

# 2013

## Comprehensive Annual Financial Report

Year ended June 30, 2013



Forsyth County, North Carolina

**Forsyth County,**  
North Carolina

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**Comprehensive Annual Financial Report**

For the Fiscal Year Ended June 30, 2013

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

**Paul L. Fulton, Jr., CPA, *Chief Financial Officer***

**Terri L. Goodman, CPA, *Deputy Chief Financial Officer***

**Lee H. Plunkett, *Treasurer***

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

**Teresa G. Everhart, CISR, *Risk Manager***

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

*Cynthia R. Cobb, Fiscal Analyst*

*Miranda D. Cole, Fiscal Analyst*

*Matthew W. Day, Fiscal Analyst*

*Gloria M. Turowski, Fiscal Analyst*

*Courtney D. Anderson, Risk Management Analyst*

*Barbara A. Cassidy, Safety/Loss Control Analyst*

*Regina G. Ireland, Fiscal Supervisor*

*Daphne Avery, Payroll Specialist*

*Bonita J. Gray, Payroll Specialist*

*Linda T. Bowles, Fiscal Technician*

*Margaret A. Burchette, Fiscal Technician*

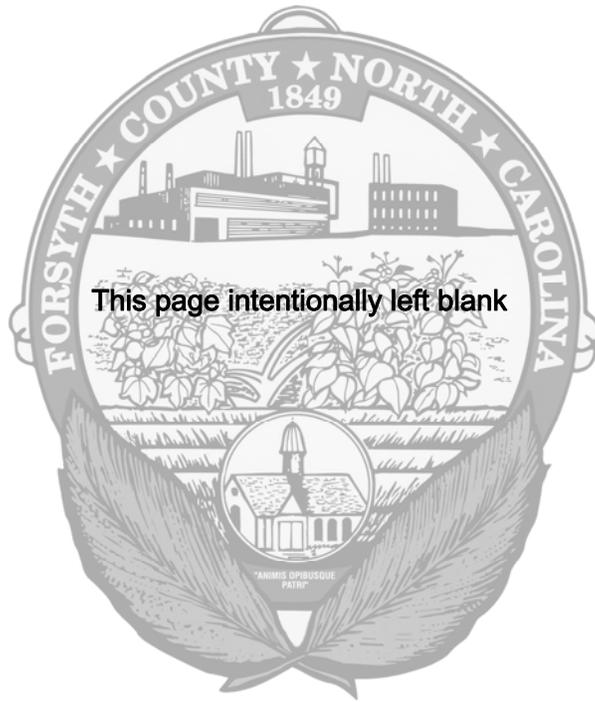
*Mary Elizabeth (Beth) Godwin, Fiscal Technician*

*Patricia L. Martin, Fiscal Technician*

*Michelle A. Pilcher, Fiscal Technician*

*Beverly W. Smith, Fiscal Technician*

*Christie W. Davis, Senior Office Assistant*



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# Forsyth County, North Carolina

## Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2013

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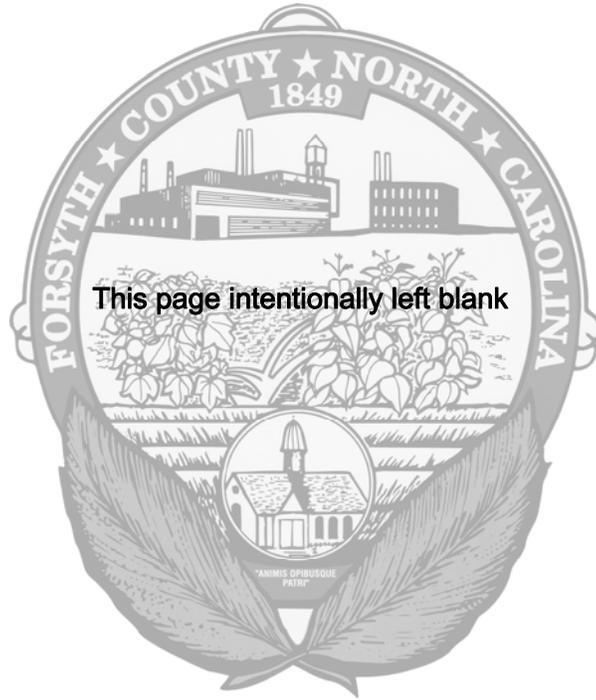
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## FINANCE DEPARTMENT

**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**  
INTERNAL AUDIT MANAGER

October 21, 2013

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, 2013.

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, 2013, 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, 2013, 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 fourth 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 18 as part of the basic financial statements for the governmental funds and, in greater detail, on pages 54-56 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 59. 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 1.6 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 357,767 and a workforce of more than 180,100, 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, 2013 is 8.8 percent. While lower than the State rate of 9.3 percent, the County's rate is higher than the national rate of 7.8 percent. High unemployment continues to negatively impact the sales tax revenue generated from retail sales and prolongs the sluggish housing market with depressed prices. High unemployment also increases the workload in many of our departments, particularly the human services agencies.

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 \$38,003, the twelfth highest among counties in the state, and higher than the State's \$36,028. Capital investment, as measured by the value of new residential and commercial building permits issued during the year, totaled \$319 million during the year ended June 30, 2013.

**Long-term financial planning.** The Forsyth County Major Capital Improvements Program ("CIP") is the result of an ongoing process by County officials to assess the need for major capital expenditures, the feasibility of funding these projects, and to establish an orderly plan for implementing these projects. The CIP is reviewed by the Commissioners periodically, usually twice a year, once at the annual Commissioners' Planning Workshop, and then again during their annual budget deliberations. In fiscal year 2013, the Commissioners were focused on completing school, community college and sheriff's projects, including issuing \$5 million in general obligation bonds for the community college and \$13.75 million in general obligation bonds for capital maintenance needs at the schools, community college and for County facilities, the only debt issuances during the year. Public input and planning for the main library continued during the year. Final approval of any project is subject to subsequent actions by the Board of Commissioners.

As of June 2013, the County's CIP through the year 2023 consists of \$442.75 million for proposed projects funded with long term financing, \$3.6 million in short-term equipment financings, \$1.75 million in pay-as-you-go funding for capital maintenance and small projects, and \$17 million from the sale of existing assets. The majority of long-term debt will be incurred for public schools (\$222.75 million), community college projects (\$50.8 million), an addition to the Hall of Justice for the court system (\$93.25 million), an addition to or the replacement of the central library (\$28 million), two replacement branch libraries and

improvements to other branches (\$12 million), new jail space (\$26.4 million), park system development (\$7.5 million), County general capital maintenance (\$7.5 million), renovations to the youth detention center (\$1.25 million), renovations to the Fairchild Drive fire facility and outlying stations (\$2.5 million), renovations to the public health building (\$1.75 million), park land long range acquisition (\$15 million), human services campus land acquisitions (\$2 million), and information systems projects (\$3.6 million)

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

**Tax Rate** - The Board of Commissioners strives to limit the growth of the annual operating budget to an amount which can be accommodated by growth in the tax base as well as other local, state and federal revenues, without a tax rate increase, whenever possible. Through management's careful stewardship of its resources, the County met this goal as the fiscal year 2013 budget was adopted with the County-wide ad valorem tax rate unchanged at 67.4 cents. Except for the portion of the tax rate earmarked for the Education Debt Leveling Plan, currently 4.1 cents, this is the eighth consecutive year with no tax increase to fund increased operational costs. This is reflective of the Board of Commissioners' desire to avoid burdening taxpayers with additional taxes and is particularly noteworthy given the concurrent downward pressure on revenue during this period.

**Education Debt Leveling Plan ("EDLP")** – In order to level the effects of issuing the \$250 million schools and \$25 million community college bonds authorized in the November 2006 referendum, the County has dedicated proceeds from the state education lottery and from a 3-cent property tax increase first levied in fiscal year 2008 to debt service on these bonds. Similarly, the fiscal year 2010 budget included an additional 1.1-cent tax increase over the revenue-neutral rate to fund the \$62 million educational facilities bond authorization approved in the November 2008 referendum. 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-cent and 1.1-cent levies plus any interest on that designated fund balance. The EDLP currently has a balance of \$32.6 million.

**Debt Policy** - Forsyth County recognizes that a formally adopted debt policy is fundamental to sound financial management. The total annual debt, less revenues restricted to debt service (including but not limited to, federal payments related to "Build America Bonds" and "Qualified School Construction Bonds" and State lottery proceeds) shall not exceed 15% 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** – In November 2009 the County established an economic development fund from the revenue generated by the repayment of \$7.9 million in economic development incentives by Dell Corporation. \$3.9 million remain in the fund for future economic development purposes. No projects were funded from this reserve in the current year.

**Capital** – In the General Fund, unassigned fund balance in excess of 16% of the subsequent year's budget is assigned for capital maintenance and capital outlay in the subsequent year. Of the total assigned, the first \$2.1 million is designated for planned capital maintenance, and the remainder is for pay-as-you-go capital expenditures. This policy allowed the County to establish its 2012 Pay-Go capital project fund which provides funds for the upfit of several County facilities, a Law Enforcement Detention Center energy conservation project, and the purchase of special use electric vehicles.

**Fund Balance Policy** – Available fund balance in the General Fund should be at least 16% of the subsequent year's budget. The County exceeded this policy target ending the 2013 fiscal year with an available fund balance, net of committed fund balance, of 19.5% of its 2014 budget. \$9.5 million of fund balance was appropriated to balance the fiscal 2014 budget leaving 17.1% available fund balance of which 16% was set aside in accordance with the County's fund balance policy. \$3.1 million and \$1.1 million were assigned for fiscal 2013 capital maintenance and special management projects, respectively. 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 2013 have resulted in a continuing strong balance sheet and the potential for over \$3 million in pay go projects in fiscal year 2014. 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 modest growth to continue with the transition.

The focus of the fiscal year 2014 budget is on maintaining the policies which form the financial foundation of the County; the 15% debt ceiling, the 16% fund balance target, the education debt leveling plan which raised taxes one time for the life of \$337.15 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, 2012. This was the twenty-ninth 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 2013 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 2014 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; 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-Chair Gloria D. Whisenhunt, Mark Baker, and Chairman Richard V. Linville  
Standing (left to right): Everette Witherspoon, Bill Whiteheart, David R. Plyler, and  
Walter Marshall

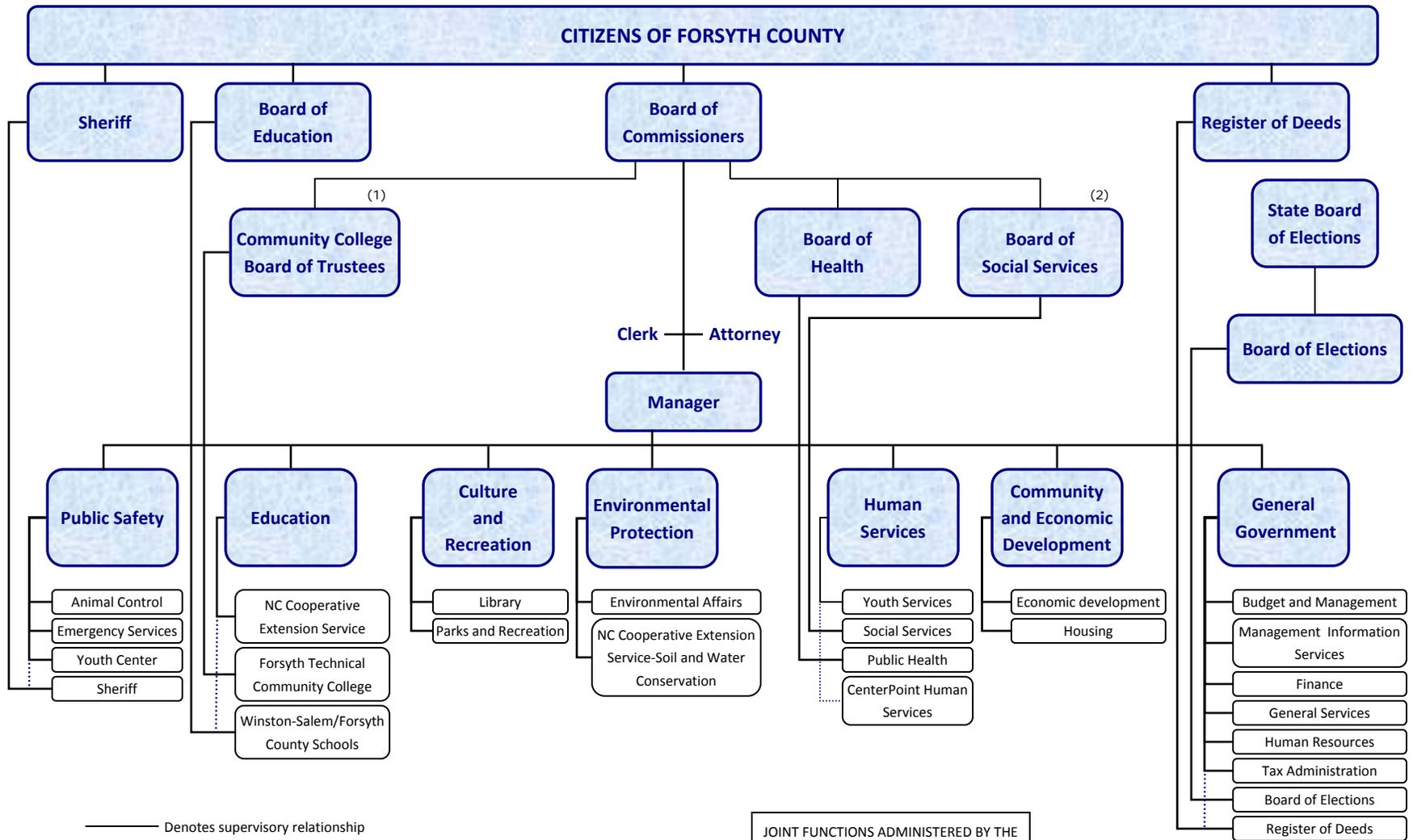
## **County Officials**



J. Dudley Watts, Jr.  
County Manager



Paul L. Fulton, Jr.  
Chief Financial Officer



———— Denotes supervisory relationship  
 ..... Denotes funding relationship

- (1) Four of thirteen members appointed by the Governor
- (2) Two of five members appointed by the State Social Services Commission

- JOINT FUNCTIONS ADMINISTERED BY THE CITY OF WINSTON SALEM**
- Planning
  - Purchasing
  - Inspections
  - Emergency Management
  - Utilities



Government Finance Officers Association

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

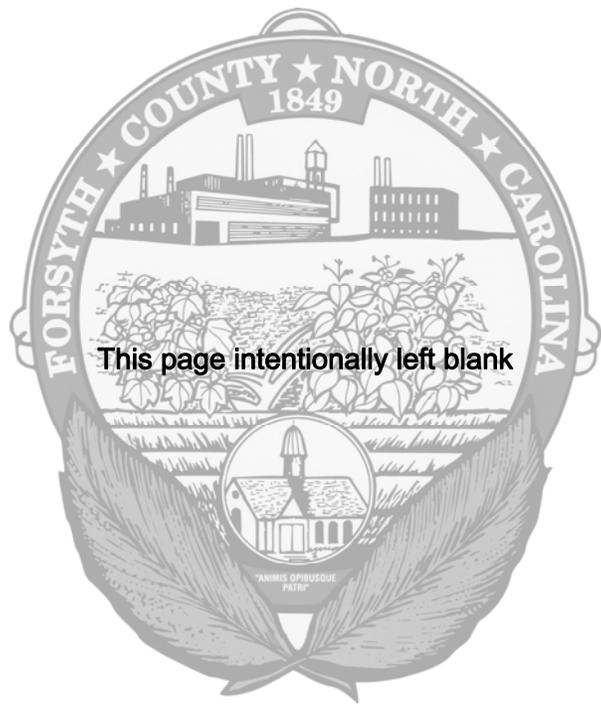
Presented to

**Forsyth County  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

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, 2013, 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, 2013, 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 the provisions of Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective July 1, 2012.

**Other Matters**

*Required Supplementary Information*

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

*Supplementary and Other Information*

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

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2013 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.



Raleigh, North Carolina  
October 21, 2013

# 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, 2013. 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.

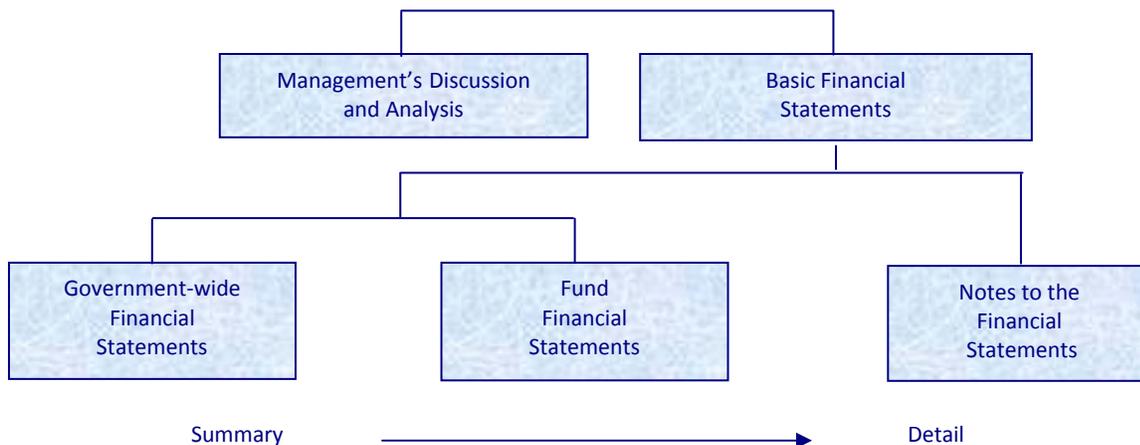
## FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Forsyth County were lower than its liabilities at the close of the fiscal year by \$223.9 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 \$230.6 million.
- The County's total net position increased by \$5.3 million from net position of the prior period despite the payment of \$28.7 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 18th consecutive year. New debt issued during the year included \$13.8 general obligation bonds for maintenance and repair of County, school and community college facilities and \$5 million educational facilities for the community college.
- As of the close of the current fiscal year, Forsyth County's governmental funds reported combined ending fund balances of \$198.3 million, a decrease of \$23.6 million in comparison with the prior year. This decrease is largely attributed to the reduction in restricted fund balances for debt funded capital project funds.
- The balance in the Education Debt Leveling Plan decreased by a net \$1.4 million for the year bringing the total available to pay for future education-related debt service to \$32.6 million.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$64.0 million or 16.8% of total general fund expenditures for the fiscal year.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

### Required Components of Annual Financial Report



## BASIC FINANCIAL STATEMENTS

### Government-wide Financial Statements

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

The **statement of net position** presents information on all of Forsyth County's assets and deferred outflows of resources and liabilities, 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, health and social services, culture and recreation, community and economic development, education, and general administration. Property taxes, sales taxes and state and federal grant funds finance most of these activities. Additionally, these statements report only the activities of the primary government, Forsyth County, because the County's component unit, the Forsyth County Industrial Facilities and Pollution Control Financing Authority, has no financial transactions or account balances to report.

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

### Fund Financial Statements

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

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

All of the County's basic services were accounted for in 33 governmental funds for the year ended June 30, 2013. 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 2007 School Facilities fund, the 2009 Educational Facilities fund and the 2009 Phillips Building Phases IA and IB fund, which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements elsewhere in this report.

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

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

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

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

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 23 - 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 - 52 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 59 – 94 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 of Forsyth County exceed assets and deferred outflows of resources by \$223.9 million as of June 30, 2013. 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 \$454.5 million at year-end and is reported as a reduction of unrestricted net position for governmental activities, resulting in a deficit balance of \$335.7 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 \$118.8 million and total net position would be \$230.6 million, an increase in total net position of \$13.6 million over the prior year.

The following summarizes Net Position at June 30, 2013 and 2012:

<b>Forsyth County’s Net Position</b>		
	<b>Governmental Activities</b>	
	<b>2013</b>	<b>2012</b>
Current and other assets	\$ 226,016,622	\$ 252,562,406
Capital assets	167,317,166	162,892,911
<b>Total assets</b>	<b>393,333,788</b>	<b>415,455,317</b>
Deferred outflows of resources		
- unamortized bond refunding charges	12,742,215	9,697,682
Long-term liabilities outstanding	612,054,685	629,644,901
Other liabilities	17,914,210	21,034,107
<b>Total liabilities</b>	<b>629,968,895</b>	<b>650,679,008</b>
Net position:		
Net investment in capital assets	75,547,493	83,829,746
Restricted	36,231,000	31,151,206
Unrestricted deficit	(335,671,385)	(340,506,961)
<b>Total net position</b>	<b>\$ (223,892,892)</b>	<b>\$ (225,526,009)</b>

A major portion of net position reflects the County's \$75.5 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 \$36.2 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 \$8.5 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 increased by \$5.3 million for the fiscal year ended June 30, 2013.

The following summarizes the changes in net position for the years ended June 30, 2013 and 2012:

<b>Forsyth County's Changes in Net Position</b>		
	<b>Governmental Activities</b>	
	<b>2013</b>	<b>2012</b>
Revenues:		
Program revenues:		
Charges for services	\$ 33,765,659	\$ 34,558,308
Operating grants and contributions	52,868,733	55,673,473
General revenues:		
Property taxes	239,530,106	235,293,490
Other taxes	55,234,499	54,996,320
Grants and contributions not restricted to specific programs	4,572,092	5,849,059
Other	1,151,425	3,034,192
Total revenues	<u>387,122,514</u>	<u>389,404,842</u>
Expenses:		
General government	39,642,837	43,252,315
Public safety	69,433,724	71,455,381
Environmental protection	2,442,611	2,642,585
Human services	77,395,541	76,403,049
Culture and recreation	15,886,345	15,830,605
Community and economic development	2,795,206	6,697,889
Education	152,410,053	181,325,863
Interest on long-term debt	21,796,354	21,732,376
Total expenses	<u>381,802,671</u>	<u>419,340,063</u>
Increase (decrease) in net position	<b>5,319,843</b>	<b>(29,935,221)</b>
Net position, July 1 as previously reported	(225,526,009)	(195,590,788)
Restatement	(3,686,726)	-
Net position, July 1 as restated	<u>(229,212,735)</u>	<u>-</u>
Net position, June 30	<u><b>\$ (223,892,892)</b></u>	<u><b>\$ (225,526,009)</b></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:

- During a period of continued national and local economic difficulty program and general revenues decreased \$2.3 million from the prior year.
- Management diligence in cost control resulted in total program expenses, excluding debt-funded education expenses, decreasing by \$3.7 million.
- Education expenses of \$28.7 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.

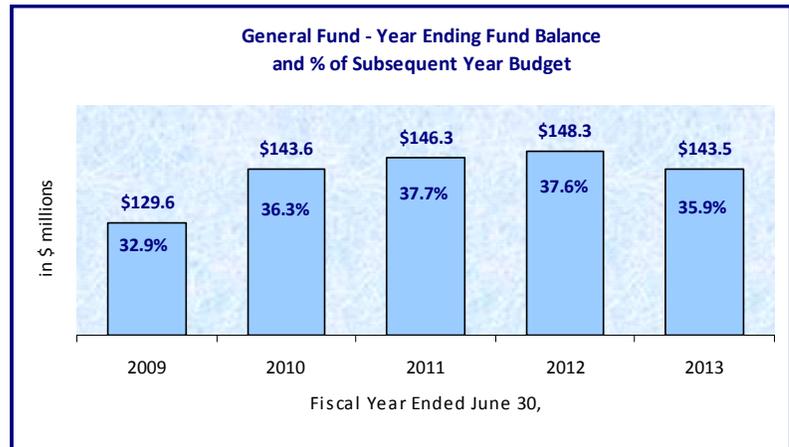
## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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, 2013, the County's four major funds were the General Fund, and three capital projects funds, the 2007 School Facilities Fund, 2009 Educational Facilities Fund and the 2009 Phillips Building Phases IA and IB 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 \$143.5 million, a decrease of \$4.7 million, with \$115.6 million available for appropriation and \$64 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 16% of its subsequent year's general fund expenditures. The County exceeded this policy target ending the 2013 fiscal year with an available fund balance, net of committed fund balance, of \$77.9 million, 19.5% of its 2014 budget. \$9.5

million of fund balance was appropriated to balance the fiscal 2014 budget leaving 17.1% available fund balance of which 16% was set aside in accordance with the County's fund balance policy. \$3.1 million and \$1.1 million were assigned for fiscal 2014 capital maintenance and special management projects, respectively.



Key factors that resulted in the reduction of \$4.7 million in the General Fund fund balance include:

- Continued diligence in the collection of property taxes which resulted in a 98.1% collection percentage aiding property tax revenue to increase \$4.8 million over the prior year.
- Estimates exceeded total revenues by \$1.4 million primarily due to property tax collections exceeding expectation which offset the under-realization of intergovernmental revenues, sales taxes and charges for services. Intergovernmental revenues were \$4.1 million under-budget primarily due to under spending which resulted in reduced reimbursement for human services grants. Sales taxes were under realized by \$992,000. Charges for services were under realized by \$642,000 across a variety of departments.
- Expenditure appropriations were under-spent by \$20.1 million. Significant under-expenditures occurred in public safety (\$5.8 million), human services (\$7.3 million), culture and recreation (\$1.1 million) and debt service (\$1.3 million). In public safety, outlays for the sheriff's department and emergency services were \$3.5 million and \$1.2 million under-budget, respectively. In human services, savings were in public health (\$4.0 million) and social services (\$3.0 million). The Parks and Recreation Department and the libraries were \$739,000 and \$372,000 under budget, respectively.
- General fund expenditures exceeded revenues by \$7.9 million before transfers out of the General Fund to the 2012 Pay-Go fund (\$3.1 million) and a transfer to the 2012 Motive Equipment fund (\$1.2 million).
- Transfers to the General Fund of \$4.5 million in lottery proceeds to pay debt service, \$1.4 million from the Fire Tax Districts Funds, \$1.2 million from capital project funds closed during the year partially offset the shortfall, however the net change in fund balance was a reduction of \$4.7 million.

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

- The unspent balance of proceeds from 4.1 cents on the ad valorem tax rate and interest earned thereon totaled \$32.6 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 the Dell incentives reimbursement totaled \$3.9 million and has been committed for economic development activities.
- The unspent balance of the proceeds from the sale of timber on Idols Road totaled \$50,000 and has been committed for timber management at Tanglewood Park.
- The amount by which available fund balance net of committed fund balance and fund balance appropriated for fiscal year 2014 budget exceeds 16% of the subsequent year's budgeted expenditures totaled \$4.5 million of which \$1.1 million has been

assigned for special management projects, \$292,000 assigned for fire and rescue needs, and \$3.1 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 \$198.3 million, a decrease of \$23.6 million from the prior year. The primary reason for this decrease is the \$18.8 million decrease in fund balance in the 2007 Schools Facilities fund, the \$9.6 million decrease in the 2009 Phillips Building Phases 1A and 1B fund, partially offset by the \$9.6 million increase in the aggregate nonmajor fund balances. Approximately 38.7%, or \$76.6 million of total combined fund balance, is restricted or non-spendable. \$40.2 million of this restricted total is restricted for debt funded capital expenditures. \$43.8 million is committed for future debt service, economic development projects, timber management or capital projects. \$14.0 million is assigned for subsequent fiscal year 2014 expenditures, capital maintenance projects or fire and rescue purposes. 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 \$10.2 million. Unanticipated state and federal grants totaling \$2.5 million were appropriated for public safety and crisis intervention and low income energy assistance programs. Additional appropriations of \$7.6 million were made from fund balance, including \$3.1 million to fund the 2012 Pay-Go Capital Project Ordinance, \$2.8 million to fund the purchase of a new property tax assessment and collection system and \$800,640 for a loan to CenterPoint Human Services which will be repaid over the next three years.

Although \$22.7 million of fund balance was appropriated in the final budget, as discussed above, the net change in fund balance for the year was a decrease of \$4.7 million.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets.** Forsyth County's investment in capital assets for its governmental activities as of June 30, 2013, totals \$167.3 million (net of accumulated depreciation), a \$4.4 million increase from the prior year. These assets include land, buildings, construction-in-progress, park facilities, equipment, vehicles and software.

<b>Forsyth County's Capital Assets (net of depreciation)</b>		
	<b>Governmental Activities</b>	
	<b>2013</b>	<b>2012</b>
Land	\$ 12,888,256	\$ 12,888,256
Art collections	517,907	517,907
Construction-in-progress	30,227,513	20,406,047
Buildings	103,632,159	107,868,740
Improvements other than buildings	10,624,118	10,535,526
Equipment	5,715,454	6,410,337
Vehicles	3,548,194	4,106,151
Software	163,565	159,947
Total Capital Assets	<u>\$ 167,317,166</u>	<u>\$ 162,892,911</u>

Major capital asset transactions during the year include:

- Continued renovation of the Phillips Building for sheriff administrative offices totaling \$9.5 million.
- Public safety equipment projects totaling \$399,000.
- Triad Park development totaling \$327,000.

Additional information on the County's capital assets can be found in Note 4e on page 34 of the Basic Financial Statements.

**Long-term Debt.** At June 30, 2013, Forsyth County had total bonded debt outstanding of \$483.1 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 \$562.8 million, a decrease of \$23.5 million. New debt included \$13.8 million in general obligation bonds to fund capital maintenance projects in county, school and community college facilities and \$5.0 million in general obligation bonds to complete funding of community college

projects. The County also issued \$35.1 million general obligation refunding bonds during the year which produced an economic gain of \$2.7 million over the next 14 years.

At June 30, 2013 and 2012, the County’s bonded and non-bonded debt consisted of:

<b>Forsyth County’s Outstanding Debt</b>		
	<b>Governmental Activities</b>	
	<b>2013</b>	<b>2012</b>
General obligation bonds	\$ 483,060,000	\$ 499,600,000
Certificates of Participation and Limited Obligation Bonds	77,610,000	83,830,000
Installment purchase obligations	2,141,649	2,835,543
<b>Total Outstanding Debt</b>	<b>\$ 562,811,649</b>	<b>\$ 586,265,543</b>

As mentioned in the financial highlights section of this document, Forsyth County maintained for the 18<sup>th</sup> consecutive year its Aaa bond rating from Moody’s Investors Service and AAA rating from Standard and Poor’s Corporation and Fitch Ratings. This bond rating is a clear indication of the sound financial condition of Forsyth County. Forsyth County is one of the few counties in the country that maintains the highest financial rating from all three major rating agencies. This achievement is a primary factor in keeping interest costs on the County’s outstanding debt low.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government’s boundaries. The current debt limitation for Forsyth County is \$2.7 billion. The County’s total bonded debt is 1.47% 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 36 - 40 of the Basic Financial Statements.

