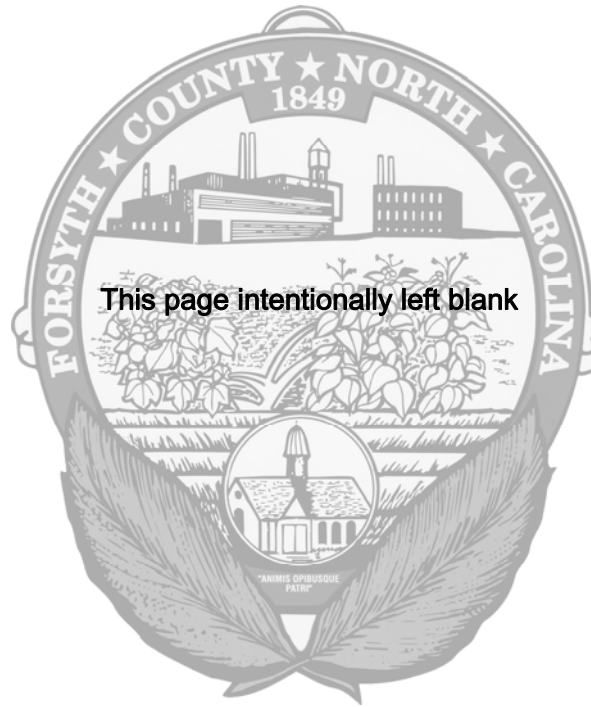
Healthcare Plan – Notes to the Required Schedules

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

Local Governmental Employees' Retirement System – Schedule of Employer Contributions

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

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



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LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

FORSYTH COUNTY, NORTH CAROLINA

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2006	\$ 742,951	\$ 4,414,409	\$ 3,671,458	16.83 %	\$ 8,980,782	40.88 %
12/31/2007	494,627	4,942,272	4,447,645	10.01	9,481,989	46.91
12/31/2008	263,693	5,101,499	4,837,806	5.17	9,585,542	50.47
12/31/2009	65,952	6,215,412	6,149,460	1.06	10,007,668	61.45
12/31/2010	43,969	5,644,750	5,600,781	0.78	9,905,749	56.54
12/31/2011	117,087	6,796,585	5,600,781	1.72	10,141,205	65.86
12/31/2012	171,585	6,863,867	6,679,498	2.50	9,775,803	68.46
12/31/2013	322,249	6,907,528	6,692,282	4.67	9,637,860	68.33
12/31/2014	452,310	7,272,258	6,585,279	6.22	9,611,028	70.96
12/31/2015	597,486	8,159,482	7,561,996	7.32	10,680,124	70.80

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

Valuation date	12/31/2015
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar closed
Remaining amortization period	15 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	3.0%
Projected salary increases*	3.50% to 7.35%
*Includes inflation at	3.0%
Cost-of-living adjustments	None

HEALTHCARE PLAN

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

FORSYTH COUNTY, NORTH CAROLINA

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

HEALTHCARE PLAN

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

FORSYTH COUNTY, NORTH CAROLINA

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2009	\$ 5,840,379	61.8 %
2010	6,278,243	60.3
2011	5,760,165	88.1
2012	5,547,802	94.0
2013	5,779,512	83.6
2014	5,484,297	98.2
2015	5,722,531	103.2
2016	5,321,271	130.2

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

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

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

FORSYTH COUNTY, NORTH CAROLINA
 Last Three Fiscal Years (see Note 1 below)

	<u>2016</u>		<u>2015</u>		<u>2014</u>	
Proportion of the net pension liability (asset)	1.400	%	(1.394)	%	1.454	%
County's proportionate share of the net pension liability (asset)	\$ 6,283,987		(7,691,093)		17,531,105	
County's covered-employee payroll	\$ 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	7.62	%	-9.41	%	21.50	%
Plan fiduciary net position as a percentage of the total pension liability	98.09	%	102.64	%	94.35	%

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

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

FORSYTH COUNTY, NORTH CAROLINA

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

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

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

FORSYTH COUNTY, NORTH CAROLINA
 Last Three Fiscal Years (see Note 1 below)

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

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

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

FORSYTH COUNTY, NORTH CAROLINA

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

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

Major Governmental Funds

Budgetary Comparison Schedules

General Fund

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

Major Capital Projects Fund

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

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

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

GENERAL FUND

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property:				
Current year	\$ 233,802,866	233,802,866	238,626,720	4,823,854
Prior years	3,000,000	3,000,000	2,218,907	(781,093)
Interest and fees	850,000	850,000	904,881	54,881
Total property	<u>237,652,866</u>	<u>237,652,866</u>	<u>241,750,508</u>	<u>4,097,642</u>
Occupancy taxes	<u>625,000</u>	<u>625,000</u>	<u>747,342</u>	<u>122,342</u>
Local option sales:				
Article 39 one cent	29,207,704	29,207,704	28,254,782	(952,922)
Article 40 one-half cent	14,147,650	14,147,650	15,039,084	891,434
Article 42 one-half cent	16,390,440	16,390,440	16,863,525	473,085
Article 44 one-half cent	-	-	7,200	7,200
Total sales	<u>59,745,794</u>	<u>59,745,794</u>	<u>60,164,591</u>	<u>418,797</u>
Other taxes	<u>355,000</u>	<u>355,000</u>	<u>430,692</u>	<u>75,692</u>
Total taxes	<u>298,378,660</u>	<u>298,378,660</u>	<u>303,093,133</u>	<u>4,714,473</u>
Licenses and permits	829,084	829,084	885,379	56,295
Intergovernmental	56,280,201	57,796,429	53,220,536	(4,575,893)
Charges for services	24,280,475	24,280,475	23,112,588	(1,167,887)
Investment earnings	428,100	428,100	724,613	296,513
Other	<u>12,269,257</u>	<u>12,952,828</u>	<u>10,309,883</u>	<u>(2,642,945)</u>
Total revenues	<u>392,465,777</u>	<u>394,665,576</u>	<u>391,346,132</u>	<u>(3,319,444)</u>
Expenditures:				
Current:				
General government:				
Budget and management	493,387	552,663	440,234	112,429
Management information services	6,795,903	7,032,840	6,227,000	805,840
Finance	2,373,692	2,535,599	2,293,142	242,457
General services	13,063,636	13,339,953	12,208,753	1,131,200
Human resources	898,245	937,139	876,699	60,440
Planning	1,385,660	1,385,660	1,302,441	83,219
Purchasing	117,230	117,230	116,293	937
MapForsyth	835,130	859,843	749,590	110,253
Attorney	1,337,504	1,410,110	1,410,104	6
Board of elections	1,154,208	1,280,497	1,127,717	152,780
County commissioners and manager	1,097,216	1,167,343	1,152,758	14,585
Register of deeds	1,272,573	1,346,104	1,312,898	33,206
Tax administration	5,825,381	7,800,426	5,756,280	2,044,146
Non-departmental:				
Contingency	887,500	328,842	-	328,842
County-wide salary savings	(2,511,085)	(2,511,085)	-	(2,511,085)
Other services and adjustments	3,894,875	2,344,285	1,553,156	791,129
Merit adjustment	4,636,251	4,305,970	-	4,305,970
Prior year encumbrances	2,000,000	-	-	-
Special appropriations	<u>215,000</u>	<u>215,000</u>	<u>215,000</u>	<u>-</u>
Total general government	<u>45,772,306</u>	<u>44,448,419</u>	<u>36,742,065</u>	<u>7,706,354</u>

GENERAL FUND

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Public safety:				
Animal control	\$ 1,972,844	2,014,308	1,865,560	148,748
Emergency management	354,190	354,670	345,110	9,560
Interagency communications	1,232,455	1,245,693	1,118,816	126,877
Sheriff	44,585,496	45,728,971	43,409,300	2,319,671
Emergency services	18,043,932	18,275,102	17,065,629	1,209,473
Court services	515,348	515,348	462,175	53,173
Medical examiner	208,700	208,700	263,100	(54,400)
Youth center	1,289,653	1,307,474	1,277,664	29,810
Nondepartmental other services and adjustments	1,363,473	1,363,473	1,393,771	(30,298)
Total public safety	<u>69,566,091</u>	<u>71,013,739</u>	<u>67,201,125</u>	<u>3,812,614</u>
Environmental protection:				
NC cooperative extension service - conservation of natural resources	194,629	195,578	164,992	30,586
Environmental assistance and protection	2,209,434	2,253,578	2,246,058	7,520
Inspections	330,740	330,740	335,586	(4,846)
Nondepartmental other services and adjustments	21,409	21,409	24,034	(2,625)
Total environmental protection	<u>2,756,212</u>	<u>2,801,305</u>	<u>2,770,670</u>	<u>30,635</u>
Human services:				
Public health	23,546,373	24,389,595	20,512,508	3,877,087
Social services	54,157,483	55,772,450	50,848,942	4,923,508
Aging services	550,000	512,000	494,282	17,718
Special appropriations	20,000	20,000	20,000	-
Nondepartmental other services and adjustments	703,760	703,760	723,026	(19,266)
Total human services	<u>78,977,616</u>	<u>81,397,805</u>	<u>72,598,758</u>	<u>8,799,047</u>
Culture and recreation:				
Library	7,399,848	7,914,709	6,835,762	1,078,947
Parks and recreation	7,635,882	7,785,757	7,176,128	609,629
Special appropriations	318,000	318,000	281,304	36,696
Nondepartmental other services and adjustments	226,008	226,008	230,322	(4,314)
Total culture and recreation	<u>15,579,738</u>	<u>16,244,474</u>	<u>14,523,516</u>	<u>1,720,958</u>
Community and economic development:				
Economic development	2,798,596	10,455,346	2,826,143	7,629,203
Housing	468,752	510,782	425,569	85,213
Nondepartmental other services and adjustments	1,395	1,395	1,420	(25)
Total community and economic development	<u>3,268,743</u>	<u>10,967,523</u>	<u>3,253,132</u>	<u>7,714,391</u>
Education:				
NC cooperative extension service	858,112	904,897	748,803	156,094
Nondepartmental other services and adjustments	39,980	39,980	40,682	(702)
Total education	<u>898,092</u>	<u>944,877</u>	<u>789,485</u>	<u>155,392</u>
Intergovernmental:				
Human services - CenterPoint Human Services	6,148,706	6,148,706	5,811,072	337,634
Education:				
Forsyth Technical Community College:				
Current expense	9,586,024	9,628,839	9,627,839	1,000
Capital outlay	455,000	455,000	455,000	-
Total Forsyth Technical Community College	<u>10,041,024</u>	<u>10,083,839</u>	<u>10,082,839</u>	<u>1,000</u>

GENERAL FUND

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2016

	<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	\$ 62,739,340	62,739,340	62,739,340	-
Support services	41,856,108	41,856,108	41,856,108	-
Community services	382,560	382,560	382,560	-
Charter schools	5,400,000	5,400,000	5,400,000	-
Capital outlay	6,142,913	6,142,913	6,142,913	-
Total Winston-Salem/Forsyth County Schools	<u>116,520,921</u>	<u>116,520,921</u>	<u>116,520,921</u>	<u>-</u>
Total intergovernmental education	<u>126,561,945</u>	<u>126,604,760</u>	<u>126,603,760</u>	<u>1,000</u>
Debt service:				
General obligation bonds:				
Principal	33,075,000	33,075,000	33,075,000	-
Interest and other charges	18,968,615	18,968,615	18,104,122	864,493
Limited obligation bonds, installment purchases and certificates of participation:				
Principal	6,979,752	6,979,752	6,979,752	-
Interest and other charges	2,455,930	2,575,530	2,539,267	36,263
Total debt service	<u>61,479,297</u>	<u>61,598,897</u>	<u>60,698,141</u>	<u>900,756</u>
Total expenditures	<u>411,008,746</u>	<u>422,170,505</u>	<u>390,991,724</u>	<u>31,178,781</u>
Excess (deficiency) of revenues over expenditures	<u>(18,542,969)</u>	<u>(27,504,929)</u>	<u>354,408</u>	<u>27,859,337</u>
Other financing sources (uses):				
Refunding installment financing issuance	-	-	29,720,000	29,720,000
Transfers in:				
Fire Tax Districts Fund	1,712,540	1,712,540	1,724,207	11,667
Law Enforcement Equitable Distribution Fund	312,471	312,471	160,984	(151,487)
State Public School Building Capital Fund	3,731,269	3,731,269	3,725,300	(5,969)
2007 School Facilities Fund	-	-	32,984	32,984
2008 School Facilities Fund	-	-	64,679	64,679
2009 2/3rds Bonds Fund	-	-	167,122	167,122
2009 Educational Facilities Fund	-	-	617,175	617,175
2012 WSFCS Capital Maintenance Fund	-	-	105,218	105,218
2013 Pay-Go Fund	-	-	1,624	1,624
Total transfers in	<u>5,756,280</u>	<u>5,756,280</u>	<u>6,599,293</u>	<u>843,013</u>
Transfers out:				
2011 Library Bond Fund	-	(1,611,451)	(1,611,451)	-
2014 Motive Equipment Replacement Fund	(1,794,600)	(1,513,000)	(1,513,000)	-
2015 Pay-Go Fund	-	(1,127,626)	(1,127,626)	-
2016 Housing Fund	(25,125)	(25,125)	(25,125)	-
2014 WSFCS Capital Maintenance Fund	(1,735,000)	(1,735,000)	(1,735,000)	-
Total transfers out	<u>(3,554,725)</u>	<u>(6,012,202)</u>	<u>(6,012,202)</u>	<u>-</u>
Payment to refunded COPS escrow agent	-	-	(29,600,400)	(29,600,400)
Total other financing sources (uses)	<u>2,201,555</u>	<u>(255,922)</u>	<u>706,691</u>	<u>962,613</u>
Net change in fund balance	<u>\$ (16,341,414)</u>	<u>(27,760,851)</u>	<u>1,061,099</u>	<u>28,821,950</u>
Fund balances - June 30, 2015, previously reported			145,540,055	
Restatement			531,772	
Fund balances - June 30, 2015, restated			<u>146,071,827</u>	
Fund balances - June 30, 2016			<u>\$ 147,132,926</u>	

2009 EDUCATIONAL FACILITIES FUND

A-2

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues - investment earnings	\$ 300,000	120,013	1,237	118,776
Expenditures:				
Current - intergovernmental - education:				
School Career Center	26,150,745	26,140,822	-	26,140,822
School administrative offices	13,449,850	13,449,850	-	13,449,850
FTCC expansion	23,500,000	23,500,000	546,068	22,953,932
Technology projects	826,034	826,034	-	826,034
Unallocated	582,865	-	-	-
Debt service - interest and other charges	544,477	524,115	-	524,115
Total expenditures	<u>65,053,971</u>	<u>64,440,821</u>	<u>546,068</u>	<u>63,894,753</u>
Deficiency of revenues over expenditures	<u>(64,753,971)</u>	<u>(64,320,808)</u>	<u>(544,831)</u>	<u>(63,775,977)</u>
Other financing sources:				
General obligation bonds issued	62,150,000	62,150,000	-	62,150,000
Premium on general obligation bonds	2,603,971	2,787,983	-	2,787,983
Transfer to general fund	-	(617,175)	(617,175)	-
Total other financing sources	<u>64,753,971</u>	<u>64,320,808</u>	<u>(617,175)</u>	<u>64,937,983</u>
Net change in fund balance	\$ <u>-</u>	<u>-</u>	<u>(1,162,006)</u>	<u>1,162,006</u>
Fund balance - June 30, 2015			<u>1,162,006</u>	
Fund balance - June 30, 2016			<u>\$ -</u>	

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

A-3

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues:				
Investment earnings	\$ -	32,301	2,682	29,619
Other	-	50,030	-	50,030
Total revenues	<u>-</u>	<u>82,331</u>	<u>2,682</u>	<u>79,649</u>
Expenditures:				
Phase 1A:				
Current - debt service - interest and other charges	200,000	200,000	-	200,000
Capital outlay - public safety:				
Site acquisition	3,480,000	3,483,122	-	3,483,122
Asbestos abatement; re-fireproofing; engineering and architectural services for two floors and parking level	6,720,000	5,385,350	-	5,385,350
Professional fees	10,000	10,000	-	10,000
Phase 1B:				
Current - debt service - interest and other charges	300,000	307,414	-	307,414
Capital outlay - public safety - renovation and rehabilitation of two floors and parking level	25,400,000	24,278,523	501,079	23,777,444
Total expenditures	<u>36,110,000</u>	<u>33,664,409</u>	<u>501,079</u>	<u>33,163,330</u>
Deficiency of revenues over expenditures	<u>(36,110,000)</u>	<u>(33,582,078)</u>	<u>(498,397)</u>	<u>(33,083,681)</u>
Other financing sources:				
Limited obligation bonds issued	36,110,000	31,290,000	-	31,290,000
Premium on limited obligation bonds	-	3,117,869	-	3,117,869
Total other financing sources	<u>36,110,000</u>	<u>34,407,869</u>	<u>-</u>	<u>34,407,869</u>
Net change in fund balance	<u>\$ -</u>	<u>825,791</u>	<u>(498,397)</u>	<u>1,324,188</u>
Fund balance - June 30, 2015			1,324,188	
Fund balance - June 30, 2016			<u>\$ 825,791</u>	

2011 LIBRARY BOND FUND

A-4

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues:				
Investment earnings	-	79,809	74,346	5,463
Other revenues	201,849	95,589	95,589	-
Total revenues	<u>201,849</u>	<u>175,398</u>	<u>169,935</u>	<u>5,463</u>
Expenditures:				
Debt service - interest and other charges	143,000	130,036	-	130,036
Capital outlay - culture and recreation				
Library planning	240,000	235,420	37,500	197,920
Library projects	41,813,300	9,232,542	7,677,639	1,554,903
Total expenditures	<u>42,196,300</u>	<u>9,597,998</u>	<u>7,715,139</u>	<u>1,882,859</u>
Deficiency of revenues over expenditures	<u>(41,994,451)</u>	<u>(9,422,600)</u>	<u>(7,545,204)</u>	<u>(1,877,396)</u>
Other financing sources:				
General obligation bonds issued	40,000,000	34,000,000	-	34,000,000
Premium on general obligation bonds	143,000	2,920,099	-	2,920,099
Transfer from 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>1,611,451</u>	<u>37,160,099</u>
Net change in fund balance	<u>\$ -</u>	<u>29,348,950</u>	<u>(5,933,753)</u>	<u>35,282,703</u>
Fund balance - June 30, 2015			35,282,703	
Fund balance - June 30, 2016			<u>\$ 29,348,950</u>	

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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.

2015 Justice Assistance Fund – This fund accounts for the 2015 Edward Byrne Memorial Justice Assistance grant.

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

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

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

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

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

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

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

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

2014 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.

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

B-1

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2016

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents / investments	\$ 3,741,282	8,635,487	12,376,769
Investments - restricted	-	10,176,396	10,176,396
Receivables (net):			
Property taxes	65,888	-	65,888
Other	60	-	60
Accrued interest	2,335	9,343	11,678
Due from other governments	2,520,653	209,831	2,730,484
Total assets	<u>\$ 6,330,218</u>	<u>19,031,057</u>	<u>25,361,275</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 3,807	1,005,856	1,009,663
Due to other governments	215	-	215
Due to other funds	1,877,892	-	1,877,892
Unearned revenue	1,042	-	1,042
Total liabilities	<u>1,882,956</u>	<u>1,005,856</u>	<u>2,888,812</u>
Deferred Inflows of Resources:			
Unavailable taxes	65,888	-	65,888
Unavailable other revenue	12,124	-	12,124
Total deferred inflows of resources	<u>78,012</u>	<u>-</u>	<u>78,012</u>
Fund balances:			
Restricted for:			
Stabilization by state statute	2,551,988	1,927,836	4,479,824
Fire protection	805,611	-	805,611
Law enforcement	1,351,019	-	1,351,019
Emergency telephone system	1,082,392	-	1,082,392
Human services	304,233	-	304,233
Housing and community redevelopment	157,114	-	157,114
Capital projects	-	7,974,778	7,974,778
Committed for capital projects	-	8,122,587	8,122,587
Unassigned	(1,883,107)	-	(1,883,107)
Total fund balances	<u>4,369,250</u>	<u>18,025,201</u>	<u>22,394,451</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,330,218</u>	<u>19,031,057</u>	<u>25,361,275</u>

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

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FORSYTH COUNTY, NORTH CAROLINA
For the Fiscal Year Ended June 30, 2016

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues:			
Taxes:			
Property	\$ 7,346,698	-	7,346,698
Local option sales taxes	1,724,548	-	1,724,548
Total taxes	9,071,246	-	9,071,246
Intergovernmental	5,114,179	187,938	5,302,117
Charges for services	-	17,004	17,004
Investment earnings	19,497	70,183	89,680
Other	113,856	80,180	194,036
Total revenues	<u>14,318,778</u>	<u>355,305</u>	<u>14,674,083</u>
Expenditures:			
Current:			
Public safety	8,198,553	-	8,198,553
Human services	4,720	-	4,720
Community and economic development	559,430	400,000	959,430
Intergovernmental - education	-	8,007,388	8,007,388
Capital outlay	-	4,866,843	4,866,843
Total expenditures	<u>8,762,703</u>	<u>13,274,231</u>	<u>22,036,934</u>
Excess (deficiency) of revenues over expenditures	<u>5,556,075</u>	<u>(12,918,926)</u>	<u>(7,362,851)</u>
Other financing sources (uses):			
Transfers in	25,125	7,338,603	7,363,728
Transfers out	(5,610,491)	(3,334,604)	(8,945,095)
Total other financing sources (uses)	<u>(5,585,366)</u>	<u>4,003,999</u>	<u>(1,581,367)</u>
Net change in fund balances	(29,291)	(8,914,927)	(8,944,218)
Fund balance - June 30, 2015	4,398,541	26,940,128	31,338,669
Fund balance - June 30, 2016	<u>\$ 4,369,250</u>	<u>18,025,201</u>	<u>22,394,451</u>

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

FORSYTH COUNTY, NORTH CAROLINA
 June 30, 2016

	<u>Fire Tax</u> <u>Districts</u>	<u>Law</u> <u>Enforcement</u> <u>Equitable</u> <u>Distribution</u>	<u>Emergency</u> <u>Telephone</u> <u>System</u>	<u>Moser</u> <u>Bequest</u> <u>for Care</u> <u>of Elderly</u>	<u>State Public</u> <u>School</u> <u>Building</u> <u>Capital</u>	<u>2013</u> <u>Housing</u>
ASSETS						
Cash and cash equivalents / investments	\$ 806,653	1,351,019	1,094,728	304,233	-	-
Receivables (net):						
Property taxes	65,888	-	-	-	-	-
Other	-	-	-	-	-	-
Accrued interest	454	773	684	173	-	-
Due from other governments	479,536	8,338	55,467	-	1,773,970	93,965
Total assets	\$ 1,352,531	1,360,130	1,150,879	304,406	1,773,970	93,965
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	-	237	-	-	-
Due to other governments	-	-	-	-	-	-
Due to other funds - General Fund	-	-	-	-	1,773,970	94,050
Unearned revenue	1,042	-	-	-	-	-
Total liabilities	<u>1,042</u>	<u>-</u>	<u>237</u>	<u>-</u>	<u>1,773,970</u>	<u>94,050</u>
Deferred Inflows of Resources:						
Unavailable taxes	65,888	-	-	-	-	-
Unavailable other revenue	-	-	-	-	-	-
Total deferred inflows of resources	<u>65,888</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Restricted for:						
Stabilization by state statute	479,990	9,111	68,250	173	1,773,970	98,965
Fire protection	805,611	-	-	-	-	-
Law enforcement	-	1,351,019	-	-	-	-
Emergency telephone system	-	-	1,082,392	-	-	-
Human services	-	-	-	304,233	-	-
Housing and community redevelopment	-	-	-	-	-	-
Unassigned	-	-	-	-	(1,773,970)	(99,050)
Total fund balances	<u>1,285,601</u>	<u>1,360,130</u>	<u>1,150,642</u>	<u>304,406</u>	<u>-</u>	<u>(85)</u>
Total liabilities, deferred inflows of resources and fund balances	\$ 1,352,531	1,360,130	1,150,879	304,406	1,773,970	93,965

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

FORSYTH COUNTY, NORTH CAROLINA
 June 30, 2016

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	2014	2013	2015	2016	2015	Total
	<u>Housing</u>	<u>Justice</u>	<u>Housing</u>	<u>Housing</u>	<u>Justice</u>	
		<u>Assistance</u>			<u>Assistance</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents / investments	\$ 28,276	-	129,341	27,032	-	3,741,282
Receivables (net):						
Property taxes	-	-	-	-	-	65,888
Other	-	-	-	60	-	60
Accrued interest	38	16	73	4	120	2,335
Due from other governments	75,893	5,020	14,533	9,000	4,931	2,520,653
Total assets	<u>\$ 104,207</u>	<u>5,036</u>	<u>143,947</u>	<u>36,096</u>	<u>5,051</u>	<u>6,330,218</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	-	3,570	-	-	3,807
Due to other governments	-	92	-	-	123	215
Due to other funds - General Fund	-	4,944	-	-	4,928	1,877,892
Unearned revenue	-	-	-	-	-	1,042
Total liabilities	<u>-</u>	<u>5,036</u>	<u>3,570</u>	<u>-</u>	<u>5,051</u>	<u>1,882,956</u>
Deferred Inflows of Resources:						
Unavailable taxes	-	-	-	-	-	65,888
Unavailable other revenue	3,124	-	-	9,000	-	12,124
Total deferred inflows of resources	<u>3,124</u>	<u>-</u>	<u>-</u>	<u>9,000</u>	<u>-</u>	<u>78,012</u>
Fund balances:						
Restricted for:						
Stabilization by state statute	75,097	5,036	36,281	64	5,051	2,551,988
Fire protection	-	-	-	-	-	805,611
Law enforcement	-	-	-	-	-	1,351,019
Emergency telephone system	-	-	-	-	-	1,082,392
Human services	-	-	-	-	-	304,233
Housing and community redevelopment	25,986	-	104,096	27,032	-	157,114
Unassigned	-	(5,036)	-	-	(5,051)	(1,883,107)
Total fund balances	<u>101,083</u>	<u>-</u>	<u>140,377</u>	<u>27,096</u>	<u>-</u>	<u>4,369,250</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 104,207</u>	<u>5,036</u>	<u>143,947</u>	<u>36,096</u>	<u>5,051</u>	<u>6,330,218</u>

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

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NONMAJOR SPECIAL REVENUE FUNDS

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FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2016

	Fire Tax Districts	Law Enforcement Equitable Distribution	Emergency Telephone System	Moser Bequest for Care of Elderly	State Public School Building Capital	2013 Housing
Revenues:						
Taxes:						
Property	\$ 7,346,698	-	-	-	-	-
Local option sales taxes	1,724,548	-	-	-	-	-
Intergovernmental	-	30,253	658,216	-	3,725,300	258,470
Investment earnings	5,787	6,158	4,571	1,329	-	-
Other	-	18,000	-	-	-	-
Total revenues	<u>9,077,033</u>	<u>54,411</u>	<u>662,787</u>	<u>1,329</u>	<u>3,725,300</u>	<u>258,470</u>
Expenditures:						
Current:						
Public safety	7,407,070	-	550,105	-	-	-
Human services	-	-	-	4,720	-	-
Community and economic development	-	-	-	-	-	279,022
Total expenditures	<u>7,407,070</u>	<u>-</u>	<u>550,105</u>	<u>4,720</u>	<u>-</u>	<u>279,022</u>
Excess (deficiency) of revenues over expenditures	<u>1,669,963</u>	<u>54,411</u>	<u>112,682</u>	<u>(3,391)</u>	<u>3,725,300</u>	<u>(20,552)</u>
Other financing sources (uses):						
Transfers in:						
General Fund	-	-	-	-	-	-
2012 Housing Fund	-	-	-	-	-	-
Transfers out:						
General Fund	(1,724,207)	(160,984)	-	-	(3,725,300)	-
2015 Housing Fund	-	-	-	-	-	-
Total other financing sources (uses)	<u>(1,724,207)</u>	<u>(160,984)</u>	<u>-</u>	<u>-</u>	<u>(3,725,300)</u>	<u>-</u>
Net change in fund balances	(54,244)	(106,573)	112,682	(3,391)	-	(20,552)
Fund balance - June 30, 2015	<u>1,339,845</u>	<u>1,466,703</u>	<u>1,037,960</u>	<u>307,797</u>	<u>-</u>	<u>20,467</u>
Fund balance - June 30, 2016	<u>\$ 1,285,601</u>	<u>1,360,130</u>	<u>1,150,642</u>	<u>304,406</u>	<u>-</u>	<u>(85)</u>

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

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FORSYTH COUNTY, NORTH CAROLINA
For the Fiscal Year Ended June 30, 2016

	2014	2013	2015	2016	2015	
	<u>Housing</u>	<u>Justice</u>	<u>Housing</u>	<u>Housing</u>	<u>Justice</u>	<u>Total</u>
Revenues:						
Taxes:						
Property	\$ -	-	-	-	-	7,346,698
Local option sales taxes	-	-	-	-	-	1,724,548
Intergovernmental	159,944	91,545	23,302	12,000	155,149	5,114,179
Investment earnings	496	350	499	42	265	19,497
Other	-	-	95,856	-	-	113,856
Total revenues	<u>160,440</u>	<u>91,895</u>	<u>119,657</u>	<u>12,042</u>	<u>155,414</u>	<u>14,318,778</u>
Expenditures:						
Current:						
Public safety	-	85,964	-	-	155,414	8,198,553
Human services	-	-	-	-	-	4,720
Community and economic development	203,022	-	67,315	10,071	-	559,430
Total expenditures	<u>203,022</u>	<u>85,964</u>	<u>67,315</u>	<u>10,071</u>	<u>155,414</u>	<u>8,762,703</u>
Excess (deficiency) of revenues over expenditures	<u>(42,582)</u>	<u>5,931</u>	<u>52,342</u>	<u>1,971</u>	<u>-</u>	<u>5,556,075</u>
Other financing sources (uses):						
Transfers in:						
General Fund	-	-	-	25,125	-	25,125
2012 Housing Fund	-	-	-	-	-	-
Transfers out:						
General Fund	-	-	-	-	-	(5,610,491)
2015 Housing Fund	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,125</u>	<u>-</u>	<u>(5,585,366)</u>
Net change in fund balances	(42,582)	5,931	52,342	27,096	-	(29,291)
Fund balance - June 30, 2015	<u>143,665</u>	<u>(5,931)</u>	<u>88,035</u>	<u>-</u>	<u>-</u>	<u>4,398,541</u>
Fund balance - June 30, 2016	\$ <u>101,083</u>	<u>-</u>	<u>140,377</u>	<u>27,096</u>	<u>-</u>	<u>4,369,250</u>

FIRE TAX DISTRICTS FUND

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property	\$ 7,086,445	7,086,445	7,346,698	260,253
Local option sales taxes	1,712,540	1,774,140	1,724,548	(49,592)
Total taxes	<u>8,798,985</u>	<u>8,860,585</u>	<u>9,071,246</u>	<u>210,661</u>
Investment earnings	-	-	5,787	5,787
Total revenues	<u>8,798,985</u>	<u>8,860,585</u>	<u>9,077,033</u>	<u>216,448</u>
Expenditures - current - public safety:				
Beeson's Cross Roads	285,795	285,795	285,795	-
Beeson's Cross Roads Service	29,580	29,580	29,445	135
Belews Creek	244,548	244,548	244,548	-
City View	30,950	30,950	30,950	-
Clemmons	1,442,205	1,442,205	1,442,205	-
Forest Hill	10,548	10,548	10,548	-
Griffith	103,365	103,365	103,365	-
Gumtree	63,338	63,338	63,338	-
Horneytown	216,045	216,045	216,045	-
King of Forsyth County	337,390	337,390	337,390	-
Lewisville	1,321,486	1,321,486	1,321,486	-
Mineral Springs	167,219	167,219	167,219	-
Mineral Springs Service	6,286	6,286	6,264	22
Mount Tabor	70,195	70,195	70,195	-
Old Richmond	418,681	418,681	418,681	-
Piney Grove	693,455	759,076	759,076	-
Rural Hall	429,470	429,470	429,470	-
Salem Chapel	94,015	94,015	94,015	-
South Fork	6,025	6,025	5,988	37
Talley's Crossing	149,915	149,915	149,915	-
Triangle	92,802	92,802	92,802	-
Union Cross	238,575	238,575	238,575	-
Vienna	505,285	505,285	505,285	-
Walkertown	336,740	336,740	336,740	-
West Bend	47,730	47,730	47,730	-
Total expenditures	<u>7,341,643</u>	<u>7,407,264</u>	<u>7,407,070</u>	<u>194</u>
Excess of revenues over expenditures	<u>1,457,342</u>	<u>1,453,321</u>	<u>1,669,963</u>	<u>216,642</u>

FIRE TAX DISTRICTS FUND

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Other financing uses - transfers out-				
General Fund:				
Beeson's Cross Roads	(64,683)	(67,283)	(65,413)	1,870
Beeson's Cross Roads Service	(6,870)	(7,170)	(6,884)	286
Belews Creek	(60,511)	(63,111)	(61,320)	1,791
City View	(7,046)	(7,446)	(7,169)	277
Clemmons	(297,652)	(309,552)	(301,024)	8,528
Forest Hill	(2,387)	(2,587)	(2,435)	152
Griffith	(26,062)	(27,362)	(26,548)	814
Gumtree	(14,925)	(15,625)	(15,159)	466
Horneytown	(52,158)	(54,558)	(53,044)	1,514
King of Forsyth County	(93,101)	(95,001)	(92,325)	2,676
Lewisville	(319,919)	(327,519)	(318,400)	9,119
Mineral Springs	(37,097)	(38,997)	(37,859)	1,138
Mineral Springs Service	(1,476)	(1,576)	(1,500)	76
Mount Tabor	(17,320)	(18,120)	(17,608)	512
Old Richmond	(97,093)	(101,493)	(98,683)	2,810
Piney Grove	(153,851)	(160,951)	(156,571)	4,380
Rural Hall	(110,131)	(112,031)	(108,863)	3,168
Salem Chapel	(18,047)	(18,947)	(18,336)	611
South Fork	(1,237)	(1,337)	(1,241)	96
Talley's Crossing	(33,140)	(34,840)	(33,867)	973
Triangle	(22,103)	(23,103)	(22,399)	704
Union Cross	(61,233)	(63,333)	(61,565)	1,768
Vienna	(122,462)	(127,862)	(124,382)	3,480
Walkertown	(79,907)	(81,907)	(79,575)	2,332
West Bend	(12,129)	(12,429)	(12,037)	392
Total other financing uses	<u>(1,712,540)</u>	<u>(1,774,140)</u>	<u>(1,724,207)</u>	<u>49,933</u>
Net change in fund balance	<u>\$ (255,198)</u>	<u>(320,819)</u>	<u>(54,244)</u>	<u>266,575</u>
Fund balance - June 30, 2015			1,339,845	
Fund balance - June 30, 2016			<u>\$ 1,285,601</u>	

LAW ENFORCEMENT EQUITABLE DISTRIBUTION FUND

C-4

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

FORSYTH COUNTY, NORTH CAROLINA
For the Fiscal Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	-	30,253	30,253
Investment earnings	-	-	6,158	6,158
Other revenue	-	-	18,000	18,000
Total revenues	<u>-</u>	<u>-</u>	<u>54,411</u>	<u>54,411</u>
Other financing uses:				
Transfer to General Fund	<u>(312,471)</u>	<u>(312,471)</u>	<u>(160,984)</u>	<u>151,487</u>
Net change in fund balance	<u><u>\$ (312,471)</u></u>	<u><u>(312,471)</u></u>	<u>(106,573)</u>	<u>205,898</u>
Fund balance - June 30, 2015			<u>1,466,703</u>	
Fund balance - June 30, 2016			<u><u>\$ 1,360,130</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 631,532	658,216	658,216	-
Investment earnings	-	-	4,571	4,571
Total revenues	<u>631,532</u>	<u>658,216</u>	<u>662,787</u>	<u>4,571</u>
Expenditures - Public Safety	<u>1,240,729</u>	<u>1,267,413</u>	<u>550,105</u>	<u>717,308</u>
Net change in fund balance	<u><u>\$ (609,197)</u></u>	<u><u>(609,197)</u></u>	<u>112,682</u>	<u>721,879</u>
Fund balance - June 30, 2015			<u>1,037,960</u>	
Fund balance - June 30, 2016			<u><u>\$ 1,150,642</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues - investment earnings	\$ 1,000	1,000	1,329	329
Expenditures - Human Services	50,000	50,000	4,720	45,280
Net change in fund balance	\$ (49,000)	(49,000)	(3,391)	45,609
Fund balance - June 30, 2015			307,797	
Fund balance - June 30, 2016			\$ 304,406	

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, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues:				
Intergovernmental	\$ 87,309,111	84,097,014	3,725,300	80,371,714
Investment earnings	162,074	162,074	-	162,074
Total revenues	87,471,185	84,259,088	3,725,300	80,533,788
Expenditures - current - intergovernmental - education	51,340,383	48,538,317	-	48,538,317
Excess (deficiency) of revenues over expenditures	36,130,802	35,720,771	3,725,300	31,995,471
Other financing sources (uses):				
Transfers in:				
Schools Fund	-	1,330,321	-	1,330,321
1990 Schools Facilities Fund	4,170,049	4,169,875	-	4,169,875
1995 School Facilities Fund	65,288	65,288	-	65,288
1996 Schools Facilities Fund	1,933,499	1,933,499	-	1,933,499
2002 Schools Fund	4,161,834	4,161,834	-	4,161,834
2007 School Facilities Fund	250,000	250,000	-	250,000
Transfers out - General Fund	(48,041,622)	(47,631,588)	(3,725,300)	(43,906,288)
Total other financing sources (uses)	(37,460,952)	(35,720,771)	(3,725,300)	(31,995,471)
Net change in fund balance	\$ (1,330,150)	-	-	-
Fund balance - June 30, 2015			-	
Fund balance - June 30, 2016			\$ -	

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, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues:				
Intergovernmental:				
2012 WSFC HOME program	\$ 167,800	167,800	29,753	138,047
NCHFA Duke Power HELP	150,000	-	-	-
2012 NCHFA Single Family Rehabilitation	300,000	285,141	177,492	107,649
CDBG Scattered Site	400,000	214,990	51,225	163,765
Local government grants	12,000	12,000	-	12,000
Total intergovernmental	<u>1,029,800</u>	<u>679,931</u>	<u>258,470</u>	<u>421,461</u>
Investment earnings	-	85	-	85
Total revenues	<u>1,029,800</u>	<u>680,016</u>	<u>258,470</u>	<u>421,546</u>
Expenditures - current - community and economic development:				
2012 WSFC HOME	167,800	167,800	29,753	138,047
2012 WSFC HOME - local match	37,755	37,755	20,382	17,373
NCHFA Duke Power HELP	150,000	-	-	-
2012 NCHFA Single Family Rehabilitation	300,000	285,311	177,662	107,649
CDBG Scattered Site	400,000	214,990	51,225	163,765
Total expenditures	<u>1,055,555</u>	<u>705,856</u>	<u>279,022</u>	<u>426,834</u>
Excess (deficiency) of revenues over expenditures	<u>(25,755)</u>	<u>(25,840)</u>	<u>(20,552)</u>	<u>(5,288)</u>
Other financing sources - transfers in General Fund	<u>25,755</u>	<u>25,755</u>	<u>-</u>	<u>25,755</u>
Net change in fund balance	<u>\$ -</u>	<u>(85)</u>	<u>(20,552)</u>	<u>20,467</u>
Fund balance - June 30, 2015			<u>20,467</u>	
Fund balance - June 30, 2016			<u>\$ (85)</u>	