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

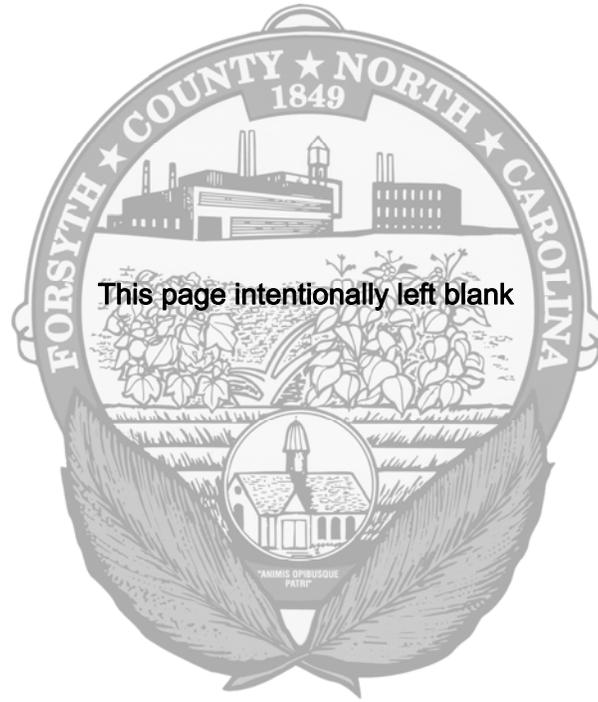
The County has adopted a General Fund budget for the fiscal year ending June 30, 2014 in the amount of \$399.8 million, a decrease of \$4.5 million or 1.1% from the final 2013 budget of \$404.3 million. The property tax rate of \$0.7168 per hundred dollars assessed value was increased from the prior year rate of \$.6740 due to a property revaluation which took effect for the year ending June 30, 2014. \$15.8 million of the County’s \$115.6 million available fund balance was appropriated, of which \$1.8 million was for the reappropriation of prior year encumbrances, \$4.4 million was from the Education Debt Leveling Plan, and \$200,000 was from the Register of Deeds restricted fund balance . Fund balance available net of committed fund balance and fund balance appropriated for fiscal year 2014 budget remains 15.5% of 2013 expenditures.

Significant factors considered in the preparation of the fiscal year 2014 County budget include:

- Property revaluation and increased tax rate resulting in a \$4.2 million decrease in estimated property tax revenue.
- Sales tax revenue will reflect some rebound and with growth forecast to produce \$4.4 million, or 8.6% 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. 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.



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# Basic Financial Statements

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**FORSYTH COUNTY, NORTH CAROLINA**  
**Statement of Net Position**  
June 30, 2013

**Exhibit 1**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents / investments	\$ 147,844,223
Investments - restricted	43,075,006
Cash and investments held by fiscal agent	16
Taxes receivable (net)	4,655,896
Accounts receivable (net)	7,372,613
Accrued interest on investments	36,410
Due from other governments	22,307,257
Prepaid items	725,201
Capital assets:	
Land, collections, and construction-in-progress	43,633,676
Other capital assets, net of depreciation	<u>123,683,490</u>
Total capital assets	<u>167,317,166</u>
Total assets	<u>393,333,788</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Unamortized bond refunding charges	<u>12,742,215</u>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	6,349,041
Unearned revenue	1,852,181
Accrued interest payable	7,039,341
Due to other governments	2,673,647
Long-term liabilities:	
Due within one year	49,347,680
Due in more than one year	<u>562,707,005</u>
Total liabilities	<u>629,968,895</u>
<b>NET POSITION</b>	
Net investment in capital assets	75,547,493
Restricted for:	
Stabilization by state statute	32,381,666
Public safety	2,403,308
Human services	307,420
Community and economic development	107,111
Other purposes	1,031,495
Unrestricted deficit	<u>(335,671,385)</u>
<b>Total net position</b>	<b>\$ <u>(223,892,892)</u></b>

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

**FORSYTH COUNTY, NORTH CAROLINA**  
**Statement of Activities**  
For the Fiscal Year Ended June 30, 2013

**Exhibit 2**

<b>Functions</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Governmental Activities</b>
Governmental:				
General government	\$ 39,642,837	3,743,500	564,085	(35,335,252)
Public safety	69,433,724	17,540,753	4,468,936	(47,424,035)
Environmental protection	2,442,611	220,956	747,815	(1,473,840)
Human services	77,395,541	8,055,427	40,842,999	(28,497,115)
Culture and recreation	15,886,345	4,079,006	904,113	(10,903,226)
Community and economic development	2,795,206	58,979	713,754	(2,022,473)
Education	152,410,053	67,038	4,627,031	(147,715,984)
Interest on long-term debt	21,796,354	-	-	(21,796,354)
Total governmental activities	\$ <u>381,802,671</u>	<u>33,765,659</u>	<u>52,868,733</u>	<u>(295,168,279)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				239,530,106
Local option sales tax				52,933,206
Occupancy taxes, levied for economic development				558,116
Gross receipts tax				314,099
Excise stamp tax				1,429,078
Grants and contributions not restricted to specific programs				4,572,092
Investment earnings, unrestricted				141,520
Miscellaneous, unrestricted				1,009,905
Total general revenues				<u>300,488,122</u>
Change in net position				5,319,843
Net position - beginning, previously reported				(225,526,009)
Restatement				(3,686,726)
Net position - beginning, restated				<u>(229,212,735)</u>
<b>Net position - ending</b>				<b><u>(223,892,892)</u></b>

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

Balance Sheet

Governmental Funds

Page 1 of 2

June 30, 2013

	General Fund	Capital Projects Funds				Total Governmental Funds
		2007 School Facilities	2009 Educational Facilities	2009 Phillips Building Phases 1A and 1B	Nonmajor Governmental Funds	
<b>ASSETS</b>						
Cash and cash equivalents / investments	\$ 128,983,140	-	-	-	10,787,029	139,770,169
Investments - restricted	-	10,192,011	13,962,650	3,724,737	15,195,608	43,075,006
Cash and investments held by fiscal agent	16	-	-	-	-	16
Receivables (net):						
Property taxes	3,860,896	-	-	-	92,863	3,953,759
Occupancy taxes	47,820	-	-	-	-	47,820
Other taxes	39,531	-	-	-	-	39,531
Accounts	7,206,073	-	-	-	-	7,206,073
Other	-	-	-	-	29,199	29,199
Accrued interest	33,994	-	-	-	2,416	36,410
Due from other governments	20,610,015	577,707	5,820	495,563	747,938	22,437,043
Due from other funds	2,685	-	-	-	-	2,685
Prepaid items	251,658	-	-	-	-	251,658
<b>Total assets</b>	<b>\$ 161,035,828</b>	<b>10,769,718</b>	<b>13,968,470</b>	<b>4,220,300</b>	<b>26,855,053</b>	<b>216,849,369</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 5,427,482	-	-	304,555	435,804	6,167,841
Due to other governments	2,673,647	-	-	-	-	2,673,647
Due to other funds	-	-	-	-	2,685	2,685
Unearned revenue	1,384,545	-	-	-	180,854	1,565,399
<b>Total liabilities</b>	<b>9,485,674</b>	<b>-</b>	<b>-</b>	<b>304,555</b>	<b>619,343</b>	<b>10,409,572</b>
Deferred Inflows of Resources:						
Unavailable taxes	3,860,896	-	-	-	92,863	3,953,759
Unavailable other revenue	4,179,226	-	-	-	-	4,179,226
<b>Total deferred inflows of resources</b>	<b>8,040,122</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92,863</b>	<b>8,132,985</b>
Fund balances:						
Nonspendable - Prepaid items	251,658	-	-	-	-	251,658
Restricted for:						
Stabilization by state statute	27,703,645	577,707	5,820	2,906,968	1,187,526	32,381,666
Register of Deeds	998,397	-	-	-	-	998,397
Capital projects	-	10,192,011	13,962,650	1,008,777	-	25,163,438
Other	33,098	-	-	-	-	33,098
Restricted, reported in nonmajor:						
Special revenue funds	-	-	-	-	2,817,839	2,817,839
Capital project funds	-	-	-	-	15,002,922	15,002,922
Committed						
Education Debt Leveling Plan	32,610,986	-	-	-	-	32,610,986
Economic Development	3,912,372	-	-	-	-	3,912,372
Timber Management - Tanglewood Park	50,000	-	-	-	-	50,000
Committed, reported in nonmajor:						
Capital project funds	-	-	-	-	7,257,834	7,257,834
Assigned						
Subsequent Year Budget	9,454,339	-	-	-	-	9,454,339
Management Special Projects	1,149,360	-	-	-	-	1,149,360
Capital maintenance projects	3,082,710	-	-	-	-	3,082,710
Fire and rescue protection	292,397	-	-	-	-	292,397
Unassigned	63,971,070	-	-	-	(123,274)	63,847,796
<b>Total fund balances</b>	<b>143,510,032</b>	<b>10,769,718</b>	<b>13,968,470</b>	<b>3,915,745</b>	<b>26,142,847</b>	<b>198,306,812</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 161,035,828</b>	<b>10,769,718</b>	<b>13,968,470</b>	<b>4,220,300</b>	<b>26,855,053</b>	<b>216,849,369</b>

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, 2013

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

Fund balances - total governmental funds	\$ 198,306,812
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	167,317,166
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.	13,215,758
Earned revenue that is not available to pay current period expenditures is deferred in the funds.	8,747,771
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 assets.	5,697,683
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(617,178,082)
<b>Net position of governmental activities</b>	<b>\$ <u>(223,892,892)</u></b>

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

**FORSYTH COUNTY, NORTH CAROLINA**

**Exhibit 4**

**Statement of Revenues, Expenditures, and Changes in Fund Balances**

Governmental Funds

For the Fiscal Year Ended June 30, 2013

	<u>General Fund</u>	<u>Capital Projects Funds</u>				<u>Total Governmental Funds</u>
		<u>2007 School Facilities</u>	<u>2009 Educational Facilities</u>	<u>2009 Phillips Building Phases 1A and 1B</u>	<u>Nonmajor Governmental Funds</u>	
<b>Revenues:</b>						
Property taxes	\$ 233,537,613	-	-	-	6,480,321	240,017,934
Occupancy taxes	558,116	-	-	-	-	558,116
Local option sales taxes	51,508,792	-	-	-	1,424,414	52,933,206
Other taxes	314,099	-	-	-	-	314,099
Licenses and permits	867,200	-	-	-	-	867,200
Intergovernmental	51,166,575	-	-	-	6,502,473	57,669,048
Charges for services	24,936,829	-	-	-	8,800	24,945,629
Investment earnings	106,525	8,999	6,051	4,133	26,856	152,564
Other	8,972,682	-	-	-	69,203	9,041,885
<b>Total revenues</b>	<b>371,968,431</b>	<b>8,999</b>	<b>6,051</b>	<b>4,133</b>	<b>14,512,067</b>	<b>386,499,681</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	36,031,427	-	-	-	-	36,031,427
Public safety	60,520,345	-	-	-	7,542,173	68,062,518
Environmental protection	2,477,195	-	-	-	-	2,477,195
Human services	70,607,949	-	-	-	753	70,608,702
Culture and recreation	14,488,772	-	-	-	-	14,488,772
Community and economic development	2,370,701	-	-	-	427,051	2,797,752
Education	698,383	-	-	-	-	698,383
<b>Intergovernmental:</b>						
Human services	6,742,601	-	-	-	-	6,742,601
Education	122,983,166	17,030,798	5,112,163	-	6,569,303	151,695,430
<b>Debt service:</b>						
Principal retirement	39,097,635	-	-	-	-	39,097,635
Interest and other charges	23,839,569	-	87,509	69,012	134,743	24,130,833
Capital outlay	-	-	-	9,520,796	3,615,530	13,136,326
<b>Total expenditures</b>	<b>379,857,743</b>	<b>17,030,798</b>	<b>5,199,672</b>	<b>9,589,808</b>	<b>18,289,553</b>	<b>429,967,574</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(7,889,312)</b>	<b>(17,021,799)</b>	<b>(5,193,621)</b>	<b>(9,585,675)</b>	<b>(3,777,486)</b>	<b>(43,467,893)</b>
<b>Other financing sources (uses):</b>						
General obligation bond issuance	-	-	5,000,000	-	13,750,000	18,750,000
Premium on general obligation bonds	-	-	88,267	-	723,710	811,977
Refunding bond issuance	35,090,000	-	-	-	-	35,090,000
Premium on refunding bonds	8,795,717	-	-	-	-	8,795,717
Transfers in	7,095,195	-	-	-	6,617,411	13,712,606
Transfers out	(4,275,955)	(1,735,000)	-	-	(7,701,651)	(13,712,606)
Payment to refunded bond escrow agent	(43,562,043)	-	-	-	-	(43,562,043)
<b>Total other financing sources (uses)</b>	<b>3,142,914</b>	<b>(1,735,000)</b>	<b>5,088,267</b>	<b>-</b>	<b>13,389,470</b>	<b>19,885,651</b>
<b>Net change in fund balances</b>	<b>(4,746,398)</b>	<b>(18,756,799)</b>	<b>(105,354)</b>	<b>(9,585,675)</b>	<b>9,611,984</b>	<b>(23,582,242)</b>
Fund balance - June 30, 2012	148,256,430	29,526,517	14,073,824	13,501,420	16,530,863	221,889,054
<b>Fund balance - June 30, 2013</b>	<b>\$ 143,510,032</b>	<b>10,769,718</b>	<b>13,968,470</b>	<b>3,915,745</b>	<b>26,142,847</b>	<b>198,306,812</b>

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, 2013

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

Net change in fund balances - total governmental funds	\$ (23,582,242)
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.	4,522,873
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(98,618)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	453,532
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.	19,223,243
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.	1,463,840
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.	<u>3,337,215</u>
Change in net position of governmental activities	\$ <u><u>5,319,843</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>Revenues:</b>				
Property taxes	\$ 228,276,841	228,276,841	233,537,613	5,260,772
Occupancy taxes	485,000	485,000	558,116	73,116
Local option sales taxes	52,500,789	52,500,789	51,508,792	(991,997)
Other taxes	260,950	260,950	314,099	53,149
Total taxes	<u>281,523,580</u>	<u>281,523,580</u>	<u>285,918,620</u>	<u>4,395,040</u>
Licenses and permits	774,270	774,270	867,200	92,930
Intergovernmental	52,930,206	55,294,153	51,166,575	(4,127,578)
Charges for services	25,598,856	25,578,856	24,936,829	(642,027)
Investment earnings	525,000	525,574	106,525	(419,049)
Other	9,597,345	9,709,737	8,972,682	(737,055)
Total revenues	<u>370,949,257</u>	<u>373,406,170</u>	<u>371,968,431</u>	<u>(1,437,739)</u>
<b>Expenditures:</b>				
Current:				
General government	39,981,510	39,585,317	36,031,427	3,553,890
Public safety	64,634,960	66,334,601	60,520,345	5,814,256
Environmental protection	2,714,283	2,794,293	2,477,195	317,098
Human services	74,929,430	77,878,534	70,607,949	7,270,585
Culture and recreation	15,567,861	15,604,180	14,488,772	1,115,408
Community and economic development	2,316,752	2,792,894	2,370,701	422,193
Education	706,618	765,330	698,383	66,947
Intergovernmental:				
Human services	6,258,706	7,059,346	6,742,601	316,745
Education	121,177,974	122,984,166	122,983,166	1,000
Debt service:				
Principal retirement	39,097,637	39,097,637	39,097,635	2
Interest and other charges	24,963,840	25,105,834	23,839,569	1,266,265
Total expenditures	<u>392,349,571</u>	<u>400,002,132</u>	<u>379,857,743</u>	<u>20,144,389</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(21,400,314)</u>	<u>(26,595,962)</u>	<u>(7,889,312)</u>	<u>18,706,650</u>
Other financing sources (uses):				
Refunding bonds issued	-	141,994	35,090,000	34,948,006
Premium on refunding bonds	-	-	8,795,717	8,795,717
Transfers in	8,076,971	8,076,971	7,095,195	(981,776)
Transfers out	(1,760,755)	(4,275,955)	(4,275,955)	-
Payment to refunded bond escrow agent	-	-	(43,562,043)	(43,562,043)
Total other financing sources (uses)	<u>6,316,216</u>	<u>3,943,010</u>	<u>3,142,914</u>	<u>(800,096)</u>
<b>Net change in fund balance</b>	<u>\$ (15,084,098)</u>	<u>(22,652,952)</u>	<u>(4,746,398)</u>	<u>17,906,554</u>
Fund balance - June 30, 2012			148,256,430	
<b>Fund balance - June 30, 2013</b>			<u><u>\$ 143,510,032</u></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, 2013

Exhibit 6

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents / investments	\$ 8,074,054
Accounts receivable (net)	4,737
Accrued interest	2,519
Due from other governments	299
Total assets	<u>8,081,609</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	181,200
Claims liability	1,915,944
Unearned revenue	286,782
Total liabilities	<u>2,383,926</u>
<b>NET POSITION</b>	
Unrestricted	\$ <u><u>5,697,683</u></u>

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

**FORSYTH COUNTY, NORTH CAROLINA**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Fund - Internal Service Fund**  
For the Fiscal Year Ended June 30, 2013

Exhibit 7

	<b>Governmental Activities</b>
Operating revenues:	
Charges for services	\$ 23,489,341
Total operating revenues	<u>23,489,341</u>
Operating expenses:	
Professional services	2,450,261
Claims	17,674,742
Other	44,749
Total operating expenses	<u>20,169,752</u>
Operating income (loss)	3,319,589
Nonoperating revenues:	
Interest earnings	17,626
Change in net position	3,337,215
Net position at beginning of year	<u>2,360,468</u>
Net position at end of year	\$ <u><u>5,697,683</u></u>

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

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

For the Fiscal Year Ended June 30, 2013

	<b>Governmental Activities</b>
<b>Cash flows from operating activities:</b>	
Cash received from user departments and participants	\$ 24,328,281
Cash paid to suppliers, participants and others	<u>(21,153,272)</u>
Net cash provided (used) by operating activities	<u>3,175,009</u>
<b>Cash flows from investing activities:</b>	
Interest and dividends on investments	<u>15,930</u>
Net increase (decrease) in cash and cash equivalents	3,190,939
Cash/cash equivalents / investments at beginning of year	<u>4,883,115</u>
Cash/cash equivalents / investments at end of year	<u>\$ 8,074,054</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income (loss)	<u>\$ 3,319,589</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Decrease in accounts receivable	3,298
Increase in due from other governments	(299)
Increase in accounts payable	91,980
Decrease in claims payable	(215,401)
Decrease in unearned revenue	<u>(24,158)</u>
Total adjustments	<u>(144,580)</u>
Net cash provided (used) by operating activities	<u>\$ 3,175,009</u>

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

**FORSYTH COUNTY, NORTH CAROLINA**

**Exhibit 9**

**Statement of Fiduciary Net Position**

Fiduciary Funds

June 30, 2013

	<b>Pension / Other Post-employment Benefit <u>Trust Funds</u></b>	<b><u>Agency Funds</u></b>
<b>ASSETS</b>		
Cash and cash equivalents / investments	\$ 260,239	1,152,491
Cash and investments held by fiscal agent:		
Cash and equivalents	859	-
Short-Term OPEB Fund	2,429,882	-
Long-Term OPEB Fund	932,731	-
OPEB Equity Funds	7,220,039	-
Receivables:		
Property taxes	-	5,591,515
Accrued interest	86	16
Total assets	<u>10,843,836</u>	<u>6,744,022</u>
<b>LIABILITIES</b>		
Due to other governments	5,990	6,704,895
Other liabilities	-	39,127
Total liabilities	<u>5,990</u>	<u>6,744,022</u>
<b>NET POSITION</b>		
Held in trust for pension/other post-employment benefits	\$ <u><u>10,837,846</u></u>	<u><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, 2013

	<b>Pension / Other Post-employment Benefit <u>Trust Funds</u></b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 4,837,851
Plan members	391,211
Total contributions	<u>5,229,062</u>
Net investment income	<u>1,173,015</u>
Total additions	6,402,077
<b>DEDUCTIONS</b>	
Benefits	<u>3,544,361</u>
Change in net position	2,857,716
Net position, beginning	<u>7,980,130</u>
<b>Net position, ending</b>	<b><u><u>\$ 10,837,846</u></u></b>

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

# Notes to the Financial Statements

Forsyth County, North Carolina  
June 30, 2013

## 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:

### a. 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.

### b. 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.

*2007 School Facilities Fund.* This fund accounts for the construction and renovation of school buildings and acquisition of necessary land, furnishings and equipment to provide additional school facilities in the County. These capital projects are financed by proceeds of general obligation bonds authorized by a 2006 referendum.

*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.

Additionally, the County reports the following fund types:

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

*Fiduciary - Pension/Other Post-employment Benefit Trust Funds.* The pension trust fund accounts for the activities of the Law Enforcement Officers' Special Separation Allowance Fund, which accumulates resources for pension benefit payments to qualified public safety employees. The other post employment benefit trust fund accounts for the activities of the Healthcare Plan Fund, which accumulates resources to pay other post employment benefits for qualified retired County employees.

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

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

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

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

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

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

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within ninety days after year-end, except for property taxes. Property taxes are not recognized as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance operations of the current year. Property taxes receivable are recorded net of an allowance for estimated uncollectible delinquent taxes, with the net receivable recorded as deferred inflows of resources until collected. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor

vehicles. For those motor vehicles registered under the staggered system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due.

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.

### **c. 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 2009, 2010, 2011, 2012, 2013 and 2014 Housing Funds, and the 2009, 2009 Recovery Act, and 2011 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 \$10.2 million included several for unanticipated intergovernmental and private grant funding that totaled \$2.4 million and appropriations of fund balance totaling \$7.6 million. The latter included \$3.1 million for pay-go projects, \$3.0 million for tax system upgrades, \$800,000 for a one-time reimbursable grant to CenterPoint, and \$251,000 for unexpended SCAAP funds. 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.

### **d. Assets, Liabilities, Deferred Inflows and Outflows, and Fund Equity**

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

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

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

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

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

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

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

**Receivables and Payables** The County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year, in accordance with State law. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2012.

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

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

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

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

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

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

**Deferred outflows and inflows of resources** In addition to assets, the statement of financial position will sometimes report 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 one item that meets this criterion - a charge on refunding that had previously been classified as a contra-liability. In addition to liabilities, the statement of financial position can also report 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 no deferred inflows at June 30, 2013.

**Long-term Obligations** In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are deferred and amortized over the life of

the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized in the current period.

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

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

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

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

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

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

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

*Restricted for Public Safety.* This portion of net position represents the aggregate of net position for six special revenue funds: the Fire Tax Districts Fund; the Law Enforcement Equitable Distribution Fund; the Emergency Telephone System Fund; and the 2009, 2009 Recovery Act, and 2011 Justice Assistance Funds.

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

*Restricted for Community and Economic Development.* This portion of net position represents net position of the 2009, 2010, 2011, 2012 and 2013 Housing special revenue funds.

*Restricted for Other Purposes.* This portion of net position is restricted for Register of Deeds, soil and water conservation, social services and library purposes.

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

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

*Restricted for Other.* This portion of fund balance is restricted by revenue source for soil and water conservation, social services and library purposes.

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

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

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

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

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

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

*Committed for Education Debt Leveling Plan.* In the General Fund, unspent revenue generated by 4.1 cents of the ad valorem tax rate and interest on the unspent portions thereof is committed for retirement of general obligation education debt authorized by the November 2006 and 2008 referendums.

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

*Committed for Timber Management – Tanglewood Park.* In the General Fund, unspent revenue generated by the sale of timber is committed for timber management purposes at Tanglewood Park.

*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 2013-2014 Budget Ordinance that is not already classified in restricted or committed.

*Assigned for Management Special Projects.* This represents the portion of fund balance assigned for special management projects.

*Assigned for Capital Maintenance Projects.* In the General Fund, unassigned fund balance in excess of 16% of the subsequent year's budget is assigned for capital maintenance and capital outlay in the subsequent year. Of the total assigned, the first \$2.1 million is designated for planned capital maintenance, and the remainder is for pay-as-you-go capital expenditures.

*Assigned for Fire and Rescue Protection.* This represents the portion of fund balance assigned for fire and rescue protection expenditures.

*Unassigned.* This portion of fund balance has not been restricted, committed, or assigned to specific purposes or other funds.

The County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following order: debt proceeds, federal funds, State funds, local non-County funds, and County funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it's 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 16% of budgeted expenditures. Any portion of the General Fund balance in excess of 16% 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.

## 2. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. The net adjustment of \$(422,199,704) 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 assets comprise this adjustment.		\$ 167,317,166
Pension assets resulting from contributions in excess of the annual required contribution, and deferred outflows of resources are not financial resources and therefore are not reported in the funds.		
Pension assets	473,543	
Unamortized bond refunding charges	12,742,215	13,215,758
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	4,568,545	
Other revenue	800,640	
Interest earnings	8,257	
Fees and miscellaneous	3,370,329	8,747,771
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 assets.		
Cash and cash equivalents	8,074,054	
Accounts receivable and amounts due from other governments	7,555	
Accounts payable	(181,200)	
Claims and judgments – health and dental	(1,915,944)	
Unearned revenue	(286,782)	5,697,683
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	(7,039,341)	
Bonds, installment purchases, limited obligation bonds and certificates of participation	(562,811,649)	
Compensated absences	(7,471,465)	
Claims and judgments – excluding health and dental	(1,609,423)	
Net OPEB obligation	(10,418,444)	
Unamortized issuance premiums	(27,827,760)	(617,178,082)
<b>Total adjustment</b>		<b>\$ (422,199,704)</b>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. Additional detail on the elements that comprise the total adjustment of \$ 28,902,085 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.	\$ 13,503,017	
Depreciation expense, the allocation of capital assets over their useful lives, is recorded on the statement of activities but not in the fund statements.	(8,980,144)	\$ 4,522,873
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 assets differs from the change in fund balance by the net cost of capital assets sold and donated assets received.		(98,618)
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, 2012:		
Property taxes and accrued interest on property taxes	(5,056,374)	
Grants	(86,889)	
Interest earnings	(12,546)	
Fees and miscellaneous	(3,138,430)	
Record deferred inflows in the fund statements at June 30, 2013:		
Property taxes and accrued interest on property taxes	4,568,545	
Other revenue	800,640	
Interest earnings	8,257	
Fees and miscellaneous	3,370,329	453,532
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	(19,885,651)	
Principal payments on debt	39,108,894	19,223,243
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	(35,005)	
Reductions in claims and judgments – excluding health and dental	147,100	
Prepaid pension benefit obligation	48,885	
Net OPEB obligation	(1,031,619)	
Accrued interest	218,850	
Amortized charge on refundings	(2,332,510)	
Amortized debt premiums	4,448,139	1,463,840
Internal service fund profit or loss generated by customers within the primary government is eliminated from the statement of activities.		3,337,215
<b>Total adjustments</b>		<b>\$ 28,902,085</b>

**3. Stewardship, Compliance, and Accountability**

**Excess of Expenditures over Appropriations**

The following budget variances are not in compliance with legal budgetary control. Appropriations in the Fire Tax Districts Funds are by fire tax district. The transfer to the General Fund from each fire tax district equals the actual amount of sales tax proceeds realized by the district for the fiscal year. Transfers which exceeded the amount appropriated were a result of actual sales tax revenue exceeding projections. Transfer of residual fund equity from the 2007 Forsyth Technical Community College fund that was closed during the fiscal year exceeded appropriation in that fund.

**4. Detailed Notes on All Funds**

**a. 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, 2013, the deposit portion of the County’s cash and investment pool was \$29,008,722. The bank balances totaled \$29,475,627, 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, 2013, the County’s petty cash funds totaled \$20,776.

**b. Investments**

As of June 30, 2013, the County had the following investments:

<b>Investment Type</b>	<b>Reported</b>		<b>Less than</b>		<b>More than</b>	<b>WAM (Years)</b>
	<b>Value</b>	<b>Fair Value</b>	<b>1 year</b>	<b>1-2 years</b>	<b>2 years</b>	
NCCMT	\$ 105,912,047	105,912,047	105,912,047	-	-	.0018
Commercial Paper	32,712,767	32,689,693	32,689,693	-	-	.0360
Agency Securities	24,677,663	24,677,663	-	996,245	23,681,418	.5574
<b>Total Portfolio</b>	<b>\$ 163,302,477</b>	<b>163,279,403</b>	<b>138,601,740</b>	<b>996,245</b>	<b>23,681,418</b>	

Portfolio weighted average maturity 0.5952 years

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the County’s investment practice gives consideration to shortening maturities during periods of rising interest rates. The County manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. To further reduce its exposure to interest rate risk, the County invests in multi-step coupon securities for some of its longer term maturities. As of June 30, 2013, \$12,000,000 of the County’s \$23,681,418 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, 2013.

*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, 2013, 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, 2013. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended.

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

*Concentration of Credit Risk.* The County places no limit on the amount that may be invested in any one issuer. Five percent (5%) or more of the County's investments are in commercial paper issued by Dealers Capital (13.4%), FCAR II (13.4%), FCAR I (11.3%), Deutsche Bank Financing (6.7%), ING Funding (6.7%) and bonds issued by the Federal Farm Credit Bank (13.4%), Federal National Mortgage Association (13.4%), Federal Home Loan Bank (10.0%) and Federal Home Loan Mortgage Corporation (5.0%).

**Other Post-Employment Benefits Trust**

At June 30, 2013, the Healthcare Plan had \$10,583,511 invested in a Local Government Other Post-Employment Benefits (OPEB) Trust established pursuant to G.S. 159-30.1. The OPEB Trust is deposited with the State Treasurer and may be invested in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the OPEB Trust was invested as follows: State Treasurer's Short Term Investment Fund (STIF), 23.0%; State Treasurer's Long Term Investment Fund (LTIF), 8.8%; and, BlackRock's Global Ex-US Alpha Tilts Fund B and BlackRock's Russell 3000 Alpha Tilts Fund B 68.2% (the equities were split with 77% in domestic securities and 23% in international securities). The Blackrock Global Ex-US Alpha Tilts Fund B is priced at \$17.8953 per share and the Blackrock Russell 3000 Alpha Tilts Fund B is priced at \$38.4784 per share at June 30, 2013.

*Interest Rate Risk:* The County does not have a formal investment interest rate policy that manages its exposure to fair value losses arising from increasing interest rates for the Healthcare Plan Fund. The State Treasurer's Short Term Investment Fund (STIF) is unrated and had a weighted average maturity of 1.6 years at June 30, 2013. The State Treasurer's Long Term Investment Fund (LTIF) is unrated and had a weighted average maturity of 15.9 years at June 30, 2013.

*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.