2014 HOUSING FUND

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, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues:				
Intergovernmental:				
2013 WSFC HOME program	\$ 167,800	148,686	139,552	9,134
2013 NCHFA Urgent Repair Program	75,000	63,440	-	63,440
CDBG NC Catalyst Program	70,000	52,536	20,392	32,144
Local government grants	12,000	12,000	-	12,000
Total intergovernmental	<u>324,800</u>	<u>276,662</u>	<u>159,944</u>	<u>116,718</u>
Mortgage repayments	117,500	46,184	-	46,184
Investment earnings	-	1,091	496	595
Other	32,000	32,000	-	32,000
Total revenues	<u>474,300</u>	<u>355,937</u>	<u>160,440</u>	<u>195,497</u>
Expenditures - current - community and economic development:				
2013 WSFC HOME	167,800	148,808	139,674	9,134
2013 WSFC HOME - local match	37,755	33,972	27,682	6,290
Forsyth County IDA	58,582	20,150	12,150	8,000
CDBG Program Income	153,338	20,000	-	20,000
CDBG NC Catalyst Program	70,000	55,660	23,516	32,144
2013 NCHFA Urgent Repair Program	75,000	63,439	-	63,439
Total expenditures	<u>562,475</u>	<u>342,029</u>	<u>203,022</u>	<u>139,007</u>
Excess (deficiency) of revenues over expenditures	(88,175)	13,908	(42,582)	56,490
Other financing sources - transfers in:				
General Fund	25,755	25,755	-	25,755
2009 Housing Fund	35,838	35,838	-	35,838
2011 Housing Fund	26,582	25,582	-	25,582
Total other financing sources	<u>88,175</u>	<u>87,175</u>	<u>-</u>	<u>87,175</u>
Net change in fund balance	\$ -	101,083	(42,582)	143,665
Fund balance - June 30, 2015			<u>143,665</u>	
Fund balance - June 30, 2016			\$ <u>101,083</u>	

2013 JUSTICE ASSISTANCE 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, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues:				
Intergovernmental - Justice Assistance	\$ 169,640	169,548	91,545	78,003
Investment earnings	1,144	1,236	350	886
Total revenues	<u>170,784</u>	<u>170,784</u>	<u>91,895</u>	<u>78,889</u>
Expenditures - current - public safety:				
Sheriff	85,964	85,964	85,964	-
City of Winston-Salem police	84,820	84,820	-	84,820
Total expenditures	<u>170,784</u>	<u>170,784</u>	<u>85,964</u>	<u>84,820</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	5,931	<u>(5,931)</u>
Fund balance - June 30, 2015			<u>(5,931)</u>	
Fund balance - June 30, 2016			<u>\$ -</u>	

2015 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, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues:				
Intergovernmental:				
2014 WSFC HOME program	\$ 176,400	18,164	15,194	2,970
CDBG NSP	50,000	21,751	8,108	13,643
Local government grants	12,000	12,000	-	12,000
Total intergovernmental	<u>238,400</u>	<u>51,915</u>	<u>23,302</u>	<u>28,613</u>
Mortgage repayments	200,000	115,740	95,856	19,884
Investment earnings	-	729	499	230
Total revenues	<u>438,400</u>	<u>168,384</u>	<u>119,657</u>	<u>48,727</u>
Expenditures - current - community and economic development:				
2014 WSFC HOME	176,400	17,928	14,958	2,970
2014 WSFC HOME - local match	39,690	2,629	2,629	-
CDBG NSP Program Income	50,000	-	-	-
HOME Program Income	238,516	73,656	49,728	23,928
Total expenditures	<u>504,606</u>	<u>94,213</u>	<u>67,315</u>	<u>26,898</u>
Excess (deficiency) of revenues over expenditures	(66,206)	74,171	52,342	21,829
Other financing sources - transfers in:				
General Fund	27,690	27,690	-	27,690
2012 Housing Fund	38,516	38,516	-	38,516
Total other financing sources	<u>66,206</u>	<u>66,206</u>	<u>-</u>	<u>66,206</u>
Net change in fund balance	<u>\$ -</u>	<u>140,377</u>	<u>52,342</u>	<u>88,035</u>
Fund balance - June 30, 2015			<u>88,035</u>	
Fund balance - June 30, 2016			<u>\$ 140,377</u>	

2016 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, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues:				
Intergovernmental:				
2015 WSFC HOME program	\$ 176,400	-	-	-
2015 NCHFA Urgent Repair program	100,000	-	-	-
Local government grants	12,000	12,000	12,000	-
Total intergovernmental	<u>288,400</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Investment earnings	-	42	42	-
Total revenues	<u>288,400</u>	<u>12,042</u>	<u>12,042</u>	<u>-</u>
Expenditures - current - community and economic development:				
2015 WSFC HOME	176,400	1,071	1,071	-
2015 WSFC HOME - local match	39,690	-	-	-
2015 Urgent Repair program	100,000	9,000	9,000	-
Total expenditures	<u>316,090</u>	<u>10,071</u>	<u>10,071</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(27,690)</u>	<u>1,971</u>	<u>1,971</u>	<u>-</u>
Other financing sources - transfers in General Fund	<u>27,690</u>	<u>25,125</u>	<u>25,125</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>27,096</u>	<u>27,096</u>	<u>-</u>
Fund balance - June 30, 2015			-	
Fund balance - June 30, 2016			<u>\$ 27,096</u>	

2015 JUSTICE ASSISTANCE FUND

C-13

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues:				
Intergovernmental - Justice Assistance	\$ 155,272	155,149	155,149	-
Investment earnings	142	265	265	-
Total revenues	<u>155,414</u>	<u>155,414</u>	<u>155,414</u>	<u>-</u>
Expenditures - current - public safety:				
Sheriff	77,778	77,778	77,778	-
City of Winston-Salem police	77,636	77,636	77,636	-
Total expenditures	<u>155,414</u>	<u>155,414</u>	<u>155,414</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - June 30, 2015			<u>-</u>	
Fund balance - June 30, 2016			<u>\$ -</u>	

COMBINING BALANCE SHEET

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NONMAJOR CAPITAL PROJECTS FUNDS

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2016

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	2012		2014	2014 FTCC	
	2/3rds	2012	Motive	Carolina	2014
	<u>Bonds</u>	<u>Pay-Go</u>	<u>Equipment</u>	<u>Building</u>	<u>2/3rds</u>
			<u>Replacement</u>	<u>Renovation</u>	<u>Bonds</u>
ASSETS					
Cash and cash equivalents / investments	\$ -	17,114	362,656	2,874,106	-
Investments - restricted	1,052,599	-	-	-	2,882,107
Receivables (net):					
Accrued interest	-	2,534	260	1,685	28
Due from other governments	3,550	2,300	51,731	-	41,026
Total assets	\$ <u>1,056,149</u>	<u>21,948</u>	<u>414,647</u>	<u>2,875,791</u>	<u>2,923,161</u>
LIABILITIES AND FUND BALANCES					
Liabilities - accounts payable and accrued liabilities	\$ <u>48,611</u>	<u>9,167</u>	<u>99,650</u>	<u>-</u>	<u>448,428</u>
Fund balances:					
Restricted for:					
Stabilization by state statute	151,840	8,917	51,991	1,685	1,597,343
Capital projects	855,698	-	-	-	877,390
Committed for capital projects	-	3,864	263,006	2,874,106	-
Unassigned	-	-	-	-	-
Total fund balances	<u>1,007,538</u>	<u>12,781</u>	<u>314,997</u>	<u>2,875,791</u>	<u>2,474,733</u>
Total liabilities and fund balances	\$ <u>1,056,149</u>	<u>21,948</u>	<u>414,647</u>	<u>2,875,791</u>	<u>2,923,161</u>

COMBINING BALANCE SHEET

D-1

NONMAJOR CAPITAL PROJECTS FUNDS

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2016

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	2014 WSFCS Capital Maintenance	2014 FTCC Capital Maintenance	2015 WSFCS Facilities	2015 Pay-Go	Total
ASSETS					
Cash and cash equivalents / investments	-	-	1,343,379	4,038,232	8,635,487
Investments - restricted	4,937,698	1,303,992	-	-	10,176,396
Receivables (net):					
Accrued interest	1,929	-	792	2,115	9,343
Due from other governments	111,224	-	-	-	209,831
Total assets	<u>5,050,851</u>	<u>1,303,992</u>	<u>1,344,171</u>	<u>4,040,347</u>	<u>19,031,057</u>
LIABILITIES AND FUND BALANCES					
Liabilities - accounts payable and accrued liabilities	-	-	-	400,000	1,005,856
Fund balances:					
Restricted for:					
Stabilization by state statute	113,153	-	792	2,115	1,927,836
Capital projects	4,937,698	1,303,992	-	-	7,974,778
Committed for capital projects	-	-	1,343,379	3,638,232	8,122,587
Unassigned	-	-	-	-	-
Total fund balances	<u>5,050,851</u>	<u>1,303,992</u>	<u>1,344,171</u>	<u>3,640,347</u>	<u>18,025,201</u>
Total liabilities and fund balances	<u>5,050,851</u>	<u>1,303,992</u>	<u>1,344,171</u>	<u>4,040,347</u>	<u>19,031,057</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, 2016

	<u>2007</u> <u>School</u> <u>Facilities</u>	<u>2008</u> <u>School</u> <u>Facilities</u>	<u>2009</u> <u>2/3rds</u> <u>Bonds</u>	<u>2012</u> <u>2/3rds</u> <u>Bonds</u>	<u>2012 WSFCS</u> <u>Capital</u> <u>Maintenance</u>
Revenues:					
Intergovernmental	\$ -	-	-	-	-
Charges for services	-	-	-	-	-
Investment earnings	23	210	549	2,589	506
Other	-	-	-	-	-
Total revenues	<u>23</u>	<u>210</u>	<u>549</u>	<u>2,589</u>	<u>506</u>
Expenditures:					
Current:					
Community and economic development	-	-	-	-	-
Intergovernmental - education	46,444	29,500	-	-	1,065,309
Capital outlay:					
General government	-	-	-	414,170	-
Public safety	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	<u>46,444</u>	<u>29,500</u>	<u>-</u>	<u>414,170</u>	<u>1,065,309</u>
Excess (deficiency) of revenues over expenditures	<u>(46,421)</u>	<u>(29,290)</u>	<u>549</u>	<u>(411,581)</u>	<u>(1,064,803)</u>
Other financing sources (uses):					
Transfers in:					
General Fund	-	-	-	-	-
2012 Pay-Go Fund	-	-	-	-	-
2013 Pay-Go Fund	-	-	-	-	-
2009 2/3rds Bonds Fund	-	-	-	-	-
Transfers out:					
General Fund	(32,984)	(64,679)	(167,122)	-	(105,218)
2014 2/3rds Bonds Fund	-	-	(54,265)	-	-
2015 Pay-Go Fund	-	-	-	-	-
Total other financing sources (uses)	<u>(32,984)</u>	<u>(64,679)</u>	<u>(221,387)</u>	<u>-</u>	<u>(105,218)</u>
Net change in fund balances	<u>(79,405)</u>	<u>(93,969)</u>	<u>(220,838)</u>	<u>(411,581)</u>	<u>(1,170,021)</u>
Fund balance - June 30, 2015	79,405	93,969	220,838	1,419,119	1,170,021
Fund balance - June 30, 2016	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>1,007,538</u>	<u>-</u>

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

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FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2016

	<u>2012</u> <u>Pay-Go</u>	<u>2013</u> <u>Pay-Go</u>	<u>2014</u> <u>Motive</u> <u>Equipment</u> <u>Replacement</u>	<u>2014 FTCC</u> <u>Carolina</u> <u>Building</u> <u>Renovation</u>	<u>2014</u> <u>2/3rds</u> <u>Bonds</u>
Revenues:					
Intergovernmental	\$ -	-	187,938	-	-
Charges for services	-	-	17,004	-	-
Investment earnings	6,663	2,166	3,790	14,440	9,014
Other	359	-	79,821	-	-
Total revenues	<u>7,022</u>	<u>2,166</u>	<u>288,553</u>	<u>14,440</u>	<u>9,014</u>
Expenditures:					
Current:					
Community and economic development	-	-	-	-	-
Intergovernmental - education	-	-	-	646,801	-
Capital outlay:					
General government	104,156	-	244,455	-	1,703,131
Public safety	66,800	-	1,529,721	-	-
Culture and recreation	-	-	-	-	804,410
Total expenditures	<u>170,956</u>	<u>-</u>	<u>1,774,176</u>	<u>646,801</u>	<u>2,507,541</u>
Excess (deficiency) of revenues over expenditures	<u>(163,934)</u>	<u>2,166</u>	<u>(1,485,623)</u>	<u>(632,361)</u>	<u>(2,498,527)</u>
Other financing sources (uses):					
Transfers in:					
General Fund	-	-	1,513,000	-	-
2012 Pay-Go Fund	-	-	-	-	-
2013 Pay-Go Fund	-	-	-	-	-
2009 2/3rds Bonds Fund	-	-	-	-	54,265
Transfers out:					
General Fund	-	(1,624)	-	-	-
2014 2/3rds Bonds Fund	-	-	-	-	-
2015 Pay-Go Fund	(2,177,559)	(731,153)	-	-	-
Total other financing sources (uses)	<u>(2,177,559)</u>	<u>(732,777)</u>	<u>1,513,000</u>	<u>-</u>	<u>54,265</u>
Net change in fund balances	<u>(2,341,493)</u>	<u>(730,611)</u>	<u>27,377</u>	<u>(632,361)</u>	<u>(2,444,262)</u>
Fund balance - June 30, 2015	2,354,274	730,611	287,620	3,508,152	4,918,995
Fund balance - June 30, 2016	<u>\$ <u>12,781</u></u>	<u>-</u>	<u>314,997</u>	<u>2,875,791</u>	<u>2,474,733</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, 2016

	2014 WSFCS Capital Maintenance	2014 FTCC Capital Maintenance	2015 WSFCS Facilities	2015 Pay-Go	Total
Revenues:					
Intergovernmental	-	-	-	-	187,938
Charges for services	-	-	-	-	17,004
Investment earnings	16,348	3,323	6,553	4,009	70,183
Other	-	-	-	-	80,180
Total revenues	<u>16,348</u>	<u>3,323</u>	<u>6,553</u>	<u>4,009</u>	<u>355,305</u>
Expenditures:					
Current:					
Community and economic development	-	-	-	400,000	400,000
Intergovernmental - education	4,945,267	930,305	343,762	-	8,007,388
Capital outlay:					
General government	-	-	-	-	2,465,912
Public safety	-	-	-	-	1,596,521
Culture and recreation	-	-	-	-	804,410
Total expenditures	<u>4,945,267</u>	<u>930,305</u>	<u>343,762</u>	<u>400,000</u>	<u>13,274,231</u>
Excess (deficiency) of revenues over expenditures	<u>(4,928,919)</u>	<u>(926,982)</u>	<u>(337,209)</u>	<u>(395,991)</u>	<u>(12,918,926)</u>
Other financing sources (uses):					
Transfers in:					
General Fund	1,735,000	-	-	1,127,626	4,375,626
2009 2/3rds Bonds Fund	-	-	-	-	54,265
2012 Pay-Go Fund	-	-	-	2,177,559	2,177,559
2013 Pay-Go Fund	-	-	-	731,153	731,153
Transfers out:					
General Fund	-	-	-	-	(371,627)
2014 2/3rds Bonds Fund	-	-	-	-	(54,265)
2015 Pay-Go Fund	-	-	-	-	(2,908,712)
Total other financing sources (uses)	<u>1,735,000</u>	<u>-</u>	<u>-</u>	<u>4,036,338</u>	<u>4,003,999</u>
Net change in fund balances	<u>(3,193,919)</u>	<u>(926,982)</u>	<u>(337,209)</u>	<u>3,640,347</u>	<u>(8,914,927)</u>
Fund balance - June 30, 2015	<u>8,244,770</u>	<u>2,230,974</u>	<u>1,681,380</u>	<u>-</u>	<u>26,940,128</u>
Fund balance - June 30, 2016	<u><u>5,050,851</u></u>	<u><u>1,303,992</u></u>	<u><u>1,344,171</u></u>	<u><u>3,640,347</u></u>	<u><u>18,025,201</u></u>

2007 SCHOOL FACILITIES FUND

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues:				
Intergovernmental	\$ 199,774	199,774	-	199,774
Investment earnings	4,829,705	4,846,950	23	4,846,927
Total revenues	<u>5,029,479</u>	<u>5,046,724</u>	<u>23</u>	<u>5,046,701</u>
Expenditures:				
Current - intergovernmental - education	253,499,536	253,489,529	46,444	253,443,085
Debt service - interest and other charges	1,969,600	1,963,868	-	1,963,868
Total expenditures	<u>255,469,136</u>	<u>255,453,397</u>	<u>46,444</u>	<u>255,406,953</u>
Deficiency of revenues over expenditures	<u>(250,439,657)</u>	<u>(250,406,673)</u>	<u>(46,421)</u>	<u>(250,360,252)</u>
Other financing sources (uses):				
General obligation bonds issued	250,000,000	250,000,000	-	250,000,000
Premium on general obligation bonds	7,601,614	7,601,614	-	7,601,614
Transfers to General Fund	(3,979,139)	(4,012,123)	(32,984)	(3,979,139)
Transfers to 2010 Schools Capital Maintenance Fund	(1,197,818)	(1,197,818)	-	(1,197,818)
Transfers to 2012 Schools Capital Maintenance Fund	(1,735,000)	(1,735,000)	-	(1,735,000)
Transfers to State Public School Building Capital Fund	(250,000)	(250,000)	-	(250,000)
Total other financing sources (uses)	<u>250,439,657</u>	<u>250,406,673</u>	<u>(32,984)</u>	<u>250,439,657</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>(79,405)</u>	<u>79,405</u>
Fund balance - June 30, 2015			79,405	
Fund balance - June 30, 2016			<u>\$ -</u>	

2008 SCHOOL FACILITIES FUND

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues - investment earnings	\$ 35,000	60,203	210	59,993
Expenditures:				
Intergovernmental - education	1,587,441	1,547,964	29,500	1,518,464
Unallocated	235,420	-	-	-
Total expenditures	<u>1,822,861</u>	<u>1,547,964</u>	<u>29,500</u>	<u>1,518,464</u>
Deficiency of revenues over expenditures	<u>(1,787,861)</u>	<u>(1,487,761)</u>	<u>(29,290)</u>	<u>(1,458,471)</u>
Other financing sources:				
Transfers from General Fund	1,787,861	1,487,761	(64,679)	1,552,440
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>(93,969)</u>	<u>93,969</u>
Fund balance - June 30, 2015			93,969	
Fund balance - June 30, 2016			<u>\$ -</u>	