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

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

<b>Year Levied</b>	<b>Tax</b>	<b>Interest</b>	<b>Total</b>
2010	\$ 2,297,761	752,517	3,050,278
2011	2,297,761	545,718	2,843,479
2012	2,297,761	338,920	2,636,681
2013	2,297,761	132,121	2,429,882
<b>Totals</b>	<b>\$ 9,191,044</b>	<b>1,769,276</b>	<b>10,960,320</b>

#### d. Receivables

Receivables at June 30, 2013 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	\$ 8,410,317	(4,549,421)	3,860,896
Nonmajor governmental funds	183,376	(90,513)	92,863
Occupancy taxes			
General fund	47,820	-	47,820
Other taxes			
General fund	39,531	-	39,531
Accounts			
General fund	29,709,870	(22,503,797)	7,206,073
Nonmajor governmental funds	29,199	-	29,199
Accrued interest			
General fund	33,994	-	33,994
Nonmajor governmental funds	2,416	-	2,416
<b>Total receivables</b>	<b>\$38,456,523</b>	<b>(27,143,731)</b>	<b>11,312,792</b>

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

At June 30, 2013, the various components of *unavailable* and *unearned revenue* were as follows:

Description	Unavailable Revenue	Unearned Revenue
Delinquent property taxes receivable		
General fund	\$ 3,860,896	-
Nonmajor governmental funds	92,863	-
Intergovernmental and private grants		
General fund	-	1,071,761
Nonmajor governmental funds	-	180,854
Fees and other revenue – General fund	4,170,969	312,784
Investment earnings – General fund	8,257	-
<b>Total unavailable / unearned revenue for governmental funds</b>	<b>\$ 8,132,985</b>	<b>1,565,399</b>

**e. Capital Assets**

Capital asset activity for the year ended June 30, 2013, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 12,888,256	--	--	12,888,256
Art collections	517,907	--	--	517,907
Construction-in-progress	20,406,047	10,100,751	(279,285)	30,227,513
Total capital assets not being depreciated	33,812,210	10,100,751	(279,285)	43,633,676
Capital assets being depreciated:				
Buildings	180,723,286	313,319	(61,200)	180,975,405
Improvements other than buildings	19,249,747	865,661	--	20,115,408
Equipment	36,401,847	1,549,200	(759,054)	37,191,993
Vehicles	15,323,100	1,051,660	(66,646)	16,308,114
Software	7,833,317	107,874	--	7,941,191
Total capital assets being depreciated	259,531,297	3,887,714	(886,900)	262,532,111
Less accumulated depreciation for:				
Buildings	72,854,546	4,524,655	(35,955)	77,343,246
Improvements other than buildings	8,714,221	777,069	--	9,491,290
Equipment	29,991,510	1,983,962	(498,933)	31,476,539
Vehicles	11,216,949	1,590,202	(47,231)	12,759,920
Software	7,673,370	104,256	--	7,777,626
Total accumulated depreciation	130,450,596	8,980,144	(582,119)	138,848,621
Total capital assets being depreciated, net	129,080,701	(5,371,715)	(304,781)	123,683,490
<b>Capital assets, net</b>	<b>\$162,892,911</b>	<b>5,008,321</b>	<b>(584,066)</b>	<b>167,317,166</b>

Depreciation expense charged to functions for the year ended June 30, 2013, was as follows:

Function	Depreciation Expense
General government	\$ 4,029,142
Public safety	2,772,452
Environmental protection	40,562
Human services	722,287
Culture and recreation	1,390,708
Community and economic development	5,587
Education	19,406
<b>Total</b>	<b>\$ 8,980,144</b>

### Construction Commitments

Active construction projects as of June 30, 2013 include: renovation of the Phillips Building for Sheriff administrative offices and minimum security inmate housing and continued development of Triad Park. At June 30, 2013, commitments with contractors on these projects are as follows:

<b>Project</b>	<b>Spent-to-Date</b>	<b>Remaining Commitment</b>
Phillips Building renovation	\$ 25,746,730	1,927,863
Triad Park development	80,938	93,388
<b>Totals</b>	<b>\$ 25,827,668</b>	<b>2,021,251</b>

### f. 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. Sales tax paid on certain State Public School Building Capital Fund projects will be refunded by the State, so the cash and investment pool advances funds for these payments. At June 30, 2013, interfund receivables and payables are as follows:

<b>Payable Fund</b>	<b>Receivable Fund - General Fund</b>
Nonmajor governmental funds:	
2010 Housing Fund – advance from cash and investment pool	\$ 2,631
2009 Justice Assistance Fund – advance from cash and investment pool	54
<b>Total</b>	<b>\$ 2,685</b>

The following is a summary of interfund transfers for the year ended June 30, 2013:

<b>Transfers out:</b>	<b>Transfers in:</b>		
	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
General Fund	\$ --	4,275,955	4,275,955
2007 Schools Facilities	--	1,735,000	1,735,000
Nonmajor governmental funds	7,095,195	606,456	7,701,651
<b>Totals</b>	<b>\$ 7,095,195</b>	<b>6,617,411</b>	<b>13,712,606</b>

The General Fund transferred \$3,088,000 to the 2013 Pay-Go fund, \$1,162,200 to the 2012 Motive Equipment fund and \$25,755 to the 2013 Housing grant project fund to provide local matching funds for a grant. The 2007 Schools Fund transferred \$1,735,000 to the 2012 Winston-Salem/Forsyth County Schools Capital Maintenance fund for ongoing schools maintenance projects.

Transfers of \$7,095,195 to the General Fund from nonmajor governmental funds were for debt service, including \$4,500,161 in lottery proceeds from the Public School Building Capital fund. Other transfers to the General Fund from nonmajor governmental funds included \$1,180,749 residual equity from the 2007 Forsyth Technical Community College fund which was closed during the year; \$1,383,947 from the Fire Tax Districts special revenue fund to support the County fire department; and \$30,338 from the Law Enforcement Equitable Distribution special revenue fund for law enforcement programs. Residual equity transfers of \$378,123 and \$228,333 were made from the 2008 Pay-Go fund and 2010 Pay-Go fund, respectively, to the 2013 Pay-Go fund.

**g. Payables**

Payables at June 30, 2013, were as follows:

Description	General Fund	2009 Phillips Building (Phase 1A and 1B) Fund	Nonmajor Governmental Funds	Total
Vendors	\$ 3,797,190	304,555	435,804	4,537,549
Salaries and benefits	1,630,292	--	--	1,630,292
<b>Totals</b>	<b>\$ 5,427,482</b>	<b>304,555</b>	<b>435,804</b>	<b>6,167,841</b>

**h. Leases**

*Operating Leases* The County leases buildings, office facilities, and equipment under non-cancelable operating leases. Total costs for such leases were \$1,135,683 for the year ended June 30, 2013. 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
2014	\$ 817,920
2015	719,963
2016	240,727
2017	60,545
2018	62,790
2019 – 2023	342,956
2024 – 2028	397,065
2029 – 2033	439,737
2034	10,114
<b>Total minimum lease payments</b>	<b>\$ 3,091,817</b>

The total rental expenditures for all operating leases were \$1,525,348 for the year ended June 30, 2013.

**i. Long-term obligations**

**Long-term obligation activity**

Changes in long-term obligations during the year ended June 30, 2013, were as follows:

	Restated Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
<b>Governmental activities:</b>					
Compensated absences	\$ 7,436,460	8,401,018	8,366,013	7,471,465	4,876,095
General obligation bonds	499,600,000	53,840,000	70,380,000	483,060,000	35,125,000
Unamortized premiums	18,090,727	9,607,694	3,917,367	23,781,054	--
Installment purchase obligations	2,835,543	--	693,894	2,141,649	751,484
Certificates of participation and limited obligation bonds	83,830,000	--	6,220,000	77,610,000	5,735,000
Unamortized premiums	4,577,478	--	530,772	4,046,706	--
Net OPEB obligation	9,386,825	5,861,805	4,830,186	10,418,444	--
Claims and judgments	3,887,868	18,793,868	19,156,369	3,525,367	2,860,101
<b>Total general long-term obligations</b>	<b>\$ 629,644,901</b>	<b>96,504,385</b>	<b>114,094,601</b>	<b>612,054,685</b>	<b>49,347,680</b>

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, 2013, the County had no liability for arbitrage.

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

On January 8, 2013, the County issued \$13,750,000 general obligation public improvement bonds, Series 2013 for the maintenance and repair of school and community college facilities, as well as various County maintenance and improvement projects. Interest rates range from 2.0 to 4.0 percent, with a final maturity of May 1, 2032. On January 9, 2013, the County issued \$5,000,000 general obligation educational facilities bonds, Series 2013 for the renovation and equipping of community college facilities. Interest rates range from 2.0 to 2.5 percent, with a final maturity of May 1, 2032.

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 \$1,345,855 in such federal subsidy during the year ended June 30, 2013. Due to the federal sequestration that took effect March 1, 2013, the County expects a slight reduction in the amount of subsidy payments received in the following fiscal year. The County now expects to receive \$22,049,439 in such subsidies over the life of the bonds, a \$106,995 reduction from previous estimates. 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 \$1,270,081, or 96.5% of the interest paid on the 2010D Bonds, in such federal subsidy during the year ended June 30, 2013. Due to the federal sequestration that took effect March 1, 2013, the County expects a slight reduction in the amount of subsidy payments received in the following fiscal year. The County now expects to receive \$20,125,059 in such subsidies over the life of the bonds, an \$100,971 reduction from previous estimates. Such cash subsidy payments are not pledged to the repayment of the 2010C or 2010D Bonds, but are expected to be a source of payment of debt service on the bonds. Such cash subsidy payments do not constitute a full faith and credit guarantee of the federal government, but are required to be paid by the United States Treasury under the Recovery Act. If such cash subsidy payments from the United States Treasury are reduced or eliminated as a result of the change in the law, the 2010C and 2010D Bonds are subject to extraordinary optional redemption.

On January 9, 2013, the County issued \$35,090,000 general obligation refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of \$7,185,000 general obligation public improvement bonds, Series 2006, \$16,000,000 general obligation School bonds, Series 2006, \$4,500,000 general obligation Community College bonds, Series 2007, and \$10,500,000 general obligation School bonds, Series 2007. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$5,377,043. This amount is being netted against the new debt and amortized over the life of the new debt, which is the same as the life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 14 years by \$3,087,269 and resulted in an economic gain of \$2,663,881.

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, 2013, \$56,985,000 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, 2013, the rate of interest for both issues was 0.06%.

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, 2013, the rate of interest was 0.06%.

A summary of outstanding general obligation bonds follows:

Purpose of Issue	Date of Issue	Effective Interest Rate	Amount Issued	Principal Outstanding June 30, 2013
<u>Governmental Activities</u>				
School Building	06-24-04	Var Rate %	\$ 15,000,000	11,000,000
	06-24-04	Var Rate	15,000,000	11,000,000
	02-21-06	4.0735	22,500,000	2,900,000
	04-19-07	3.9543	30,000,000	7,050,000
	04-19-07	Var Rate	30,000,000	25,750,000
	09-17-08	4.1701	80,000,000	62,400,000
	09-02-10	4.9860	26,405,000	26,405,000
	01-09-13	2.4014	5,000,000	5,000,000
Community College	04-01-07	3.9543	12,500,000	2,900,000
Educational Facilities	06-23-09	3.7687	36,250,000	32,950,000
Public Improvement	02-21-06	4.0735	10,185,000	1,200,000
	09-16-08	4.1175	11,120,000	9,720,000
	09-01-10	2.0350	14,225,000	11,375,000
	09-02-10	2.0350	36,615,000	27,465,000
	09-02-10	3.1682	80,380,000	80,380,000
Refunding	01-08-13	2.2334	13,750,000	13,750,000
	09-01-03	4.1925	8,785,000	690,000
	02-01-04	3.0633	30,855,000	8,860,000
	09-17-08	2.8798	28,885,000	16,665,000
	09-16-09	2.5103	42,870,000	40,595,000
	09-02-10	2.0350	50,295,000	49,915,000
	01-09-13	1.7692	35,090,000	35,090,000
<b>Totals</b>			<b>\$635,710,000</b>	<b>483,060,000</b>

Of the \$303,315,000 public improvement bonds issued, \$45,080,000 funded County facilities and capital projects, \$236,358,000 funded School facilities, and \$21,877,000 funded Community College facilities.

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

June 30	Principal	Interest	Total
2014	\$ 35,125,000	19,475,626	54,600,626
2015	32,555,000	18,168,676	50,723,676
2016	31,375,000	17,093,936	48,468,936
2017	30,700,000	15,815,602	46,515,602
2018	29,450,000	14,655,924	44,105,924
2019 - 2023	145,095,000	55,818,823	200,913,823
2024 - 2028	140,285,000	27,379,277	167,664,277
2029 - 2032	38,475,000	2,565,110	41,040,110
<b>Totals</b>	<b>\$ 483,060,000</b>	<b>170,972,974</b>	<b>654,032,974</b>

There are \$90,860,000 in authorized but unissued general obligation bonds at June 30, 2013.

*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, 2013, there were four series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$25,200,000.

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

<b>Purpose of Issue</b>	<b>Principal Outstanding June 30, 2013</b>
<b>Governmental Activities</b>	
Issued May 31, 2012 to finance County facility renovation and construction; interest varies from 2.00% to 5.00%	\$ 16,290,000
Issued December 22, 2009 to finance County facility renovation and construction; interest varies from 3.00% to 5.00%	12,750,000
Issued August 9, 2005 to finance renovation of an elementary school and a middle school; interest varies from 4.00% to 5.00%	8,450,000
Issued May 5, 2005 to advance refund portions of three previous issues; interest varies from 3.50% to 5.00%	40,120,000
<b>Total</b>	<b>\$ 77,610,000</b>

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

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2014	\$ 5,735,000	3,530,088	9,265,088
2015	5,910,000	3,272,787	9,182,787
2016	6,100,000	3,010,988	9,110,988
2017	6,300,000	2,732,938	9,032,938
2018	6,510,000	2,442,988	8,952,988
2019 - 2023	31,715,000	7,813,788	39,528,788
2024 - 2028	9,775,000	2,748,750	12,523,750
2029 - 2033	5,565,000	721,500	6,286,500
<b>Total</b>	<b>\$ 77,610,000</b>	<b>26,273,825</b>	<b>103,883,825</b>

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

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

Purpose of Issue	Date of Issue	Interest Rate	Amount Issued	Principal Outstanding June 30, 2013
<u>Governmental Activities</u>				
Computer equipment and software	01-06-09	4.49 %	\$ 276,000	60,288
	06-01-09	3.91	750,000	162,052
	07-01-11	2.82	2,400,000	1,919,309
<b>Totals</b>			<b>\$ 3,426,000</b>	<b>2,141,649</b>

Annual maturities are as follows:

Year Ending June 30	Principal	Interest	Total
2014	\$ 751,484	56,850	808,334
2015	544,170	35,393	579,563
2016	845,995	23,349	869,344
<b>Total</b>	<b>\$ 2,141,649</b>	<b>115,592</b>	<b>2,257,241</b>

As of June 30, 2013, the County's legal debt limit was \$2,749,014,057, computed at 8% of the total appraised property valuation of \$34,362,675,716. With \$506,841,054 in County, School, and Community College bonds outstanding at June 30, 2013 and \$83,798,355 committed under certificates of participation, limited obligation bonds and installment purchases, the County could issue additional bonds up to \$2,158,374,648 if authorized.

**j. Fund Balances**

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

	General Fund	2007 School Facilities	2009 Educational Facilities	2009 Phillips Building (Phases 1A and 1B)	Nonmajor Governmental Funds	Total Governmental Funds
Restricted by state statute	\$ 24,012,550	577,707	5,820	495,563	779,553	25,871,193
Encumbrances	3,942,753	--	--	2,411,405	407,973	6,762,131
Less: Prepaid items	(251,658)	--	--	--	--	(251,658)
<b>Totals</b>	<b>\$ 27,703,645</b>	<b>577,707</b>	<b>5,820</b>	<b>2,906,968</b>	<b>1,187,526</b>	<b>32,381,666</b>

*Restricted for Other.* The amounts reported in the general fund balance sheet identified as Restricted for Other is comprised of \$22,791 for soil and water conservation activities, \$5,623 for library expenditures and \$4,684 for social services purposes.

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

<b>Total fund balance – General Fund</b>	<b>\$ 143,510,032</b>
Less:	
Nonspendable	251,658
Restricted	28,735,140
Committed	36,573,358
Assigned	13,978,806
<b>Minimum fund balance reserve</b>	<b>\$ 63,971,070</b>

*Subsequent Years Budget Appropriation.* The following schedule provides information on the portion of restricted and committed fund balance that has been appropriated in the budget for the fiscal year ending June 30, 2014:

	<b>Subsequent Year's Budget Appropriation</b>	<b>Unappropriated Fund Balance</b>	<b>Total</b>
Restricted for:			
Register of Deeds	\$ 200,000	798,397	998,397
Committed for:			
Education Debt Leveling Plan	4,350,404	28,260,582	32,610,986

## 5. Other Information

### a. Pension Costs

#### North Carolina Local Governmental Employees' Retirement System

*Plan Description.* Forsyth County contributes to 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. 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.ncosc.net](http://www.ncosc.net) or by calling (919) 981-5454.

*Funding Policy.* 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 6.74% and 6.77%, respectively, of annual covered payroll. The contribution requirements of members and of Forsyth County are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2013, 2012, and 2011 were \$5,505,610, \$5,626,500, and \$5,312,862, respectively. The contributions made by the County equaled the required contributions for each year.

#### 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. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Separation Allowance is reported in the County's report as a pension trust fund, and no stand-alone financial report is issued for the plan.

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

At December 31, 2012, the Separation Allowance's membership consisted of:

Retirees currently receiving benefits	44
Active plan members	218
<b>Total</b>	<b>262</b>

#### Summary of Significant Accounting Policies

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

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

*Funding Policy.* The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the current year, the County contributed \$703,270, or 7.19% of annual covered payroll. There were no contributions made by employees.

The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

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

Annual required contribution	\$ 644,775
Interest on net pension obligation	(12,740)
Adjustment to annual required contribution	22,350
Annual pension cost	654,385
Contributions made	(703,270)
Increase in net pension asset	(48,885)
Net pension asset, beginning of year	(424,658)
<b>Net pension asset, end of year</b>	<b>\$ (473,543)</b>

The annual required contribution for the fiscal year ended June 30, 2013 was determined as part of the December 31, 2011 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 unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2011 was 19 years.

**Three-Year Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension (Asset) Obligation
6/30/2011	\$ 568,139	112.08%	\$(354,299)
6/30/2012	549,286	112.81%	(424,658)
6/30/2013	654,385	107.47%	(473,543)

*Funded Status and Funding Progress.* As of December 31, 2012, the most recent actuarial valuation date, the plan was 2.50% funded. The actuarial accrued liability for benefits was \$6,863,867, and the actuarial value of assets was \$171,585, resulting in an unfunded actuarial accrued liability (UAAL) of \$6,692,282. The covered payroll (annual payroll of active employees covered by the plan) was \$9,775,803, and the ratio of the UAAL to the covered payroll was 68.46%. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The following are financial statements for the Law Enforcement Officers' Special Separation Allowance Trust Fund included in Exhibits 9 and 10 of the Basic Financial Statements at June 30, 2013.

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

June 30, 2013

**ASSETS**

Cash and cash equivalents / investments	\$ 260,239
Accrued interest receivable	<u>86</u>
Total assets	<u>260,325</u>

**LIABILITIES**

Due to other governments	<u>5,990</u>
Total liabilities	<u>5,990</u>

**NET POSITION**

Held in trust for pension benefits	\$ <u>254,335</u>
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## LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE TRUST FUND

### STATEMENT OF CHANGES IN NET POSITION

For the Fiscal Year Ended June 30, 2013

#### ADDITIONS

Employer contributions	\$	703,270
Net investment income		<u>540</u>
Total additions		703,810

#### DEDUCTIONS

Benefits		<u>618,569</u>
Change in net position		85,241
Net position – beginning		<u>169,094</u>
Net position – ending	\$	<u>254,335</u>

#### Supplemental Retirement Income Plan for Law Enforcement Officers

*Plan Description.* The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust 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.ncosc.net](http://www.ncosc.net) 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, 2013 were \$494,129, exclusive of voluntary employee contributions.

#### Register of Deeds' Supplemental Pension Fund

*Plan Description.* The County contributes to the Register of Deeds' Supplemental Pension Fund (Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund 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. 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.ncosc.net](http://www.ncosc.net) or by calling (919) 981-5454.

*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 G.S. Chapter 161. Immediately following January 1 of each year, the Department of State Treasurer divides 93% of the amount in the Fund 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, 2013, the County's required and actual contributions were \$35,611.

#### b. 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 68.3% and 87.6% 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, 2012, the date of the latest actuarial valuation:

Retirees currently receiving benefits	820
Active plan members:	
General employees	1,847
Law enforcement officers	218
<b>Total</b>	<b>2,885</b>

*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 \$14,000 and \$9,120, respectively, for fiscal year 2013. The monthly cost of healthcare benefits is shared by the County and covered retirees, respectively, as follows: retiree-only coverage, \$600 and \$85; retiree and one dependent, \$747 and \$198; and retiree and more than one dependent, \$1,044 and \$485. For fiscal year 2013, the County contributed \$ 2,511,461 for healthcare benefits, and retiree Plan members contributed \$ 391,211. Additionally, the County contributed \$1,600,000 to prefund benefits.

The current ARC rate is 6.65% of annual covered payroll. For the current year, the County contributed \$4,830,186 or 5.9% 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	\$5,779,512
Interest on net OPEB obligation	563,210
Adjustment to annual required contribution	480,917
Annual OPEB cost (expense)	5,861,805
Contributions made	(4,830,186)
Increase in net OPEB obligation	1,031,619
Net OPEB obligation, beginning of year	9,386,825
<b>Net OPEB obligation, end of year</b>	<b>\$10,418,444</b>

The annual required contribution for the fiscal year ended June 30, 2013 was determined as part of the December 31, 2010 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 10.5% 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, 2010 was 29 years.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the preceding three years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	\$ 6,345,621	59.7%	\$ 8,939,062
6/30/2011	5,848,799	86.8%	9,711,026
6/30/2012	5,644,091	105.7%	9,386,825
6/30/2013	5,861,805	82.4%	10,418,444

*Funded Status and Funding Progress.* As of December 31, 2012, the most recent actuarial valuation date, the plan was 15.6% funded. The actuarial accrued liability for benefits was \$63,379,261, and the actuarial value of assets was \$9,915,644, resulting in an unfunded actuarial accrued liability (UAAL) of \$53,463,617. The covered payroll (annual payroll of active employees covered by the plan) was \$81,541,641, and the ratio of the UAAL to the covered payroll was 65.6%.

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

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

The following are financial statements for the Other Post-Employment Benefit Trust Fund included in Exhibits 9 and 10 of the Basic Financial Statements at June 30, 2013.

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

June 30, 2013

**ASSETS**

Cash and investments held by fiscal agent \$ 10,583,511

**NET POSITION**

Held in trust for other post-employment benefits \$ 10,583,511

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

For the Fiscal Year Ended June 30, 2013

**ADDITIONS**

Contributions:

Employer \$ 4,134,581

Plan members 391,211

Total contributions 4,525,792

Net investment income 1,172,475

Total additions 5,698,267

**DEDUCTIONS**

Benefits 2,925,792

Change in net position 2,772,475

Net position – beginning 7,811,036

Net position – ending \$ 10,583,511

**c. 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 \$600,000 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. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The County carries commercial flood insurance with maximum coverage of \$10,000,000 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 \$ 1,609,423 at June 30, 2013. It is reported in the Statement of Net Position as a long-term liability, and \$944,157 is considered due within one year.

The County’s actuarially determined claims liability for employee, dependent, and retiree health care costs is \$ 1,915,944 at June 30, 2013. 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.

Fiscal year 2013 was the fifth year of the County’s risk retention program for employee, dependent, and retiree health care costs, and premiums were established 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 \$5,697,683 in the Employee Health Benefits Fund are designated for these purposes.

Changes in the claims liability amount in fiscal 2011 through fiscal 2013 were as follows:

	<b>Beginning Balance</b>	<b>Current-Year Claims and Changes in Estimates</b>	<b>Claims Payments</b>	<b>Ending Balance</b>
2010-2011	\$3,325,812	19,991,353	(19,682,687)	3,634,478
2011-2012	3,634,478	21,648,955	(21,395,565)	3,887,868
2012-2013	3,887,868	18,793,868	(19,156,369)	3,525,367

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.

**d. 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, 2013.

**e. 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 2013, 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.

**f. 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 \$8,122,096 and \$4,805,491 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2013. In addition, the County made debt service payments of \$ 4,220,734 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, 2013. 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 \$6,742,601 for CenterPoint operations for the fiscal year ended June 30, 2013. Additionally, the County provided services to CenterPoint during the year for which it invoiced \$1,926,095, of which \$182,406 was outstanding at year-end. The participating governments do not have an equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2013. Complete financial statements for CenterPoint may be obtained from its administrative offices at 4045 University Parkway, Winston-Salem, North Carolina, 27106.

In conjunction with the City of Winston-Salem and the Greater Winston-Salem Chamber of Commerce, Inc., the County takes part in a joint venture to operate the Forsyth County Tourism Development Authority, which was established pursuant to state statute for the purpose of furthering the development of travel, tourism, and conventions in the County. The Authority board is comprised of nine members of which the County and the City of Winston-Salem each appoint four, and the Chamber appoints one. The Authority receives approximately 61.0% of room occupancy taxes which are levied and collected by the County. For the year ended June 30, 2013, occupancy taxes totaling \$2,480,515 were distributed to the Authority. The County also provided \$15,610 in financial services to the Authority during fiscal year 2013. 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, 2013. 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.

**g. 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 \$73,641 to the Council during the fiscal year ended June 30, 2013.

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, 2013.

**h. Change in Accounting Principles**

Effective July 1, 2012, the County adopted the provisions of Governmental Accounting Standards Board (“GASB”) Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (Statement No. 63). This implementation required the County to present a Statement of Net Position, replacing previously presented Statement of Net Assets, in the County’s basic financial statements. The County’s implementation also required the Statement of Net Position to present deferred outflows and inflows of resources in separate sections following total assets and total liabilities sections, respectively.

Effective July 1, 2012, the County adopted the provisions of GASB Statement 65, *Items Previously Reported as Assets and Liabilities* (Statement No. 65). The provisions of Statement No. 65 relevant to the County related to changes in the accounting and reporting of bonded debt activities. Specifically, bond issuance costs incurred are recorded as current period expenditures as opposed to being deferred and amortized over the maturity period of the debt. Statement 65 also requires that deferred charges (credits) resulting from the refunding of debt be presented as a deferred outflows (inflows) of resources and not as assets or liabilities. As the provisions of Statement No. 65 were effective July 1, 2012, net position as of that date has been adjusted as follows:

	<b>Governmental Activities</b>
Net position, as previously reported	\$ (225,526,009)
Adjustments:	
Debt issuance costs	(3,686,726)
<b>Net Position, as adjusted</b>	<b>\$ (229,212,735)</b>

# Required Supplementary Schedules

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

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

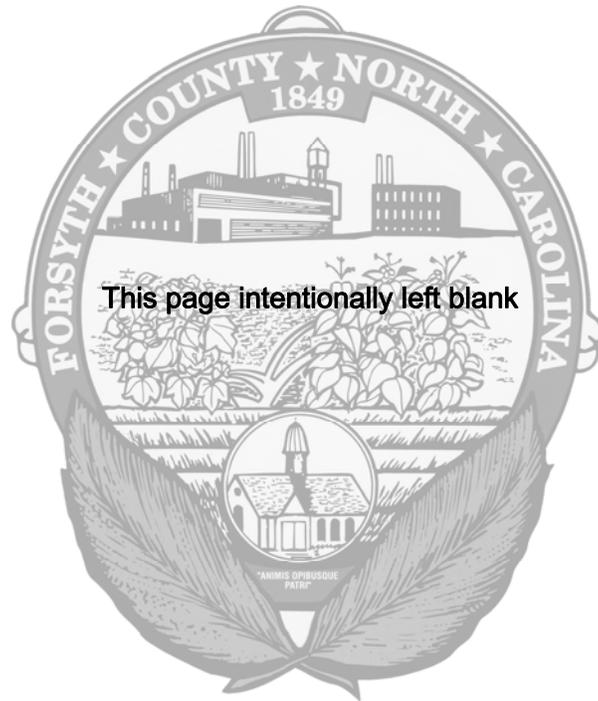
**Law Enforcement Officers' Special Separation Allowance – Schedule of Employer Contributions**

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

**Healthcare Plan – Schedule of Funding Progress**

**Healthcare Plan – Schedule of Employer Contributions**

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



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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)		Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2004	\$ 1,048,797	\$ 4,783,417	\$ 3,734,620	21.93 %	\$ 8,498,129	43.95 %	
12/31/2005	924,989	4,438,017	3,513,028	20.84	9,092,712	38.64	
12/31/2006	742,951	4,414,409	3,671,458	16.83	8,980,782	40.88	
12/31/2007	494,627	4,942,272	4,447,645	10.01	9,481,989	46.91	
12/31/2008	263,693	5,101,499	4,837,806	5.17	9,585,542	50.47	
12/31/2009	65,952	6,215,412	6,149,460	1.06	10,007,668	61.45	
12/31/2010	43,969	5,644,750	5,600,781	0.78	9,905,749	56.54	
12/31/2011	117,087	6,796,585	6,679,498	1.72	10,141,205	65.86	
12/31/2012	171,585	6,863,867	6,692,282	2.50	9,775,803	68.46	

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

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2005	\$ 347,907	106.21 %
2006	386,989	104.93
2007	365,576	97.74
2008	379,512	104.65
2009	436,202	102.46
2010	474,990	123.16
2011	567,128	112.28
2012	545,865	113.52
2013	644,775	109.07

**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	12/31/2012
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	18 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	3.0%
Projected salary increases*	4.25% to 7.85%
*Includes inflation at	3.0%
Cost-of-living adjustments	None

**HEALTHCARE PLAN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
 FORSYTH COUNTY, NORTH CAROLINA

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

**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

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	12/31/2012
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, closed
Remaining amortization period	27 years
Asset valuation method	Market value of Assets
Actuarial assumptions:	
Investment rate of return*	6.00%
Medical cost trend rate	8.50% - 5.00%
Year of ultimate trend rate	2018
*Includes inflation at	3.00%

# Major Governmental Funds

## Budgetary Comparison Schedules

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### General Fund

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

### Major Capital Projects Fund

**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.

**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.

**GENERAL FUND**

**A-1**

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2013

Page 1 of 3

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes:				
Property:				
Current year	\$ 224,226,841	224,226,841	228,111,855	3,885,014
Prior years	3,200,000	3,200,000	4,431,919	1,231,919
Interest and fees	850,000	850,000	993,839	143,839
Total property	<u>228,276,841</u>	<u>228,276,841</u>	<u>233,537,613</u>	<u>5,260,772</u>
Occupancy taxes	<u>485,000</u>	<u>485,000</u>	<u>558,116</u>	<u>73,116</u>
Local option sales:				
Article 39 one cent	25,481,490	25,481,490	24,571,192	(910,298)
Article 40 one-half cent	12,475,788	12,475,788	12,623,021	147,233
Article 42 one-half cent	14,543,511	14,543,511	14,306,175	(237,336)
Article 44 one-half cent	-	-	8,404	8,404
Total sales	<u>52,500,789</u>	<u>52,500,789</u>	<u>51,508,792</u>	<u>(991,997)</u>
Other taxes	<u>260,950</u>	<u>260,950</u>	<u>314,099</u>	<u>53,149</u>
Total taxes	<u>281,523,580</u>	<u>281,523,580</u>	<u>285,918,620</u>	<u>4,395,040</u>
Licenses and permits	774,270	774,270	867,200	92,930
Intergovernmental	52,930,206	55,294,153	51,166,575	(4,127,578)
Charges for services	25,598,856	25,578,856	24,936,829	(642,027)
Investment earnings	525,000	525,574	106,525	(419,049)
Other	<u>9,597,345</u>	<u>9,709,737</u>	<u>8,972,682</u>	<u>(737,055)</u>
Total revenues	<u>370,949,257</u>	<u>373,406,170</u>	<u>371,968,431</u>	<u>(1,437,739)</u>
<b>Expenditures:</b>				
Current:				
General government:				
Budget and management	485,501	493,597	444,692	48,905
Management information services	8,341,532	8,448,622	7,592,887	855,735
Finance	2,167,657	2,287,549	2,087,521	200,028
General services	12,872,855	12,054,148	10,966,729	1,087,419
Human resources	1,078,856	1,175,099	1,107,736	67,363
Planning	1,528,210	1,450,210	1,369,469	80,741
Purchasing	147,140	159,140	150,314	8,826
Attorney	1,288,380	1,307,381	1,231,739	75,642
Board of elections	1,160,553	1,427,796	1,309,673	118,123
County commissioners and manager	1,056,054	1,127,531	1,069,637	57,894
Register of deeds	1,333,575	1,459,634	1,389,595	70,039
Tax administration	5,520,290	8,837,168	5,848,160	2,989,008
Non-departmental:				
Contingency	762,575	352,756	-	352,756
County-wide salary savings	(3,500,000)	(3,500,000)	-	(3,500,000)
Other services and adjustments	3,361,874	1,773,617	1,361,121	412,496
Merit adjustment	566,900	566,900	-	566,900
Prior year encumbrances	1,800,000	62,015	-	62,015
Special appropriations	<u>9,558</u>	<u>102,154</u>	<u>102,154</u>	<u>-</u>
Total general government	<u>39,981,510</u>	<u>39,585,317</u>	<u>36,031,427</u>	<u>3,553,890</u>