2009 2/3rds BONDS FUND

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, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues:				
Intergovernmental	\$ 1,865,096	1,810,831	-	1,810,831
Investment earnings	135,000	140,852	549	140,303
Total revenues	<u>2,000,096</u>	<u>1,951,683</u>	<u>549</u>	<u>1,951,134</u>
Expenditures:				
Intergovernmental - education	7,300,000	7,300,000	-	7,300,000
Debt service - interest and other charges	100,000	100,000	-	100,000
Capital outlay:				
General government - Hall of Justice renovations	1,200,000	1,199,500	-	1,199,500
Human services - pharmacy renovations	220,000	133,524	-	133,524
Culture and recreation:				
Tanglewood Park	1,200,000	1,199,807	-	1,199,807
Triad Park development	3,230,192	3,121,662	-	3,121,662
Total expenditures	<u>13,250,192</u>	<u>13,054,493</u>	<u>-</u>	<u>13,054,493</u>
Deficiency of revenues over expenditures	<u>(11,250,096)</u>	<u>(11,102,810)</u>	<u>549</u>	<u>(11,103,359)</u>
Other financing sources (uses):				
General obligation bonds issued	11,120,000	11,120,000	-	11,120,000
Premium on general obligation bonds	-	74,101	-	74,101
Transfer from 2012 2/3rds bond fund	165,096	165,096	-	165,096
Transfers to General Fund	(35,000)	(202,122)	(167,122)	(35,000)
Transfer to 2014 2/3rds bond fund	-	(54,265)	(54,265)	-
Total other financing sources (uses)	<u>11,250,096</u>	<u>11,102,810</u>	<u>(221,387)</u>	<u>11,324,197</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>(220,838)</u>	<u>220,838</u>
Fund balance - June 30, 2015			220,838	
Fund balance - June 30, 2016			<u>\$ -</u>	

2012 2/3rds BONDS FUND

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues - investment earnings	\$ -	4,256	2,589	1,667
Expenditures:				
Debt service - interest and other charges	250,000	134,743	-	134,743
Capital outlay:				
General Government:				
Hall of Justice renovation	1,250,000	458,429	178,157	280,272
Capital repair and maintenance	1,500,000	1,476,604	236,013	1,240,591
Culture and recreation - Park maintenance projects	1,834,904	1,835,539	-	1,835,539
Total expenditures	<u>4,834,904</u>	<u>3,905,315</u>	<u>414,170</u>	<u>3,491,145</u>
Deficiency of revenues over expenditures	<u>(4,834,904)</u>	<u>(3,901,059)</u>	<u>(411,581)</u>	<u>(3,489,478)</u>
Other financing sources (uses):				
General obligation bonds issued	5,000,000	4,820,000	-	4,820,000
Premium on general obligation bonds	-	253,693	-	253,693
Transfer to 2009 2/3rds bond fund	<u>(165,096)</u>	<u>(165,096)</u>	-	<u>(165,096)</u>
Total other financing sources (uses)	<u>4,834,904</u>	<u>4,908,597</u>	<u>-</u>	<u>4,908,597</u>
Net change in fund balance	\$ <u>-</u>	<u>1,007,538</u>	(411,581)	<u>1,419,119</u>
Fund balance - June 30, 2015			1,419,119	
Fund balance - June 30, 2016			\$ <u>1,007,538</u>	

2012 WINSTON-SALEM/FORSYTH COUNTY SCHOOLS CAPITAL MAINTENANCE FUND

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues - investment earnings	\$ -	10,101	506	9,595
Expenditures:				
Current - intergovernmental - education	<u>11,268,143</u>	<u>11,268,144</u>	<u>1,065,309</u>	<u>10,202,835</u>
Deficiency of revenues over expenditures	<u>(11,268,143)</u>	<u>(11,258,043)</u>	<u>(1,064,803)</u>	<u>(10,193,240)</u>
Other financing sources:				
General obligation bonds issued	6,500,000	6,595,000	-	6,595,000
Premium on general obligation bonds	347,000	347,118	-	347,118
Transfer from General Fund	1,735,000	1,629,782	(105,218)	1,735,000
Transfer from 2007 School Facilities fund	1,735,000	1,735,000	-	1,735,000
Transfer from 2010 Winston-Salem/Forsyth County Schools Capital Maintenance Fund	<u>951,143</u>	<u>951,143</u>	-	<u>951,143</u>
Total other financing sources	<u>11,268,143</u>	<u>11,258,043</u>	<u>(105,218)</u>	<u>11,363,261</u>
Net change in fund balance	\$ <u>-</u>	<u>-</u>	(1,170,021)	<u>1,170,021</u>
Fund balance - June 30, 2015			1,170,021	
Fund balance - June 30, 2016			\$ <u>-</u>	

2012 PAY-GO FUND

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, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues:				
Investment earnings	\$ 19,840	24,760	6,663	18,097
Other revenue	47,359	47,359	359	47,000
Total revenues	<u>67,199</u>	<u>72,119</u>	<u>7,022</u>	<u>65,097</u>
Expenditures:				
Capital outlay:				
General government: Government Center upfit	359,929	352,068	104,156	247,912
Public safety:				
LEDC energy project	240,000	240,000	66,800	173,200
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>969,779</u>	<u>170,956</u>	<u>798,823</u>
Deficiency of revenues over expenditures	<u>(910,441)</u>	<u>(897,660)</u>	<u>(163,934)</u>	<u>(733,726)</u>
Other financing sources (uses):				
Transfer from General Fund	3,088,000	3,088,000	-	3,088,000
Transfer to 2015 Pay-Go fund	<u>(2,177,559)</u>	<u>(2,177,559)</u>	<u>(2,177,559)</u>	<u>-</u>
Total other financing sources (uses)	<u>910,441</u>	<u>910,441</u>	<u>(2,177,559)</u>	<u>3,088,000</u>
Net change in fund balance	<u>\$ -</u>	<u>12,781</u>	<u>(2,341,493)</u>	<u>2,354,274</u>
Fund balance - June 30, 2015			<u>2,354,274</u>	
Fund balance - June 30, 2016			<u>\$ 12,781</u>	

2013 PAY-GO FUND

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues - investment earnings	\$ 5,126	6,950	2,166	4,784
Expenditures:				
Capital outlay:				
General government:				
Financial system upgrade	-	-	-	-
UPS equipment	11,570	11,570	-	11,570
EAD building renovation	12,324	12,324	-	12,324
Geo Data Explorer Intranet	113,145	113,145	-	113,145
Conservation projects	-	-	-	-
Hall of Justice renovations	-	-	-	-
MIS Network Equipment	982,308	982,308	-	982,308
General services equipment replacement	54,101	54,101	-	54,101
Public safety:				
AV project	15,651	15,651	-	15,651
Fire SCBA replacements	37,674	37,674	-	37,674
Human Services	9,822	9,822	-	9,822
Parks and Recreation: equipment replacement	96,020	96,020	-	96,020
Total expenditures	<u>1,332,615</u>	<u>1,332,615</u>	<u>-</u>	<u>1,332,615</u>
Deficiency of revenues over expenditures	<u>(1,327,489)</u>	<u>(1,325,665)</u>	<u>2,166</u>	<u>(1,327,831)</u>
Other financing sources (uses):				
Transfer from 2008 Pay-Go	378,223	378,123	-	378,123
Transfer from 2010 Pay-Go	228,433	228,333	-	228,333
Transfer from 2011 Pay-Go	469,276	469,276	-	469,276
Transfer from General Fund	982,710	981,086	(1,624)	982,710
Transfer to 2015 Pay-Go fund	<u>(731,153)</u>	<u>(731,153)</u>	<u>(731,153)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,327,489</u>	<u>1,325,665</u>	<u>(732,777)</u>	<u>2,058,442</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>(730,611)</u>	<u>730,611</u>
Fund balance - June 30, 2015			<u>730,611</u>	
Fund balance - June 30, 2016			<u>\$ -</u>	

2014 MOTIVE EQUIPMENT REPLACEMENT FUND

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues:				
Intergovernmental	\$ 190,772	284,738	187,938	96,800
Charges for services	17,302	25,804	17,004	8,800
Investment earnings	-	6,694	3,790	2,904
Other revenue	218,811	224,057	79,821	144,236
Total revenues	<u>426,885</u>	<u>541,293</u>	<u>288,553</u>	<u>252,740</u>
Expenditures:				
Capital outlay:				
General government - Non-emergency fleet	498,737	469,609	244,455	225,154
Public safety:				
Animal control	212,984	189,855	97,325	92,530
Emergency services	1,349,282	1,317,203	710,473	606,730
Sheriff	1,607,213	1,490,960	721,923	769,037
Unallocated	-	-	-	-
Total expenditures	<u>3,668,216</u>	<u>3,467,627</u>	<u>1,774,176</u>	<u>1,693,451</u>
Deficiency of revenues over expenditures	<u>(3,241,331)</u>	<u>(2,926,334)</u>	<u>(1,485,623)</u>	<u>(1,440,711)</u>
Other financing sources:				
Transfer from General Fund	2,980,145	2,980,145	1,513,000	1,467,145
Transfer from 2012 Motive Equipment Fund	261,186	261,186	-	261,186
	<u>3,241,331</u>	<u>3,241,331</u>	<u>1,513,000</u>	<u>1,728,331</u>
Net change in fund balance	<u>\$ -</u>	<u>314,997</u>	<u>27,377</u>	<u>287,620</u>
Fund balance - June 30, 2015			<u>287,620</u>	
Fund balance - June 30, 2016			<u>\$ 314,997</u>	

2014 FTCC CAROLINA BUILDING RENOVATION FUND

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues - investment earnings	\$ -	27,833	14,440	13,393
Expenditures:				
Current - intergovernmental - education	3,600,000	752,042	646,801	105,241
Deficiency of revenues over expenditures	<u>(3,600,000)</u>	<u>(724,209)</u>	<u>(632,361)</u>	<u>(91,848)</u>
Other financing sources:				
Transfer from General Fund	3,600,000	3,600,000	-	3,600,000
Net change in fund balance	<u>\$ -</u>	<u>2,875,791</u>	(632,361)	<u>3,508,152</u>
Fund balance - June 30, 2015			<u>3,508,152</u>	
Fund balance - June 30, 2016			<u>\$ 2,875,791</u>	

2014 2/3rds BONDS FUND

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues - investment earnings	\$ -	9,769	9,014	755
Expenditures:				
Debt service - interest and other charges	19,982	18,167	-	18,167
Capital outlay:				
Culture and recreation: Park maintenance projects	1,138,238	927,203	804,410	122,793
General Government: Capital repair and maintenance	4,064,899	1,812,785	1,703,131	109,654
Total expenditures	<u>5,223,119</u>	<u>2,758,155</u>	<u>2,507,541</u>	<u>250,614</u>
Deficiency of revenues over expenditures	<u>(5,223,119)</u>	<u>(2,748,386)</u>	<u>(2,498,527)</u>	<u>(249,859)</u>
Other financing sources:				
General obligation bonds issued	4,750,000	4,750,000	-	4,750,000
Premium on general obligation bonds	418,854	418,854	-	418,854
Transfer from 2009 2/3rds Bonds fund	54,265	54,265	54,265	-
Total other financing sources	<u>5,223,119</u>	<u>5,223,119</u>	<u>54,265</u>	<u>5,168,854</u>
Net change in fund balance	<u>\$ -</u>	<u>2,474,733</u>	(2,444,262)	<u>4,918,995</u>
Fund balance - June 30, 2015			<u>4,918,995</u>	
Fund balance - June 30, 2016			<u>\$ 2,474,733</u>	

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

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FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues - investment earnings	\$ -	17,735	16,348	1,387
Expenditures:				
Debt service - interest and other charges	27,343	24,860	-	24,860
Current - intergovernmental - education	10,515,826	5,485,193	4,945,267	539,926
Total expenditures	<u>10,543,169</u>	<u>5,510,053</u>	<u>4,945,267</u>	<u>564,786</u>
Deficiency of revenues over expenditures	<u>(10,543,169)</u>	<u>(5,492,318)</u>	<u>(4,928,919)</u>	<u>(563,399)</u>
Other financing sources:				
General obligation bonds issued	6,500,000	6,500,000	-	6,500,000
Premium on general obligation bonds	573,169	573,169	-	573,169
Transfer from General Fund	3,470,000	3,470,000	1,735,000	1,735,000
Total other financing sources	<u>10,543,169</u>	<u>10,543,169</u>	<u>1,735,000</u>	<u>8,808,169</u>
Net change in fund balance	<u>\$ -</u>	<u>5,050,851</u>	<u>(3,193,919)</u>	<u>8,244,770</u>
Fund balance - June 30, 2015			8,244,770	
Fund balance - June 30, 2016			<u>\$ 5,050,851</u>	

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

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FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues - investment earnings	\$ -	3,669	3,323	346
Expenditures:				
Debt service - interest and other charges	9,675	8,796	-	8,796
Current - intergovernmental - education	2,493,138	1,193,694	930,305	263,389
Total expenditures	<u>2,502,813</u>	<u>1,202,490</u>	<u>930,305</u>	<u>272,185</u>
Deficiency of revenues over expenditures	<u>(2,502,813)</u>	<u>(1,198,821)</u>	<u>(926,982)</u>	<u>(271,839)</u>
Other financing sources:				
General obligation bonds issued	2,300,000	2,300,000	-	2,300,000
Premium on general obligation bonds	202,813	202,813	-	202,813
Total other financing sources	<u>2,502,813</u>	<u>2,502,813</u>	<u>-</u>	<u>2,502,813</u>
Net change in fund balance	<u>\$ -</u>	<u>1,303,992</u>	<u>(926,982)</u>	<u>2,230,974</u>
Fund balance - June 30, 2015			2,230,974	
Fund balance - June 30, 2016			<u>\$ 1,303,992</u>	

2015 WINSTON-SALEM/FORSYTH COUNTY SCHOOLS FACILITIES FUND

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues - investment earnings	\$ -	6,933	6,553	380
Expenditures:				
Current - intergovernmental - education	1,681,000	343,762	343,762	-
Deficiency of revenues over expenditures	<u>(1,681,000)</u>	<u>(336,829)</u>	<u>(337,209)</u>	<u>380</u>
Other financing sources:				
Transfer from General Fund	1,681,000	1,681,000	-	1,681,000
Net change in fund balance	<u>\$ -</u>	<u>1,344,171</u>	<u>(337,209)</u>	<u>1,681,380</u>
Fund balance - June 30, 2015			1,681,380	
Fund balance - June 30, 2016			<u>\$ 1,344,171</u>	

2015 PAY-GO FUND

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues - investment earnings	\$ -	4,009	4,009	-
Expenditures:				
Community and economic development:				
Arts Council Downtown Support	400,000	400,000	400,000	-
Capital outlay:				
General government: Financial system upgrade	200,000	-	-	-
Public safety: Phillips Building upfit	3,436,338	-	-	-
Total expenditures	<u>4,036,338</u>	<u>400,000</u>	<u>400,000</u>	<u>-</u>
Deficiency of revenues over expenditures	<u>(4,036,338)</u>	<u>(395,991)</u>	<u>(395,991)</u>	<u>-</u>
Other financing sources:				
Transfer from General Fund	1,127,626	1,127,626	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	-
Total other financing sources	<u>4,036,338</u>	<u>4,036,338</u>	<u>4,036,338</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>3,640,347</u>	<u>3,640,347</u>	<u>-</u>
Fund balance - June 30, 2015			-	
Fund balance - June 30, 2016			<u>\$ 3,640,347</u>	

2016 NEW FAMILY MUSEUM

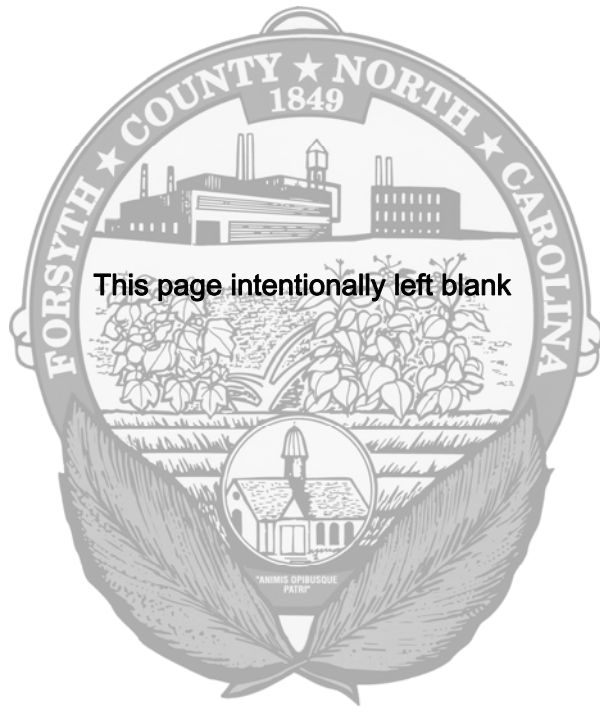
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SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2016

	<u>Budget</u>	<u>Cumulative Total to June 30, 2016</u>	<u>Activity Year Ended June 30, 2016</u>	<u>Cumulative Total to June 30, 2015</u>
Revenues - other revenue	\$ 14,840,000	-	-	-
Expenditures:				
Capital outlay:				
Culture and recreation - New Family Museum	17,340,000	-	-	-
Deficiency of revenues over expenditures	(2,500,000)	-	-	-
Other financing sources:				
Transfer from General Fund	2,500,000	-	-	-
Net change in fund balance	\$ -	-	-	-
Fund balance - June 30, 2015			-	
Fund balance - June 30, 2016			\$ -	



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Fiduciary Funds

Agency Funds

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

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

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

Social Services Protective Payee Fund – This fund is used to account for 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

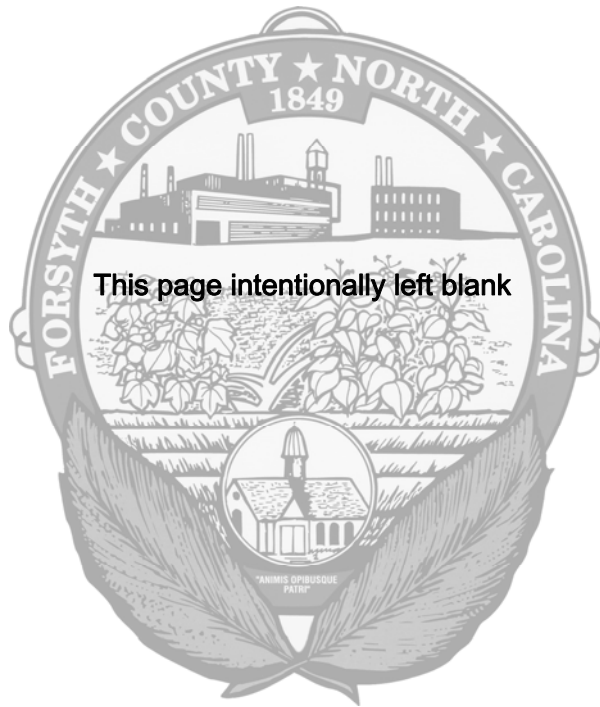
June 30, 2015

	<u>Tax</u>	<u>Fines and Forfeitures</u>	<u>Protective Payee</u>	<u>Sheriff</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents / investments	\$ 422,759	262,673	128,631	95,059	909,122
Receivables:					
Property taxes	3,608,621	-	-	-	3,608,621
Accrued interest	-	-	77	-	77
Total assets	<u>4,031,380</u>	<u>262,673</u>	<u>128,708</u>	<u>95,059</u>	<u>4,517,820</u>
LIABILITIES					
Due to other governments	4,031,380	262,673	-	-	4,294,053
Other liabilities	-	-	128,708	95,059	223,767
Total liabilities	<u>4,031,380</u>	<u>262,673</u>	<u>128,708</u>	<u>95,059</u>	<u>4,517,820</u>
NET POSITION	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

FORSYTH COUNTY, NORTH CAROLINA
 For the Fiscal Year Ended June 30, 2016

	<u>June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2016</u>
<u>TAX AGENCY</u>				
ASSETS				
Cash and cash equivalents / investments	\$ 394,035	377,298,246	377,269,522	422,759
Receivables - property taxes	4,208,258	354,427,226	355,026,863	3,608,621
Total assets	\$ 4,602,293	731,725,472	732,296,385	4,031,380
LIABILITIES				
Due to other governments	\$ 4,602,293	500,199,486	500,770,399	4,031,380
<u>FINES AND FORFEITURES</u>				
ASSETS				
Cash and cash equivalents / investments	\$ 18,605	2,083,413	1,839,345	262,673
LIABILITIES				
Due to other governments	\$ 18,605	2,083,413	1,839,345	262,673
<u>PROTECTIVE PAYEE</u>				
ASSETS				
Cash and cash equivalents / investments	\$ 113,352	397,012	381,733	128,631
Receivables - accrued interest	36	506	465	77
Total assets	\$ 113,388	397,518	382,198	128,708
LIABILITIES				
Other liabilities	\$ 113,388	397,053	381,733	128,708
<u>SHERIFF AGENCY</u>				
ASSETS				
Cash and cash equivalents / investments	\$ -	669,115	574,056	95,059
LIABILITIES				
Other liabilities	\$ -	669,115	574,056	95,059
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents / investments	\$ 525,992	380,447,786	380,064,656	909,122
Receivables:				
Property taxes	4,208,258	354,427,226	355,026,863	3,608,621
Accrued interest	36	506	465	77
Total assets	\$ 4,734,286	734,875,518	735,091,984	4,517,820
LIABILITIES				
Due to other governments	\$ 4,620,898	502,282,899	502,609,744	4,294,053
Other liabilities	113,388	1,066,168	955,789	223,767
Total liabilities	\$ 4,734,286	503,349,067	503,565,533	4,517,820



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Other Schedules

This section contains additional information on property taxes.

Schedule of Ad Valorem Taxes Receivable – General Fund

Analysis of Current Tax Levy – Countywide Levy

Ten Largest Taxpayers

SCHEDULE OF AD VALOREM TAXES RECEIVABLE

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GENERAL FUND

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2016

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2015</u>	<u>Additions Net of Releases</u>	<u>Collections And Credits</u>	<u>Writeoffs</u>	<u>Uncollected Balance June 30, 2016</u>
2015 - 2016	\$ -	241,192,603	239,063,497	-	2,129,106
2014 - 2015	2,368,668	(49,053)	1,551,529	-	768,086
2013 - 2014	1,664,961	(46,510)	479,663	-	1,138,788
2012 - 2013	1,050,499	(51,099)	119,027	398,736	481,637
2011 - 2012	470,975	(48,389)	21,716	-	400,870
2010 - 2011	393,765	(47,810)	(2,312)	-	348,267
2009 - 2010	326,336	(46,071)	(20,718)	-	300,983
2008 - 2009	272,738	(5,203)	15,461	-	252,074
2007 - 2008	183,958	(2,691)	6,394	-	174,873
2006 - 2007	163,670	(2,141)	4,321	157,208	-
	<u>\$ 6,895,570</u>	<u>240,893,636</u>	<u>241,238,578</u>	<u>555,944</u>	<u>5,994,684</u>

Less: allowance for uncollectible accounts:

General Fund

(3,563,850)

Ad valorem taxes receivable - net:

General Fund

\$ 2,430,834

Reconciliation with revenues:

Property taxes - General Fund	\$	241,750,508
Penalties collected on ad valorem taxes - Fines and Forfeitures Fund		343,651
Reconciling items:		
Interest and fees collected	\$	(904,881)
Refunds		103,329
Collection of taxes previously written off		<u>(54,029)</u>
Total reconciling items		<u>(855,581)</u>
Total collections and credits	\$	<u>241,238,578</u>

**ANALYSIS OF CURRENT TAX LEVY
COUNTYWIDE LEVY**

FORSYTH COUNTY, NORTH CAROLINA
For the Fiscal Year Ended June 30, 2016

	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	\$ 32,144,735,409	\$.7310	\$ 235,960,862	\$ 219,895,248	\$ 16,065,614
Motor vehicles taxed at prior year's rate: FY 13-14	2,011,250	.7168	14,417	-	14,417
FY 14-15	685,944,092	.7168	4,916,847	-	4,916,847
Penalties	-		348,369	348,115	254
Total	<u>32,832,690,751</u>		<u>241,240,495</u>	<u>220,243,363</u>	<u>20,997,132</u>
Releases	(6,551,573)		(47,892)	(47,673)	(219)
Total property valuation	<u>\$ 32,826,139,178</u>				
Net levy			241,192,603	220,195,690	20,996,913
Uncollected taxes at June 30, 2016			<u>2,129,106</u>	<u>2,128,102</u>	<u>1,004</u>
Current year's taxes collected			<u>\$ 239,063,497</u>	<u>\$ 218,067,588</u>	<u>\$ 20,995,909</u>
Current levy collection percentage			<u>99.12%</u>	<u>99.03%</u>	<u>99.995%</u>

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio (2)	100%
Real Property	\$ 26,239,522,214
Personal Property	5,925,720,207
Public Service Companies (3)	<u>660,896,757</u>
Total Assessed Valuation	<u>32,826,139,178</u>
Tax Rate per \$100	<u>0.7310</u>
Levy (includes discoveries, releases and abatements)	<u>\$ 241,192,603</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

TEN LARGEST TAXPAYERS

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FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2016

<u>Taxpayer</u>	<u>Type of Business</u>		2015 Assessed Valuation	Percentage of Total Assessed Valuation
R. J. Reynolds Industries, Inc	Tobacco, Foods, Petroleum and Transportation	\$	761,562,654	2.32%
Caterpillar Inc	Manufacturer		364,496,033	1.11%
Duke Energy Corporation	Electric Utility		334,487,688	1.02%
Lowe's Companies Inc	Retail		263,888,646	0.80%
JG Winston-Salem	Real Estate Management		203,477,018	0.62%
Wells Fargo Bank NA	Banking		181,169,904	0.55%
Wexford Science & Technology, LLC	Real Estate Development		157,664,569	0.48%
Deere-Hitachi	Manufacturer		100,614,501	0.31%
Herbalife International of America	Manufacturer		95,934,337	0.29%
Branch Banking & Trust	Banking		91,858,824	0.28%
		\$	<u>2,555,154,172</u>	<u>7.78%</u>

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

Contents

Financial Trends – These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	104
Revenue Capacity – These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property taxes.	108
Debt Capacity – These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	113
Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	116
Operating Information – These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	118

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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities:										
Net investment in										
capital assets	\$ 65,335,272	66,426,734	72,988,514	78,662,765	84,541,770	83,829,746	75,547,493	76,582,427	80,960,647	91,997,431
Restricted	4,328,645	3,980,229	3,860,233	3,704,815	31,191,934	31,151,206	36,231,000	46,204,270	38,012,456	55,613,795
Unrestricted	<u>(132,368,899)</u>	<u>(120,384,798)</u>	<u>(164,391,922)</u>	<u>(227,581,718)</u>	<u>(311,324,492)</u>	<u>(340,506,961)</u>	<u>(335,671,385)</u>	<u>(330,405,550)</u>	<u>(302,041,917)</u>	<u>(291,327,469)</u>
Total governmental activities net deficit	\$ <u>(62,704,982)</u>	<u>(49,977,835)</u>	<u>(87,543,175)</u>	<u>(145,214,138)</u>	<u>(195,590,788)</u>	<u>(225,526,009)</u>	<u>(223,892,892)</u>	<u>(207,618,853)</u>	<u>(183,068,814)</u>	<u>(143,716,243)</u>

CHANGES IN NET POSITION
FORSYTH COUNTY, NORTH CAROLINA
 Last Ten Fiscal Years
(accrual basis of accounting)

Schedule 2

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government	\$ 40,954,886	42,473,984	38,189,282	40,075,708	40,444,367	43,252,315	39,642,837	41,283,224	37,104,610	39,710,432
Public safety	60,563,286	67,092,138	68,384,497	71,544,414	71,590,553	71,455,381	69,433,724	73,826,748	73,502,755	77,733,569
Environmental protection	2,220,009	2,521,035	2,713,093	2,682,028	2,653,528	2,642,585	2,442,611	2,229,539	2,504,903	2,777,088
Human services	83,325,627	85,670,069	81,156,032	76,826,616	75,228,239	76,403,049	77,395,541	75,195,871	74,304,852	78,666,572
Culture and recreation	17,214,387	17,401,634	16,540,703	15,936,872	15,995,428	15,830,605	15,886,345	14,556,355	16,535,727	15,951,292
Community and economic development	1,722,356	2,998,916	2,777,002	4,231,621	4,541,117	6,697,889	2,795,206	4,209,903	2,936,334	4,211,266
Education	137,732,790	140,624,177	185,747,060	217,912,687	199,596,063	181,325,863	152,410,053	144,359,143	134,732,270	135,927,424
Interest on long-term debt	15,995,831	18,501,304	17,734,361	17,800,372	21,423,843	21,732,376	21,796,354	19,259,551	18,129,062	16,179,523
Total expenses	<u>359,729,172</u>	<u>377,283,257</u>	<u>413,242,030</u>	<u>447,010,318</u>	<u>431,473,138</u>	<u>419,340,063</u>	<u>381,802,671</u>	<u>374,920,334</u>	<u>359,750,513</u>	<u>371,157,166</u>
Program revenues										
Governmental activities:										
Charges for services										
General government	4,320,684	4,163,440	3,766,905	3,326,610	3,168,910	3,834,636	3,743,500	3,617,005	3,248,381	3,528,423
Public safety	13,569,309	17,465,407	16,039,769	15,538,279	15,837,236	16,810,834	17,540,753	17,361,145	17,605,671	17,143,278
Environmental protection	348,683	266,457	222,569	251,076	292,471	205,762	220,956	228,599	618,162	532,922
Human services	6,781,195	7,752,966	8,631,222	9,140,340	8,481,786	9,936,712	8,055,427	6,479,949	8,677,070	7,142,225
Culture and recreation	5,265,639	5,098,137	4,403,575	3,872,609	3,792,170	3,908,560	4,079,006	3,944,701	4,251,360	4,197,334
Community and economic development	115,432	55,552	16,988	23,587	60,793	40,954	58,979	160,528	91,515	126,263
Education	33,332	33,372	42,907	41,324	43,457	77,091	67,038	62,076	57,565	48,249
Operating grants and contributions										
General government	1,116,784	753,817	1,142,633	944,665	605,190	648,658	564,085	831,442	587,768	651,129
Public safety	3,390,604	3,698,500	4,409,705	4,870,901	4,525,900	5,259,860	4,468,936	5,436,967	5,225,898	4,325,041
Environmental protection	843,363	880,434	1,025,921	767,359	748,827	1,035,482	747,815	837,273	717,751	870,607
Human services	35,702,370	36,224,878	38,460,763	39,533,989	38,387,457	41,638,514	40,842,999	41,633,018	43,276,151	44,316,342
Culture and recreation	856,098	822,806	979,233	1,112,728	694,216	672,829	904,113	1,037,768	1,783,651	1,145,752
Community and economic development	391,429	959,624	321,981	1,666,607	2,618,897	1,011,533	713,754	339,875	422,464	476,516
Education	3,459,671	5,790,588	7,098,274	9,477,257	9,118,121	5,406,597	4,627,031	4,517,993	3,700,660	3,922,145
Capital grants and contributions										
General government	-	25,975	-	-	-	-	-	-	-	-
Total program revenues	<u>76,194,593</u>	<u>83,991,953</u>	<u>86,562,445</u>	<u>90,567,331</u>	<u>88,375,431</u>	<u>90,488,022</u>	<u>86,634,392</u>	<u>86,488,339</u>	<u>90,264,067</u>	<u>88,426,226</u>
Net expense	<u>(283,534,579)</u>	<u>(293,291,304)</u>	<u>(326,679,585)</u>	<u>(356,442,987)</u>	<u>(343,097,707)</u>	<u>(328,852,041)</u>	<u>(295,168,279)</u>	<u>(288,431,995)</u>	<u>(269,486,446)</u>	<u>(282,730,940)</u>
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	203,698,340	218,253,781	223,660,085	234,161,047	234,598,651	235,293,490	239,530,106	241,781,572	237,494,550	248,996,613
Local option sales taxes	71,068,173	73,496,042	56,381,820	49,733,084	49,565,057	52,867,275	52,933,206	52,905,448	59,852,643	61,889,139
Occupancy taxes	539,027	562,018	466,198	436,578	483,945	542,596	558,116	619,138	673,224	747,342
Other taxes and licenses	3,261,547	2,587,667	1,749,344	-	-	-	-	-	-	-
Gross receipts tax	-	-	-	242,411	271,131	290,674	314,099	363,830	408,843	430,692
Excise stamp tax	-	-	-	1,138,069	943,248	1,039,534	1,429,078	1,254,797	1,702,744	1,696,261
Grants and contributions not restricted										
to specific programs	1,635,293	1,630,835	1,644,749	3,224,786	5,840,620	5,849,059	4,572,092	3,985,233	3,784,090	3,744,478
Investment earnings	7,680,796	9,025,373	4,150,368	966,309	741,526	612,725	141,520	715,063	487,307	874,524
Miscellaneous	359,359	462,735	1,061,681	8,869,740	276,879	2,421,467	1,009,905	3,080,953	530,167	3,172,690
Total general revenues	<u>288,242,535</u>	<u>306,018,451</u>	<u>289,114,245</u>	<u>298,772,024</u>	<u>292,721,057</u>	<u>298,916,820</u>	<u>300,488,122</u>	<u>304,706,034</u>	<u>304,933,568</u>	<u>321,551,739</u>
Change in net position - governmental activities	\$ <u>4,707,956</u>	<u>12,727,147</u>	<u>(37,565,340)</u>	<u>(57,670,963)</u>	<u>(50,376,650)</u>	<u>(29,935,221)</u>	<u>5,319,843</u>	<u>16,274,039</u>	<u>35,447,122</u>	<u>38,820,799</u>

FUND BALANCES OF GOVERNMENTAL FUNDS

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund										
Reserved	\$ 31,724,371	33,727,232	27,865,589	29,731,129						
Unreserved	79,799,313	86,715,440	101,701,080	113,871,426						
Nonspendable					180,133	172,691	251,658	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
Committed					40,358,769	37,892,059	36,573,358	33,141,288	29,078,705	37,544,316
Assigned					15,950,543	19,235,587	13,978,806	10,031,500	27,673,036	18,603,884
Unassigned					62,118,267	63,057,650	63,971,070	64,817,179	58,038,886	59,187,664
Total General Fund	\$ 111,523,684	120,442,672	129,566,669	143,602,555	146,271,085	148,256,430	143,510,032	142,583,412	145,540,055	147,132,926
All other governmental funds										
Reserved	\$ 3,931,316	2,054,017	11,659,953	10,483,574						
Unreserved, reported in:										
Special revenue funds	2,649,533	2,103,908	884,635	(194,420)						
Capital projects funds	90,092,438	80,459,522	132,424,595	47,918,354						
Nonspendable					-	-	-	-	-	-
Restricted					131,779,815	68,905,275	47,662,220	30,604,023	61,255,209	46,325,132
Committed					5,487,886	5,206,773	7,257,834	4,166,932	8,599,219	8,127,167
Assigned					-	-	-	-	-	-
Unassigned					(457,737)	(479,424)	(123,274)	(5,169,337)	(746,862)	(1,883,107)
Total all other governmental funds	\$ 96,673,287	84,617,447	144,969,183	58,207,508	136,809,964	73,632,624	54,796,780	29,601,618	69,107,566	52,569,192

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Property taxes	\$ 202,802,113	217,978,822	222,931,993	234,067,805	234,253,068	235,124,729	240,017,934	242,188,927	238,433,384	249,097,206
Occupancy taxes	539,027	562,018	466,198	436,578	483,945	542,596	558,116	619,138	673,224	747,342
Local option sales tax	71,068,173	73,496,042	56,381,820	49,733,084	49,565,057	52,867,275	52,933,206	52,905,448	59,852,643	61,889,139
Other taxes	506,037	377,837	202,959	242,411	271,131	290,674	314,099	363,830	408,843	430,692
Licenses and permits	1,215,187	922,548	940,488	857,450	902,447	766,104	867,200	790,379	840,176	885,379
Intergovernmental	47,933,136	51,239,274	55,768,601	61,855,315	63,225,328	61,804,884	57,669,048	58,735,531	59,319,667	58,522,653
Charges for services	23,207,853	24,621,408	25,129,543	24,332,511	22,884,593	23,276,406	24,945,629	23,733,229	23,624,514	23,129,592
Investment earnings	7,774,158	9,122,280	4,251,484	984,702	758,785	626,269	152,564	727,569	502,238	892,558
Other	8,011,182	8,904,354	9,379,996	16,408,473	8,944,216	12,978,204	9,041,885	10,014,487	10,780,239	10,599,508
Total revenues	<u>363,056,866</u>	<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>
Expenditures										
Current:										
General government	36,184,725	36,965,763	33,038,710	36,672,233	36,208,234	36,548,586	36,031,427	36,546,154	34,751,181	36,742,065
Public safety	56,417,332	61,360,693	64,633,076	67,313,048	68,412,022	69,124,066	68,062,518	69,651,727	71,415,681	75,399,678
Environmental protection	2,188,457	2,414,429	2,686,706	2,633,641	2,613,354	2,633,817	2,477,195	2,206,012	2,557,325	2,770,670
Human services	76,741,426	77,348,513	74,142,024	68,825,351	68,481,046	70,142,751	70,607,949	68,544,801	69,035,342	72,603,478
Culture and recreation	15,888,248	16,004,016	15,459,452	15,034,842	14,657,631	14,430,037	14,488,772	14,453,569	14,172,939	14,523,516
Community and economic development	1,715,501	2,977,892	2,766,353	4,236,714	4,534,972	6,694,033	2,798,505	2,774,655	2,935,327	4,212,562
Education	635,338	895,261	2,243,594	1,580,098	1,391,488	788,811	698,383	604,563	969,082	789,485
Intergovernmental:										
Human services	5,898,652	6,181,990	6,167,610	6,379,039	5,679,583	5,692,674	6,742,601	5,740,312	5,861,305	5,811,072
Education	137,070,648	139,681,424	183,475,254	216,316,478	198,206,090	180,529,368	151,695,430	143,738,262	133,713,158	135,157,216
Debt service:										
Principal retirement	21,746,497	23,924,516	26,200,993	29,693,677	29,909,022	37,906,327	39,097,635	41,565,055	39,050,432	40,054,752
Interest and other charges	16,551,824	17,246,714	19,490,528	19,189,422	23,820,913	24,767,215	24,130,833	22,433,916	22,056,472	20,643,389
Capital outlay	8,875,245	5,360,224	8,097,429	10,192,815	10,677,148	20,995,615	13,136,326	8,029,369	7,626,935	13,083,061
Total expenditures	<u>379,913,893</u>	<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>
Deficiency of revenues over expenditures	<u>(16,857,027)</u>	<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>
Other financing sources (uses):										
Installment purchases	1,913,500	-	1,026,000	-	-	2,400,000	-	-	-	-
Refunding bonds issued	-	-	-	42,870,000	50,295,000	-	35,090,000	8,230,000	72,245,000	29,720,000
Premium on refunding bonds	-	-	-	5,025,171	7,503,955	-	8,795,717	-	18,145,244	-
General obligation bonds issuance	72,500,000	-	156,255,000	-	157,625,000	-	18,750,000	-	47,550,000	-
Premium on general obligation bonds	2,262,434	-	4,407,759	-	6,548,336	-	811,977	-	4,114,935	-
Limited obligation bonds issued	-	-	-	15,000,000	-	16,290,000	-	-	-	-
Premium on limited obligation bonds	-	-	-	1,023,705	-	2,094,164	-	-	-	-
Transfers in	2,918,502	18,308,651	13,141,259	17,572,682	18,196,159	10,806,854	13,712,606	13,687,885	16,176,832	15,574,472
Transfers out	(2,918,502)	(18,308,651)	(13,141,259)	(17,572,682)	(18,196,159)	(10,806,854)	(13,712,606)	(13,687,885)	(16,176,832)	(15,574,472)
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>76,675,934</u>	<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>
Net change in fund balances	\$ <u>59,818,907</u>	<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>
Debt service as a percentage of noncapital expenditures	<u>10.3%</u>	<u>10.7%</u>	<u>10.6%</u>	<u>10.5%</u>	<u>11.9%</u>	<u>15.5%</u>	<u>15.2%</u>	<u>15.6%</u>	<u>15.4%</u>	<u>14.6%</u>