**GENERAL FUND**

**A-1**

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2013

Page 2 of 3

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
Public safety:				
Animal control	\$ 1,948,112	1,945,345	1,783,208	162,137
Emergency management	360,810	464,805	259,304	205,501
Interagency communications	1,421,850	1,438,050	1,216,858	221,192
Sheriff	41,040,054	42,169,993	38,648,691	3,521,302
Emergency services	16,545,075	16,662,541	15,421,343	1,241,198
Court services	473,272	673,699	524,232	149,467
Medical examiner	190,000	190,000	140,200	49,800
Youth center	1,374,685	1,496,588	1,269,349	227,239
Nondepartmental other services and adjustments	1,281,102	1,293,580	1,257,160	36,420
<b>Total public safety</b>	<b>64,634,960</b>	<b>66,334,601</b>	<b>60,520,345</b>	<b>5,814,256</b>
Environmental protection:				
NC cooperative extension service - conservation of natural resources	172,806	180,607	146,745	33,862
Environmental assistance and protection	2,213,592	2,159,350	1,975,340	184,010
Inspections	296,930	423,080	324,770	98,310
Nondepartmental other services and adjustments	30,955	31,256	30,340	916
<b>Total environmental protection</b>	<b>2,714,283</b>	<b>2,794,293</b>	<b>2,477,195</b>	<b>317,098</b>
Human services:				
Public health	23,209,434	23,590,073	19,570,595	4,019,478
Social services	49,517,956	51,897,445	48,917,580	2,979,865
Special appropriations	1,400,025	1,581,189	1,329,365	251,824
Nondepartmental other services and adjustments	802,015	809,827	790,409	19,418
<b>Total human services</b>	<b>74,929,430</b>	<b>77,878,534</b>	<b>70,607,949</b>	<b>7,270,585</b>
Culture and recreation:				
Library	7,297,201	7,541,926	7,170,373	371,553
Parks and recreation	7,895,497	7,685,193	6,945,861	739,332
Special appropriations	180,336	180,336	180,336	-
Nondepartmental other services and adjustments	194,827	196,725	192,202	4,523
<b>Total culture and recreation</b>	<b>15,567,861</b>	<b>15,604,180</b>	<b>14,488,772</b>	<b>1,115,408</b>
Community and economic development:				
Economic development	1,909,291	2,369,196	2,009,560	359,636
Housing	407,461	423,698	361,141	62,557
<b>Total community and economic development</b>	<b>2,316,752</b>	<b>2,792,894</b>	<b>2,370,701</b>	<b>422,193</b>
Education:				
NC cooperative extension service	640,351	698,626	633,240	65,386
Special appropriations	21,375	21,375	21,375	-
Nondepartmental other services and adjustments	44,892	45,329	43,768	1,561
<b>Total education</b>	<b>706,618</b>	<b>765,330</b>	<b>698,383</b>	<b>66,947</b>
Intergovernmental:				
Human services - CenterPoint Human Services	6,258,706	7,059,346	6,742,601	316,745
Education:				
Forsyth Technical Community College:				
Current expense	8,051,904	8,123,096	8,122,096	1,000
Capital outlay	452,000	452,000	452,000	-
<b>Total Forsyth Technical Community College</b>	<b>8,503,904</b>	<b>8,575,096</b>	<b>8,574,096</b>	<b>1,000</b>

**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, 2013

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
Winston-Salem/Forsyth County Schools:				
Instructional programs	\$ 71,395,490	71,395,490	71,395,490	-
Support services	35,983,561	35,983,561	35,983,561	-
Community services	178,078	178,078	178,078	-
Charter schools	3,790,466	3,790,466	3,790,466	-
Capital outlay	1,326,475	3,061,475	3,061,475	-
Total Winston-Salem/Forsyth County Schools	<u>112,674,070</u>	<u>114,409,070</u>	<u>114,409,070</u>	<u>-</u>
Total intergovernmental education	<u>121,177,974</u>	<u>122,984,166</u>	<u>122,983,166</u>	<u>1,000</u>
Debt service:				
General obligation bonds:				
Principal	32,195,000	32,195,000	32,195,000	-
Interest and other charges	21,165,457	21,307,451	20,092,549	1,214,902
Limited obligation bonds, installment purchases and certificates of participation:				
Principal	6,902,637	6,902,637	6,902,635	2
Interest and other charges	3,798,383	3,798,383	3,747,020	51,363
Total debt service	<u>64,061,477</u>	<u>64,203,471</u>	<u>62,937,204</u>	<u>1,266,267</u>
Total expenditures	<u>392,349,571</u>	<u>400,002,132</u>	<u>379,857,743</u>	<u>20,144,389</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(21,400,314)</u>	<u>(26,595,962)</u>	<u>(7,889,312)</u>	<u>18,706,650</u>
<b>Other financing sources (uses):</b>				
Refunding bonds issuance	-	141,994	35,090,000	34,948,006
Premium on refunding bonds	-	-	8,795,717	8,795,717
Transfers in:				
Fire Tax Districts Fund	1,450,472	1,450,472	1,383,947	(66,525)
Law Enforcement Equitable Distribution Fund	447,640	447,640	30,338	(417,302)
State Public School Building Capital Fund	4,066,636	4,066,636	4,500,161	433,525
2007 Forsyth Technical Community College Fund	361,000	361,000	1,180,749	819,749
2007 School Facilities Fund	1,735,000	1,735,000	-	(1,735,000)
2008 Schools Fund	16,223	16,223	-	(16,223)
Total transfers in	<u>8,076,971</u>	<u>8,076,971</u>	<u>7,095,195</u>	<u>(981,776)</u>
Transfers out:				
2010 Schools Capital Maintenance Fund	(1,735,000)	-	-	-
2012 Motive Equipment Fund	-	(1,162,200)	(1,162,200)	-
2012 Pay-Go Fund	-	(3,088,000)	(3,088,000)	-
2013 Housing Fund	(25,755)	(25,755)	(25,755)	-
Total transfers out	<u>(1,760,755)</u>	<u>(4,275,955)</u>	<u>(4,275,955)</u>	<u>-</u>
Payment to refunded bond escrow agent	-	-	(43,562,043)	(43,562,043)
Total other financing sources (uses)	<u>6,316,216</u>	<u>3,943,010</u>	<u>3,142,914</u>	<u>(800,096)</u>
<b>Net change in fund balance</b>	<u>\$ (15,084,098)</u>	<u>(22,652,952)</u>	<u>(4,746,398)</u>	<u>17,906,554</u>
Fund balances - June 30, 2012			148,256,430	
<b>Fund balances - June 30, 2013</b>			<b>\$ 143,510,032</b>	

**2007 SCHOOL 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, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues:</b>				
Intergovernmental	\$ 199,774	199,774	-	199,774
Investment earnings	4,829,705	4,846,171	8,999	4,837,172
Total revenues	<u>5,029,479</u>	<u>5,045,945</u>	<u>8,999</u>	<u>5,036,946</u>
<b>Expenditures:</b>				
Current - intergovernmental - education	253,499,536	245,831,155	17,030,798	228,800,357
Debt service - interest and other charges	1,969,600	1,963,868	-	1,963,868
Total expenditures	<u>255,469,136</u>	<u>247,795,023</u>	<u>17,030,798</u>	<u>230,764,225</u>
<b>Deficiency of revenues over expenditures</b>	<u>(250,439,657)</u>	<u>(242,749,078)</u>	<u>(17,021,799)</u>	<u>(225,727,279)</u>
<b>Other financing sources (uses):</b>				
General obligation bonds issued	250,000,000	250,000,000	-	250,000,000
Premium on general obligation bonds	4,522,475	7,601,614	-	7,601,614
Transfers to General Fund	(900,000)	(900,000)	-	(900,000)
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>253,518,796</u>	<u>(1,735,000)</u>	<u>255,253,796</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>10,769,718</u>	<u>(18,756,799)</u>	<u>29,526,517</u>
Fund balance - June 30, 2012			<u>29,526,517</u>	
<b>Fund balance - June 30, 2013</b>			<u>\$ 10,769,718</u>	

**2009 EDUCATIONAL FACILITIES FUND**

A-3

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues - investment earnings</b>	\$ 300,000	117,082	6,051	111,031
<b>Expenditures:</b>				
Current - intergovernmental - education:				
School Career Center	26,150,745	26,140,097	775,706	25,364,391
School administrative offices	13,449,850	13,449,850	-	13,449,850
FTCC expansion	23,500,000	10,146,499	4,320,641	5,825,858
Technology projects	826,034	826,034	15,816	810,218
Unallocated	582,865	-	-	-
Debt service - interest and other charges	544,477	524,115	87,509	436,606
Total expenditures	<u>65,053,971</u>	<u>51,086,595</u>	<u>5,199,672</u>	<u>45,886,923</u>
<b>Deficiency of revenues over expenditures</b>	<u>(64,753,971)</u>	<u>(50,969,513)</u>	<u>(5,193,621)</u>	<u>(45,775,892)</u>
<b>Other financing sources:</b>				
General obligation bonds issued	62,150,000	62,150,000	5,000,000	57,150,000
Premium on general obligation bonds	2,603,971	2,787,983	88,267	2,699,716
Total other financing sources	<u>64,753,971</u>	<u>64,937,983</u>	<u>5,088,267</u>	<u>59,849,716</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>13,968,470</u>	<u>(105,354)</u>	<u>14,073,824</u>
Fund balance - June 30, 2012			<u>14,073,824</u>	
<b>Fund balance - June 30, 2013</b>			<u>\$ 13,968,470</u>	

**2009 PHILLIPS BUILDING (PHASES 1A AND 1B) 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, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues:</b>				
Other	\$ -	50,000	-	50,000
Investment earnings	-	29,092	4,133	24,959
Total revenues	<u>-</u>	<u>79,092</u>	<u>4,133</u>	<u>74,959</u>
<b>Expenditures:</b>				
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	5,096,848	319,018	4,777,830
Professional fees	10,000	10,000	-	10,000
Phase 1B:				
Current - debt service - interest and other charges	300,000	307,414	69,012	238,402
Capital outlay - public safety - renovation and rehabilitation of two floors and parking level	25,400,000	21,473,832	9,201,778	12,272,054
Total expenditures	<u>36,110,000</u>	<u>30,571,216</u>	<u>9,589,808</u>	<u>20,981,408</u>
<b>Deficiency of revenues over expenditures</b>	<u>(36,110,000)</u>	<u>(30,492,124)</u>	<u>(9,585,675)</u>	<u>(20,906,449)</u>
<b>Other financing sources:</b>				
Limited obligation bonds issued	36,110,000	31,290,000	-	31,290,000
Premium on limited obligation bonds	-	3,117,869	-	3,117,869
Total other financing sources	<u>36,110,000</u>	<u>34,407,869</u>	<u>-</u>	<u>34,407,869</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>3,915,745</u>	<u>(9,585,675)</u>	<u>13,501,420</u>
Fund balance - June 30, 2012			<u>13,501,420</u>	
<b>Fund balance - June 30, 2013</b>			<u>\$ <b>3,915,745</b></u>	

# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

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

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

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

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

**2009 Housing Fund** – This fund accounts for the use of state and federal grants initiated in fiscal year 2009 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.

**2010 Housing Fund** – This fund accounts for the use of state and federal grants initiated in fiscal year 2010 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.

**2009 Recovery Act Justice Assistance Fund** – This fund accounts for the 2009 Recovery Act Edward Byrne Memorial Justice Assistance grant.

**2009 Justice Assistance Fund** – This fund accounts for the 2009 Edward Byrne Memorial Justice Assistance grant.

**2011 Housing Fund** – This fund accounts for the use of state and federal grants initiated in fiscal year 2011 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.

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

**2011 Recovery Act Justice Assistance Fund** – This fund accounts for the 2009 Recovery Act Edward Byrne Memorial Justice Assistance grant.

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

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## Capital Project Funds

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

**2007 Forsyth Technical Community College Fund** – Proceeds of general obligation bonds authorized by a 2006 referendum will be used for capital improvement projects of the Community College and accounted for in this fund.

**2008 Pay-Go Fund** – This fund accounts for renovations at the Social Services facility, jail technology improvements, the purchase of POD buildings for the Winston-Salem/Forsyth County Schools, improvements to Tanglewood Park campground, and a financial system upgrade, funded by transfers from the General Fund.

**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.

**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.

**2010 Pay-Go Fund** – This fund accounts for renovations at the Government Center, technology improvements, fleet vehicle purchases, emergency medical equipment purchases, and improvements to the Tanglewood Park aquatic center, funded by transfers from the General Fund.

**2010 2/3rds Bonds Fund** – Proceeds of general obligation two-thirds bonds will finance energy and park maintenance projects.

**2010 Winston-Salem/Forsyth County Schools Capital Maintenance Fund** – Proceeds of general obligation two-thirds bonds will finance school capital maintenance projects.

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

**2011 Pay-Go Fund** – This fund accounts for the design phase of the Hall of Justice project and the County's share of the Forsyth County/City of Winston-Salem public safety firearms training facility.

**2011 Information Systems Fund** – This fund accounts for installment purchase proceeds used for the acquisition of equipment and software to provide apparatuses necessary for enterprise edge connectivity equipment, data protection and storage, and voice services.

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

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

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

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

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

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

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

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

**B-1**

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2013

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents / investments	\$ 3,284,355	7,502,674	10,787,029
Investments - restricted	-	15,195,608	15,195,608
Receivables (net):			
Property taxes	92,863	-	92,863
Other	345	28,854	29,199
Accrued interest	1,213	1,203	2,416
Due from other governments	515,847	232,091	747,938
<b>Total assets</b>	<u>\$ 3,894,623</u>	<u>22,960,430</u>	<u>26,855,053</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 265,565	170,239	435,804
Due to other funds	2,685	-	2,685
Unearned revenue	180,854	-	180,854
<b>Total liabilities</b>	<u>449,104</u>	<u>170,239</u>	<u>619,343</u>
Deferred Inflows of Resources:			
Unavailable taxes	92,863	-	92,863
Fund balances:			
Restricted for:			
Stabilization by state statute	658,091	529,435	1,187,526
Fire protection	531,557	-	531,557
Law enforcement	1,396,443	-	1,396,443
Emergency telephone system	475,308	-	475,308
Human services	307,420	-	307,420
Housing and community redevelopment	107,111	-	107,111
Capital projects	-	15,002,922	15,002,922
Committed for capital projects	-	7,257,834	7,257,834
Unassigned	(123,274)	-	(123,274)
<b>Total fund balances</b>	<u>3,352,656</u>	<u>22,790,191</u>	<u>26,142,847</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 3,894,623</u>	<u>22,960,430</u>	<u>26,855,053</u>

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

B-2

FORSYTH COUNTY, NORTH CAROLINA  
For the Fiscal Year Ended June 30, 2013

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Revenues:</b>			
Taxes:			
Property	\$ 6,480,321	-	6,480,321
Local option sales taxes	1,424,414	-	1,424,414
Total taxes	<u>7,904,735</u>	-	<u>7,904,735</u>
Intergovernmental	6,257,199	245,274	6,502,473
Charges for services	-	8,800	8,800
Investment earnings	10,592	16,264	26,856
Other	26,124	43,079	69,203
Total revenues	<u>14,198,650</u>	<u>313,417</u>	<u>14,512,067</u>
<b>Expenditures:</b>			
Current:			
Public safety	7,542,173	-	7,542,173
Human services	753	-	753
Community and economic development	427,051	-	427,051
Intergovernmental - education	-	6,569,303	6,569,303
Debt service - interest and other charges	-	134,743	134,743
Capital outlay	-	3,615,530	3,615,530
Total expenditures	<u>7,969,977</u>	<u>10,319,576</u>	<u>18,289,553</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>6,228,673</u>	<u>(10,006,159)</u>	<u>(3,777,486)</u>
<b>Other financing sources (uses):</b>			
General obligation bonds issued	-	13,750,000	13,750,000
Premium on general obligation bonds	-	723,710	723,710
Transfers in	25,755	6,591,656	6,617,411
Transfers out	(5,914,446)	(1,787,205)	(7,701,651)
Total other financing sources (uses)	<u>(5,888,691)</u>	<u>19,278,161</u>	<u>13,389,470</u>
Net change in fund balances	339,982	9,272,002	9,611,984
Fund balance - June 30, 2012	<u>3,012,674</u>	<u>13,518,189</u>	<u>16,530,863</u>
<b>Fund balance - June 30, 2013</b>	<u>\$ 3,352,656</u>	<u>22,790,191</u>	<u>26,142,847</u>

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS**

C-1

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2013

Page 1 of 2

	<u>Fire Tax Districts</u>	<u>Law Enforcement Equitable Distribution</u>	<u>Emergency Telephone System</u>	<u>Moser Bequest for Care of Elderly</u>	<u>State Public School Building Capital</u>
<b>ASSETS</b>					
Cash and cash equivalents / investments	\$ 531,557	1,396,443	556,684	307,420	-
Receivables (net):					
Property taxes	92,863	-	-	-	-
Other	-	-	-	-	-
Accrued interest	172	510	244	112	-
Due from other governments	360,853	2,947	130,808	20	-
<b>Total assets</b>	<u>\$ 985,445</u>	<u>1,399,900</u>	<u>687,736</u>	<u>307,552</u>	<u>-</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	-	81,376	-	-
Due to other funds - General Fund	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>81,376</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:					
Unavailable taxes	<u>92,863</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Restricted for:					
Stabilization by state statute	361,025	3,457	131,052	132	-
Fire protection	531,557	-	-	-	-
Law enforcement	-	1,396,443	-	-	-
Emergency telephone system	-	-	475,308	-	-
Human services	-	-	-	307,420	-
Housing and community redevelopment	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<u>892,582</u>	<u>1,399,900</u>	<u>606,360</u>	<u>307,552</u>	<u>-</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 985,445</u>	<u>1,399,900</u>	<u>687,736</u>	<u>307,552</u>	<u>-</u>

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS**

**C-1**

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2013

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		2009							
		Recovery Act	2009			2011			
2009	2010	Justice	Justice	2011	2012	Justice	2013		
<u>Housing</u>	<u>Housing</u>	<u>Assistance</u>	<u>Assistance</u>	<u>Housing</u>	<u>Housing</u>	<u>Assistance</u>	<u>Housing</u>		<u>Total</u>
37,901	-	239,361	-	19,404	24,282	135,242	36,061		3,284,355
-	-	-	-	-	-	-	-		92,863
-	-	-	-	-	345	-	-		345
14	2	88	-	8	9	50	4		1,213
-	3,073	558	58	6,571	9,477		1,482		515,847
<u>37,915</u>	<u>3,075</u>	<u>240,007</u>	<u>58</u>	<u>25,983</u>	<u>34,113</u>	<u>135,292</u>	<u>37,547</u>		<u>3,894,623</u>
-	-	144,226	-	-	537	39,426	-		265,565
-	2,631	-	54	-	-	-	-		2,685
-	-	85,858	-	-	-	94,996	-		180,854
-	2,631	230,084	54	-	537	134,422	-		449,104
-	-	-	-	-	-	-	-		92,863
14	3,075	96,439	58	6,579	15,831	34,943	5,486		658,091
-	-	-	-	-	-	-	-		531,557
-	-	-	-	-	-	-	-		1,396,443
-	-	-	-	-	-	-	-		475,308
-	-	-	-	-	-	-	-		307,420
37,901	-	-	-	19,404	17,745	-	32,061		107,111
-	(2,631)	(86,516)	(54)	-	-	(34,073)	-		(123,274)
<u>37,915</u>	<u>444</u>	<u>9,923</u>	<u>4</u>	<u>25,983</u>	<u>33,576</u>	<u>870</u>	<u>37,547</u>		<u>3,352,656</u>
<u>37,915</u>	<u>3,075</u>	<u>240,007</u>	<u>58</u>	<u>25,983</u>	<u>34,113</u>	<u>135,292</u>	<u>37,547</u>		<u>3,894,623</u>

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

C-2

FORSYTH COUNTY, NORTH CAROLINA  
For the Fiscal Year Ended June 30, 2013

Page 1 of 2

	<u>Fire Tax Districts</u>	<u>Law Enforcement Equitable Distribution</u>	<u>Emergency Telephone System</u>	<u>Moser Bequest for Care of Elderly</u>	<u>State Public School Building Capital</u>	<u>2009 Housing</u>
<b>Revenues:</b>						
Taxes:						
Property	\$ 6,480,321	-	-	-	-	-
Local option sales taxes	1,424,414	-	-	-	-	-
Intergovernmental	-	147,252	780,511	-	4,500,161	68,223
Investment earnings	2,333	4,057	1,566	945	-	82
Other	-	-	150	-	-	-
Total revenues	<u>7,907,068</u>	<u>151,309</u>	<u>782,227</u>	<u>945</u>	<u>4,500,161</u>	<u>68,305</u>
<b>Expenditures:</b>						
Current:						
Public safety	6,426,159	-	708,939	-	-	-
Human services	-	-	-	753	-	-
Community and economic development	-	-	-	-	-	67,716
Total expenditures	<u>6,426,159</u>	<u>-</u>	<u>708,939</u>	<u>753</u>	<u>-</u>	<u>67,716</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,480,909</u>	<u>151,309</u>	<u>73,288</u>	<u>192</u>	<u>4,500,161</u>	<u>589</u>
<b>Other financing sources (uses):</b>						
Transfers in:						
General Fund	-	-	-	-	-	-
Transfers out:						
General Fund	(1,383,947)	(30,338)	-	-	(4,500,161)	-
Total other financing sources (uses)	<u>(1,383,947)</u>	<u>(30,338)</u>	<u>-</u>	<u>-</u>	<u>(4,500,161)</u>	<u>-</u>
Net change in fund balances	96,962	120,971	73,288	192	-	589
Fund balance - June 30, 2012	795,620	1,278,929	533,072	307,360	-	37,326
<b>Fund balance - June 30, 2013</b>	<u>\$ 892,582</u>	<u>1,399,900</u>	<u>606,360</u>	<u>307,552</u>	<u>-</u>	<u>37,915</u>

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

C-2

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2013

Page 2 of 2

	2009 Recovery Act	2009	2011	2012	2011	2013	Total
2010	Justice	Justice	2011	2012	Justice	2013	
<u>Housing</u>	<u>Assistance</u>	<u>Assistance</u>	<u>Housing</u>	<u>Housing</u>	<u>Assistance</u>	<u>Housing</u>	<u>Total</u>
-	-	-	-	-	-	-	6,480,321
-	-	-	-	-	-	-	1,424,414
101,137	322,545	32,470	34,619	206,581	50,233	13,467	6,257,199
24	1,010	36	44	22	444	29	10,592
-	-	-	-	25,974	-	-	26,124
<u>101,161</u>	<u>323,555</u>	<u>32,506</u>	<u>34,663</u>	<u>232,577</u>	<u>50,677</u>	<u>13,496</u>	<u>14,198,650</u>
-	322,545	34,297	-	-	50,233	-	7,542,173
-	-	-	-	-	-	-	753
82,764	-	-	31,347	243,520	-	1,704	427,051
<u>82,764</u>	<u>322,545</u>	<u>34,297</u>	<u>31,347</u>	<u>243,520</u>	<u>50,233</u>	<u>1,704</u>	<u>7,969,977</u>
<u>18,397</u>	<u>1,010</u>	<u>(1,791)</u>	<u>3,316</u>	<u>(10,943)</u>	<u>444</u>	<u>11,792</u>	<u>6,228,673</u>
-	-	-	-	-	-	25,755	25,755
-	-	-	-	-	-	-	(5,914,446)
-	-	-	-	-	-	25,755	(5,888,691)
18,397	1,010	(1,791)	3,316	(10,943)	444	37,547	339,982
(17,953)	8,913	1,795	22,667	44,519	426	-	3,012,674
<u>444</u>	<u>9,923</u>	<u>4</u>	<u>25,983</u>	<u>33,576</u>	<u>870</u>	<u>37,547</u>	<u>3,352,656</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes:				
Property	\$ 6,229,810	6,229,810	6,480,321	250,511
Local option sales taxes	1,450,472	1,450,472	1,424,414	(26,058)
Total taxes	<u>7,680,282</u>	<u>7,680,282</u>	<u>7,904,735</u>	<u>224,453</u>
Investment earnings	-	-	2,333	2,333
Total revenues	<u>7,680,282</u>	<u>7,680,282</u>	<u>7,907,068</u>	<u>226,786</u>
<b>Expenditures - current - public safety:</b>				
Beeson Cross Roads	249,696	249,696	249,696	-
Belews Creek	235,929	235,929	235,929	-
City View	31,922	31,922	31,922	-
Clemmons	1,208,103	1,208,103	1,208,103	-
Forest Hill	8,773	8,773	8,773	-
Griffith	127,818	127,818	127,818	-
Gumtree	59,593	59,593	59,593	-
Horneytown	210,078	210,078	210,078	-
King of Forsyth County	310,584	310,584	310,584	-
Lewisville	1,012,474	1,012,474	1,012,474	-
Mineral Springs	145,910	145,910	145,910	-
Mineral Springs Service	5,705	5,705	5,705	-
Mount Tabor	73,704	73,704	73,704	-
Old Richmond	377,564	377,564	377,564	-
Piney Grove	592,058	592,058	592,058	-
Rural Hall	383,529	383,529	383,529	-
Salem Chapel	75,675	75,675	75,675	-
South Fork	5,086	5,086	5,086	-
Talley's Crossing	141,923	141,923	141,923	-
Triangle	87,896	87,896	87,896	-
Union Cross	239,754	239,754	239,754	-
Vienna	518,299	518,299	518,299	-
Walkertown	285,138	285,138	285,138	-
West Bend	39,648	39,648	38,948	700
Total expenditures	<u>6,426,859</u>	<u>6,426,859</u>	<u>6,426,159</u>	<u>700</u>
<b>Excess of revenues over expenditures</b>	<u>1,253,423</u>	<u>1,253,423</u>	<u>1,480,909</u>	<u>227,486</u>

**FIRE TAX DISTRICTS FUND**

**C-3**

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2013

Page 2 of 2

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Other financing uses - transfers out -</b>				
General Fund:				
Beeson Cross Roads	(56,289)	(56,289)	(52,996)	3,293
Belews Creek	(53,290)	(53,290)	(51,437)	1,853
City View	(7,520)	(7,520)	(7,281)	239
Clemmons	(273,398)	(273,398)	(264,083)	9,315
Forest Hill	(2,098)	(2,098)	(2,016)	82
Griffith	(25,898)	(25,898)	(25,016)	882
Gumtree	(12,359)	(12,359)	(12,687)	(328)
Horneytown	(48,206)	(48,206)	(46,750)	1,456
King of Forsyth County	(71,548)	(71,548)	(65,967)	5,581
Lewisville	(229,576)	(229,576)	(221,405)	8,171
Mineral Springs	(33,728)	(33,728)	(31,671)	2,057
Mineral Springs Service	(1,325)	(1,325)	(1,251)	74
Mount Tabor	(15,475)	(15,475)	(14,427)	1,048
Old Richmond	(87,024)	(87,024)	(82,993)	4,031
Piney Grove	(134,755)	(134,755)	(125,434)	9,321
Rural Hall	(17,743)	(83,426)	(77,556)	5,870
Salem Chapel	(1,129)	(17,743)	(17,040)	703
South Fork	(83,426)	(1,129)	(1,101)	28
Talley's Crossing	(33,322)	(33,322)	(32,257)	1,065
Triangle	(18,274)	(18,274)	(17,676)	598
Union Cross	(52,592)	(52,592)	(48,325)	4,267
Vienna	(117,975)	(117,975)	(113,790)	4,185
Walkertown	(65,083)	(65,083)	(62,952)	2,131
West Bend	(8,439)	(8,439)	(7,836)	603
Total other financing uses	<u>(1,450,472)</u>	<u>(1,450,472)</u>	<u>(1,383,947)</u>	<u>66,525</u>
<b>Net change in fund balance</b>	<b>\$ <u>(197,049)</u></b>	<b><u>(197,049)</u></b>	<b>96,962</b>	<b><u>294,011</u></b>
Fund balance - June 30, 2012			<u>795,620</u>	
<b>Fund balance - June 30, 2013</b>			<b>\$ <u>892,582</u></b>	

**LAW ENFORCEMENT EQUITABLE DISTRIBUTION FUND**

C-4

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

FORSYTH COUNTY, NORTH CAROLINA  
For the Fiscal Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ -	-	147,252	147,252
Investment earnings	-	-	4,057	4,057
Total revenues	<u>-</u>	<u>-</u>	<u>151,309</u>	<u>151,309</u>
<b>Other financing uses - transfers out:</b>				
General Fund	<u>(210,000)</u>	<u>(210,000)</u>	<u>(30,338)</u>	<u>179,662</u>
<b>Net change in fund balance</b>	<b><u><u>\$ (210,000)</u></u></b>	<b><u><u>(210,000)</u></u></b>	<b>120,971</b>	<b><u><u>330,971</u></u></b>
Fund balance - June 30, 2012			<u>1,278,929</u>	
<b>Fund balance - June 30, 2013</b>			<b><u><u>\$ 1,399,900</u></u></b>	

**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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 584,751	584,751	780,511	195,760
Investment earnings	-	-	1,566	1,566
Other	<u>-</u>	<u>-</u>	<u>150</u>	<u>150</u>
Total revenues	<u>584,751</u>	<u>584,751</u>	<u>782,227</u>	<u>197,476</u>
<b>Expenditures - Public Safety</b>	<u>584,751</u>	<u>708,939</u>	<u>708,939</u>	<u>-</u>
<b>Net change in fund balance</b>	<b><u><u>\$ -</u></u></b>	<b><u><u>(124,188)</u></u></b>	<b>73,288</b>	<b><u><u>197,476</u></u></b>
Fund balance - June 30, 2012			<u>533,072</u>	
<b>Fund balance - June 30, 2013</b>			<b><u><u>\$ 606,360</u></u></b>	

**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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues - investment earnings	\$ 2,000	2,000	945	(1,055)
Expenditures - Human Services	10,000	10,000	753	9,247
<b>Net change in fund balance</b>	<b>\$ (8,000)</b>	<b>(8,000)</b>	192	<b>8,192</b>
Fund balance - June 30, 2012			307,360	
<b>Fund balance - June 30, 2013</b>			<b>\$ 307,552</b>	

**STATE PUBLIC SCHOOL BUILDING CAPITAL FUND**

C-7

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues:</b>				
Intergovernmental	\$ 75,354,028	72,378,383	4,500,161	67,878,222
Investment earnings	162,074	162,074	-	162,074
Total revenues	75,516,102	72,540,457	4,500,161	68,040,296
<b>Expenditures - current - intergovernmental - education</b>	<b>51,340,382</b>	<b>48,538,317</b>	<b>-</b>	<b>48,538,317</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>24,175,720</b>	<b>24,002,140</b>	<b>4,500,161</b>	<b>19,501,979</b>
<b>Other financing sources (uses):</b>				
Transfers in:				
Schools Fund	-	1,330,321	-	1,330,321
1990 Schools Facilities Fund	4,170,049	4,169,875	-	4,169,875
1995 School Facilities Fund	65,288	65,288	-	65,288
1996 Schools Facilities Fund	1,933,499	1,933,499	-	1,933,499
2002 Schools Fund	4,161,834	4,161,834	-	4,161,834
2007 School Facilities Fund	250,000	250,000	-	250,000
Transfers out - General Fund	(36,086,540)	(35,912,957)	(4,500,161)	(31,412,796)
Total other financing sources (uses)	(25,505,870)	(24,002,140)	(4,500,161)	(19,501,979)
<b>Net change in fund balance</b>	<b>\$ (1,330,150)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balance - June 30, 2012			-	
<b>Fund balance - June 30, 2013</b>			<b>\$ -</b>	

**2009 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, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues:</b>				
Intergovernmental:				
CDBG IDA	\$ 70,000	24,268	-	24,268
CDBG Neighborhood Stabilization Program	3,625,000	3,572,046	68,223	3,503,823
2008 WSFC HOME Consortium	231,000	230,988	-	230,988
2008 WSFC HOME ADDI	2,175	2,175	-	2,175
2009 NCHFA Urgent Repair Program	75,000	43,061	-	43,061
Local government grants	12,000	12,000	-	12,000
Total intergovernmental	<u>4,015,175</u>	<u>3,884,538</u>	<u>68,223</u>	<u>3,816,315</u>
Investment earnings	-	2,057	82	1,975
Other	117,500	103,472	-	103,472
Total revenues	<u>4,132,675</u>	<u>3,990,067</u>	<u>68,305</u>	<u>3,921,762</u>
<b>Expenditures - current - community and economic development:</b>				
CDBG IDA	70,000	24,269	-	24,269
CDBG Neighborhood Stabilization Program	3,625,000	3,572,047	68,223	3,503,824
2008 WSFC HOME Consortium	231,000	230,988	-	230,988
2008 WSFC HOME Consortium - local match	52,000	52,000	-	52,000
2008 WSFC HOME ADDI	2,175	2,175	-	2,175
2009 NCHFA Urgent Repair Program	75,000	43,060	(507)	43,567
CDBG mortgage repayments program	50,000	-	-	-
HOME mortgage repayments program	107,710	107,689	-	107,689
Total expenditures	<u>4,212,885</u>	<u>4,032,228</u>	<u>67,716</u>	<u>3,964,512</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(80,210)</b>	<b>(42,161)</b>	<b>589</b>	<b>(42,750)</b>
<b>Other financing sources - transfers in:</b>				
General Fund	40,000	40,000	-	40,000
2004 Housing Fund	3,710	3,710	-	3,710
2005 Housing Fund	36,500	36,366	-	36,366
Total other financing sources	<u>80,210</u>	<u>80,076</u>	<u>-</u>	<u>80,076</u>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b><u>37,915</u></b>	<b>589</b>	<b><u>37,326</u></b>
Fund balance - June 30, 2012			37,326	
<b>Fund balance - June 30, 2013</b>			<b>\$ <u>37,915</u></b>	

**2010 HOUSING FUND**

C-9

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues:</b>				
Intergovernmental:				
CDBG Scattered Site	\$ 400,000	399,675	59,585	340,090
2009 WSFC HOME Consortium	254,700	254,700	8,569	246,131
2009 HOME Single Family Rehabilitation	400,000	197,205	1,754	195,451
NCHFA Duke Power HELP	150,000	121,320	31,229	90,091
Local government grants	12,000	12,000	-	12,000
Total intergovernmental	<u>1,216,700</u>	<u>984,900</u>	<u>101,137</u>	<u>883,763</u>
Investment earnings	-	437	24	413
Total revenues	<u>1,216,700</u>	<u>985,337</u>	<u>101,161</u>	<u>884,176</u>
<b>Expenditures - current - community and economic development:</b>				
CDBG Scattered Site	400,000	399,671	59,581	340,090
2009 WSFC HOME Consortium	312,008	312,008	10,411	301,597
2009 HOME Single Family Rehabilitation	400,000	197,205	1,256	195,949
NCHFA Duke Power HELP	150,000	121,317	11,516	109,801
Total expenditures	<u>1,262,008</u>	<u>1,030,201</u>	<u>82,764</u>	<u>947,437</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(45,308)	(44,864)	18,397	(63,261)
<b>Other financing sources - transfers in General Fund</b>	<u>45,308</u>	<u>45,308</u>	-	<u>45,308</u>
<b>Net change in fund balance</b>	\$ <u>-</u>	<u>444</u>	18,397	<u>(17,953)</u>
Fund balance - June 30, 2012			(17,953)	
<b>Fund balance - June 30, 2013</b>			<u>\$ 444</u>	

**2009 RECOVERY ACT 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, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues:</b>				
Intergovernmental - Recovery Act JAG	\$ 1,135,565	1,049,706	322,545	727,161
Investment earnings	9,988	9,923	1,010	8,913
Total revenues	<u>1,145,553</u>	<u>1,059,629</u>	<u>323,555</u>	<u>736,074</u>
<b>Expenditures - current - public safety:</b>				
Sheriff	546,446	450,599	322,545	128,054
City of Winston-Salem police	537,879	537,879	-	537,879
Town of Kernersville police	61,228	61,228	-	61,228
Total expenditures	<u>1,145,553</u>	<u>1,049,706</u>	<u>322,545</u>	<u>727,161</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>9,923</u>	1,010	<u>8,913</u>
Fund balance - June 30, 2012			<u>8,913</u>	
<b>Fund balance - June 30, 2013</b>			<u>\$ <b>9,923</b></u>	

**2009 JUSTICE ASSISTANCE 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, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues:</b>				
Intergovernmental - Justice Assistance	\$ 275,973	275,973	32,470	243,503
Investment earnings	1,839	1,831	36	1,795
<b>Total revenues</b>	<u>277,812</u>	<u>277,804</u>	<u>32,506</u>	<u>245,298</u>
<b>Expenditures - current - public safety:</b>				
Sheriff	130,957	130,953	4,696	126,257
City of Winston-Salem police	131,447	131,439	29,601	101,838
Town of Kernersville police	15,408	15,408	-	15,408
<b>Total expenditures</b>	<u>277,812</u>	<u>277,800</u>	<u>34,297</u>	<u>243,503</u>
 <b>Net change in fund balance</b>	 <u>\$ -</u>	 <u>4</u>	 <u>(1,791)</u>	 <u>1,795</u>
 Fund balance - June 30, 2012			<u>1,795</u>	
<b>Fund balance - June 30, 2013</b>			<u>\$ 4</u>	

**2011 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, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues:</b>				
Intergovernmental:				
2010 WSFC HOME Consortium	\$ 253,000	252,979	34,619	218,360
Forsyth County IDA	27,582	-	-	-
Local government grants	12,000	12,000	-	12,000
Total intergovernmental	<u>292,582</u>	<u>264,979</u>	<u>34,619</u>	<u>230,360</u>
Investment earnings	-	272	44	228
Total revenues	<u>292,582</u>	<u>265,251</u>	<u>34,663</u>	<u>230,588</u>
<b>Expenditures - current - community and economic development:</b>				
2010 WSFC HOME Consortium	253,000	252,979	29,900	223,079
2010 WSFC HOME Consortium - local match	56,925	56,796	1,447	55,349
Forsyth County IDA	27,582	1,000	-	1,000
Total expenditures	<u>337,507</u>	<u>310,775</u>	<u>31,347</u>	<u>279,428</u>
<b>Excess (deficiency) of revenues     over expenditures</b>	(44,925)	(45,524)	3,316	(48,840)
<b>Other financing sources - transfers in:</b>				
General Fund	44,925	44,925	-	44,925
2007 Housing Fund	-	26,582	-	26,582
Total other financing sources	<u>44,925</u>	<u>71,507</u>	<u>-</u>	<u>71,507</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>25,983</u>	3,316	<u>22,667</u>
Fund balance - June 30, 2012			22,667	
<b>Fund balance - June 30, 2013</b>			<u>\$ 25,983</u>	

**2012 HOUSING FUND**

C-13

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues:</b>				
Intergovernmental:				
2011 WSFC HOME Consortium	\$ 254,700	184,886	161,295	23,591
NC DENR HUD Lead Program	237,700	9,277	950	8,327
NCHFA Urgent Repair Program	75,000	60,651	44,336	16,315
Local government grants	12,000	12,000	-	12,000
Total intergovernmental	<u>579,400</u>	<u>266,814</u>	<u>206,581</u>	<u>60,233</u>
Mortgage repayments	100,000	50,472	25,974	24,498
Investment earnings	-	67	22	45
Total revenues	<u>679,400</u>	<u>317,353</u>	<u>232,577</u>	<u>84,776</u>
<b>Expenditures - current - community and economic development:</b>				
2011 WSFC HOME Consortium	254,700	184,886	136,042	48,844
2011 WSFC HOME Consortium - local match	56,925	37,444	36,644	800
2012 NCHFA Urgent Repair Program	75,000	60,647	44,350	16,297
2012 HOME Program	100,000	36,448	25,534	10,914
NC DENR HUD	237,700	9,277	950	8,327
Total expenditures	<u>724,325</u>	<u>328,702</u>	<u>243,520</u>	<u>85,182</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(44,925)	(11,349)	(10,943)	(406)
<b>Other financing sources - transfers in General Fund</b>	<u>44,925</u>	<u>44,925</u>	<u>-</u>	<u>44,925</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>33,576</u>	(10,943)	<u>44,519</u>
Fund balance - June 30, 2012			<u>44,519</u>	
<b>Fund balance - June 30, 2013</b>			<u>\$ <b>33,576</b></u>	

**2011 JUSTICE ASSISTANCE FUND**

**C-14**

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues:</b>				
Intergovernmental - Justice Assistance	\$ 220,673	125,677	50,233	75,444
Investment earnings	826	870	444	426
Total revenues	<u>221,499</u>	<u>126,547</u>	<u>50,677</u>	<u>75,870</u>
<b>Expenditures - current - public safety:</b>				
Sheriff	160,576	100,233	50,233	50,000
City of Winston-Salem police	60,923	25,444	-	25,444
Total expenditures	<u>221,499</u>	<u>125,677</u>	<u>50,233</u>	<u>75,444</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>870</u>	444	<u>426</u>
Fund balance - June 30, 2012			426	
<b>Fund balance - June 30, 2013</b>			<u>\$ 870</u>	

**2013 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, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues:</b>				
Intergovernmental:				
2012 WSFC HOME program	\$ 167,800	1,467	1,467	-
NCHFA Duke Power HELP	150,000	-	-	-
2012 NCHFA Single Family Rehabilitation	200,000	-	-	-
CDBG Scattered Site	400,000	-	-	-
Local government grants	12,000	12,000	12,000	-
Total intergovernmental	<u>929,800</u>	<u>13,467</u>	<u>13,467</u>	-
Investment earnings	-	29	29	-
Total revenues	<u>929,800</u>	<u>13,496</u>	<u>13,496</u>	-
<b>Expenditures - current - community and economic development:</b>				
2012 WSFC HOME	167,800	1,467	1,467	-
2012 WSFC HOME - local match	37,755	237	237	-
NCHFA Duke Power HELP	150,000	-	-	-
2012 NCHFA Single Family Rehabilitation	200,000	-	-	-
CDBG Scattered Site	400,000	-	-	-
Total expenditures	<u>955,555</u>	<u>1,704</u>	<u>1,704</u>	-
<b>Excess (deficiency) of revenues over expenditures</b>	(25,755)	11,792	11,792	-
<b>Other financing sources - transfers in General Fund</b>	<u>25,755</u>	<u>25,755</u>	<u>25,755</u>	-
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>37,547</u>	<u>37,547</u>	-
Fund balance - June 30, 2012			-	
<b>Fund balance - June 30, 2013</b>			<u>\$ 37,547</u>	

**2014 HOUSING FUND**

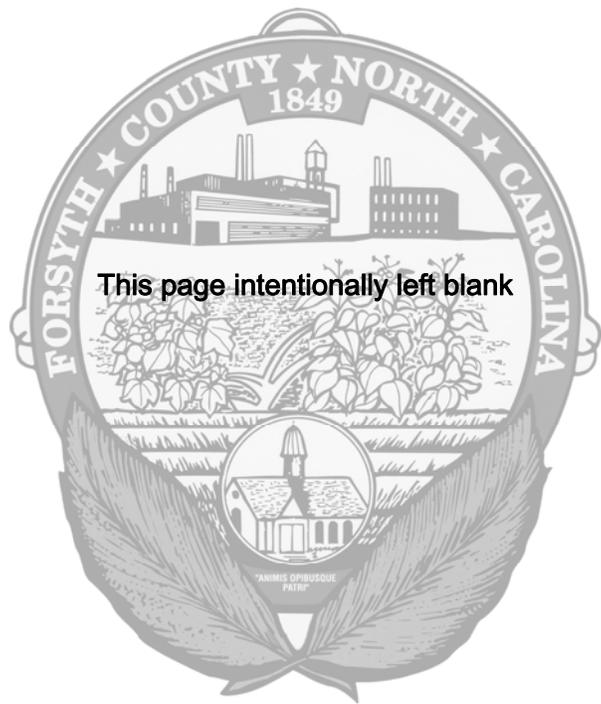
C-16

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues:</b>				
Intergovernmental:				
2013 WSFC HOME program	\$ 167,800	-	-	-
2013 NCHFA Urgent Repair Program	75,000	-	-	-
CDBG NC Catalyst Program	70,000	-	-	-
Local government grants	12,000	-	-	-
Total intergovernmental	324,800	-	-	-
Mortgage repayments	117,500	-	-	-
Investment earnings	-	-	-	-
Total revenues	442,300	-	-	-
<b>Expenditures - current - community and economic development:</b>				
2013 WSFC HOME	167,800	-	-	-
2013 WSFC HOME - local match	37,755	-	-	-
Forsyth County IDA	26,582	-	-	-
CDBG Program Income	150,000	-	-	-
CDBG NC Catalyst Program	70,000	-	-	-
2013 NCHFA Urgent Repair Program	75,000	-	-	-
Total expenditures	527,137	-	-	-
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(84,837)</b>	-	-	-
<b>Other financing sources - transfers in:</b>				
General Fund	25,755	-	-	-
2009 Housing Fund	32,500	-	-	-
2011 Housing Fund	26,582	-	-	-
Total other financing sources	84,837	-	-	-
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balance - June 30, 2012			-	
<b>Fund balance - June 30, 2013</b>			<b>\$ -</b>	



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**COMBINING BALANCE SHEET**

**D-1**

**NONMAJOR CAPITAL PROJECTS FUNDS**

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2013

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	<u>2009</u>	<u>2008</u>	<u>2010</u>	<u>2010 WSFCS</u>	<u>2010 FTCC</u>	<u>2011</u>
	<u>2/3rds</u>	<u>School</u>	<u>2/3rds</u>	<u>Capital</u>	<u>Capital</u>	<u>2011</u>
	<u>Bonds</u>	<u>Facilities</u>	<u>Bonds</u>	<u>Maintenance</u>	<u>Maintenance</u>	<u>Pay-Go</u>
<b>ASSETS</b>						
Cash and cash equivalents / investments	\$ -	1,074,088	-	1,735,000	-	472,548
Investments - restricted	820,565	-	247,448	312,748	279,634	-
Receivables (net):						
Other	-	-	-	-	-	-
Accrued interest	-	412	-	-	-	172
Due from other governments	42,892	4,688	15,701	89,324	-	-
<b>Total assets</b>	<b>\$ 863,457</b>	<b>1,079,188</b>	<b>263,149</b>	<b>2,137,072</b>	<b>279,634</b>	<b>472,720</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities - accounts payable and accrued liabilities	\$ 39,770	-	30,778	-	-	-
Fund balances:						
Restricted for:						
Stabilization by state statute	136,280	5,100	15,701	89,324	-	172
Capital projects	687,407	-	216,670	312,748	279,634	-
Committed for capital projects	-	1,074,088	-	1,735,000	-	472,548
Total fund balances	823,687	1,079,188	232,371	2,137,072	279,634	472,720
<b>Total liabilities and fund balances</b>	<b>\$ 863,457</b>	<b>1,079,188</b>	<b>263,149</b>	<b>2,137,072</b>	<b>279,634</b>	<b>472,720</b>

<b>2011</b>	<b>2012</b>	<b>2012</b>	<b>2012 WSFCS</b>	<b>2012 FTCC</b>	<b>2012</b>	<b>2013</b>	
<b>Library</b>	<b>Motive</b>	<b>2/3rds</b>	<b>Capital</b>	<b>Capital</b>	<b>2012</b>	<b>2013</b>	
<b><u>Bond</u></b>	<b><u>Equipment</u></b>	<b><u>Bonds</u></b>	<b><u>Maintenance</u></b>	<b><u>Maintenance</u></b>	<b><u>Pay-Go</u></b>	<b><u>Pay-Go</u></b>	<b><u>Total</u></b>
<b><u>Replacement</u></b>							
202,253	337,615	-	-	-	3,078,437	602,733	7,502,674
-	-	4,308,117	6,768,750	2,458,346	-	-	15,195,608
-	28,854	-	-	-	-	-	28,854
-	145	-	-	-	251	223	1,203
-	22,611	21,891	34,312	-	-	672	232,091
<b><u>202,253</u></b>	<b><u>389,225</u></b>	<b><u>4,330,008</u></b>	<b><u>6,803,062</u></b>	<b><u>2,458,346</u></b>	<b><u>3,078,688</u></b>	<b><u>603,628</u></b>	<b><u>22,960,430</u></b>
-	98,776	-	-	-	-	915	170,239
-	147,509	50,641	34,312	-	7,501	42,895	529,435
-	-	4,279,367	6,768,750	2,458,346	-	-	15,002,922
202,253	142,940	-	-	-	3,071,187	559,818	7,257,834
202,253	290,449	4,330,008	6,803,062	2,458,346	3,078,688	602,713	22,790,191
<b><u>202,253</u></b>	<b><u>389,225</u></b>	<b><u>4,330,008</u></b>	<b><u>6,803,062</u></b>	<b><u>2,458,346</u></b>	<b><u>3,078,688</u></b>	<b><u>603,628</u></b>	<b><u>22,960,430</u></b>

**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, 2013

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	<u>2007 Forsyth Technical Community College</u>	<u>2008 Pay-Go</u>	<u>2009 2/3rds Bonds</u>	<u>2008 School Facilities</u>	<u>2010 Pay-Go</u>	<u>2010 2/3rds Bonds</u>	<u>2010 WSFCS Capital Maintenance</u>
<b>Revenues:</b>							
Intergovernmental	\$ -	-	163,630	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Investment earnings	477	1,910	394	4,520	895	431	1,344
Other	-	-	-	-	-	-	-
Total revenues	<u>477</u>	<u>1,910</u>	<u>164,024</u>	<u>4,520</u>	<u>895</u>	<u>431</u>	<u>1,344</u>
<b>Expenditures:</b>							
Current:							
Intergovernmental - education	-	-	600	530,443	-	-	4,130,288
Debt service - interest and other charges	-	-	-	-	-	-	-
Capital outlay:							
General government	-	79,309	-	-	-	36,053	-
Public safety	-	398,889	-	-	98,000	-	-
Human services	-	8,187	-	-	76,408	-	-
Culture and recreation	-	-	327,260	-	9,240	939,467	-
Total expenditures	<u>-</u>	<u>486,385</u>	<u>327,860</u>	<u>530,443</u>	<u>183,648</u>	<u>975,520</u>	<u>4,130,288</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>477</u>	<u>(484,475)</u>	<u>(163,836)</u>	<u>(525,923)</u>	<u>(182,753)</u>	<u>(975,089)</u>	<u>(4,128,944)</u>
<b>Other financing sources (uses):</b>							
Limited obligation bonds issued	-	-	-	-	-	-	-
Premium on limited obligation bonds	-	-	-	-	-	-	-
Transfers in:							
General Fund	-	-	-	-	-	-	-
2007 Schools Fund	-	-	-	-	-	-	-
2008 Pay-Go Fund	-	-	-	-	-	-	-
2010 Pay-Go Fund	-	-	-	-	-	-	-
Transfers out:							
General Fund	(1,180,749)	-	-	-	-	-	-
2013 Pay-Go Fund	-	(378,123)	-	-	(228,333)	-	-
Total other financing sources (uses)	<u>(1,180,749)</u>	<u>(378,123)</u>	<u>-</u>	<u>-</u>	<u>(228,333)</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(1,180,272)</u>	<u>(862,598)</u>	<u>(163,836)</u>	<u>(525,923)</u>	<u>(411,086)</u>	<u>(975,089)</u>	<u>(4,128,944)</u>
Fund balance - June 30, 2012	<u>1,180,272</u>	<u>862,598</u>	<u>987,523</u>	<u>1,605,111</u>	<u>411,086</u>	<u>1,207,460</u>	<u>6,266,016</u>
<b>Fund balance - June 30, 2013</b>	<u>\$ -</u>	<u>-</u>	<u>823,687</u>	<u>1,079,188</u>	<u>-</u>	<u>232,371</u>	<u>2,137,072</u>

<u>2010 FTCC Capital Maintenance</u>	<u>2011 Pay-Go</u>	<u>2011 Library Bond</u>	<u>2012 Motive Equipment Replacement</u>	<u>2012 2/3rds Bonds</u>	<u>2012 WSFCS Capital Maintenance</u>	<u>2012 FTCC Capital Maintenance</u>	<u>2012 Pay-Go</u>	<u>2013 Pay-Go</u>	<u>Total</u>
-	-	-	81,644	-	-	-	-	-	245,274
-	-	-	8,800	-	-	-	-	-	8,800
131	1,450	-	1,937	876	1,066	447	251	135	16,264
-	-	-	43,079	-	-	-	-	-	43,079
<u>131</u>	<u>1,450</u>	<u>-</u>	<u>135,460</u>	<u>876</u>	<u>1,066</u>	<u>447</u>	<u>251</u>	<u>135</u>	<u>313,417</u>
32,850	-	-	-	-	1,875,122	-	-	-	6,569,303
-	-	-	-	134,743	-	-	-	-	134,743
-	-	-	99,618	278,523	-	-	-	2,006	495,509
-	-	-	907,593	-	-	-	6,794	-	1,411,276
-	-	-	-	-	-	-	2,769	1,872	89,236
-	-	12,247	-	331,295	-	-	-	-	1,619,509
<u>32,850</u>	<u>-</u>	<u>12,247</u>	<u>1,007,211</u>	<u>744,561</u>	<u>1,875,122</u>	<u>-</u>	<u>9,563</u>	<u>3,878</u>	<u>10,319,576</u>
<u>(32,719)</u>	<u>1,450</u>	<u>(12,247)</u>	<u>(871,751)</u>	<u>(743,685)</u>	<u>(1,874,056)</u>	<u>447</u>	<u>(9,312)</u>	<u>(3,743)</u>	<u>(10,006,159)</u>
-	-	-	-	4,820,000	6,595,000	2,335,000	-	-	13,750,000
-	-	-	-	253,693	347,118	122,899	-	-	723,710
-	-	-	1,162,200	-	-	-	3,088,000	-	4,250,200
-	-	-	-	-	1,735,000	-	-	-	1,735,000
-	-	-	-	-	-	-	-	378,123	378,123
-	-	-	-	-	-	-	-	228,333	228,333
-	-	-	-	-	-	-	-	-	(1,180,749)
-	-	-	-	-	-	-	-	-	(606,456)
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,162,200</u>	<u>5,073,693</u>	<u>8,677,118</u>	<u>2,457,899</u>	<u>3,088,000</u>	<u>606,456</u>	<u>19,278,161</u>
(32,719)	1,450	(12,247)	290,449	4,330,008	6,803,062	2,458,346	3,078,688	602,713	9,272,002
<u>312,353</u>	<u>471,270</u>	<u>214,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,518,189</u>
<u>279,634</u>	<u>472,720</u>	<u>202,253</u>	<u>290,449</u>	<u>4,330,008</u>	<u>6,803,062</u>	<u>2,458,346</u>	<u>3,078,688</u>	<u>602,713</u>	<u>22,790,191</u>

**2007 FORSYTH TECHNICAL COMMUNITY COLLEGE FUND**

D-3

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues</b> - investment earnings	\$ 857,375	859,290	477	858,813
<b>Expenditures:</b>				
Current - intergovernmental - education	25,493,774	25,000,000	-	25,000,000
Debt service - interest and other charges	180,752	179,671	-	179,671
Total expenditures	<u>25,674,526</u>	<u>25,179,671</u>	<u>-</u>	<u>25,179,671</u>
<b>Deficiency of revenues over expenditures</b>	<u>(24,817,151)</u>	<u>(24,320,381)</u>	<u>477</u>	<u>(24,320,858)</u>
<b>Other financing sources (uses):</b>				
General obligation bonds issued	25,000,000	25,000,000	-	25,000,000
Premium on general obligation bonds	587,151	1,271,130	-	1,271,130
Transfers to General Fund	(770,000)	(1,950,749)	(1,180,749)	(770,000)
Total other financing sources (uses)	<u>24,817,151</u>	<u>24,320,381</u>	<u>(1,180,749)</u>	<u>25,501,130</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>-</u>	<u>(1,180,272)</u>	<u>1,180,272</u>
Fund balance - June 30, 2012			1,180,272	
<b>Fund balance - June 30, 2013</b>			<u>\$ -</u>	

**2008 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, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues</b> - investment earnings	\$ 153,627	153,527	1,910	151,617
<b>Expenditures:</b>				
Current: Intergovernmental - education	1,700,000	1,700,000	-	1,700,000
Capital outlay:				
General government	268,779	268,779	79,309	189,470
Public safety	3,463,896	3,463,896	398,889	3,065,007
Human services	1,279,652	1,279,652	8,187	1,271,465
Culture and recreation	299,077	299,077	-	299,077
Total expenditures	<u>7,011,404</u>	<u>7,011,404</u>	<u>486,385</u>	<u>6,525,019</u>
<b>Deficiency of revenues over expenditures</b>	<u>(6,857,777)</u>	<u>(6,857,877)</u>	<u>(484,475)</u>	<u>(6,373,402)</u>
<b>Other financing sources (uses):</b>				
Transfers from General Fund	7,476,000	7,476,000	-	7,476,000
Transfer to 2011 Library Bond Fund	(240,000)	(240,000)	-	(240,000)
Transfer to 2013 Pay-Go Fund	(378,223)	(378,123)	(378,123)	-
Total other financing sources (uses)	<u>6,857,777</u>	<u>6,857,877</u>	<u>(378,123)</u>	<u>7,236,000</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>-</u>	<u>(862,598)</u>	<u>862,598</u>
Fund balance - June 30, 2012			862,598	
<b>Fund balance - June 30, 2013</b>			<u>\$ -</u>	

**2009 2/3rds BONDS FUND**

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues:</b>				
Intergovernmental	\$ 1,200,000	532,702	163,630	369,072
Investment earnings	135,000	140,119	394	139,725
Total revenues	<u>1,335,000</u>	<u>672,821</u>	<u>164,024</u>	<u>508,797</u>
<b>Expenditures:</b>				
Intergovernmental - education	7,300,000	7,300,000	600	7,299,400
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	2,400,000	1,075,404	327,260	748,144
Total expenditures	<u>12,420,000</u>	<u>11,008,235</u>	<u>327,860</u>	<u>10,680,375</u>
<b>Deficiency of revenues over expenditures</b>	(11,085,000)	(10,335,414)	(163,836)	(10,171,578)
<b>Other financing sources (uses):</b>				
General obligation bonds issued	11,120,000	11,120,000	-	11,120,000
Premium on general obligation bonds	-	74,101	-	74,101
Transfers to General Fund	(35,000)	(35,000)	-	(35,000)
Total other financing sources	<u>11,085,000</u>	<u>11,159,101</u>	<u>-</u>	<u>11,159,101</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>823,687</u>	(163,836)	<u>987,523</u>
Fund balance - June 30, 2012			987,523	
<b>Fund balance - June 30, 2013</b>			<u>\$ 823,687</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, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues - investment earnings</b>	\$ 35,000	57,191	4,520	52,671
<b>Expenditures:</b>				
Intergovernmental - education	1,587,441	530,443	530,443	-
Unallocated	235,420	-	-	-
Total expenditures	<u>1,822,861</u>	<u>530,443</u>	<u>530,443</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(1,787,861)	(473,252)	(525,923)	52,671
<b>Other financing sources:</b>				
Transfers from General Fund	1,787,861	1,552,440	-	1,552,440
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>1,079,188</u>	(525,923)	<u>1,605,111</u>
Fund balance - June 30, 2012			1,605,111	
<b>Fund balance - June 30, 2013</b>			<u>\$ 1,079,188</u>	

**2010 PAY-GO FUND**

D-7

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues</b> - investment earnings	\$ 14,439	14,439	895	13,544
<b>Expenditures:</b>				
Capital outlay:				
General government:				
Government Center renovations	348,016	348,016	-	348,016
Technology upgrades	423,899	423,899	-	423,899
Vehicles	50,000	50,000	-	50,000
Public safety:				
Emergency services	833,853	833,853	-	833,853
In-Car video equipment	98,000	98,000	98,000	-
Human services - DSS Technology	483,708	483,708	76,408	407,300
Culture and recreation:				
Tanglewood Park pool enhancements	1,749,990	1,749,990	-	1,749,990
Tanglewood Park conservation project	17,640	17,640	9,240	8,400
Total expenditures	<u>4,005,106</u>	<u>4,005,106</u>	<u>183,648</u>	<u>3,821,458</u>
<b>Deficiency of revenues over expenditures</b>	<u>(3,990,667)</u>	<u>(3,990,667)</u>	<u>(182,753)</u>	<u>(3,807,914)</u>
<b>Other financing sources (uses):</b>				
Transfers from General Fund	4,219,000	4,219,000	-	4,219,000
Transfer to 2013 Pay-Go Fund	(228,333)	(228,333)	(228,333)	-
Total other financing sources (uses)	<u>3,990,667</u>	<u>3,990,667</u>	<u>(228,333)</u>	<u>4,219,000</u>
<b>Net change in fund balance</b>	\$ <u>-</u>	<u>-</u>	(411,086)	<u>411,086</u>
Fund balance - June 30, 2012			411,086	
<b>Fund balance - June 30, 2013</b>			<u>\$ -</u>	

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**2010 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, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues</b> - investment earnings	\$ -	6,031	431	5,600
<b>Expenditures:</b>				
Debt service - interest and other charges				
Debt service - interest and other charges	182,616	29,334	-	29,334
Capital outlay:				
General Government - Energy projects				
General Government - Energy projects	227,148	221,560	36,053	185,507
Culture and recreation - Park maintenance projects	4,231,091	4,163,621	939,467	3,224,154
Total expenditures	<u>4,640,855</u>	<u>4,414,515</u>	<u>975,520</u>	<u>3,438,995</u>
<b>Deficiency of revenues over expenditures</b>	<u>(4,640,855)</u>	<u>(4,408,484)</u>	<u>(975,089)</u>	<u>(3,433,395)</u>
<b>Other financing sources:</b>				
General obligation bonds issued	4,318,750	4,318,750	-	4,318,750
Premium on general obligation bonds	322,105	322,105	-	322,105
Total other financing sources	<u>4,640,855</u>	<u>4,640,855</u>	<u>-</u>	<u>4,640,855</u>
<b>Net change in fund balance</b>	\$ <u>-</u>	<u>232,371</u>	(975,089)	<u>1,207,460</u>
Fund balance - June 30, 2012			1,207,460	
<b>Fund balance - June 30, 2013</b>			<u>\$ 232,371</u>	