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 Actual Value	Direct Tax Rate
2007	2006	23,565,365,700	2,957,709,010	2,479,743,740	587,375,097	29,590,193,547	100%	0.6660
2008	2007	24,382,286,380	3,109,875,910	2,543,653,630	608,722,150	30,644,538,070	100%	0.6960
2009	2008	25,059,661,800	3,273,855,900	2,437,710,820	612,718,250	31,383,946,770	100%	0.6960
2010	2009	27,808,315,600	3,160,949,200	2,258,490,180	628,610,220	33,856,365,200	100%	0.6740
2011	2010	27,971,609,000	3,036,245,900	2,224,587,900	606,245,900	33,838,688,700	100%	0.6740
2012	2011	28,019,913,529	2,928,773,237	2,361,443,265	598,732,969	33,908,863,000	100%	0.6740
2013	2012	28,311,900,597	3,077,593,236	2,359,763,765	613,418,118	34,362,675,716	100%	0.6740
2014	2013	25,962,868,887	3,060,564,808	3,379,328,693	587,034,662	32,989,797,050	100%	0.7168
2015	2014	26,041,986,825	2,809,383,967	2,736,319,899	611,422,481	32,199,113,172	100%	0.7168
2016	2015	26,239,522,214	3,040,006,463	2,885,713,744	660,896,757	32,826,139,178	100%	0.7310

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

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

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

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Schedule 6

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Page 1 of 2

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

	<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>	<u>2007</u>
Forsyth County	\$ 0.7310	0.717	0.717	0.674	0.674	0.674	0.674	0.696	0.696	\$ 0.666
Municipalities: (1)										
City of Winston-Salem	0.5650	0.540	0.530	0.491	0.475	0.475	0.468	0.490	0.490	0.485
Combined Rate	1.2960	1.257	1.247	1.165	1.149	1.149	1.142	1.186	1.186	1.151
Town of Bethania	0.3000	0.300	0.300	0.320	0.320	0.350	0.350	0.350	0.350	0.300
Combined Rate	1.0310	1.017	1.017	0.994	0.994	1.024	1.024	1.046	1.046	0.966
Village of Clemmons	0.1150	0.1150	0.1150	0.1150	0.1150	0.1150	0.0985	0.0985	0.0985	0.0985
Combined Rate	0.8460	0.832	0.832	0.789	0.789	0.789	0.773	0.795	0.795	0.765
City of High Point	0.6500	0.664	0.675	0.675	0.662	0.633	0.633	0.633	0.632	0.608
Combined Rate	1.3810	1.381	1.392	1.349	1.336	1.307	1.307	1.329	1.328	1.274
Town of Kernersville	0.5425	0.543	0.528	0.498	0.498	0.498	0.498	0.550	0.550	0.550
Combined Rate	1.2735	1.259	1.244	1.172	1.172	1.172	1.172	1.246	1.246	1.216
City of King	0.4220	0.422	0.422	0.400	0.400	0.380	0.380	0.380	0.360	0.360
Combined Rate	1.1530	1.139	1.139	1.074	1.074	1.054	1.054	1.076	1.056	1.026
Town of Lewisville	0.1770	0.177	0.177	0.177	0.177	0.177	0.177	0.177	0.177	0.177
Combined Rate	0.9080	0.894	0.894	0.851	0.851	0.851	0.851	0.873	0.873	0.843
Town of Rural Hall	0.3100	0.300	0.280	0.250	0.250	0.240	0.240	0.240	0.230	0.230
Combined Rate	1.0410	1.017	0.997	0.924	0.924	0.914	0.914	0.936	0.926	0.896
Village of Tobaccoville	0.0500	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Combined Rate	0.7810	0.767	0.767	0.724	0.724	0.724	0.724	0.746	0.746	0.716
Town of Walkertown	0.2000	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200
Combined Rate	0.9310	0.917	0.917	0.874	0.874	0.874	0.874	0.896	0.896	0.866
Fire Tax Districts: (2)										
Beesons Crossroads	0.0880	0.088	0.088	0.080	0.080	0.070	0.070	0.070	0.070	0.070
Combined Direct Rate	0.8190	0.805	0.805	0.754	0.754	0.744	0.744	0.766	0.766	0.736
Beesons Crossroads Service	0.0880	0.088	0.088							
Combined Direct Rate	0.8190	0.805	0.805							
Belews Creek	0.0750	0.075	0.075	0.070	0.070	0.070	0.070	0.070	0.055	0.055
Combined Direct Rate	0.8060	0.792	0.792	0.744	0.744	0.744	0.744	0.766	0.751	0.721
City View	0.0900	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080
Combined Direct Rate	0.8210	0.797	0.797	0.754	0.754	0.754	0.754	0.776	0.776	0.746
Clemmons	0.0600	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Combined Direct Rate	0.7910	0.767	0.767	0.724	0.724	0.724	0.724	0.746	0.746	0.716
Forest Hill	0.0900	0.085	0.085	0.075	0.075	0.065	0.065	0.065	0.050	0.050
Combined Direct Rate	0.8210	0.802	0.802	0.749	0.749	0.739	0.739	0.761	0.746	0.716
Griffith	0.0550	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055
Combined Direct Rate	0.7860	0.772	0.772	0.729	0.729	0.729	0.729	0.751	0.751	0.721
Gumtree	0.1000	0.100	0.100	0.095	0.085	0.085	0.085	0.085	0.085	0.085
Combined Direct Rate	0.8310	0.817	0.817	0.769	0.759	0.759	0.759	0.781	0.781	0.751

DIRECT AND OVERLAPPING PROPERTY TAX RATES

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

		Tax Rates per \$100 Valuation, Year Ended June 30,									
		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Fire Tax Districts (cont.): (2)											
Hornetown	\$	0.1100	0.1100	0.1100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Combined Direct Rate		0.8410	0.8268	0.8268	0.774	0.774	0.774	0.774	0.774	0.796	0.796
King		0.0650	0.0650	0.0650	0.065	0.065	0.055	0.055	0.055	0.055	\$ 0.055
Combined Direct Rate		0.7960	0.7818	0.7818	0.739	0.739	0.729	0.729	0.729	0.751	0.751
Lewisville		0.0800	0.0780	0.0740	0.060	0.060	0.060	0.060	0.060	0.060	0.060
Combined Direct Rate		0.8110	0.7948	0.7908	0.734	0.734	0.734	0.734	0.734	0.756	0.756
Mineral Springs		0.0900	0.0850	0.0850	0.075	0.075	0.065	0.065	0.065	0.050	0.050
Combined Direct Rate		0.8210	0.8018	0.8018	0.749	0.749	0.739	0.739	0.739	0.746	0.746
Mineral Springs Service		0.0900	0.0850	0.0850	0.075	0.075	0.065	0.065	0.065	0.050	0.050
Combined Direct Rate		0.8210	0.8018	0.8018	0.749	0.749	0.739	0.739	0.739	0.746	0.746
Mount Tabor		0.0750	0.0750	0.0750	0.075	0.075	0.075	0.075	0.075	0.075	0.075
Combined Direct Rate		0.8060	0.7918	0.7918	0.749	0.749	0.749	0.749	0.749	0.771	0.771
Old Richmond		0.0950	0.0900	0.0900	0.085	0.085	0.080	0.070	0.070	0.060	0.060
Combined Direct Rate		0.8260	0.8068	0.8068	0.759	0.759	0.754	0.744	0.744	0.756	0.756
Piney Grove		0.1300	0.1150	0.1150	0.107	0.107	0.090	0.090	0.090	0.090	0.080
Combined Direct Rate		0.8610	0.8318	0.8318	0.781	0.781	0.764	0.764	0.764	0.786	0.776
Salem Chapel		0.1200	0.0900	0.0900	0.090	0.090	0.090	0.060	0.060	0.060	0.060
Combined Direct Rate		0.8510	0.8068	0.8068	0.764	0.764	0.764	0.734	0.734	0.756	0.756
South Fork		0.0600	0.0500	0.0500	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Combined Direct Rate		0.7910	0.7668	0.7668	0.724	0.724	0.724	0.724	0.724	0.746	0.746
Suburban (Rural Hall)		0.1050	0.0960	0.0860	0.075	0.075	0.065	0.065	0.065	0.055	0.055
Combined Direct Rate		0.8360	0.8128	0.8028	0.749	0.749	0.739	0.739	0.739	0.751	0.751
Talley's Crossing		0.0900	0.0800	0.0800	0.080	0.080	0.080	0.080	0.080	0.080	0.080
Combined Direct Rate		0.8210	0.7968	0.7968	0.754	0.754	0.754	0.754	0.754	0.776	0.776
Triangle		0.0920	0.0920	0.0920	0.080	0.080	0.080	0.080	0.080	0.070	0.070
Combined Direct Rate		0.8230	0.8088	0.8088	0.754	0.754	0.754	0.754	0.754	0.766	0.766
Union Cross		0.1000	0.1000	0.1000	0.100	0.100	0.080	0.080	0.080	0.070	0.070
Combined Direct Rate		0.8310	0.8168	0.8168	0.774	0.774	0.754	0.754	0.754	0.766	0.766
Vienna		0.0750	0.0750	0.0750	0.075	0.075	0.075	0.075	0.075	0.075	0.075
Combined Direct Rate		0.8060	0.7918	0.7918	0.749	0.749	0.749	0.749	0.749	0.771	0.771
Walkertown (Northeast)		0.0950	0.0950	0.0870	0.080	0.080	0.080	0.080	0.080	0.070	0.070
Combined Direct Rate		0.8260	0.8118	0.8038	0.754	0.754	0.754	0.754	0.754	0.766	0.766
West Bend		0.0800	0.0780	0.0740	0.060	0.060	0.050	0.050	0.050	0.050	0.050
Combined Direct Rate		0.8110	0.7948	0.7908	0.734	0.734	0.724	0.724	0.724	0.746	0.746

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

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<u>Taxpayer</u>	<u>Type of Business</u>	<u>2015 Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>2006 Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
R. J. Reynolds Industries, Inc	Tobacco, Foods, Petroleum and Transportation	\$ 761,562,654	1	2.32%	\$ 994,617,187	1	3.36%
Caterpillar Inc	Manufacturer	364,496,033	2	1.11%			
Duke Energy Corporation	Electric Utility	334,487,688	3	1.02%	262,879,331	2	0.89%
Lowe's Companies Inc	Retail	263,888,646	4	0.80%	170,022,469	6	0.57%
JG Winston-Salem	Real Estate Management	203,477,018	5	0.62%	173,667,199	5	0.59%
Wells Fargo Bank NA	Banking	181,169,904	6	0.55%	245,880,891	3	0.83%
Wexford Science & Technology, LLC	Real Estate Development	157,664,569	7	0.48%			
Deere-Hitachi	Manufacturer	100,614,501	8	0.31%			
Herbalife Internationl of America	Manufacturer	95,934,337	9	0.29%			
Branch Banking & Trust	Banking	91,858,824	10	0.28%			
Sara Lee Corporation	Food and Textiles				180,267,060	4	0.61%
Highwoods/Forsyth Partners	Real Estate Management				155,586,587	7	0.53%
BellSouth Corporation	Communications Utility				128,266,346	8	0.43%
First State Investors	Real Estate Management				102,428,400	9	0.35%
Dell Inc	Computer Manufacturer				101,003,630	10	0.34%
		<u>\$ 2,555,154,172</u>		<u>7.78%</u>	<u>\$ 2,514,619,100</u>		<u>8.50%</u>

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

PROPERTY TAX LEVIES AND COLLECTIONS

Schedule 8

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Fiscal Year Ended <u>June 30</u>	Total Tax Levy for <u>Fiscal Year</u>	Collected within the		Collections in Subsequent <u>Years</u>	<u>Total Collections to Date</u>	
		<u>Fiscal Year of the Levy</u>	Percentage		<u>Amount</u>	Percentage
		<u>Amount</u>	<u>of Levy</u>		<u>Amount</u>	<u>of Levy</u>
2007	197,416,909	193,927,020	98.23%	2,808,538	196,735,558	99.65%
2008	213,402,003	209,512,061	98.18%	3,121,587	212,633,648	99.64%
2009	219,385,625	213,993,232	97.54%	4,090,220	218,083,452	99.41%
2010	229,188,797	224,184,021	97.82%	4,268,999	228,453,020	99.68%
2011	229,126,449	224,104,050	97.81%	4,336,703	228,440,752	99.70%
2012	228,728,259	223,947,380	97.91%	3,980,041	227,927,422	99.65%
2013	232,910,975	228,359,406	98.05%	3,578,666	231,938,072	99.58%
2014	234,215,900	230,760,638	98.52%	2,224,253	232,984,891	99.47%
2015	230,986,702	228,618,034	98.97%	1,551,529	230,169,563	99.65%
2016	241,192,603	239,063,497	99.12%	-	239,063,497	99.12%

RATIOS OF OUTSTANDING DEBT BY TYPE

Schedule 9

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Bonded Debt as a	
		Percentage of Actual Taxable Value of Property ^a	Total Bonded Debt Per Capita ^b
2007	337,445,883	1.14%	1,019.67
2008	318,136,642	1.04%	943.58
2009	428,904,785	1.37%	1,250.54
2010	407,697,994	1.20%	1,173.80
2011	552,547,783	1.63%	1,572.45
2012	517,690,727	1.53%	1,462.44
2013	506,841,054	1.47%	1,416.90
2014	467,559,237	1.42%	1,297.18
2015	492,044,964	1.53%	1,350.85
2016	452,707,749	1.38%	1,230.68

Governmental Activities							
Fiscal Year	General Obligation Bonds	Certificates of Participation	Limited Obligation Bonds	Installment Purchase Obligations	Total Primary Government	Percentage of Personal Income ^b	Total Debt Per Capita ^b
2008	318,136,642	78,461,313	-	1,705,877	398,303,832	3.06%	1,181.35
2009	428,904,785	73,004,074	-	2,185,884	504,094,743	3.75%	1,469.77
2010	407,697,994	67,394,069	15,977,734	1,582,207	492,652,004	3.90%	1,418.39
2011	552,547,783	61,641,500	15,139,749	812,088	630,141,120	4.84%	1,793.26
2012	517,690,727	55,731,450	32,676,028	2,835,543	608,933,748	4.51%	1,720.19
2013	506,841,054	49,976,539	31,680,167	2,141,649	590,639,409	4.17%	1,651.17
2014	467,559,237	37,650,582	29,874,372	9,620,166	544,704,357	3.79%	1,511.21
2015	492,044,964	33,730,604	28,076,784	8,335,996	562,188,347	3.71%	1,543.42
2016	452,707,749	-	26,287,402	36,475,000	515,470,151	n/a	1,401.29

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

^a See Schedule 5 for property value data.

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

**DIRECT AND OVERLAPPING GOVERNMENTAL
ACTIVITIES DEBT**

Schedule 10

FORSYTH COUNTY, NORTH CAROLINA

As of June 30, 2016

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Forsyth County ^a</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
City of Winston-Salem	\$ 289,685,594	100.0%	\$ 289,685,594
Town of Kernersville	12,884,485	96.0%	12,368,554
Other debt			
City of Winston-Salem	524,914,328	100.0%	<u>524,914,328</u>
Subtotal, overlapping debt			826,968,476
County direct debt			<u>515,470,151</u>
Total direct and overlapping debt			<u><u>\$ 1,342,438,626</u></u>

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

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

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

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

LEGAL DEBT MARGIN INFORMATION

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

(dollars in thousands)

Schedule 11

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed Value of Taxable Property	\$ 32,826,139
Debt Limit - Eight percent (8%) of assessed value	2,626,091
Debt applicable to limit:	
General obligation bonds	452,708
Limited obligation bonds	26,287
Installment purchase obligations	36,475
Total debt applicable to legal debt limit	<u>515,470</u>
Legal debt margin	<u>\$ 2,110,621</u>

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	<u>Fiscal Year</u>									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt Limit	\$ 2,367,215	2,451,563	2,510,716	2,708,509	2,707,095	2,712,709	2,749,014	2,639,184	2,575,929	2,626,091
Total net debt applicable to limit	414,845	390,921	493,576	463,047	605,572	586,266	590,639	544,704	562,188	515,470
Legal debt margin	\$ 1,952,370	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
Total net debt applicable to the limit as a percentage of debt limit	17.5%	15.9%	19.7%	17.1%	22.4%	21.6%	21.5%	20.6%	21.8%	19.6%

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

DEMOGRAPHIC AND ECONOMIC STATISTICS

Schedule 12

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Calendar Years

Calendar Year ^b	Population ¹	Personal Income (000's) ²	Per Capita Personal Income ²	Median Age ^{1,3}	Dropout Rates for Grades 9-12 ⁴	Public School Enrollment ⁴	Private School Enrollment ^{5, a}	Unemployment Rate ⁶
2006	330,935	12,435,483	37,444	37.4	5.7%	50,305	5,455	4.3%
2007	337,159	13,003,878	38,401	37.6	6.4%	50,974	5,441	4.4%
2008	342,975	13,443,142	39,041	37.8	5.5%	51,422	5,480	5.7%
2009	347,333	12,625,034	36,223	36.7	4.8%	51,488	5,197	9.6%
2010	351,394	13,022,068	37,059	37.2	4.1%	52,050	5,056	10.1%
2011	353,992	13,489,313	38,003	37.4	3.8%	52,277	4,834	10.0%
2012	357,710	14,176,253	39,583	37.4	3.4%	52,860	4,691	9.0%
2013	360,442	14,354,615	39,739	37.5	2.7%	53,107	4,579	7.5%
2014	364,248	15,137,006	41,437	37.5	2.3%	53,693	4,494	5.9%
2015	367,853	n/a	n/a	37.5	2.8%	53,908	4,458	5.5%

Sources: ¹ Office of State Budget and Management. Subject to change as OSBM updates periodically.

² U.S. Department of Commerce: Bureau of Economic Analysis

³ U.S. Census Bureau

⁴ North Carolina Department of Public Instruction

⁵ State of North Carolina Division of Non-Public Education

⁶ The Employment Security Commission of North Carolina

Notes:

^a Private School Enrollment does not include special schools or home schools.

^b Calendar Year 2015 is the most recent data available.

PRINCIPAL EMPLOYERS
FORSYTH COUNTY, NORTH CAROLINA
 Current Year and Ten Years Ago

Schedule 13

<u>Employer</u>	<u>2016</u> ¹			<u>2007</u> ²		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Wake Forest University Baptist Medical Center	12,873	1	7.5%	11,400	1	6.9%
Novant Health	8,145	2	4.7%	7,500	3	4.5%
Winston-Salem/Forsyth County School System	6,860	3	4.0%	7,550	2	4.5%
Reynolds American ^b	3,000	4	1.7%	2,090	9	1.3%
Wake Forest University	2,784	5	1.6%	2,310	7	1.4%
Wells Fargo Bank ^a	2,745	6	1.6%	3,055	5	1.8%
Hanesbrands, Inc. ^c	2,500	7	1.5%	4,000	4	2.4%
City of Winston-Salem	2,420	8	1.4%	2,485	6	1.5%
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%
Total	45,736		26.7%	43,930		26.4%

¹ estimates as of July 2016

² estimates as of June 2007

^a formerly Wachovia Corporation

^b formerly R.J. Reynolds Tobacco Company

^c formerly Sara Lee Personal Products

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

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

Schedule 14

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

<u>Function</u>	<u>Full-time Equivalent Employees as of June 30,</u>									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government	366	370	368	361	354	346	336	320	314	314
Public safety	765	786	792	803	800	774	771	781	784	782
Human services	626	633	660	654	667	660	667	662	661	661
Environmental protection	24	23	22	22	22	22	22	22	23	24
Community and economic development	5	5	5	5	5	6	5	5	5	4
Education	18	19	16	14	9	4	4	4	5	5
Culture and recreation	225	219	216	200	204	203	205	198	191	184
Total	2,029	2,055	2,079	2,059	2,061	2,015	2,010	1,992	1,983	1,974

Source: Forsyth County Finance Department

Notes: The County has full-time employees scheduled to work 40-hour (2,080 hours per year), 42-hour (2,184 hours per year), 42.5-hour (2,210 hours per year), 42.75-hour (2,223 hours per year), 42.88-hour (2,230 hours per year), or 56-hour (2,912 hours per year) work weeks.