**2010 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, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues - investment earnings</b>	\$ -	12,312	1,344	10,968
<b>Expenditures:</b>				
Debt service - interest and other charges	53,888	53,828	-	53,828
Current - intergovernmental - education	11,395,000	9,270,299	4,130,288	5,140,011
Total expenditures	<u>11,448,888</u>	<u>9,324,127</u>	<u>4,130,288</u>	<u>5,193,839</u>
<b>Deficiency of revenues over expenditures</b>	<u>(11,448,888)</u>	<u>(9,311,815)</u>	<u>(4,128,944)</u>	<u>(5,182,871)</u>
<b>Other financing sources:</b>				
General obligation bonds issued	7,925,000	7,925,000	-	7,925,000
Premium on general obligation bonds	591,069	591,069	-	591,069
Transfer from 2007 School Facilities fund	1,197,819	1,197,818	-	1,197,818
Transfer from General Fund	1,735,000	1,735,000	-	1,735,000
Total other financing sources	<u>11,448,888</u>	<u>11,448,887</u>	<u>-</u>	<u>11,448,887</u>
<b>Net change in fund balance</b>	\$ <u>-</u>	<u>2,137,072</u>	(4,128,944)	<u>6,266,016</u>
Fund balance - June 30, 2012			6,266,016	
<b>Fund balance - June 30, 2013</b>			\$ <u>2,137,072</u>	

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**2010 FORSYTH TECHNICAL COMMUNITY COLLEGE CAPITAL MAINTENANCE 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, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues - investment earnings</b>	\$ -	2,284	131	2,153
<b>Expenditures:</b>				
Debt service - interest and other charges	13,472	13,457	-	13,457
Current - intergovernmental - education	2,115,545	1,838,210	32,850	1,805,360
Total expenditures	<u>2,129,017</u>	<u>1,851,667</u>	<u>32,850</u>	<u>1,818,817</u>
<b>Deficiency of revenues over expenditures</b>	<u>(2,129,017)</u>	<u>(1,849,383)</u>	<u>(32,719)</u>	<u>(1,816,664)</u>
<b>Other financing sources:</b>				
General obligation bonds issued	1,981,250	1,981,250	-	1,981,250
Premium on general obligation bonds	147,767	147,767	-	147,767
Total other financing sources	<u>2,129,017</u>	<u>2,129,017</u>	<u>-</u>	<u>2,129,017</u>
<b>Net change in fund balance</b>	\$ <u>-</u>	<u>279,634</u>	(32,719)	<u>312,353</u>
Fund balance - June 30, 2012			312,353	
<b>Fund balance - June 30, 2013</b>			\$ <u>279,634</u>	

**2011 PAY-GO FUND**

D-11

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues</b> - investment earnings	\$ -	3,444	1,450	1,994
<b>Expenditures:</b>				
Capital outlay:				
General government - Hall of Justice project	469,276	-	-	-
Public safety - Firearms Training Facility	2,500,000	2,500,000	-	2,500,000
Total expenditures	<u>2,969,276</u>	<u>2,500,000</u>	<u>-</u>	<u>2,500,000</u>
<b>Deficiency of revenues over expenditures</b>	<u>(2,969,276)</u>	<u>(2,496,556)</u>	<u>1,450</u>	<u>(2,498,006)</u>
<b>Other financing sources</b> - transfers from General Fund	<u>2,969,276</u>	<u>2,969,276</u>	<u>-</u>	<u>2,969,276</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>472,720</u>	<u>1,450</u>	<u>471,270</u>
Fund balance - June 30, 2012			471,270	
<b>Fund balance - June 30, 2013</b>			<u>\$ 472,720</u>	

**2011 LIBRARY BOND FUND**

D-12

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues</b> - investment earnings	\$ -	-	-	-
<b>Expenditures:</b>				
Capital outlay - culture and recreation				
Library planning	240,000	37,747	12,247	25,500
Library projects	40,000,000	-	-	-
Total expenditures	<u>40,240,000</u>	<u>37,747</u>	<u>12,247</u>	<u>25,500</u>
<b>Deficiency of revenues over expenditures</b>	<u>(40,240,000)</u>	<u>(37,747)</u>	<u>(12,247)</u>	<u>(25,500)</u>
<b>Other financing sources:</b>				
General obligation bonds issued	40,000,000	-	-	-
Transfer from 2008 Pay-Go fund	240,000	240,000	-	240,000
Total other financing sources (uses)	<u>40,240,000</u>	<u>240,000</u>	<u>-</u>	<u>240,000</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>202,253</u>	<u>(12,247)</u>	<u>214,500</u>
Fund balance - June 30, 2012			214,500	
<b>Fund balance - June 30, 2013</b>			<u>\$ 202,253</u>	

**2012 MOTIVE EQUIPMENT REPLACEMENT FUND**

**D-13**

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues:</b>				
Intergovernmental	\$ 60,000	81,644	81,644	-
Charges for services	20,000	8,800	8,800	-
Investment earnings	-	1,937	1,937	-
Other revenue	60,000	43,079	43,079	-
Total revenues	<u>140,000</u>	<u>135,460</u>	<u>135,460</u>	<u>-</u>
<b>Expenditures:</b>				
Capital outlay:				
General government - Non-emergency fleet	100,000	99,618	99,618	-
Public safety:				
Animal control	34,000	33,193	33,193	-
Emergency services	509,000	348,382	348,382	-
Sheriff	527,200	526,018	526,018	-
Unallocated	132,000	-	-	-
Total expenditures	<u>1,302,200</u>	<u>1,007,211</u>	<u>1,007,211</u>	<u>-</u>
<b>Deficiency of revenues over expenditures</b>	<u>(1,162,200)</u>	<u>(871,751)</u>	<u>(871,751)</u>	<u>-</u>
<b>Other financing sources</b> - transfers from General Fund	<u>1,162,200</u>	<u>1,162,200</u>	<u>1,162,200</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>290,449</u>	<u>290,449</u>	<u>-</u>
Fund balance - June 30, 2012			-	
<b>Fund balance - June 30, 2013</b>			<u>\$ 290,449</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, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues - investment earnings</b>	\$ -	876	876	-
<b>Expenditures:</b>				
Debt service - interest and other charges	250,000	134,743	134,743	-
Capital outlay:				
General Government:				
Hall of Justice renovation	1,250,000	-	-	-
Capital repair and maintenance	1,500,000	278,523	278,523	-
Culture and recreation - Park maintenance projects	2,000,000	331,295	331,295	-
Total expenditures	<u>5,000,000</u>	<u>744,561</u>	<u>744,561</u>	<u>-</u>
<b>Deficiency of revenues over expenditures</b>	<u>(5,000,000)</u>	<u>(743,685)</u>	<u>(743,685)</u>	<u>-</u>
<b>Other financing sources:</b>				
General obligation bonds issued	5,000,000	4,820,000	4,820,000	-
Premium on general obligation bonds	-	253,693	253,693	-
Total other financing sources	<u>5,000,000</u>	<u>5,073,693</u>	<u>5,073,693</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>4,330,008</u>	4,330,008	<u>-</u>
Fund balance - June 30, 2012			-	
<b>Fund balance - June 30, 2013</b>			<u>\$ 4,330,008</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, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues - investment earnings</b>	\$ -	1,066	1,066	-
<b>Expenditures:</b>				
Current - intergovernmental - education	8,235,000	1,875,122	1,875,122	-
<b>Deficiency of revenues over expenditures</b>	<u>(8,235,000)</u>	<u>(1,874,056)</u>	<u>(1,874,056)</u>	<u>-</u>
<b>Other financing sources:</b>				
General obligation bonds issued	6,500,000	6,595,000	6,595,000	-
Premium on general obligation bonds	-	347,118	347,118	-
Transfer from 2007 School Facilities fund	1,735,000	1,735,000	1,735,000	-
Total other financing sources	<u>8,235,000</u>	<u>8,677,118</u>	<u>8,677,118</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>6,803,062</u>	6,803,062	<u>-</u>
Fund balance - June 30, 2012			-	
<b>Fund balance - June 30, 2013</b>			<u>\$ 6,803,062</u>	

**2012 FORSYTH TECHNICAL COMMUNITY COLLEGE CAPITAL MAINTENANCE FUND**

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues - investment earnings</b>	\$ -	447	447	-
<b>Expenditures:</b>				
Current - intergovernmental - education	2,300,000	-	-	-
<b>Deficiency of revenues over expenditures</b>	<u>(2,300,000)</u>	<u>447</u>	<u>447</u>	<u>-</u>
<b>Other financing sources:</b>				
General obligation bonds issued	2,300,000	2,335,000	2,335,000	-
Premium on general obligation bonds	-	122,899	122,899	-
<b>Total other financing sources</b>	<u>2,300,000</u>	<u>2,457,899</u>	<u>2,457,899</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>2,458,346</u>	<u>2,458,346</u>	<u>-</u>
Fund balance - June 30, 2012			-	
<b>Fund balance - June 30, 2013</b>			<u>\$ 2,458,346</u>	

**2012 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, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues - investment earnings</b>	\$ -	251	251	-
<b>Expenditures:</b>				
Capital outlay:				
General government:				
Special use electric vehicles	121,000	-	-	-
Public safety:				
LEDC energy project	240,000	6,794	6,794	-
Phillips Building upfit	2,000,000	-	-	-
Public health:				
Government Center level 5 upfit	325,000	2,769	2,769	-
Cleveland Avenue dental clinic	402,000	-	-	-
<b>Total expenditures</b>	<u>3,088,000</u>	<u>9,563</u>	<u>9,563</u>	<u>-</u>
<b>Deficiency of revenues over expenditures</b>	<u>(3,088,000)</u>	<u>(9,312)</u>	<u>(9,312)</u>	<u>-</u>
<b>Other financing sources - transfer from General Fund</b>	<u>3,088,000</u>	<u>3,088,000</u>	<u>3,088,000</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>3,078,688</u>	<u>3,078,688</u>	<u>-</u>
Fund balance - June 30, 2012			-	
<b>Fund balance - June 30, 2013</b>			<u>\$ 3,078,688</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, 2013

	<u>Budget</u>	<u>Cumulative Total to June 30, 2013</u>	<u>Activity Year Ended June 30, 2013</u>	<u>Cumulative Total to June 30, 2012</u>
<b>Revenues - investment earnings</b>	\$ -	135	135	-
<b>Expenditures:</b>				
Capital outlay:				
General government:				
Financial system upgrade	200,000	-	-	-
UPS equipment	11,691	857	857	-
EAD building renovation	81,361	1,149	1,149	-
Geo Data Explorer Intranet	119,000	-	-	-
Conservation projects	32,360	-	-	-
Public safety: AV project	34,993	-	-	-
Human Services	20,457	1,872	1,872	-
Unallocated	106,794	-	-	-
<b>Total expenditures</b>	<u>606,656</u>	<u>3,878</u>	<u>3,878</u>	<u>-</u>
<b>Deficiency of revenues over expenditures</b>	<u>(606,656)</u>	<u>(3,743)</u>	<u>(3,743)</u>	<u>-</u>
<b>Other financing sources:</b>				
Transfer from 2008 Pay-Go	378,223	378,123	378,123	-
Transfer from 2010 Pay-Go	228,433	228,333	228,333	-
<b>Total other financing sources</b>	<u>606,656</u>	<u>606,456</u>	<u>606,456</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>602,713</u>	<u>602,713</u>	<u>-</u>
Fund balance - June 30, 2012			-	
<b>Fund balance - June 30, 2013</b>			<u>\$ 602,713</u>	

# Fiduciary Funds

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## Agency Funds

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

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

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

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

**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**

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FORSYTH COUNTY, NORTH CAROLINA

June 30, 2013

	<u>Tax</u>	<u>Fines and Forfeitures</u>	<u>Protective Payee</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents / investments	\$ 1,105,028	8,352	39,111	1,152,491
Receivables:				
Property taxes	5,591,515	-	-	5,591,515
Accrued interest	-	-	16	16
<b>Total assets</b>	<u>6,696,543</u>	<u>8,352</u>	<u>39,127</u>	<u>6,744,022</u>
<b>LIABILITIES</b>				
Due to NC Division of Motor Vehicles	65,083	-	-	65,083
Due to other governments	6,631,460	8,352	-	6,639,812
Other liabilities	-	-	39,127	39,127
<b>Total liabilities</b>	<u>6,696,543</u>	<u>8,352</u>	<u>39,127</u>	<u>6,744,022</u>
<b>NET POSITION</b>	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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

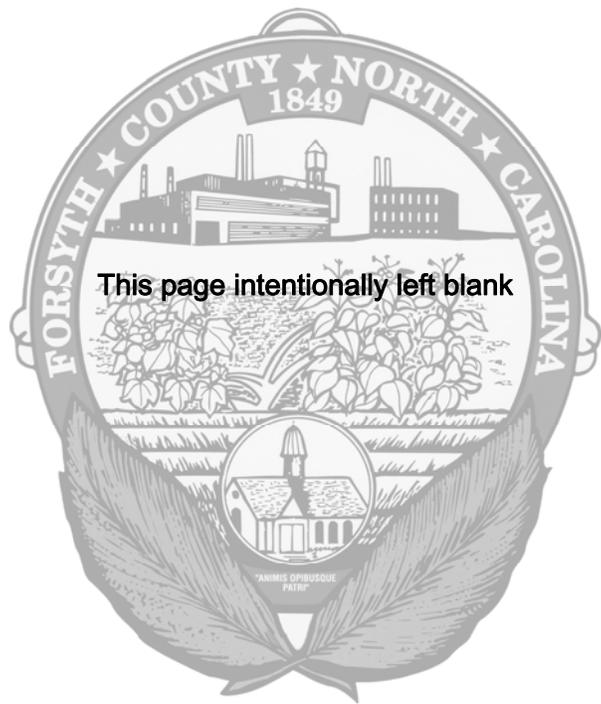
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**AGENCY FUNDS**

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2013

	<u>June 30, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2013</u>
<b><u>TAX AGENCY</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents / investments	\$ 1,344,753	752,388,410	752,628,135	1,105,028
Receivables - property taxes	6,226,704	368,154,097	368,789,286	5,591,515
<b>Total assets</b>	<b>\$ 7,571,457</b>	<b>1,120,542,507</b>	<b>1,121,417,421</b>	<b>6,696,543</b>
<b>LIABILITIES</b>				
Due to NC Division of Motor Vehicles	\$ 67,487	228,532	230,936	65,083
Due to other governments	7,503,970	885,267,334	886,139,844	6,631,460
<b>Total liabilities</b>	<b>\$ 7,571,457</b>	<b>885,495,866</b>	<b>886,370,780</b>	<b>6,696,543</b>
<b><u>FINES AND FORFEITURES</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents / investments	\$ 6,760	1,948,143	1,946,551	8,352
<b>LIABILITIES</b>				
Due to other governments	\$ 6,760	1,948,143	1,946,551	8,352
<b><u>PROTECTIVE PAYEE</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents / investments	\$ 35,843	232,951	229,683	39,111
Receivables - accrued interest	10	122	116	16
<b>Total assets</b>	<b>\$ 35,853</b>	<b>233,073</b>	<b>229,799</b>	<b>39,127</b>
<b>LIABILITIES</b>				
Other liabilities	\$ 35,853	232,957	229,683	39,127
<b>Total liabilities</b>	<b>\$ 35,853</b>	<b>232,957</b>	<b>229,683</b>	<b>39,127</b>
<b><u>TOTAL - ALL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents / investments	\$ 1,387,356	754,569,504	754,804,369	1,152,491
Receivables:				
Property taxes	6,226,704	368,154,097	368,789,286	5,591,515
Accrued interest	10	122	116	16
<b>Total assets</b>	<b>\$ 7,614,070</b>	<b>1,122,723,723</b>	<b>1,123,593,771</b>	<b>6,744,022</b>
<b>LIABILITIES</b>				
Due to other governments	\$ 7,578,217	887,444,009	888,317,331	6,704,895
Other liabilities	35,853	232,957	229,683	39,127
<b>Total liabilities</b>	<b>\$ 7,614,070</b>	<b>887,676,966</b>	<b>888,547,014</b>	<b>6,744,022</b>



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## Other Schedules

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This section contains additional information on property taxes.

**Schedule of Ad Valorem Taxes Receivable – General Fund**

**Analysis of Current Tax Levy – Countywide Levy**

**Ten Largest Taxpayers**

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

F-1

FORSYTH COUNTY, NORTH CAROLINA  
June 30, 2013

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2012</u>	<u>Additions Net of Releases</u>	<u>Collections And Credits</u>	<u>Writeoffs</u>	<u>Uncollected Balance June 30, 2013</u>
2012 - 2013	\$ -	232,910,975	228,359,406	-	4,551,569
2011 - 2012	4,780,879	(31,788)	3,431,352	-	1,317,739
2010 - 2011	1,547,970	(6,431)	635,796	-	905,743
2009 - 2010	998,333	(4,102)	249,243	320,944	424,044
2008 - 2009	1,019,215	(596,267)	99,691	-	323,257
2007 - 2008	236,007	(1,207)	32,813	-	201,987
2006 - 2007	194,825	(1,260)	14,708	-	178,857
2005 - 2006	186,209	(656)	7,148	-	178,405
2004 - 2005	343,664	(10,172)	4,776	-	328,716
2003 - 2004	189,359	(239)	1,949	187,171	-
	<u>\$ 9,496,461</u>	<u>232,258,853</u>	<u>232,836,882</u>	<u>508,115</u>	<u>8,410,317</u>

Plus: dog taxes included in taxes receivable: General Fund	-
Less: allowance for uncollectible accounts: General Fund	<u>(4,549,421)</u>
Ad valorem taxes receivable - net: General Fund	<u>\$ 3,860,896</u>

Reconcilement with revenues:

Property taxes - General Fund	\$ 233,537,613
Penalties collected on ad valorem taxes - Fines and Forfeitures Fund	188,657
Reconciling items:	
Interest and fees collected	\$ (993,839)
Back years collection of dog taxes	(17)
Refunds	162,952
Collection of taxes previously written off	<u>(58,484)</u>
Total reconciling items	<u>(889,388)</u>
Total collections and credits	<u>\$ 232,836,882</u>

**ANALYSIS OF CURRENT TAX LEVY  
COUNTYWIDE LEVY**

F-2

FORSYTH COUNTY, NORTH CAROLINA  
For the Fiscal Year Ended June 30, 2013

	Countywide			Total levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Gross levy:					
Property taxed at current year's rate	\$ 33,652,542,675	\$ .6740	\$ 227,977,406	\$ 217,226,424	\$ 10,750,982
Motor vehicles taxed at prior year's rate: FY 10-11	374,040	.6740	2,627	-	2,627
FY 11-12	908,856,330	.6740	6,116,641	-	6,116,641
Penalties	-		156,217	156,217	-
Total	<u>34,561,773,045</u>		<u>234,252,891</u>	<u>217,382,641</u>	<u>16,870,250</u>
Releases	<u>(199,097,329)</u>		<u>(1,341,916)</u>	<u>(1,151,323)</u>	<u>(190,591)</u>
Total property valuation	<u>\$ 34,362,675,716</u>				
Net levy			232,910,975	216,231,318	16,679,659
Uncollected taxes at June 30, 2012			<u>4,551,569</u>	<u>2,495,403</u>	<u>2,056,166</u>
Current year's taxes collected			<u>\$ 228,359,406</u>	<u>\$ 213,735,915</u>	<u>\$ 14,623,493</u>
Current levy collection percentage			<u>98.05%</u>	<u>98.85%</u>	<u>87.67%</u>

Secondary Market Disclosures:

Assessed Valuation:	
Assessment Ratio (1)	100%
Real Property	\$ 28,311,900,597
Personal Property	5,437,357,001
Public Service Companies (2)	<u>613,418,118</u>
Total Assessed Valuation (3)	<u>34,362,675,716</u>
Tax Rate per \$100	<u>0.674</u>
Levy (includes discoveries, releases and abatements)	<u>\$ 232,910,975</u>

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

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

(3) Includes anticipated decreases due to valuation appeals and exemption applications.

**TEN LARGEST TAXPAYERS**

F-3

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2013

<u>Taxpayer</u>	<u>Type of Business</u>		<b>2012 Assessed Valuation</b>	<b>Percentage of Total Assessed Valuation</b>
R. J. Reynolds Industries, Inc.	Tobacco, Foods, Petroleum and Transportation	\$	821,499,450	2.39%
Lowes Home Center	Retail		412,759,440	1.20%
Duke Energy Corporation	Electric Utility		306,888,130	0.89%
Wells Fargo Bank NA	Banking		223,180,010	0.65%
JG Winston-Salem	Real Estate Management		187,556,700	0.55%
Wake Forest University	Education / Health Care		161,346,010	0.47%
Branch Banking & Trust Co	Banking		123,897,840	0.36%
Wal-Mart Real Estate Bus Trust	Retail		122,015,620	0.36%
Piedmont Natural Gas Co	Natural Gas Utility		98,757,000	0.29%
AT & T	Communications Utility		91,416,220	0.27%
		\$	<u>2,549,316,420</u>	<u>7.43%</u>

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

## Contents

<b>Financial Trends</b> – These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	104
<b>Revenue Capacity</b> – These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property taxes.	108
<b>Debt Capacity</b> – These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	113
<b>Demographic and Economic Information</b> – These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	116
<b>Operating Information</b> – These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities:										
Net investment in capital assets	\$ 54,929,158	58,050,620	62,126,511	65,335,272	66,426,734	72,988,514	78,662,765	84,541,770	83,829,746	75,547,493
Restricted	2,153,517	2,477,719	3,877,017	4,328,645	3,980,229	3,860,233	3,704,815	31,191,934	31,151,206	36,231,000
Unrestricted	(89,720,953)	(120,973,768)	(133,416,466)	(132,368,899)	(120,384,798)	(164,391,922)	(227,581,718)	(311,324,492)	(340,506,961)	(335,671,385)
Total governmental activities net position	\$ <u>(32,638,278)</u>	<u>(60,445,429)</u>	<u>(67,412,938)</u>	<u>(62,704,982)</u>	<u>(49,977,835)</u>	<u>(87,543,175)</u>	<u>(145,214,138)</u>	<u>(195,590,788)</u>	<u>(225,526,009)</u>	<u>(223,892,892)</u>

**CHANGES IN NET POSITION**

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

(accrual basis of accounting)

**Schedule 2**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental activities:										
General government	\$ 37,176,344	38,054,338	40,702,218	40,954,886	42,473,984	38,189,282	40,075,708	40,444,367	43,252,315	39,642,837
Public safety	50,956,682	53,265,074	56,416,719	60,563,286	67,092,138	68,384,497	71,544,414	71,590,553	71,455,381	69,433,724
Environmental protection	2,287,496	2,171,643	2,160,200	2,220,009	2,521,035	2,713,093	2,682,028	2,653,528	2,642,585	2,442,611
Human services	79,377,848	81,602,908	83,026,669	83,325,627	85,670,069	81,156,032	76,826,616	75,228,239	76,403,049	77,395,541
Culture and recreation	15,056,770	15,209,100	16,913,156	17,214,387	17,401,634	16,540,703	15,936,872	15,995,428	15,830,605	15,886,345
Community and economic development	1,523,798	5,175,040	4,622,179	1,722,356	2,998,916	2,777,002	4,231,621	4,541,117	6,697,889	2,795,206
Education	138,342,793	145,267,123	139,943,619	137,732,790	140,624,177	185,747,060	217,912,687	199,596,063	181,325,863	152,410,053
Interest on long-term debt	14,426,316	14,567,408	14,846,094	15,995,831	18,501,304	17,734,361	17,800,372	21,423,843	21,732,376	21,796,354
Total expenses	<u>339,148,047</u>	<u>355,312,634</u>	<u>358,630,854</u>	<u>359,729,172</u>	<u>377,283,257</u>	<u>413,242,030</u>	<u>447,010,318</u>	<u>431,473,138</u>	<u>419,340,063</u>	<u>381,802,671</u>
<b>Program revenues</b>										
Governmental activities:										
Charges for services										
General government	4,698,238	4,444,744	4,335,314	4,320,684	4,163,440	3,766,905	3,326,610	3,168,910	3,834,636	3,743,500
Public safety	8,457,575	8,993,671	10,668,381	13,569,309	17,465,407	16,039,769	15,538,279	15,837,236	16,810,834	17,540,753
Environmental protection	1,103,027	933,971	785,380	348,683	266,457	222,569	251,076	292,471	205,762	220,956
Human services	6,322,469	7,227,474	6,686,842	6,781,195	7,752,966	8,631,222	9,140,340	8,481,786	9,936,712	8,055,427
Culture and recreation	4,262,167	4,648,633	5,291,419	5,265,639	5,098,137	4,403,575	3,872,609	3,792,170	3,908,560	4,079,006
Community and economic development	52,681	118,587	77,862	115,432	55,552	16,988	23,587	60,793	40,954	58,979
Education	29,410	33,469	33,332	33,332	33,372	42,907	41,324	43,457	77,091	67,038
Operating grants and contributions										
General government	489,337	648,613	2,048,882	1,116,784	753,817	1,142,633	944,665	605,190	648,658	564,085
Public safety	3,063,893	3,800,634	3,989,961	3,390,604	3,698,500	4,409,705	4,870,901	4,525,900	5,259,860	4,468,936
Environmental protection	888,024	661,559	747,313	843,363	880,434	1,025,921	767,359	748,827	1,035,482	747,815
Human services	35,011,146	34,162,314	35,684,538	35,702,370	36,224,878	38,460,763	39,533,989	38,387,457	41,638,514	40,842,999
Culture and recreation	985,400	896,886	1,617,563	856,098	822,806	979,233	1,112,728	694,216	672,829	904,113
Community and economic development	623,320	873,626	716,889	391,429	959,624	321,981	1,666,607	2,618,897	1,011,533	713,754
Education	1,405,681	1,090,700	2,393,376	3,459,671	5,790,588	7,098,274	9,477,257	9,118,121	5,406,597	4,627,031
Capital grants and contributions										
General government	-	-	-	-	25,975	-	-	-	-	-
Culture and recreation	226,512	-	-	-	-	-	-	-	-	-
Total program revenues	<u>67,618,880</u>	<u>68,534,881</u>	<u>75,077,052</u>	<u>76,194,593</u>	<u>83,991,953</u>	<u>86,562,445</u>	<u>90,567,331</u>	<u>88,375,431</u>	<u>90,488,022</u>	<u>86,634,392</u>
Net expense	<u>(271,529,167)</u>	<u>(286,777,753)</u>	<u>(283,553,802)</u>	<u>(283,534,579)</u>	<u>(293,291,304)</u>	<u>(326,679,585)</u>	<u>(356,442,987)</u>	<u>(343,097,707)</u>	<u>(328,852,041)</u>	<u>(295,168,279)</u>
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Taxes:										
Property taxes	177,109,769	184,460,184	196,540,693	203,698,340	218,253,781	223,660,085	234,161,047	234,598,651	235,293,490	239,530,106
Local option sales taxes	62,472,610	62,106,774	67,056,056	71,068,173	73,496,042	56,381,820	49,733,084	49,565,057	52,867,275	52,933,206
Occupancy taxes	449,042	441,234	493,107	539,027	562,018	466,198	436,578	483,945	542,596	558,116
Other taxes and licenses	3,427,625	3,656,571	3,752,002	3,261,547	2,587,667	1,749,344	-	-	-	-
Gross receipts tax	n/a	n/a	n/a	n/a	n/a	n/a	242,411	271,131	290,674	314,099
Excise stamp tax	n/a	n/a	n/a	n/a	n/a	n/a	1,138,069	943,248	1,039,534	1,429,078
Grants and contributions not restricted to specific programs	4,422,507	3,603,013	2,672,986	1,635,293	1,630,835	1,644,749	3,224,786	5,840,620	5,849,059	4,572,092
Investment earnings	2,161,094	3,939,095	5,473,968	7,680,796	9,025,373	4,150,368	966,309	741,526	612,725	141,520
Miscellaneous	392,170	763,732	597,480	359,359	462,735	1,061,681	8,869,740	276,879	2,421,467	1,009,905
Total general revenues	<u>250,434,817</u>	<u>258,970,603</u>	<u>276,586,292</u>	<u>288,242,535</u>	<u>306,018,451</u>	<u>289,114,245</u>	<u>298,772,024</u>	<u>292,721,057</u>	<u>298,916,820</u>	<u>300,488,122</u>
<b>Change in net position - governmental activities</b>	\$ <u>(21,094,350)</u>	<u>(27,807,150)</u>	<u>(6,967,510)</u>	<u>4,707,956</u>	<u>12,727,147</u>	<u>(37,565,340)</u>	<u>(57,670,963)</u>	<u>(50,376,650)</u>	<u>(29,935,221)</u>	<u>5,319,843</u>

**FUND BALANCES OF GOVERNMENTAL FUNDS**

**Schedule 3**

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

(modified accrual basis of accounting)

		Fiscal Year									
		2003	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund											
Reserved	\$	25,862,905	30,421,518	31,829,460	31,724,371	33,727,232	27,865,589	29,731,129			
Unreserved		52,712,200	63,826,353	69,572,571	79,799,313	86,715,440	101,701,080	113,871,426			
Nonspendable									180,133	172,691	251,658
Restricted									27,663,373	27,898,443	28,735,140
Committed									40,358,769	37,892,059	36,573,358
Assigned									15,950,543	19,235,587	13,978,806
Unassigned									62,118,267	63,057,650	63,971,070
Total General Fund	\$	<u>78,575,105</u>	<u>94,247,871</u>	<u>101,402,031</u>	<u>111,523,684</u>	<u>120,442,672</u>	<u>129,566,669</u>	<u>143,602,555</u>	<u>146,271,085</u>	<u>148,256,430</u>	<u>143,510,032</u>
All other governmental funds											
Reserved	\$	14,474,673	7,461,248	6,378,241	3,931,316	2,054,017	11,659,953	10,483,574			
Unreserved, reported in:											
Special revenue funds		1,097,229	1,047,406	2,633,267	2,649,533	2,103,908	884,635	(194,420)			
Capital projects funds		47,329,968	29,421,813	37,964,525	90,092,438	80,459,522	132,424,595	47,918,354			
Nonspendable									-	-	-
Restricted									131,779,815	68,905,275	47,662,220
Committed									5,487,886	5,206,773	7,257,834
Assigned									-	-	-
Unassigned									(457,737)	(479,424)	(123,274)
Total all other governmental funds	\$	<u>62,901,870</u>	<u>37,930,467</u>	<u>46,976,033</u>	<u>96,673,287</u>	<u>84,617,447</u>	<u>144,969,183</u>	<u>58,207,508</u>	<u>136,809,964</u>	<u>73,632,624</u>	<u>54,796,780</u>

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

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

**Schedule 4**

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Property taxes	\$ 176,937,963	184,168,720	196,470,273	202,802,113	217,978,822	222,931,993	234,067,805	234,253,068	235,124,729	240,017,934
Occupancy taxes	449,042	441,234	493,107	539,027	562,018	466,198	436,578	483,945	542,596	558,116
Local option sales tax	62,472,610	62,106,774	67,056,056	71,068,173	73,496,042	56,381,820	49,733,084	49,565,057	52,867,275	52,933,206
Other taxes	656,801	600,303	667,463	506,037	377,837	202,959	242,411	271,131	290,674	314,099
Licenses and permits	2,091,175	1,867,850	1,704,474	1,215,187	922,548	940,488	857,450	902,447	766,104	867,200
Intergovernmental	47,470,956	46,013,245	50,024,208	47,933,136	51,239,274	55,768,601	61,855,315	63,225,328	61,804,884	57,669,048
Charges for services	20,436,933	20,869,798	21,707,464	23,207,853	24,621,408	25,129,543	24,332,511	22,884,593	23,276,406	24,945,629
Investment earnings	2,171,427	3,964,492	5,530,265	7,774,158	9,122,280	4,251,484	984,702	758,785	626,269	152,564
Other	6,095,875	7,168,741	7,633,841	8,011,182	8,904,354	9,379,996	16,408,473	8,944,216	12,978,204	9,041,885
<b>Total revenues</b>	<b>318,782,782</b>	<b>327,201,157</b>	<b>351,287,151</b>	<b>363,056,866</b>	<b>387,224,583</b>	<b>375,453,082</b>	<b>388,918,329</b>	<b>381,288,570</b>	<b>388,277,141</b>	<b>386,499,681</b>
<b>Expenditures</b>										
Current:										
General government	33,831,181	33,521,119	36,363,475	36,184,725	36,965,763	33,038,710	36,672,233	36,208,234	36,548,586	36,031,427
Public safety	47,162,153	49,355,750	52,911,994	56,417,332	61,360,693	64,633,076	67,313,048	68,412,022	69,124,066	68,062,518
Environmental protection	2,246,042	2,147,781	2,122,814	2,188,457	2,414,429	2,686,706	2,633,641	2,613,354	2,633,817	2,477,195
Human services	72,759,964	74,294,247	76,279,429	76,741,426	77,348,513	74,142,024	68,825,351	68,481,046	70,142,751	70,607,949
Culture and recreation	14,215,329	14,274,677	16,291,544	15,888,248	16,004,016	15,459,452	15,034,842	14,657,631	14,430,037	14,488,772
Community and economic development	1,520,985	5,175,387	4,618,272	1,715,501	2,977,892	2,766,353	4,236,714	4,534,972	6,694,033	2,798,505
Education	635,088	578,341	620,556	635,338	895,261	2,243,594	1,580,098	1,391,488	788,811	698,383
Intergovernmental:										
Human services	6,026,136	6,418,360	6,013,611	5,898,652	6,181,990	6,167,610	6,379,039	5,679,583	5,692,674	6,742,601
Education	137,687,638	144,663,575	139,301,345	137,070,648	139,681,424	183,475,254	216,316,478	198,206,090	180,529,368	151,695,430
Debt service:										
Principal retirement	18,700,000	21,345,000	22,545,420	21,746,497	23,924,516	26,200,993	29,693,677	29,909,022	37,906,327	39,097,635
Interest and other charges	15,271,861	15,821,967	15,066,260	16,551,824	17,246,714	19,490,528	19,189,422	23,820,913	24,767,215	24,130,833
Capital outlay	17,007,430	9,112,386	9,263,608	8,875,245	5,360,224	8,097,429	10,192,815	10,677,148	20,995,615	13,136,326
<b>Total expenditures</b>	<b>367,063,807</b>	<b>376,708,590</b>	<b>381,398,328</b>	<b>379,913,893</b>	<b>390,361,435</b>	<b>438,401,729</b>	<b>478,067,358</b>	<b>464,591,503</b>	<b>470,253,300</b>	<b>429,967,574</b>
Deficiency of revenues over expenditures	(48,281,025)	(49,507,433)	(30,111,177)	(16,857,027)	(3,136,852)	(62,948,647)	(89,149,029)	(83,302,933)	(81,976,159)	(43,467,893)
<b>Other financing sources (uses):</b>										
Installment purchases	363,810	-	-	1,913,500	-	1,026,000	-	-	2,400,000	-
Refunding bonds issuance	55,745,000	15,630,000	-	-	-	-	42,870,000	50,295,000	-	35,090,000
Premium on refunding bonds	3,675,841	621,449	-	-	-	-	5,025,171	7,503,955	-	8,795,717
General obligation bonds issuance	86,550,000	-	32,685,000	72,500,000	-	156,255,000	-	157,625,000	-	18,750,000
Premium on general obligation bonds	563,580	-	362,985	2,262,434	-	4,407,759	-	6,548,336	-	811,977
Certificates of participation issuance	-	40,985,000	13,000,000	-	-	-	-	-	-	-
Premium on certificates of participation	-	3,499,599	262,918	-	-	-	-	-	-	-
Limited obligation bonds issuance	-	-	-	-	-	-	15,000,000	-	16,290,000	-
Premium on limited obligation bonds	-	-	-	-	-	-	1,023,705	-	2,094,164	-
Transfers in	3,574,026	3,411,778	4,549,889	2,918,502	18,308,651	13,141,259	17,572,682	18,196,159	10,806,854	13,712,606
Transfers out	(3,574,026)	(3,411,778)	(4,549,889)	(2,918,502)	(18,308,651)	(13,141,259)	(17,572,682)	(18,196,159)	(10,806,854)	(13,712,606)
Payment to refunded bond escrow agent	(59,015,299)	(16,080,775)	-	-	-	(29,264,379)	(47,495,636)	(57,398,372)	-	(43,562,043)
Payment to refunded certificates of participation escrow agent	-	(44,048,384)	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>87,882,932</b>	<b>606,889</b>	<b>46,310,903</b>	<b>76,675,934</b>	<b>-</b>	<b>132,424,380</b>	<b>16,423,240</b>	<b>164,573,919</b>	<b>20,784,164</b>	<b>19,885,651</b>
<b>Net change in fund balances</b>	<b>\$ 39,601,907</b>	<b>(48,900,544)</b>	<b>16,199,726</b>	<b>59,818,907</b>	<b>(3,136,852)</b>	<b>69,475,733</b>	<b>(72,725,789)</b>	<b>81,270,986</b>	<b>(61,191,995)</b>	<b>(23,582,242)</b>
Debt service as a percentage of noncapital expenditures	9.7%	10.1%	10.1%	10.3%	10.7%	10.6%	10.5%	11.9%	15.5%	15.2%

# 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
2004	2003	19,337,891,860	2,559,667,220	2,419,787,980	565,630,120	24,882,977,180	100%	0.6920
2005	2004	19,804,667,720	2,641,658,675	2,409,184,030	560,644,886	25,416,155,311	100%	0.6920
2006	2005	22,750,577,790	2,680,281,760	2,461,340,630	569,872,978	28,462,073,158	100%	0.7080
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%	0.6660
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%	0.6960
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

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

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

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

**DIRECT AND OVERLAPPING PROPERTY TAX RATES**

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

		Tax Rates per \$100 Valuation, Year Ended June 30,									
		<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Forsyth County	\$	<b>0.674</b>	0.674	0.674	0.674	0.696	0.696	\$ 0.666	\$ 0.666	\$ 0.708	\$ 0.6920
Municipalities: (1)											
City of Winston-Salem		<b>0.491</b>	0.475	0.475	0.468	0.490	0.490	0.485	0.485	0.525	0.4950
Combined Rate		<b>1.165</b>	<b>1.149</b>	<b>1.149</b>	<b>1.142</b>	<b>1.186</b>	<b>1.186</b>	<b>1.151</b>	<b>1.151</b>	<b>1.233</b>	<b>1.187</b>
Town of Bethania		<b>0.320</b>	0.320	0.350	0.350	0.350	0.350	0.300	0.300	0.250	0.250
Combined Rate		<b>0.994</b>	<b>0.994</b>	<b>1.024</b>	<b>1.024</b>	<b>1.046</b>	<b>1.046</b>	<b>0.966</b>	<b>0.966</b>	<b>0.958</b>	<b>0.942</b>
Village of Clemmons		<b>0.1150</b>	0.1150	0.1150	0.0985	0.0985	0.0985	0.0985	0.0900	0.0900	0.0900
Combined Rate		<b>0.789</b>	<b>0.789</b>	<b>0.789</b>	<b>0.773</b>	<b>0.795</b>	<b>0.795</b>	<b>0.765</b>	<b>0.756</b>	<b>0.798</b>	<b>0.782</b>
City of High Point		<b>0.675</b>	0.662	0.633	0.633	0.633	0.632	0.608	0.591	0.542	0.662
Combined Rate		<b>1.349</b>	<b>1.336</b>	<b>1.307</b>	<b>1.307</b>	<b>1.329</b>	<b>1.328</b>	<b>1.274</b>	<b>1.257</b>	<b>1.250</b>	<b>1.354</b>
Town of Kernersville		<b>0.498</b>	0.498	0.498	0.498	0.550	0.550	0.550	0.525	0.525	0.495
Combined Rate		<b>1.172</b>	<b>1.172</b>	<b>1.172</b>	<b>1.172</b>	<b>1.246</b>	<b>1.246</b>	<b>1.216</b>	<b>1.191</b>	<b>1.233</b>	<b>1.187</b>
City of King		<b>0.400</b>	0.400	0.380	0.380	0.380	0.360	0.360	0.360	0.360	0.360
Combined Rate		<b>1.074</b>	<b>1.074</b>	<b>1.054</b>	<b>1.054</b>	<b>1.076</b>	<b>1.056</b>	<b>1.026</b>	<b>1.026</b>	<b>1.068</b>	<b>1.052</b>
Town of Lewisville		<b>0.177</b>	0.177	0.177	0.177	0.177	0.177	0.177	0.177	0.195	0.195
Combined Rate		<b>0.851</b>	<b>0.851</b>	<b>0.851</b>	<b>0.851</b>	<b>0.873</b>	<b>0.873</b>	<b>0.843</b>	<b>0.843</b>	<b>0.903</b>	<b>0.887</b>
Town of Rural Hall		<b>0.250</b>	0.250	0.240	0.240	0.240	0.230	0.230	0.230	0.240	0.220
Combined Rate		<b>0.924</b>	<b>0.924</b>	<b>0.914</b>	<b>0.914</b>	<b>0.936</b>	<b>0.926</b>	<b>0.896</b>	<b>0.896</b>	<b>0.948</b>	<b>0.912</b>
Village of Tobaccoville		<b>0.050</b>	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Combined Rate		<b>0.724</b>	<b>0.724</b>	<b>0.724</b>	<b>0.724</b>	<b>0.746</b>	<b>0.746</b>	<b>0.716</b>	<b>0.716</b>	<b>0.758</b>	<b>0.742</b>
Town of Walkertown		<b>0.200</b>	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200
Combined Rate		<b>0.874</b>	<b>0.874</b>	<b>0.874</b>	<b>0.874</b>	<b>0.896</b>	<b>0.896</b>	<b>0.866</b>	<b>0.866</b>	<b>0.908</b>	<b>0.892</b>
Fire Tax Districts: (2)											
Beesons Crossroads		<b>0.080</b>	0.080	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070
Combined Direct Rate		<b>0.754</b>	<b>0.754</b>	<b>0.744</b>	<b>0.744</b>	<b>0.766</b>	<b>0.766</b>	<b>0.736</b>	<b>0.736</b>	<b>0.778</b>	<b>0.762</b>
Belews Creek		<b>0.070</b>	0.070	0.070	0.070	0.070	0.055	0.055	0.045	0.045	0.045
Combined Direct Rate		<b>0.744</b>	<b>0.744</b>	<b>0.744</b>	<b>0.744</b>	<b>0.766</b>	<b>0.751</b>	<b>0.721</b>	<b>0.711</b>	<b>0.753</b>	<b>0.737</b>
City View		<b>0.080</b>	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080
Combined Direct Rate		<b>0.754</b>	<b>0.754</b>	<b>0.754</b>	<b>0.754</b>	<b>0.776</b>	<b>0.776</b>	<b>0.746</b>	<b>0.746</b>	<b>0.788</b>	<b>0.772</b>
Clemmons		<b>0.050</b>	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Combined Direct Rate		<b>0.724</b>	<b>0.724</b>	<b>0.724</b>	<b>0.724</b>	<b>0.746</b>	<b>0.746</b>	<b>0.716</b>	<b>0.716</b>	<b>0.758</b>	<b>0.742</b>
Forest Hill		<b>0.075</b>	0.075	0.065	0.065	0.065	0.050	0.050	0.050	0.050	0.050
Combined Direct Rate		<b>0.749</b>	<b>0.749</b>	<b>0.739</b>	<b>0.739</b>	<b>0.761</b>	<b>0.746</b>	<b>0.716</b>	<b>0.716</b>	<b>0.758</b>	<b>0.742</b>
Griffith		<b>0.055</b>	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055
Combined Direct Rate		<b>0.729</b>	<b>0.729</b>	<b>0.729</b>	<b>0.729</b>	<b>0.751</b>	<b>0.751</b>	<b>0.721</b>	<b>0.721</b>	<b>0.763</b>	<b>0.747</b>
Gumtree		<b>0.095</b>	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085
Combined Direct Rate		<b>0.769</b>	<b>0.759</b>	<b>0.759</b>	<b>0.759</b>	<b>0.781</b>	<b>0.781</b>	<b>0.751</b>	<b>0.751</b>	<b>0.793</b>	<b>0.777</b>

**DIRECT AND OVERLAPPING PROPERTY TAX RATES**

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Fire Tax Districts (cont.): (2)										
Horneytown	<b>0.100</b>	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Combined Direct Rate	<b>0.774</b>	<b>0.774</b>	<b>0.774</b>	<b>0.774</b>	<b>0.774</b>	<b>0.796</b>	<b>0.796</b>	<b>0.766</b>	<b>0.766</b>	<b>0.808</b>
King	\$ <b>0.065</b>	0.065	0.055	0.055	0.055	0.055	\$ 0.055	\$ 0.055	\$ 0.055	\$ 0.045
Combined Direct Rate	<b>0.739</b>	<b>0.739</b>	<b>0.729</b>	<b>0.729</b>	<b>0.729</b>	<b>0.751</b>	<b>0.751</b>	<b>0.721</b>	<b>0.721</b>	<b>0.753</b>
Lewisville	<b>0.060</b>	0.060	0.060	0.060	0.060	0.060	0.060	0.050	0.050	0.050
Combined Direct Rate	<b>0.734</b>	<b>0.734</b>	<b>0.734</b>	<b>0.734</b>	<b>0.734</b>	<b>0.756</b>	<b>0.756</b>	<b>0.716</b>	<b>0.716</b>	<b>0.758</b>
Mineral Springs	<b>0.075</b>	0.075	0.065	0.065	0.065	0.050	0.050	0.040	0.040	0.040
Combined Direct Rate	<b>0.749</b>	<b>0.749</b>	<b>0.739</b>	<b>0.739</b>	<b>0.739</b>	<b>0.746</b>	<b>0.746</b>	<b>0.706</b>	<b>0.706</b>	<b>0.748</b>
Mineral Springs Service	<b>0.075</b>	0.075	0.065	0.065	0.065	0.050	0.050	0.040	0.040	-
Combined Direct Rate	<b>0.749</b>	<b>0.749</b>	<b>0.739</b>	<b>0.739</b>	<b>0.739</b>	<b>0.746</b>	<b>0.746</b>	0.706	0.706	-
Mount Tabor	<b>0.075</b>	0.075	0.075	0.075	0.075	0.075	0.075	0.065	0.065	0.065
Combined Direct Rate	<b>0.749</b>	<b>0.749</b>	<b>0.749</b>	<b>0.749</b>	<b>0.749</b>	<b>0.771</b>	<b>0.771</b>	<b>0.731</b>	<b>0.731</b>	<b>0.773</b>
Old Richmond	<b>0.085</b>	0.085	0.080	0.070	0.070	0.060	0.060	0.060	0.060	0.060
Combined Direct Rate	<b>0.759</b>	<b>0.759</b>	<b>0.754</b>	<b>0.744</b>	<b>0.744</b>	<b>0.756</b>	<b>0.756</b>	<b>0.726</b>	<b>0.726</b>	<b>0.768</b>
Piney Grove	<b>0.107</b>	0.107	0.090	0.090	0.090	0.090	0.080	0.080	0.080	0.075
Combined Direct Rate	<b>0.781</b>	<b>0.781</b>	<b>0.764</b>	<b>0.764</b>	<b>0.764</b>	<b>0.786</b>	<b>0.776</b>	<b>0.746</b>	<b>0.746</b>	<b>0.783</b>
Salem Chapel	<b>0.090</b>	0.090	0.090	0.060	0.060	0.060	0.060	0.060	0.060	0.060
Combined Direct Rate	<b>0.764</b>	<b>0.764</b>	<b>0.764</b>	<b>0.734</b>	<b>0.734</b>	<b>0.756</b>	<b>0.756</b>	<b>0.726</b>	<b>0.726</b>	<b>0.768</b>
South Fork	<b>0.050</b>	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Combined Direct Rate	<b>0.724</b>	<b>0.724</b>	<b>0.724</b>	<b>0.724</b>	<b>0.724</b>	<b>0.746</b>	<b>0.746</b>	<b>0.716</b>	<b>0.716</b>	<b>0.758</b>
Suburban (Rural Hall)	<b>0.075</b>	0.075	0.065	0.065	0.065	0.055	0.055	0.055	0.055	0.035
Combined Direct Rate	<b>0.749</b>	<b>0.749</b>	<b>0.739</b>	<b>0.739</b>	<b>0.739</b>	<b>0.751</b>	<b>0.751</b>	<b>0.721</b>	<b>0.721</b>	<b>0.743</b>
Talley's Crossing	<b>0.080</b>	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.065
Combined Direct Rate	<b>0.754</b>	<b>0.754</b>	<b>0.754</b>	<b>0.754</b>	<b>0.754</b>	<b>0.776</b>	<b>0.776</b>	<b>0.746</b>	<b>0.746</b>	<b>0.773</b>
Triangle	<b>0.080</b>	0.080	0.080	0.080	0.080	0.070	0.070	0.050	0.035	0.035
Combined Direct Rate	<b>0.754</b>	<b>0.754</b>	<b>0.754</b>	<b>0.754</b>	<b>0.754</b>	<b>0.766</b>	<b>0.766</b>	<b>0.716</b>	<b>0.701</b>	<b>0.743</b>
Union Cross	<b>0.100</b>	0.100	0.080	0.080	0.080	0.070	0.070	0.070	0.070	0.070
Combined Direct Rate	<b>0.774</b>	<b>0.774</b>	<b>0.754</b>	<b>0.754</b>	<b>0.754</b>	<b>0.766</b>	<b>0.766</b>	<b>0.736</b>	<b>0.736</b>	<b>0.778</b>
Vienna	<b>0.075</b>	0.075	0.075	0.075	0.075	0.075	0.075	0.065	0.065	0.065
Combined Direct Rate	<b>0.749</b>	<b>0.749</b>	<b>0.749</b>	<b>0.749</b>	<b>0.749</b>	<b>0.771</b>	<b>0.771</b>	<b>0.731</b>	<b>0.731</b>	<b>0.773</b>
Walkertown (Northeast)	<b>0.080</b>	0.080	0.080	0.080	0.080	0.070	0.070	0.060	0.060	0.060
Combined Direct Rate	<b>0.754</b>	<b>0.754</b>	<b>0.754</b>	<b>0.754</b>	<b>0.754</b>	<b>0.766</b>	<b>0.766</b>	<b>0.726</b>	<b>0.726</b>	<b>0.768</b>
West Bend	<b>0.060</b>	0.060	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Combined Direct Rate	<b>0.734</b>	<b>0.734</b>	<b>0.724</b>	<b>0.724</b>	<b>0.724</b>	<b>0.746</b>	<b>0.746</b>	<b>0.716</b>	<b>0.716</b>	<b>0.758</b>

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

**PRINCIPAL PROPERTY TAX PAYERS**

FORSYTH COUNTY, NORTH CAROLINA

Current Year and Nine Years Ago

Schedule 7

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2013 Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>2004 Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
R. J. Reynolds Industries, Inc.	Tobacco, Foods, Petroleum and Transportation	\$ 821,499,450	1	2.39%	\$ 954,102,791	1	3.83%
Lowes Home Center	Retail	412,759,440	2	1.20%			-
Duke Energy Corporation	Electric Utility	306,888,130	3	0.89%	234,332,707	3	0.94%
Wells Fargo Bank NA	Banking	223,180,010	4	0.65%	286,005,130	2	1.15%
JG Winston-Salem	Real Estate Management	187,556,700	5	0.55%	157,275,200	6	0.63%
Wake Forest University	Education / Health Care	161,346,010	6	0.47%	64,879,136	9	0.26%
Branch Banking & Trust Co	Banking	123,897,840	7	0.36%			-
Wal-Mart Real Estate Bus Trust	Retail	122,015,620	8	0.36%			-
Piedmont Natural Gas Co	Natural Gas Utility	98,757,000	9	0.29%			-
AT & T	Communications Utility	91,416,220	10	0.27%	132,225,527	7	0.53%
Winston-Salem Joint Ventures	Real Estate Management	-		-			-
Sara Lee Corporation	Food and Textiles	-		-	189,088,285	4	0.76%
Highwoods/Forsyth Partners	Real Estate Management	-		-	157,331,989	5	0.63%
Piedmont Natural Gas	Utility	-		-	79,584,408	8	0.32%
Hubbard/Mareli realty	Real Estate Management	-		-	63,374,650	10	0.25%
		<u>\$ 2,549,316,420</u>		<u>7.43%</u>	<u>\$ 2,318,199,823</u>		<u>9.30%</u>

Note: Hanesbrands Inc includes property previously reported under Sara Lee Corporation.  
 JG Winston-Salem includes property previously reported under Winston-Salem Joint Ventures.  
 Wells Fargo Bank NA includes property previously reported under Wachovia Bank NA  
 AT & T includes property previously reported under BellSouth Corporation

**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>
2004	172,272,301	169,019,917	98.11%	2,672,213	171,692,130	99.66%
2005	179,925,473	176,332,367	98.00%	2,860,610	179,192,977	99.59%
2006	189,902,610	186,602,383	98.26%	2,703,213	189,305,596	99.69%
2007	197,416,909	193,927,020	98.23%	2,790,367	196,717,387	99.65%
2008	213,402,003	209,512,061	98.18%	3,099,474	212,611,535	99.63%
2009	219,385,625	213,993,232	97.54%	4,026,998	218,020,230	99.38%
2010	229,188,797	224,184,021	97.82%	4,202,311	228,386,332	99.65%
2011	229,126,449	224,104,050	97.81%	4,105,158	228,209,208	99.60%
2012	228,728,259	223,947,380	97.91%	3,430,922	227,378,302	99.41%
2013	232,910,975	228,359,406	98.05%	-	228,359,406	98.05%

# 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	Total
		Percentage of Actual Taxable Value of Property <sup>a</sup>	Bonded Debt Per Capita <sup>b</sup>
2004	283,451,964	1.14%	896.08
2005	265,935,523	1.05%	833.08
2006	280,238,522	0.98%	863.94
2007	337,445,883	1.14%	1,019.67
2008	318,136,642	1.04%	943.58
2009	428,904,785	1.37%	1,250.54
2010	407,697,994	1.20%	1,173.80
2011	552,547,783	1.63%	1,572.52
2012	517,690,727	1.53%	1,458.79
<b>2013</b>	<b>506,841,054</b>	<b>1.47%</b>	<b>1,416.68</b>

## Governmental Activities

Fiscal Year	General Obligation Bonds	Certificates of Participation	Limited Obligation Bonds	Installment Purchase Obligations	Total Primary Government	Percentage of Personal Income <sup>b</sup>	Total
							Debt Per Capita <sup>b</sup>
2004	283,451,964	81,089,653	-	663,810	365,205,427	3.49%	1,154.53
2005	265,935,523	80,357,228	-	563,810	346,856,561	3.09%	1,086.58
2006	280,238,522	88,991,747	-	293,390	369,523,659	3.16%	1,139.20
2007	337,445,883	83,785,583	-	2,135,393	423,366,859	3.40%	1,279.31
2008	318,136,642	78,461,313	-	1,705,877	398,303,832	3.06%	1,181.35
2009	428,904,785	73,004,074	-	2,185,884	504,094,743	3.75%	1,469.77
2010	407,697,994	67,394,069	15,977,734	1,582,207	492,652,004	3.90%	1,418.39
2011	552,547,783	61,641,500	15,139,749	812,088	630,141,120	4.84%	1,793.34
2012	517,690,727	55,731,450	32,676,028	2,835,543	608,933,748	4.51%	1,715.90
<b>2013</b>	<b>506,841,054</b>	<b>49,976,539</b>	<b>31,680,167</b>	<b>2,141,649</b>	<b>590,639,409</b>	<b>n/a</b>	<b>1,650.91</b>

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

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

<sup>b</sup> See Schedule 12 for population and personal income data.

**DIRECT AND OVERLAPPING GOVERNMENTAL  
ACTIVITIES DEBT**

Schedule 10

FORSYTH COUNTY, NORTH CAROLINA

As of June 30, 2013

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Forsyth County<sup>a</sup></u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
City of Winston-Salem	\$ 198,450,559	100.0%	\$ 198,450,559
Town of Kernersville	12,228,744	100.0%	12,228,744
<b>Other debt</b>			
City of Winston-Salem	558,179,627	100.0%	558,179,627
Town of Kernersville	0	100.0%	0
			<hr/>
Subtotal, overlapping debt			768,858,930
<b>County direct debt</b>			<hr/>
			590,639,409
			<hr/>
<b>Total direct and overlapping debt</b>			<b>\$ 1,359,498,339</b>

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.

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

## LEGAL DEBT MARGIN INFORMATION

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

(dollars in thousands)

Schedule 11

### Legal Debt Margin Calculation for Fiscal Year 2013

Assessed Value of Taxable Property	\$ 34,362,676
Debt Limit - Eight percent (8%) of assessed value	2,749,014
Debt applicable to limit:	
General obligation bonds	506,841
Certificates of participation	49,977
Limited obligation bonds	31,680
Installment purchase obligations	2,142
Total debt applicable to legal debt limit	<u>590,639</u>
Legal debt margin	<u>\$ 2,158,375</u>

### Fiscal Year

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt Limit	\$ 1,990,638	2,033,292	2,276,966	2,367,215	2,451,563	2,510,716	2,708,509	2,707,095	2,712,709	2,749,014
Total net debt applicable to limit	360,649	339,039	362,178	414,845	390,921	493,576	463,047	605,572	586,266	590,639
Legal debt margin	\$ <u>1,629,989</u>	<u>1,694,254</u>	<u>1,914,788</u>	<u>1,952,370</u>	<u>2,060,642</u>	<u>2,017,140</u>	<u>2,245,462</u>	<u>2,101,523</u>	<u>2,126,443</u>	<u>2,158,375</u>
Total net debt applicable to the limit as a percentage of debt limit	18.1%	16.7%	15.9%	17.5%	15.9%	19.7%	17.1%	22.4%	21.6%	21.5%

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

# DEMOGRAPHIC AND ECONOMIC STATISTICS

Schedule 12

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Calendar Years

Calendar Year <sup>b</sup>	Population <sup>1</sup>	Personal Income (000's) <sup>2</sup>	Per Capita Personal Income <sup>2</sup>	Median Age <sup>1,3</sup>	Dropout Rates for Grades 9-12 <sup>4</sup>	Public School Enrollment <sup>4</sup>	Private School Enrollment <sup>5,a</sup>	Unemployment Rate <sup>6</sup>
2003	316,323	10,468,446	31,915	36.8	5.3%	47,478	5,885	5.6%
2004	319,220	11,236,419	34,052	37.0	5.2%	47,801	5,467	5.0%
2005	324,372	11,707,040	35,313	37.2	5.0%	49,279	5,454	4.7%
2006	330,935	12,435,483	37,444	37.4	5.7%	50,305	5,455	4.3%
2007	337,159	13,003,878	38,401	37.6	6.4%	50,974	5,441	4.4%
2008	342,975	13,443,142	39,041	37.8	5.5%	51,422	5,480	5.7%
2009	347,333	12,625,034	36,223	36.7	4.8%	51,488	5,197	9.6%
2010	351,378	13,022,068	37,059	37.2	4.1%	52,050	5,056	10.1%
2011	354,878	13,489,313	38,003	37.4	3.8%	52,277	4,834	10.0%
<b>2012</b>	<b>357,767</b>	<b>n/a</b>	<b>n/a</b>	<b>37.4</b>	<b>3.4%</b>	<b>52,860</b>	<b>4,691</b>	<b>9.0%</b>

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

- Notes:
- <sup>a</sup> Private School Enrollment does not include special schools or home schools.
  - <sup>b</sup> Calendar Year 2012 is the most recent data available.

## PRINCIPAL EMPLOYERS

Schedule 13

FORSYTH COUNTY, NORTH CAROLINA  
Current Year and Ten Years Ago

<u>Employer</u>	<u>2013</u> <sup>1</sup>			<u>2004</u> <sup>2</sup>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Wake Forest University Baptist Medical Center	12,837	1	7.7%	11,121	1	7.0%
Forsyth Medical Center and Affiliates (Novant)	8,145	2	4.9%	7,000	3	4.4%
Winston-Salem/Forsyth County School System	6,692	3	4.0%	7,020	2	4.4%
Reynolds American <sup>a</sup>	3,000	4	1.8%	5,930	5	3.8%
Wells Fargo Bank <sup>b</sup>	2,800	5	1.7%	3,400	6	2.2%
City of Winston-Salem	2,660	6	1.6%	2,600	7	1.6%
Hanesbrands, Inc. <sup>c</sup>	2,500	7	1.5%	6,000	4	3.8%
BB&T Corporation	2,200	8	1.3%	N/A		
Forsyth County	2,029	9	1.2%	1,859	9	1.2%
Wake Forest University	1,680	10	1.0%	1,581	10	1.0%
US Airways	N/A			1,885	8	1.2%
<b>Total</b>	<b>44,543</b>		<b>26.9%</b>	<b>48,396</b>		<b>30.6%</b>

<sup>1</sup> estimates as of November 2012

<sup>2</sup> estimates as of June 2004

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

<sup>b</sup> formerly Wachovia Corporation

<sup>c</sup> formerly Sara Lee Personal Products

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

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

**Schedule 14**

FORSYTH COUNTY, NORTH CAROLINA  
Last Ten Fiscal Years

<u>Function</u>	<u>Full-time Equivalent Employees as of June 30,</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government	372	365	376	366	370	368	361	354	346	336
Public safety	685	703	782	765	786	792	803	800	774	771
Human services	594	585	636	626	633	660	654	667	660	667
Environmental protection	27	25	25	24	23	22	22	22	22	22
Community and economic development	4	5	5	5	5	5	5	5	6	5
Education	17	15	17	18	19	16	14	9	4	4
Culture and recreation	219	211	227	225	219	216	200	204	203	205
Total	<u>1,918</u>	<u>1,909</u>	<u>2,068</u>	<u>2,029</u>	<u>2,055</u>	<u>2,079</u>	<u>2,059</u>	<u>2,061</u>	<u>2,015</u>	<u>2,010</u>

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 hour per year), 42.75-hour (2,223 hours per year) or 56-hour (2,912 hours per year) work weeks. Full-time-equivalent employment is calculated by dividing total labor hours employed by the standard scheduled hours.