Full-time-equivalent employment is calculated by dividing total labor hours employed by the standard scheduled hours.

Data: Reports from HR "FY15 financesummarizedhours.xlsx and "FY15 finsumhrspart.xlsx", use data from these reports and create new FY15 tab in "FTE Summary Hours Report (FY02 - FY15).xlsx", pull into Summary tab when done and copy to this spreadsheet.

All files found at S:\Treasurer Files\Year End Info\FY15\Stat Schedules

OPERATING INDICATORS BY FUNCTION

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Schedule 15

Page 1 of 2

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
General services										
Number of facilities ¹	68	68	70	70	72	49	46	47	47	47
Square footage - active	2,917,181	2,881,478	2,917,478	2,917,478	1,864,494	1,853,678	1,827,073	2,257,302	2,277,389	2,150,982
Assigned fleet vehicles	589	597	597	597	631	622	585	577	577	577
Register of deeds										
Deeds recorded	17,737	16,572	13,932	10,346	10,150	9,215	9,651	10,875	11,399	11,335
Real estate copies	39,427	30,056	29,105	26,445	23,427	21,648	21,542	24,193	18,413	15,795
Birth certificates	8,538	8,216	9,325	8,526	7,825	7,314	8,140	8,499	5,575	8,134
Marriage certificates	2,233	2,113	2,097	2,039	1,937	2,001	2,083	2,038	2,092	2,329
Vital records copies	55,967	60,673	59,036	56,729	54,685	58,043	59,439	62,319	60,826	65,744
Tax administration										
Audits	343	351	350	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Current year levy collection percentage	98.26%	98.93%	98.96%	98.27%	98.43%	97.81%	97.91%	98.05%	98.43%	98.89%
Public safety										
Animal control										
Animals sheltered	8,471	8,086	8,079	8,833	8,397	8,395	9,059	8,223	7,220	6,750
Animals adopted	1,386	1,326	1,349	1,474	1,311	1,175	1,518	1,797	1,585	1,672
Emergency management										
Responders receiving specialized training	612	101	448	477	480	211	474	125	125	75
Emergency services										
Emergency dispatches	23,724	23,533	25,809	25,238	27,057	27,854	30,912	31,349	29,348	31,886
Non-emergency dispatches	8,254	12,480	10,258	8,561	7,151	6,668	5,560	2,968	8,095	10,447
Fire										
Fire alarms (total dispatches)	4,140	4,330	4,164	3,787	3,897	3,907	3,738	4,058	7,518	7,241
Volunteer rescue squad response	22,445	23,719	24,238	24,307	25,670	27,007	28,846	10,478	19,744	20,060
911 calls received	N/A	N/A	N/A	83,669	85,614	88,635	89,006	44,444	89,695	93,542
Telephone calls processed	179,324	172,928	205,592	178,366	176,043	177,527	188,363	97,758	204,839	209,199
Sheriff										
Patrol service calls	38,011	27,837	41,720	44,219	48,284	45,791	47,669	74,125	66,409	80,851
Detention - avg. daily inmate population	869	897	881	869	824	675	775	695	761	731
Detention - avg. length of stay (in days)	26	26	26	25	24	20	21	20	22	21

OPERATING INDICATORS BY FUNCTION

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Human services										
Public health										
Wait time on improvement permits (in days)	21.0	20.0	21.0	10.5	12.3	12.3	9.0	7.5	7.5	8.0
Children Immunized by 23 months of age	91%	83%	82%	82%	90%	90%	88%	82%	87%	91%
Social services										
Adult guardianships	n/a	n/a	n/a	n/a	1,424	1,739	1,813	1,812	2,114	2,485
Adoptions finalized	n/a	n/a	63	63	53	37	34	22	24	25
Child protective services investigations	n/a	n/a	2,625	2,756	2,621	2,688	2,893	2,724	2,952	2,819
Child day care clients served	n/a	n/a	n/a	n/a	40,621	37,190	37,639	36,994	34,941	334
Environmental protection										
Environmental assistance & protection										
Permits processed within prescribed timeframe	99%	99%	99%	100%	99%	97%	91%	91%	100%	100%
Correct air quality forecasting	80%	80%	90%	89%	80%	80%	78%	81%	78%	76%
Economic development										
Housing										
Homes rehabilitated	19	12	21	21	18	38	35	24	23	16
First time home buyers & IDA	96	76	48	44	64	37	24	15	33	39
Culture and recreation										
NC cooperative extension service										
Educational meetings conducted	1,460	2,645	1,778	2,539	7,950	9,103	5,493	4,145	2,824	4,522
Economic value of volunteer service	\$250,000	\$310,000	\$345,000	\$475,000	\$305,169	\$592,880	\$565,117	\$523,119	\$613,391	\$663,391
Library										
Number of libraries	10	10	10	10	10	10	10	10	10	10
Program Attendance	78,815	89,743	90,867	107,468	95,791	101,284	96,108	104,377	81,141	102,577
Materials Circulated	1,734,473	1,806,564	1,913,042	2,044,856	1,956,849	1,933,496	1,915,971	1,887,526	1,819,410	1,818,911
Recreation and parks										
Number of parks	11	11	11	11	11	11	11	11	11	11
Park visitors	2,267,209	2,317,301	2,826,255	3,188,518	2,914,185	2,889,969	2,854,524	3,192,212	3,716,992	4,256,936
Golf rounds played	66,190	67,400	70,720	65,449	59,193	49,642	56,553	52,038	51,370	52,513
Festival of lights - visitors	244,750	274,530	282,700	250,458	223,236	217,362	263,100	262,818	245,808	280,842
Education										
Winston-Salem/Forsyth County Schools										
Number of schools	70	72	75	76	80	80	80	79	81	81
Number of classrooms	2,364	2,416	2,653	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of teachers	2,968	3,020	3,293	3,585	3,938	3,768	3,778	3,878	3,749	3,826
Forsyth Technical Community College										
Enrollment	7,200	7,203	7,895	9,144	9,922	10,616	9,941	9,881	12,968	13,036

120

Sources: Forsyth County Budget Office. North Carolina Department of Public Instruction. Fiscal Year 2015 is the most recent actual data available.

CAPITAL ASSET STATISTICS BY FUNCTION

Schedule 16

FORSYTH COUNTY, NORTH CAROLINA

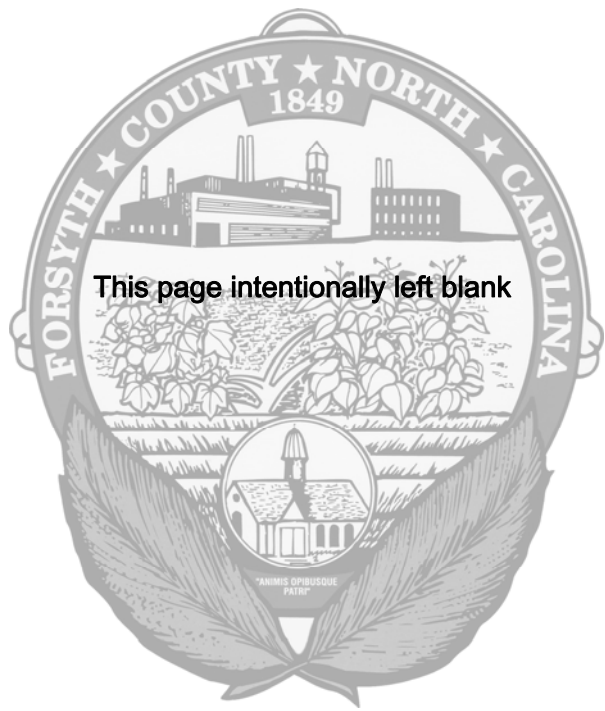
Last Ten Fiscal Years

Function	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
General services										
Number of facilities ¹	68	70	70	72	72	53	47	48	44	41
Square footage - active ²	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
Fleet vehicles ³	595	613	590	620	615	585	575	569	562	577
Public safety³										
Emergency medical services										
Assigned vehicles	29	29	30	31	31	34	34	34	34	35
Fire										
Assigned vehicles	13	13	13	13	13	17	17	16	14	15
Sheriff										
Assigned vehicles	233	255	242	244	260	237	237	227	229	238

Notes:

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

³ 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, 2016, 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 24, 2016.

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.

Cherry Roubert LLP

Raleigh, North Carolina
October 24, 2016

**Report of Independent Auditor on Compliance for Each Major Federal Program and
Internal Control Over Compliance in Accordance with OMB Uniform Guidance
and 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, 2016. 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, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2016-001. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs and the corrective action plan. The County's 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. Ricketts LLP

Raleigh, North Carolina
October 24, 2016

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, 2016. 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 other major State programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance which are described in the *Audit Manual for Governmental Auditors in North Carolina* and which are described in the accompanying schedule of findings and questioned costs as findings 2016-001, 2016-003, and 2016-005. Our opinion on each major State program is not modified with respect to these matters.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with the OMB 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.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance as described in the accompanying schedule of findings and questioned costs as findings 2016-002 and 2016-004 to be material weaknesses.

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

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

Channing R. Burt LLP

Raleigh, North Carolina
October 24, 2016

FORSYTH COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Section I. Summary of Auditor's Results

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

no

Noncompliance material to federal awards noted?

yes

no

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)

yes

no

FORSYTH COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
93.778	Medical Assistance Program (Title XIX-Medicaid)
93.767	State Children's Insurance Program – N.C. Health Choice Administration
93.767	Direct Benefit Payments
93.658, 93.659	Foster Care and Adoption Cluster
93.575, 93.596, 93.558, 93.658	Subsidized Child Care and Development Fund Cluster

Federal programs that did not meet the criteria for a major program using the criteria discussed in OMB Uniform Guidance §200.518 but were tested as a major program because the State awards met the threshold for a major State program are included in the list of major federal programs.

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? X yes 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, 2016

Identification of major State program

Program Name

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

Other Major State programs are Medical Assistance Program, State Children’s Insurance Program – N.C. Health Choice, Subsidized Child Care and Development Fund Cluster, Foster Care and Adoption Cluster - State Grants which are State matches on Federal programs. Therefore, these programs have been included in the list of major federal programs above.

Section II. Financial Statement Findings

None reported.

Section III. Federal Award Findings and Questioned Costs

U.S. Department of Health and Human Services
Passed through N.C. Department of Health and Human Services
Division of Child Development
Program Name: Subsidized Child Care Program
CFDA # 93.575-3CL

Finding: 2016-001

NONMATERIAL NONCOMPLIANCE - ELIGIBILITY

Criteria: The County should have adequate monitoring controls to ensure that applications include proper documentation including signatures and due dates and that correct payments are being made to child care providers.

Condition: One new application was not signed by the applicant and one application was not properly completed and the attendance sheet did not agree with the child reimbursement summary.

Questioned costs: None.

Context: A sample of 40 case files was tested. Of the 40 files sampled, we noted the following:

- One case where the application was not signed by the applicant
- One case where the application was not properly completed and the attendance sheet did not agree to the child reimbursement summary sheet

FORSYTH COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Effect: The County overpaid the provider for one additional day of child care.

Cause: Vacancies in the Child Care Unit caused increased workloads for the remaining staff and a lessening of second party reviews during this period.

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 enforced to ensure proper documentation is kept in the file and that proper payments are being calculated and remitted to child care providers.

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

Section IV. State Award Findings and Questioned Costs

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

Finding 2016-002

Material Weakness – Reconciliation and Quality Review

Criteria: An effective system of internal control contemplates that management properly reconcile the County's General Ledger to the DSS-1571 Reimbursement Report.

Condition: In accordance with Section V-A of the DSS Fiscal Manual, we noted that the DSS 1571 report did not have proper review controls in place to ensure proper reporting on the DSS 1571.

Effect: By not having proper review procedures in place over 1571 reporting, allowable or unallowable costs may not be appropriate for 1571 reporting.

Cause: Changes in staff within the Business Office who are responsible for the DSS-1571 Reimbursement Report, including reporting and reconciliation.

Recommendation: We recommend that management have a documented process of the reconciliation between the County's General Ledger to the DSS-1571 Reimbursement Report so any differences may be easily traced and identified. In order to complete this process we would suggest following Section V-A Reconciling County's General Ledger to the DSS-1571 Reimbursement Report.

Views of responsible officials: As stated above, it is our hope that through spreadsheet reconciliation we will catch any differences that are identified and make necessary corrections before reported on the DSS-1571 Reimbursement Report. A spreadsheet has been developed similar to that in Section V-A Reconciling County's General Ledger to the DSS-1571 Reimbursement report.

FORSYTH COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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

Finding 2016-003

Nonmaterial Noncompliance – Allowable Costs/Cost Principles, Reporting, Special Tests and Provisions and Reporting

Criteria: As noted in the DSS Services Information System User's Manual, each employee's percentage of time worked each month should agree to the equivalency reported on the Form 1571 Part I, employees should account for 100% of their time; program codes and activities should be summarized correctly and approved, day sheet entries should be supported by documentation in the case record files, day sheet summaries should be transferred to the DSS 1571 accurately to an eligible fund source, expenditures should be properly coded and physical documentation should be kept for EPICs claims.

Condition: We noted the following exceptions:

- One instance in which the employee's percentage of time worked each month did not agree to the equivalency reported on the Form 1571 Part I submitted for that same month and day sheet entries were not supported by documentation in the case record.
- One instance where the day sheet entries were not supported by documentation in the case record file.
- One instance where the payroll register did not agree with the amount reported on the 1571.
- Two instances where expenditures were coded incorrectly although the costs were allowable.
- One approved contract expenditure of \$1,500 that was unallowable.
- One instance in which the County was unable to provide the EPICS claim supporting documentation.

Questioned costs: \$1,500; unallowable contract expense.

Context: We examined 40 payroll files and 42 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 and 25 EPICs claims to ensure that proper supporting documentation was kept on file to support each claim.

Effect: We noted the following effects to 1571 Reporting:

- The equivalencies reported for each program are used to allocate overhead incurred to each program. If the percentage of time worked each month does not agree to the equivalency reported on the Form 1571 Part I, overhead can be incorrectly allocated between programs.
- Day sheets are completed by employees and contracted workers 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 improperly reimbursed.
- EPICS claim cannot be readily substantiated and there is a risk that the County could be requesting funding from individuals who were truly eligible.

FORSYTH COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Cause:

- The County agrees that equivalencies reported did not match the percent of time report. This was a supervision oversight in ensuring that staff was knowledgeable in how to complete equivalencies in DSS-1571 reporting.
- The County agrees that the documentation is unable to be found. This Division does have several process controls in place which includes a monthly Quality Assurance report indicating audit finds from record reviews in an effort to minimize errors. These two instances were not reviewed in that month which was the cause for this find.
- The County agrees that expenditures are to be properly reported to insure appropriate reimbursement. This was a result of new staff performing the duty of DSS-1571 Reimbursement reporting.
- The EPICS system was created at a point in time with instructions from the State to enter all prior and future Program Integrity Investigations from the point of referral to investigation to outcome as well as create a tracking mechanism for paid and unpaid claims. Prior to the creation of EPICS, all cases were kept in paper files with no statewide tracking mechanism. As a result, the data entered into the system was not always accurate. This case cited was an old case from 1988.

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

- All posted time has proper documentation and agrees to what is being reported to ensure the equivalency reported for each employee each month is consistent with the percentage of time worked for the month before submitting the Form 1571 to the State.
- Expenditures are properly coded and are allowable for the program.
- Maintain all case documentation necessary to substantiate the claim entry into EPICS and review procedures should be reinforced to ensure that information agrees with the case file.

Views of responsible officials:

- The County agrees that for correct allocation of overhead that the equivalencies reported on the DSS-1571 Part I should reflect accurately with the percent of time report. A monthly spreadsheet is now completed to capture new hire dates, termination dates, and hours worked for part-time employees.
- The County agrees that day sheet entries should be supported by case documentation to support request for reimbursement. The Division does have several process controls in place to ensure dictation and day sheets are completed in effort to minimize error. These include the following:
 1. Dictation is due every 7 days for Child Protective Services Social Workers and Foster Care Social Workers. Dictation is submitted weekly to the assigned Social Work Supervisor for review and editing as needed.
 2. Day sheets are required to be completed by the assigned Social Worker no later than noon on Monday of the following week. Day sheets entries require a second level review by the Social Work Supervisor. This review is required to be completed no later than noon on each Tuesday.
 3. Social Work Supervisors are required to complete a monthly Supervisor's Quality Assurance report indicating audit finds from record reviews. A day sheet audit is conducted during this process. See attachment A. Social Work Supervisors are required to submit this report on a monthly basis to their assigned program manager and division director.
 4. Employees that fail to meet the dictation expectations are coached and/or engaged in a progressive disciplinary practice. Once the agency has exhausted all resources regarding dictation, the agency will place an Administrative Disclaimer of Case Record Documentation.

FORSYTH COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

- The County agrees that expenditures are to be properly reported to insure appropriate reimbursement. The current staff has received additional training in reportable and non-reportable expenditures through weekly on-site visits with the State Local Business Liaison (LBL) which will continue as monthly visits beginning November 2016. Additional State training for new Fiscal Administrators has also been attended by Sherri Cook. Training also included how to use the Fiscal and SIS Manuals to determine appropriate reporting.
- Forsyth County DSS combined program-specific Program Integrity functions into a single unit in October 2013. The Program Integrity Unit began cleaning up outstanding records in June 2014. Because neither the records nor the unit was organization-wide, this was a tremendous effort. At the time of the audit, the Program Integrity Unit was still reconciling old records that could not be substantiated while continuing to work USDA charge letters and current PI referrals.

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

Finding 2016-004

Material Weakness – Quality Review of case files

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

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

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

Cause: During the fiscal year 2015-2016, a new employee started and an employee retired, which left the team down two individuals and the supervisor and lead had to cover case loads.

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

Views of responsible officials: Management agrees with the finding.

FORSYTH COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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

Finding 2016-005

Nonmaterial Noncompliance – Eligibility

Criteria: County should adhere to eligibility criteria, application processing timeframes and Changes in Situations by complying with specific requirements which are documented in the Special Assistance Manual under SA-3100 eligibility requirements, SA-3110 Application Process and SA-3310 Changes in Situation.

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

Questioned costs: \$4,941; which is the actual over-payment of benefits to three individuals during fiscal year 2015-2016.

Context: We examined 40 case files and reviewed to ensure that each case record complied with the specific eligibility requirements which are documented in the Manual under SA 3100, SA 3110 and SA 3310 requirements. Of the 40 sampled, we noted the following:

- Three case files where eligibility requirements were not met resulting in questioned costs
- Nine case files where there was not a DSS 8110 Benefits Changing Form or DAAS-8190S/8190NS for the period tested
- Two case files where there was not a DAAS-8190S/8190NS for the period tested

Upon reexamination of each of the files listed above, the County was able to substantiate that the cases were eligible to receive Special Assistance benefits with the exception of three where benefits were paid to the facility where an applicant was not residing.

Effect: State and County Funding improperly paid to facilities.

Cause: During the fiscal year 2015-2016, a new employee started and an employee retired, which left the team down two individuals and the supervisor and lead had to cover case loads.