# OPERATING INDICATORS BY FUNCTION

## FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

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Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General government</b>										
General services										
Number of facilities <sup>1</sup>	65	66	67	68	68	70	70	72	49	46
Square footage - active	2,510,000	2,877,698	2,898,258	2,917,181	2,881,478	2,917,478	2,917,478	1,864,494	1,853,678	1,827,073
Assigned fleet vehicles	570	574	584	589	597	597	597	631	622	585
Register of deeds										
Deeds recorded	14,873	16,414	17,594	17,737	16,572	13,932	10,346	10,150	9,215	9,651
Real estate copies	446,530	233,882	40,984	39,427	30,056	29,105	26,445	23,427	21,648	21,542
Birth certificates	5,722	7,959	8,247	8,538	8,216	9,325	8,526	7,825	7,314	8,140
Marriage certificates	2,142	2,027	2,193	2,233	2,113	2,097	2,039	1,937	2,001	2,083
Vital records copies	47,927	52,527	55,787	55,967	60,673	59,036	56,729	54,685	58,043	59,439
Tax administration										
Audits	328	334	335	343	351	350	n/a	n/a	n/a	n/a
Current year levy collection percentage	97.79%	98.11%	98.00%	98.26%	98.93%	98.96%	98.27%	98.43%	97.81%	97.91%
<b>Public safety</b>										
Animal control										
Animals sheltered	7,773	7,862	7,403	8,471	8,086	8,079	8,833	8,397	8,395	9,059
Animals adopted	542	1,024	1,024	1,386	1,326	1,349	1,474	1,311	1,175	1,518
Emergency management										
Responders receiving specialized training	475	475	620	612	101	448	477	480	211	474
Emergency medical services										
Emergency dispatches	20,146	22,052	23,096	23,724	23,533	25,809	25,238	27,057	27,854	30,912
Non-emergency dispatches	8,062	8,894	9,378	8,254	12,480	10,258	8,561	7,151	6,668	5,560
Fire										
Fire alarms (total dispatches)	3,975	3,751	3,953	4,140	4,330	4,164	3,787	3,897	3,907	3,738
Volunteer rescue squad response	20,227	20,194	21,331	22,445	23,719	24,238	24,307	25,670	27,007	28,846
911 calls received	78,250	75,205	77,414	N/A	N/A	N/A	83,669	85,614	88,635	89,006
Telephone calls processed	N/A	N/A	N/A	179,324	172,928	205,592	178,366	176,043	177,527	188,363
Sheriff										
Patrol service calls	51,067	56,427	27,390	38,011	27,837	41,720	44,219	48,284	45,791	47,669
Detention - avg. daily inmate population	815	850	847	869	897	881	869	824	675	775
Detention - avg. length of stay (in days)	24	25	23	26	26	26	25	24	20	21
Court - inmates / defendants processed	1,790	10,196	11,721	21,646	14,135	22,144	21,644	20,243	9,589	9,526
Youth services										
Youth receiving drug assessments	116	82	82	107	74	81	79	115	175	243
Youth receiving individual counseling	52	113	113	101	133	140	175	205	250	312
Avg daily population: in-county / out-of-county	11.71/.08	7.33/.12	7.33/.12	13/.26	12.7/0.4	12.7/0.4	12/1	9/2	6/4	8/3

# OPERATING INDICATORS BY FUNCTION

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

<u>Function</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Human services</b>										
Public health										
Wait time on improvement permits	6 weeks	6 weeks	3 weeks	3 weeks	20 days	3 weeks	1.5 weeks	1.75 weeks	1.75 weeks	1.75 weeks
Children Immunized by 23 months of age	64%	71%	91%	91%	83%	82%	82%	90%	90%	88%
Social services										
Average number of public assistance cases	2,214	1,950	1,950	1,562	1,250	1,214	1,202	1,195	n/a	n/a
Children in foster care returned to homes	32%	36%	36%	47%	30%	57%	62%	65%	n/a	n/a
Medicaid/Health Choice applications completed within 45 or 90 day standard	n/a	91.3%	96.9%							
Food/nutrition applications processed within 7 calendar days	n/a	99.3%	99.7%							
<b>Environmental protection</b>										
Environmental affairs										
Permits processed within prescribed timeframe	100%	100%	100%	99%	99%	99%	100%	99%	97%	91%
Correct air quality forecasting	78%	78%	75%	80%	80%	90%	89%	80%	80%	78%
<b>Economic development</b>										
Housing										
Homes rehabilitated	18	22	20	19	12	21	21	18	38	35
First time home buyers & IDA	31	64	126	96	76	48	44	64	37	24
<b>Culture and recreation</b>										
NC cooperative extension service										
Educational meetings conducted	1,872	2,057	1,743	1,460	2,645	1,778	2,539	7,950	9,103	6,574
Total client education/services	72,665	69,898	63,381	57,172	51,281	53,475	62,827	113,286	139,938	166,092
Library										
Number of libraries	10	10	10	10	10	10	10	10	10	10
Program Attendance	152,973	142,827	143,553	78,815	89,743	90,867	107,468	95,791	101,284	96,108
Materials Circulated	1,938,191	1,811,398	1,717,875	1,734,473	1,806,564	1,913,042	2,044,856	1,956,849	1,933,496	1,915,971
Recreation and parks										
Number of parks	11	11	11	11	11	11	11	11	11	11
Park visitors	2,504,392	2,823,704	2,742,368	2,267,209	2,317,301	2,826,255	3,188,518	2,914,185	2,889,969	2,854,524
Golf rounds played	53,380	72,461	66,000	66,190	67,400	70,720	65,449	59,193	49,642	56,553
Festival of lights - visitors	237,000	257,784	281,082	244,750	274,530	282,700	250,458	223,236	217,362	263,100
<b>Education</b>										
Winston-Salem/Forsyth County Schools										
Number of schools	67	68	70	70	72	75	76	80	80	80
Number of classrooms	2,231	2,301	2,364	2,364	2,416	2,653	n/a	n/a	n/a	n/a
Number of teachers	46,502	2,914	2,968	2,968	3,020	3,293	3,585	3,938	3,768	3,778
Forsyth Technical Community College										
Enrollment	7,215	6,977	7,001	7,200	7,203	7,895	9,144	9,922	10,616	9,941

Source: Forsyth County Budget Office. Fiscal Year 2012 is the most recent actual data available.

# CAPITAL ASSET STATISTICS BY FUNCTION

Schedule 16

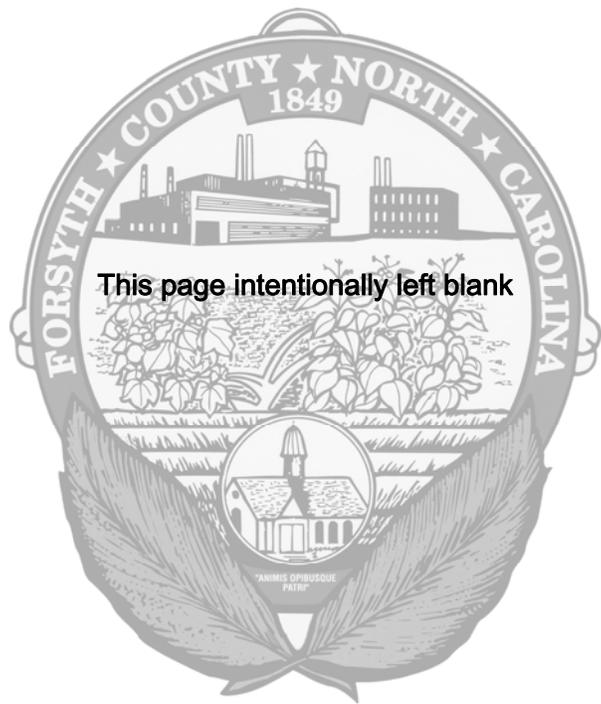
FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Function	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General government</b>										
General services										
Number of facilities <sup>1</sup>	66	67	68	68	70	70	72	72	53	47
Square footage - active <sup>2</sup>	2,877,698	2,898,258	2,917,181	2,881,478	2,917,478	2,917,478	1,864,494	1,853,678	1,827,073	2,257,302
Fleet vehicles <sup>3</sup>	574	584	589	595	613	590	620	615	585	575
<b>Public safety <sup>3</sup></b>										
Emergency medical services										
Assigned vehicles	33	31	30	29	29	30	31	31	34	34
Fire										
Assigned vehicles	10	14	12	13	13	13	13	13	17	17
Sheriff										
Assigned vehicles	247	249	235	233	255	242	244	260	237	237

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

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



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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, 2013, 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 21, 2013.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

Handwritten signature of Cherry Rickett LLP in black ink.

Raleigh, North Carolina  
October 21, 2013

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

To the Board of County Commissioners  
Forsyth County, North Carolina

**Report on Compliance for Each Major Federal Program**

We have audited Forsyth County, North Carolina (the "County"), compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2013. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Each Major Federal Program**

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

## Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 which are described in the accompanying schedule of findings and questioned costs as items 13-01 and 13-02. Our opinion on each major federal program is not modified with respect to these matters.

The County's responses to the noncompliance 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.

## Report on Internal Control Over Compliance

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

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

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

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



Raleigh, North Carolina  
October 21, 2013

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

To the Board of County Commissioners  
Forsyth County, North Carolina

**Report on Compliance for Each Major State Program**

We have audited the Forsyth County, North Carolina (the "County"), compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major State programs for the year ended June 30, 2013. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

**Opinion on Each Major State Program**

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2013.

**Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with applicable sections of OMB Circular A-133 as described in the *Audit Manual for Governmental Auditors in North Carolina* and which is described in the accompanying schedule of findings and questioned costs as item 13-03. Our opinion on each major State program is not modified with respect to this matter.

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

### **Report on Internal Control Over Compliance**

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

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

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

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

Cherry Roubert LLP

Raleigh, North Carolina  
October 21, 2013

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

*FOR THE FISCAL YEAR ENDED JUNE 30, 2013*

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

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**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

**Federal Awards**

Internal control over major federal programs:

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

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

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

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

*FOR THE FISCAL YEAR ENDED JUNE 30, 2013*

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Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
93.778	Medicaid Cluster
93.563	Child Support Enforcement Administration
93.563	Child Support Incentive
93.563	Child Support Reimbursement
93.563	Child Support Enforcement Fees
	Foster Care and Adoption Assistance Cluster:
93.658	Title IV-E Foster Care Administration
93.658	Title IV-E Foster Care
93.658	Title IV-E Foster Care Training
93.658	ARRA IV-E Foster Care
93.658	Title IV-E Foster Care Child Protective Services
93.658	Title IV-E Maximization
N/A	Maximization of State Funds
93.658	State Foster Care/HIV
93.659	Adoption Assistance
93.659	IV-E Optional Adoption
93.659	Adoption Assistance - Direct Benefit Payments
	Social Services Block Grant
93.667	Administration
93.667	In Home Services
93.667	Adult Day Care
93.667	Adult Protective Services
93.667	Transportation
93.767	State Children's Insurance Program
	Special Supplemental Nutrition Program for Women, Infants, and Children – WIC
10.557	Administration
10.557	Direct Benefits
	Subsidized Child Care Cluster:
93.596	Child Care and Development Fund Administration
93.575	Child Care and Development Fund, Discretionary
93.596	Child Care and Development Fund, Mandatory
93.596	Child Care and Development Fund, Match
93.558	Temporary Assistance for Needy Families
93.667	Social Services Block Grant

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

*FOR THE FISCAL YEAR ENDED JUNE 30, 2013*

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Identification of major federal programs, continued:

	Subsidized Child Care Cluster (continued):
93.575	TANF to CCDF Discretionary
93.575	TANF Swap
93.658	IV-E Foster Care
N/A	IV-E Foster Care Match
N/A	State Appropriations
N/A	TANF-MOE

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

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

Auditee qualified as low-risk auditee  X  yes   no

**State Awards**

Internal control over major State programs:

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

Type of auditor's report issued on compliance of 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

Identification of major State programs:

Program Name

CCNC Pregnancy Prevention  
Pregnancy Care Management  
One North Carolina Grant Funds:  
NSA Holdings, LLC; NS Aviation  
TurboCare

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

*FOR THE FISCAL YEAR ENDED JUNE 30, 2013*

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Major State programs for Forsyth County are Medical Assistance, Children's Health Insurance Program, Foster Care and Adoption, Social Services Block Grant and Subsidized Child Care which are State matches on Federal programs. Therefore, these programs have been included in the list of major federal programs above.

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**Section II. Financial Statement Findings**

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None reported.

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

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

**Finding 13-01**

**NON-MATERIAL NONCOMPLIANCE – Eligibility – Fee computation**

Criteria: Individuals who are eligible for child care based on their income will be charged fees for the service.

Condition: Two instances in which the fee paid by the eligible parent was computed incorrectly resulting in the County's payment to the child care providers being greater than it should have been.

Questioned costs: \$1,130 and \$304 overpayments by the County and underpayments by the eligible individual.

Context: We examined 40 case files and reviewed to ensure that eligibility was properly verified and that the computation of parent fees is correct.

Effect: By not correctly calculating the child care fee to be charged to eligible individuals there is a risk that the County could provide excess benefits to eligible individuals.

Cause: Case workers computed the fee to be paid by the eligible parent incorrectly.

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 reviews are conducted of parent fee computations to prevent overpayment by the County of child care fees.

Views of responsible officials: Department of Social Services is in agreement with the finding and has taken corrective action to fix the issues.

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

*FOR THE FISCAL YEAR ENDED JUNE 30, 2013*

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

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

**Finding 13-02**  
**Nonmaterial Noncompliance – Eligibility**

**Criteria or specific requirement:** The County should have adequate monitoring controls to ensure that all required physical documentation is located in the file to properly document eligibility with program requirements.

**Condition:** One instance in which documentation was missing from the file. No instances of incorrect eligibility determination were noted. However, the lack of controls allows for inaccuracies with the potential for over or under payment of benefits.

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

**Context:** We examined 34 Medicaid case files. Of the 34 files sampled, supporting documentation for one file could not be provided.

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

**Cause:** Case workers failed to update recipient's files appropriately.

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

**Views of responsible officials:** Department of Social Services is in agreement with the finding.

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

*FOR THE FISCAL YEAR ENDED JUNE 30, 2013*

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

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

**Finding 13-03**  
**Nonmaterial Noncompliance – Special Tests and Provisions**

**Criteria or specific requirement:** Physical documentation is required to properly document EPICS claims.

**Condition:** Ten instances in which the County was unable to provide the EPICS claims supporting documentation for testing.

**Questioned costs:** None.

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

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

**Cause:** Documentation was misplaced.

**Recommendation:** The County should maintain all case documentation necessary to substantiate the claim entry into EPICS.

**Views of responsible officials:** The AFDC cases and several of the FNS cases were established in the 1980's. Since that time, the fraud unit was disbanded and the case records were relocated several times. The missing case records could not be located. We do not attempt to collect from debtors when the case file cannot be found.

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

*FOR THE FISCAL YEAR ENDED JUNE 30, 2013*

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**Section II. Financial Statement Findings**

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None reported.

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

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**Finding 13-01**

Name of contact person: Dawn Creason, Daycare Supervisor

Corrective Action: Both income errors were careless mistakes made between May and July of 2012. During this time period, the Day Care Unit was in the middle of becoming paperless and workers were learning their new way of processing/scanning cases. This also put them behind in processing their work which will cause them to rush and make careless mistakes as in the case of these two income errors. The errors were made by two different workers. Both workers are aware of their mistakes and were asked to double check their work. Avoiding careless errors by double checking work was also discussed with the unit in a staff meeting. The corrections were keyed into the state reimbursement system and coded as an agency error so the state will not reimburse the county this amount.

Proposed Completion Date: The overpayment amounts will be withheld from the September 2013 State reimbursement.

**Finding 13-02**

Name of contact person: Shantele F Williams

Corrective Action: All Forsyth County Family and Children cases are managed through a document management system. This includes all mail received as well. This will alleviate future missing documentation or case files.

Proposed Completion Date: October 4, 2013

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

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**Finding 13-03**

Name of contact person: Kim Collie

Corrective Action: Review with staff the importance of correctly filing case records as well as insuring that all relevant documentation is in the case file.

Proposed Completion Date: The TANF/AFDC and F&C Medicaid is a vacant position at this time. When a new investigator is hired, we will ensure they are trained in proper file management. This will be reviewed with the FNS investigator by 10/18/2013.

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

*FOR THE FISCAL YEAR ENDED JUNE 30, 2013*

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**Findings: 12-01**

Status: Corrected

**Findings: 12-02**

Status: Corrected

**Findings: 12-03**

Status: Corrected

**Findings: 12-04**

Status: Corrected

**Findings: 12-05**

Status: Corrected

**Findings: 12-06**

Status: Corrected

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

FORSYTH COUNTY

For the Fiscal Year Ended June 30, 2013

Page 1 of 5

Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Federal/State Pass-Through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures
<b>Federal Awards:</b>				
<b><u>U.S. Dept. of Health and Human Services</u></b>				
<b><u>Administration for Children and Families</u></b>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Social Services:				
Temporary Assistance for Needy Families:				
	93.558	-	\$ 301,649	-
	93.558	-	1,498,753	-
	93.558	-	230,182	-
	-	-	-	7,406
	93.558	-	1,721,018	(120)
(a)	93.563	-	2,244,843	-
(a)	93.563	-	205,708	-
(a)	93.563	-	3,230	-
(a)	93.563	-	30,767	-
	93.566	-	14,982	-
	93.566	-	3,718	-
	93.566	-	24,658	-
Low Income Home Energy Assistance:				
	93.568	-	189,911	-
	93.568	-	1,730,602	-
	93.568	-	836,415	-
Child Welfare Services - State Grants:				
	93.645	-	204,666	4,609
	-	-	-	43,397
	-	-	-	398,396
	93.556	-	10,200	-
<u>Foster Care and Adoption Cluster: (Note 3)</u>				
(a)	93.658	-	841,788	-
(a)	93.658	-	221,670	58,688
(a)	93.658	-	3,070	-
(a)	93.658	-	9	-
(a)	93.658	-	106,099	51,409
(a)	93.658	-	109,049	-
(a)	-	-	-	144,793
(a)	93.658	-	9,425	204,309
(a)	93.659	-	2,639	1,319
(a)	93.659	-	47,284	-
(a)	93.659	-	1,611,284	425,899
			2,952,317	886,417
Social Services Block Grant:				
(a)	93.667	-	1,339,983	135,119
(a)	93.667	-	121,000	-
(a)	93.667	-	82,484	74,773
(a)	93.667	-	34,410	-
(a)	93.667	-	12,543	-
	93.674	-	47,974	11,993
	93.674	-	89,476	-
<u>Subsidized Child Care (Note 3)</u>				
<u>Child Care and Development Fund Cluster</u>				
Division of Social Services:				
(a)	93.596	-	521,286	-
Division of Child Development:				
(a)	93.575	-	1,972,444	-
(a)	93.596	-	2,656,192	-
(a)	93.596	-	694,325	-
			5,844,247	-

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, 2013

Page 2 of 5

Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Federal/State Pass-Through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures
<b><u>U.S. Dept. of Health and Human Services (continued)</u></b>				
<b><u>Child Care and Development Fund Cluster (continued)</u></b>				
(a) Social Services Block Grant	93.667	-	\$ 19,915	-
(a) Temporary Assistance for Needy Families	93.558	-	3,178,479	-
(a) TANF to CCDF Discretionary	93.575	-	4,025,190	-
(a) TANF Swap	93.575	-	257,316	-
(a) IV-E Foster Care	93.658	-	109,805	-
(a) IV-E Foster Care Match	-	-	-	51,751
(a) State Appropriations	-	-	-	432,907
(a) TANF-MOE	-	-	-	572,697
Total Subsidized Child Care (Note 3)			<u>13,434,952</u>	<u>1,057,355</u>
<b><u>Centers for Medicare and Medicaid Services</u></b>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Social Services:				
(a) State Children's Insurance Program	93.767	-	684,357	16,056
(a) Medical Assistance Program:				
(a) Medical Assistance Administration	93.778	-	3,444,782	-
(a) Medical Assistance Expansion/De-Linking	93.778	-	65,726	65,726
(a) Medical Interpretation Services	93.778	-	187,643	2,033
(a) Adult Home Specialist	93.778	-	65,112	30,992
(a) Adult Care Home Case Management	93.778	-	41,213	20,607
(a) Medical Assistance Transportation Administration	93.778	-	343,605	28,414
(a) Division of Medical Assistance:				
(a) Medical Assistance Program:				
(a) Medical Assistance Transportation Vendor Payments	93.778	-	801,128	470,504
(a) Direct Benefit Payments	93.778	-	236,966,124	131,824,901
<b><u>Administration on Aging</u></b>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Aging:				
Passed-through Northwest Piedmont Council of Governments:				
Special Programs for the Aging - Title III, Part B	93.044	-	151,203	-
<b><u>Centers for Disease Control and Prevention</u></b>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Public Health:				
Project Grants and Cooperative Agreements for				
Tuberculosis Control Programs	93.116	-	47,261	-
Latino X	93.217	-	65,449	-
Healthy Communities	93.217	-	17,179	-
Immunization Outreach	93.268	-	71,476	-
Cooperative Agreements for State-Based Comprehensive:				
Comp Breast Cancer Screen	93.283	-	37,156	-
BCCP Plus	93.256	-	16,500	-
BCCP Wisewoman Project	93.283	-	5,945	-
HIV Prevention Activities - Health Department Based	93.940	-	29,592	-
Jail Screening Program	93.940	-	126,356	-
Sexually Transmitted Diseases Control Grant	93.977	-	59,338	-
Speech and Hearing	93.994	-	22,930	-
Preparedness and Response Team	93.283	-	76,318	-
<b><u>Health Resources and Services Administration</u></b>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Public Health:				
Healthy Start Initiative	93.926	-	230,466	-
Minority Infant Mortality Rate	93.994	-	46,103	-
Maternal and Child Health Services Block Grant to the States	93.994	-	243,182	-
Women's Preventive Health	93.558	-	34,998	-
Family Planning Title X	93.217	-	59,944	-
Total U.S. Dept. of Health and Human Services			<u>271,307,527</u>	<u>135,078,578</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, 2013

Page 3 of 5

Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Federal/State Pass-Through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures
<b><u>National Foundation on the Arts and the Humanities</u></b>				
<b><u>Office of Library Services</u></b>				
Passed-through N.C. Department of Cultural Resources:				
Division of State Library:				
State Library Program	45.310	-	\$ 44,291	-
<b><u>U. S. Dept. of Housing and Urban Development</u></b>				
<b><u>Community Planning and Development</u></b>				
Passed through N. C. Department of Commerce:				
Division of Community Assistance:				
Community Development Block Grants - NSP	14.228	08-N-1889	68,223	-
Community Development Block Grants - SS	14.228	09-C-1991	59,585	-
Passed-through N.C. Housing Finance Agency:				
NCHFA URP		-	-	44,336
NCHFA Single Family Rehabilitation	14.239	-	1,754	
Passed through City of Winston-Salem:				
HOME Investment Partnerships Program:				
2009 Winston-Salem/Forsyth County HOME Consortium	14.239	M09-DC-37-0204	8,569	-
2010 Winston-Salem/Forsyth County HOME Consortium	14.239	M10-DC-37-0204	34,619	-
2011 Winston-Salem/Forsyth County HOME Consortium	14.239	M11-DC-37-0204	161,295	-
2012 Winston-Salem/Forsyth County HOME Consortium	14.239	M12-DC-37-0204	1,467	-
Total U. S. Dept. of Housing and Urban Development			<u>335,512</u>	<u>44,336</u>
<b><u>U.S. Dept. of Agriculture</u></b>				
<b><u>Food and Nutrition Service</u></b>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Social Services:				
<b><u>Supplemental Nutrition Assistance Program (SNAP) Cluster:</u></b>				
State Administrative Matching Grants:				
SNAP Administration	10.561	-	1,964,445	-
SNAP Incentives	10.561	-	15,888	-
SNAP Employment and Training	10.561	-	38	-
SNAP Fraud Administration	10.561	-	3,420	-
Total SNAP Cluster			1,983,791	-
Division of Public Health:				
(a) Special Supplemental Nutrition Program for				
(a) Women, Infants, & Children:				
(a) Administration	10.557	-	2,073,854	-
(a) Direct Benefits	10.557	-	9,139,063	-
Total U. S. Dept. of Agriculture			<u>13,196,708</u>	-
<b><u>Environmental Protection Agency</u></b>				
Direct Programs:				
Surveys, Studies, Investigations and Special Purpose Grants	66.034	-	112,374	-
<b><u>Office of Air and Radiation</u></b>				
Air Pollution Control Program Support	66.001	-	299,323	-
Total Environmental Protection Agency			<u>411,697</u>	-
<b><u>Department of Homeland Security</u></b>				
Passed-through N.C. Dept. of Crime Control and Public Safety:				
Homeland Preparedness Grant	97.067	2011-SS-0019	136,000	-
<b><u>U.S. Dept. of Justice</u></b>				
Direct programs:				
<b><u>Office of Justice Programs</u></b>				
Bureau of Justice Assistance				
ARRA 2009 Justice Assistance Grant Program	16.804	2009-SB-B9-0945	322,545	-
2009 Justice Assistance Grant Program	16.738	2009-DJ-BX-0886	32,470	-
2010 Justice Assistance Grant Program	16.738	2010-DJ-BX-0412	18,217	-
2011 Justice Assistance Grant Program	16.738	2011-DJ-BX-2909	50,234	-

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, 2013

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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
<b><u>U.S. Dept. of Justice (continued)</u></b>				
<u>Office of Juvenile Justice and Delinquency Prevention</u>				
Gang and Delinquency Prevention Initiative	16.554	2010-JL-FX-0590	\$ 14,953	-
<u>Office of Violence Against Women</u>				
Forsyth Unified Domestic Violence Center	16.588	2010-WE-AX-0066	159,386	-
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	135,954	-
Total U.S. Dept. of Justice			733,759	-
Total federal awards			286,165,494	135,122,914
<b>State Awards:</b>				
<b><u>N.C. Dept. of Health and Human Services</u></b>				
Division of Social Services:				
Adoption/Foster Care	-	-	-	6,359
Share the Warmth	-	-	-	11,389
State/County Special Assistance	-	-	-	55,999
State/County Special Assistance for Adults - Direct Benefit Payments	-	-	-	2,555,422
Division of Child Development:				
Passed-through Forsyth Early Childhood Partnership:				
General Health Administration	-	-	-	215,999
Child Health	-	-	-	70,991
AIDS	-	-	-	28,986
Offsite HIV CTS	-	-	-	122,896
Tuberculosis	-	-	-	43,649
TB Medical Services	-	-	-	5,936
Comp Breast Cancer Screen	-	-	-	51,000
Communicable Disease	-	-	-	17,760
CSHS Speech and Hearing	-	-	-	17,199
Minority Infant Mortality Reduction	-	-	-	34,581
Maternal and Child Health Services	-	-	-	51,790
Women's Preventive Health	-	-	-	13,304
Child Svc Coordination	-	-	-	4,694
High Risk Maternity Unit	-	-	-	113,351
School Nurse Funding	-	-	-	102,863
AHEC NC Preceptor Payments	-	-	-	3,600
Healthy Carolinas	-	-	-	20,179
(a) CCNC Pregnancy Prevention	-	-	-	462,318
(a) Pregnancy Care Management	-	-	-	421,367
Division of Public Health:				
Division of Aging:				
Passed-through Northwest Piedmont Council of Governments:				
Home and Community Care	-	-	-	208,804
Total N.C. Dept. of Health and Human Services			-	4,640,436
<b><u>N.C. Dept. of Cultural Resources</u></b>				
Division of State Library:				
State Aid to Libraries	-	-	-	285,612
Total N.C. Dept. of Cultural Resources			-	285,612
<b><u>N.C. Dept. of Environment and Natural Resources</u></b>				
Triad Air Awareness Ozone Reduction	-	-	-	59,563
Air Quality Mobile Source Program	-	-	-	202,539
Food and Lodging Permit Distribution	-	-	-	20,584
Environmental Health	-	-	-	7,667
Mosquito Control	-	-	-	4,562

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, 2013

Page 5 of 5

<u>Grantor / Pass-through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal/State Pass-Through Grantor's Number</u>	<u>Fed. (Direct &amp; Pass-through) Expenditures</u>	<u>State Expenditures</u>
<b><u>N.C. Dept. of Environment and Natural Resources (continued)</u></b>				
NC A&T University Position Reimbursement		-	\$ -	76,016
SWC - Agricultural Cost Share Program		-	-	26,000
SWC - Administration and Technical Assistance		-	-	3,600
Total N.C. Dept. of Environment and Natural Resources			<u>-</u>	<u>400,531</u>
<b><u>N.C. Department of Commerce</u></b>				
(a) One North Carolina Grant Funds		-	-	-
NSA Holdings, LLC; NS Aviation		-	-	150,000
TurboCare		-	-	178,200
Total N.C. Dept. of Commerce			<u>-</u>	<u>328,200</u>
<b><u>N.C. Department of Public Safety</u></b>				
Juvenile Justice and Delinquency Prevention		-	-	862,813
Total N.C. Dept. of Public Safety			<u>-</u>	<u>862,813</u>
<b><u>N.C. Dept. of Public Instruction</u></b>				
Public School Building Capital Fund		0-002-933	-	4,500,160
<b><u>N.C. Dept. of Transportation</u></b>				
Rural Operating Assistance Program:				
Work First Transitional/Employment Transportation Assistance	9.9051570		-	23,817
Elderly and Disabled Transportation Assistance	9.9050716		-	169,138
Total N.C. Dept. of Transportation			<u>-</u>	<u>192,955</u>
Total state awards			<u>-</u>	<u>11,210,707</u>
Total awards			<u>\$ 286,165,494</u>	<u>146,333,621</u>
(a) Major federal and / or state award program.				

The notes to the schedule of expenditures of federal and state awards are an integral part of this schedule.

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

FORSYTH COUNTY, NORTH CAROLINA  
 For the Fiscal Year Ended June 30, 2013

**(1) Basis of Presentation**

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Forsyth County, North Carolina and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. Benefit payments are paid directly to recipients and are not included in the County's financial statements. However, due to the County's involvement in determining eligibility, they are considered federal and state awards to the County and are included on this schedule.

**(2) Subrecipients**

Of the federal and state expenditures presented in the schedule, Forsyth County provided federal and state awards to subrecipients as follows:

<u>Program Title/Subrecipient</u>	<u>Federal CFDA Number</u>	<u>Federal/State Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
U.S. Department of Justice <u>Office of Justice Programs</u>				
Passed through to the City of Winston-Salem				
2009 Justice Assistance Grant Program	16.738	2009-DJ-BX-0886	\$ 29,601	\$ -
N.C. Department of Crime Control and Public Safety Governor's Crime Commission - Juvenile Crime Prevention Council:				
Safe on Seven Domestic Violence Grant	16.588	034-1-07-3VA-AW-833	135,954	-
N.C. Department of Juvenile Justice and Delinquency Prevention - Juvenile Crime Prevention:				
Host Homes	-	334-10371	-	123,000
Teen Court	-	334-10480	-	36,092
Work & Earn it	-	334-10479	-	99,440
Gray Cottage and Opportunity House	-	334-10921	-	276,568
Juvenile Psychological Services	-	334-10746	-	84,109
YWCA - Make a Difference	-	334-10481	-	54,611
Strengthening Families	-	334-10530	-	38,785
Family Therapy House	-	334-11571	-	134,708
JCPC Administrative	-	334-11424	-	15,500
Public School Building Capital Fund:				
Winston-Salem/Forsyth County Schools	-	0-002-933	-	4,500,160
Rural Operating Assistance Program:				
City of Winston-Salem - Elderly and Disabled Transportation Assistance	-	9.9050716	-	169,138

**(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.

## 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

Cover Design: [Keith Spencer](#)



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