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

Views of responsible officials: Management agrees with the finding.

FORSYTH COUNTY, NORTH CAROLINA
SCHEDULE OF CORRECTIVE ACTION PLAN

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Section II. Financial Statement Findings

None reported.

Section III. Federal Award Findings and Questioned Costs

Finding 2016-001

Name of contact person: Kim Collie, Malissa Miller, Artetta McKinney

Corrective action plan: Policy training will be conducted with staff to review the importance of correctly completing application booklets as well as proper payment procedures.

Proposed completion date: Training to be completed by October 14, 2016.

Section IV. State Award Findings and Questioned Costs

Finding 2016-002

Name of contact person: Sherri Cook

Corrective Action: Develop a spreadsheet for reconciling the General Ledger to the DSS-1571 Reimbursement Report prior to submission of the report to the State each month.

Proposed Completion Date: A spreadsheet has been developed and was used before submitting the August 2016 and September 2016 DSS-1571 Reimbursement Report to the State.

Finding 2016-003

Name of contact person: Sherri Cook and Tiffany Lamarque (EPICS)

Corrective Action:

- To develop a spreadsheet to capture all new hires and terminated employees for the month including hire and termination date. This spreadsheet calculated the position equivalency based on number of days worked in the month vs. number of work days in the month. The spreadsheet will also capture part-time employees and the number of hours worked vs. the number of hours available to work. This information will be entered in DSS-1571 Part 1 to ensure equivalencies vs. percent of time report agree.
- Plan of Correction Based on Audit Findings:
 1. The division director will present the audit findings to the divisional performance team and an action plan will be developed by the last business day of November.
 2. The Family & Children's Quality Social Worker will develop a day sheet audit process sampling at least 2.5-5% of open cases in each mandated service area effective 12/1/16.
- Provide additional training to Business Office staff which is responsible for the DSS-1571 Reimbursement Reporting to understand what expenditures are reportable and what is the appropriate funding for reporting.
- Program Integrity has created a detailed, Program by Program, Outcome by Outcome, Referral Type and Referral Date data base to capture this information and reconcile it to the EPICS system.

FORSYTH COUNTY, NORTH CAROLINA
SCHEDULE OF CORRECTIVE ACTION PLAN

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Proposed Completion Date:

- The Position Equivalent spreadsheet has been created and is completed by Gail Anderson, DSS Administrative Assistant and Sherri Cook, Dept. Business Manager each month. This procedure was put into practice effective with June 2016 Reporting.
- The division director will present the audit findings to the divisional performance team and an action plan will be developed by the last business day of November. The Family & Children's Quality Social Worker will develop a day sheet audit process sampling at least 2.5-5% of open cases in each mandated service area effective 12/1/16.
- The Business Office staff has been provided additional on-site training by weekly visits from the State LBL since August 22, 2016. On-site trainings will continue on a monthly basis beginning in November 2016. Sherri Cook has also attended a State training for New Fiscal Administrators. We will continue to attend State Trainings as available in our area.
- Program Integrity continues to utilize the detailed data base developed and completes a quarterly review of all Active EPICS referrals, and outcomes will ensure the problem does not continue going forward.

Finding 2016-004

Name of contact person: Diane Wimmer Adult Services Division Director and Shantele Williams Adult Medicaid Program Manager

Corrective Action: August 2016 Adult Medicaid began auditing cases by reviewing cases at 20 days for pending applications and a random selection of disposed cases. There is a Google Sheet that contains all audits results.

Proposed Completion Date: August 2016 and ongoing

Finding 2016-005

Name of contact person: Diane Wimmer Adult Services Division Director and Shantele Williams Adult Medicaid Program Manager

Corrective Action: Special Assistance Request for Overpayments

Notifications of overpayments are received from the facility, authorized representatives, an automatic repayment from the facility or a verbal notification at redetermination. Case workers notify the facility via a demand letter for collection of overpayment and a Program Integrity referral is sent to DSS PI unit within five days of the discovery. The request for overpayment is logged on a Google sheet that is shared with supervisors and the PI unit. The PI unit will continue to follow up with the facility until over payment is received. Once the overpayment is collected the PI unit will update the Google spreadsheet and notify the supervisor it was received.

Supervisor and lead worker are performing audits on redeterminations to ensure the proper notices are being sent to the customer notifying them of continued coverage.

Proposed Completion Date: September 2016 and Ongoing.

FORSYTH COUNTY, NORTH CAROLINA
SUMMARY OF PRIOR YEAR FINDINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Findings: 2015-001 – Corrected

Findings: 2015-002 – Corrected

Findings: 2015-003 – Corrected

Findings: 2015-004 – Corrected

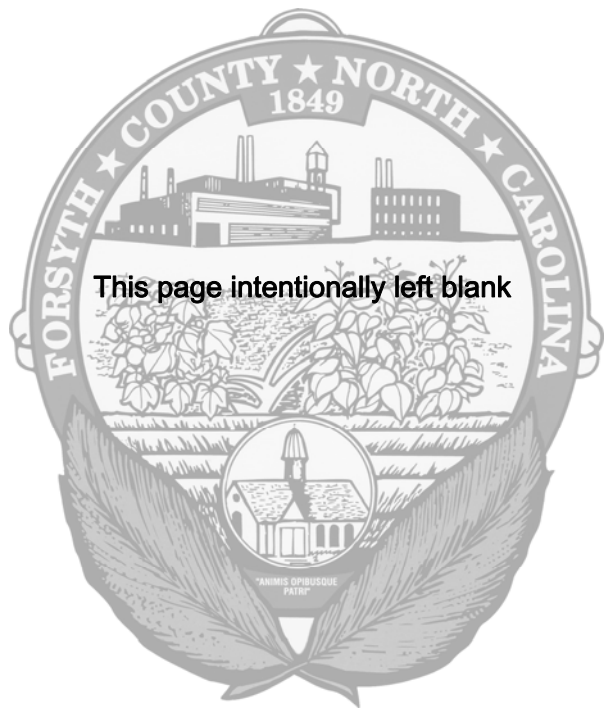
Findings: 2015-005 – Corrected

Findings: 2015-006 – Not corrected. See finding at 2016-003.

Findings: 2015-007 – Not corrected. See finding at 2016-003.

Findings: 2015-008 – Not corrected. See finding at 2016-005.

Findings: 2015-009 – Not corrected. See finding at 2016-004.



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SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FORSYTH COUNTY

For the Fiscal Year Ended June 30, 2016

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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
Federal Awards:					
U.S. Dept. of Health and Human Services					
<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	-	\$ 149,417	-	-
TANF Services/Domestic Violence	93.558	-	1,182,713	-	-
TANF Child Protective Services/Foster Care/Adoption	93.558	-	259,298	-	-
TANF Incentives	-	-	-	1,172	-
Direct Benefit Payments	93.558	-	1,461,017	(28)	-
Total TANF Cluster			<u>3,052,445</u>	<u>1,144</u>	<u>-</u>
Child Support Enforcement Administration	93.563	-	2,460,045	-	-
Child Support Incentive	93.563	-	414,429	-	-
Child Support Reimbursement	93.563	-	7,360	-	-
Child Support Enforcement Fees	93.563	-	32,242	-	-
Refugee MA/PA	93.566	-	7,287	-	-
Low Income Home Energy Assistance:					
Low Income Home Energy Assistance Administration	93.568	-	254,672	-	-
Low Income Home Energy Assistance Crisis Intervention	93.568	-	1,778,080	-	-
Low Income Home Energy Assistance Payments	93.568	-	1,534,018	-	-
Child Welfare Services - State Grants:					
Child Welfare Services Permanency Special/Regular	93.645	-	118,261	-	-
Child Welfare Services Adoption Assistance	-	-	-	22,353	-
Family Reunification	93.645	-	41,312	-	-
Direct Benefit Payments	-	-	-	517,457	-
Foster Care Caseworker Visit	93.556	-	11,297	-	-
<u>Foster Care and Adoption Cluster: (Note 3)</u>					
(a) Title IV-E Foster Care Administration	93.658	-	824,248	-	-
(a) Title IV-E Foster Care	93.658	-	279,282	74,559	-
(a) Title IV-E Foster Care Training	93.658	-	1,753	-	-
(a) Title IV-E Foster Care Child Protective Services	93.658	-	38,059	-	-
(a) Title IV-E Maximization	93.658	-	225,677	-	-
(a) Maximization of State Funds	-	-	-	196,579	-
(a) State Foster Care/HIV	93.658	-	-	112,826	-
(a) Special Children's Adoption Fund	93.658	-	14,400	-	-
(a) CPS State	93.658	-	128,658	-	-
(a) Adoption Assistance	93.659	-	3,290	1,645	-
(a) IV-E Optional Adoption	93.659	-	10,880	-	-
(a) Adoption Assistance - Direct Benefit Payments	93.659	-	1,482,631	380,118	-
Total Foster Care and Adoption Cluster (Note 3)			<u>3,008,878</u>	<u>765,727</u>	<u>-</u>
Social Services Block Grant:					
Social Services Block Grant Administration	93.667	-	1,354,563	130,633	-
Social Services Block Grant In Home Services	93.667	-	127,842	-	-
Social Services Block Grant Adult Day Care	93.667	-	71,727	63,460	-
Social Services Block Grant Transportation	93.667	-	17,018	-	-
Chafee Foster Care - Independent Living	93.674	-	19,754	17,202	-
Independent Living - Direct Benefit Payments	93.674	-	28,392	-	-
<u>Subsidized Child Care (Note 3)</u>					
<u>Child Care and Development Fund Cluster</u>					
Division of Social Services:					
(a) Child Care and Development Fund Administration	93.596	-	563,163	-	-
Division of Child Development:					
(a) Child Care and Development Fund - Discretionary	93.575	-	1,781,392	-	-
(a) Child Care and Development Fund - Mandatory	93.596	-	2,150,553	-	-
(a) Child Care and Development Fund - Match	93.596	-	378,452	-	-
(a) TANF to CCDF Discretionary	93.575	-	5,275,004	-	-
Total Child Care Development Fund Cluster			<u>10,148,564</u>	<u>-</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, 2016

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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>U.S. Dept. of Health and Human Services (continued)</u>					
<u>Subsidized Child Care (continued)</u>					
(a) Temporary Assistance for Needy Families	93.558	-	\$ 2,175,020	-	-
(a) IV-E Foster Care	93.658	-	132,490	-	-
(a) IV-E Foster Care Match	-	-	-	67,920	-
(a) State Appropriations	-	-	-	527,412	-
(a) TANF-MOE	-	-	-	674,136	-
Total Subsidized Child Care (Note 3)			<u>12,456,074</u>	<u>1,269,468</u>	<u>-</u>
<u>Centers for Medicare and Medicaid Services</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Administration:					
(a) State Children's Insurance Program - N.C. Health Choice	93.767	-	201,388	6,957	-
Direct Benefit Payments:					
(a) State Children's Insurance Program - N.C. Health Choice	93.767	-	4,919,978	375,918	-
Total State Children's Insurance Program - N.C. Health Choice			<u>5,121,366</u>	<u>382,875</u>	<u>-</u>
Medical Assistance Program:					
(a) Medical Assistance Administration	93.778	-	5,979,353	-	-
(a) Adult Home Specialist	93.778	-	41,682	20,841	-
(a) MAC CORD Transp	93.778	-	129,929	-	-
(a) Medical Assistance Transportation Administration	93.778	-	280,180	-	-
Division of Medical Assistance:					
Passed-through Northwest Community Care Network:					
(a) CCNC Pregnancy Prevention (Note 4)	93.778	-	768,839	-	-
(a) Pregnancy Care Management (Note 4)	93.778	-	611,336	-	-
Medical Assistance Program:					
(a) Medical Assistance Transportation Vendor Payments	93.778	-	739,753	434,458	-
(a) Direct Benefit Payments	93.778	-	263,216,878	142,311,209	-
Total Medical Assistance program			<u>271,767,950</u>	<u>142,766,508</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	-	134,156	-	-
<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	-	1,721	-	-
Tuberculosis Control Programs	93.116	-	51,557	-	-
Healthy Communities	93.217	-	38,129	-	-
Immunization Outreach	93.268	-	52,043	-	-
Cooperative Agreements for State-Based Comprehensive:					
Comp Breast Cancer Screen	93.283	-	50,123	-	-
BCCP Wisewoman Project	93.283	-	6,765	-	-
HIV Prevention Activities - Health Department Based	93.940	-	25,000	-	-
Jail Screening Program	93.940	-	138,368	-	-
CAPUS	93.940	-	6,459	-	-
Speech and Hearing	93.994	-	18,661	-	-
Child Svc Coordinator	93.994	-	6,570	-	-
Preparedness and Response Team	93.283	-	55,165	-	-
<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	-	5,472	-	-
Oral Health Partnership	93.758	-	3,904	-	-
Healthy Start Initiative	93.926	-	205,354	-	-
Minority Infant Mortality Rate	93.994	-	105,917	-	-
Maternal and Child Health Services Block Grant to the States	93.994	-	169,209	-	-

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, 2016

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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>Health Resources and Services Administration (cont.)</u>					
STD Drugs	93.977	-	\$ 1,699	-	-
Women's Preventive Health	93.558	-	49,737	-	-
Family Planning Title X (Note 4)	93.217	-	64,566	-	-
Total U.S. Dept. of Health and Human Services			304,875,587	145,936,827	-
<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	-	121,208	-	-
<u>U. S. Dept. of Housing and Urban Development</u>					
<u>Community Planning and Development</u>					
Passed through N. C. Department of Commerce:					
Division of Community Assistance:					
Community Development Block Grants - NC Catalyst	14.228	09-D-2468	20,392	-	-
Community Development Block Grants - SS	14.228	12-C-2416	51,226	-	-
Passed-through N.C. Housing Finance Agency:					
NCHFA Single Family Rehabilitation	14.239	-	177,492	-	-
Passed through City of Winston-Salem:					
HOME Investment Partnerships Program:					
2012 Winston-Salem/Forsyth County HOME Consortium	14.239	M12-DC-37-0204	29,753	-	-
2013 Winston-Salem/Forsyth County HOME Consortium	14.239	M13-DC-37-0204	139,552	-	-
2014 Winston-Salem/Forsyth County HOME Consortium	14.239	M14-DC-37-0204	15,194	-	-
Total U. S. Dept. of Housing and Urban Development			433,609	-	-
<u>U.S. Dept. of Agriculture</u>					
<u>Food and Nutrition Service</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
<u>Supplemental Nutrition Assistance Program (SNAP) Cluster:</u>					
State Administrative Matching Grants:					
SNAP Administration	10.561	-	2,626,088	-	-
SNAP Incentives	10.561	-	28,905	-	-
SNAP Fraud Administration	10.561	-	133,842	-	-
Total SNAP Cluster			2,788,835	-	-
Division of Public Health:					
Special Supplemental Nutrition Program for Women, Infants, & Children:					
Administration	10.557	-	2,090,906	-	-
Direct Benefits	10.557	-	7,251,038	-	-
Total U. S. Dept. of Agriculture			12,130,779	-	-
<u>Environmental Protection Agency</u>					
Direct Programs:					
Surveys, Studies, Investigations and Special Purpose Grants	66.034	-	111,123	-	-
<u>Office of Air and Radiation</u>					
Air Pollution Control Program Support	66.001	-	387,105	-	-
Total Environmental Protection Agency			498,228	-	-
<u>Department of Homeland Security</u>					
Direct programs:					
<u>Federal Emergency Management Agency</u>					
Assistance to Firefighters Grant	97.044	2013-FP-00367	1,689	-	-
Passed-through N.C. Dept. of Crime Control and Public Safety:					
Homeland Preparedness Grant	97.067	2011-SS-0019	479	-	-
Total Department of Homeland Security			2,168	-	-

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, 2016

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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>U.S. Dept. of Justice</u>					
Direct programs:					
<u>Office of Justice Programs</u>					
Bureau of Justice Assistance					
2012 Justice Assistance Grant Program	16.738	2012-DJ-BX-1043	\$ 92,687	-	92,687
2013 Justice Assistance Grant Program	16.738	2013-DJ-BX-1163	91,542	-	-
2014 Justice Assistance Grant Program	16.738	2014-DJ-BX-1140	88,342	-	-
2015 Justice Assistance Grant Program	16.738	2015-DJ-BX-0930	155,149	-	155,149
			<u>427,720</u>	<u>-</u>	<u>247,836</u>
<u>Office of Violence Against Women</u>					
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	42,957	-	42,957
Total U.S. Dept. of Justice			<u>470,677</u>	<u>-</u>	<u>42,957</u>
Total federal awards			<u>318,532,256</u>	<u>145,936,827</u>	<u>290,793</u>
State Awards:					
<u>N.C. Dept. of Health and Human Services</u>					
Division of Social Services:					
Adoption/Foster Care		-	-	2,215	-
Share the Warmth		-	-	9,132	-
Child WLFTR STNHM SVC		-	-	138,928	-
ST COS Caseload Reduction		-	-	105,919	-
CPS State		-	-	236,327	-
(a) State/County Special Assistance		-	-	183,238	-
(a) State/County Special Assistance for Adults - Direct Benefit Payments		-	-	2,233,686	-
Division of Child Development:					
Passed-through Forsyth Early Childhood Partnership:					
General Health Administration		-	-	215,998	-
AIDS		-	-	24,373	-
Offsite HIV CTS		-	-	129,841	-
Tuberculosis		-	-	39,633	-
TB Medical Services		-	-	3,068	-
Comp Breast Cancer Screen		-	-	37,597	-
Communicable Disease		-	-	17,740	-
CSHS Speech and Hearing		-	-	13,997	-
Minority Infant Mortality Reduction		-	-	79,447	-
Maternal and Child Health Services		-	-	101,683	-
Women's Preventive Health		-	-	35,226	-
Child Svc Coordination		-	-	4,928	-
High Risk Maternity Unit		-	-	91,662	-
School Nurse Funding		-	-	105,286	-
STD Drugs		-	-	1,274	-
Zika		-	-	1,272	-
Food & Lodging Permit Distribution		-	-	-	-
Division of Public Health:					
Division of Aging:					
Passed-through Piedmont Regional Council of Governments:					
Home and Community Care		-	-	151,282	-
Total N.C. Dept. of Health and Human Services			<u>-</u>	<u>3,963,752</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, 2016

Page 5 of 5

Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Federal/State Pass-Through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<u>N.C. Dept. of Cultural and Natural Resources</u>					
Division of State Library:					
State Aid to Libraries		-	\$ -	294,157	-
Total N.C. Dept. of Cultural and Natural Resources			-	294,157	-
<u>N.C. Dept. of Environmental Quality</u>					
Triad Air Awareness Ozone Reduction		-	-	58,181	-
Air Quality Mobile Source Program		-	-	202,134	-
Food and Lodging Permit Distribution		-	-	16,661	-
NC A&T University Position Reimbursement		-	-	80,906	-
SWC - Agricultural Cost Share Program		-	-	25,500	-
SWC - Administration and Technical Assistance		-	-	4,729	-
Total N.C. Dept. of Environmental Quality			-	388,111	-
<u>N.C. Department of Public Safety</u>					
Juvenile Justice and Delinquency Prevention		-	-	713,108	713,108
Total N.C. Dept. of Public Safety			-	713,108	713,108
<u>N.C. Dept. of Public Instruction</u>					
Public School Building Capital Fund		0-002-933	-	3,725,300	-
<u>N.C. Dept. of Transportation</u>					
Rural Operating Assistance Program:					
Work First Transitional/Employment Transportation Assistance		9.9051570	-	82,575	-
Elderly and Disabled Transportation Assistance		9.9050716	-	144,282	144,282
Total N.C. Dept. of Transportation			-	226,857	144,282
Total state awards			-	9,311,285	857,390
Total federal and State awards			\$ 318,532,256	155,248,112	1,148,183

(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, 2016

(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, 2016. 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](#), Treasurer

[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

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