



2018

Comprehensive Annual Financial Report

Year ended June 30, 2018

Forsyth County, North Carolina

Forsyth County, North Carolina

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018

Prepared by the Forsyth County Finance Department:

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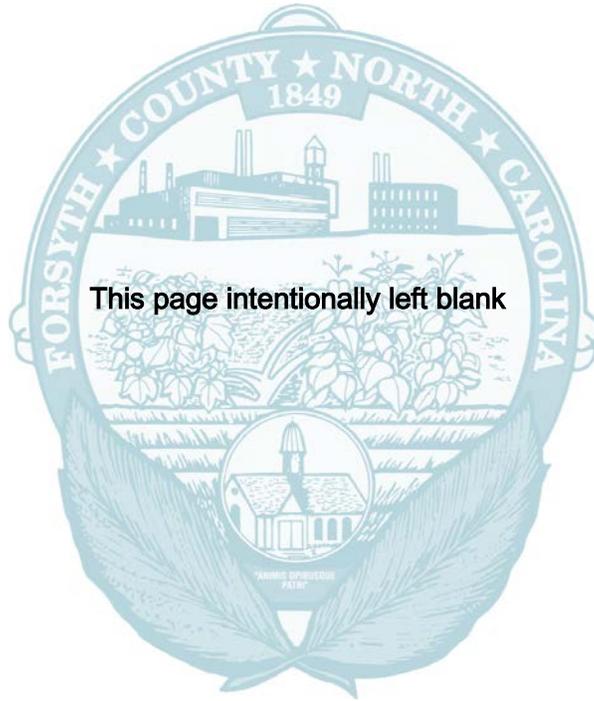
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Forsyth County, North Carolina

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2018

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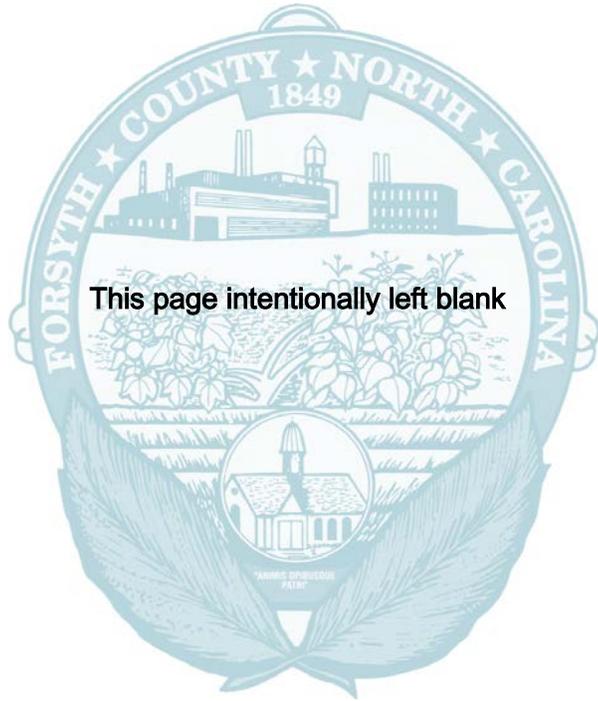
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FINANCE DEPARTMENT

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

Terri L. Goodman, CPA
DEPUTY CHIEF FINANCIAL OFFICER

Lee H. Plunkett
ASSISTANT CHIEF FINANCIAL OFFICER



Michael J. Phelps, CPA
CONTROLLER AND SYSTEMS

Teresa G. Everhart, CISR
RISK MANAGER

Penny K. Efirm, CPA
INTERNAL AUDIT MANAGER

November 5, 2018

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, 2018.

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 Elliott Davis, PLLC, 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, 2018, 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, 2018, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Forsyth County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not

only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the compliance section of this report.

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

Profile of the Government

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

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

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

The annual budget serves as the foundation for Forsyth County's financial planning and control. Each year all County departments are required to submit requests for appropriations to the County Manager, who then compiles a proposed budget and presents it to the Board of Commissioners for

review. The Board is required to hold public hearings on the proposed budget and to adopt a final budget by July 1 of the fiscal year, or the Board must adopt an interim budget that covers that time until the annual ordinance can be adopted. The annual ordinance includes appropriations for the General Fund and four annually budgeted special revenue funds. Note 1c provides additional information on budgetary data. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 16 as part of the basic financial statements for the governmental funds and, in greater detail, on pages 58 - 60 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 62. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each nonmajor governmental fund for which a project-length budget has been adopted (i.e., grant project special revenue funds and capital project funds).

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

Factors Affecting Financial Condition

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

Local economy. Located midway between Washington, D.C. and Atlanta, Georgia, Forsyth County is in the heart of the state's Piedmont Triad region, a 12-county area with more than 1.7 million people. Three cities comprise the Triad: Winston-Salem, Greensboro and High Point. Each city has its own character, its own heritage, and its own industrial base. Yet the area's commercial and cultural growth transcends geographic boundaries with the strengths of each city combining to form a vibrant economic hub.

Forsyth County, with an estimated population of 372,651 and a workforce of more than 185,000, plays a vital role in the Triad's economy. With a strong and well diversified core of manufacturing companies, health care, biotechnology, financial services, and tourism sectors, the County serves as the major employment center for the counties which comprise northwest North Carolina and portions of southwest Virginia. The County's average unemployment rate for the year ended June 30, 2018 is 4.2 percent, which is lower than the State rate of 4.3 percent and slightly higher than the national rate of 4.1 percent.

Economic resilience and employment stability have formed the foundation for strong local consumer and commercial markets. The most recent per capita personal income levels from 2016 remain consistently higher than state figures. The County's per capita income is \$44,672, the twelfth highest among counties in the state, and higher than the State's \$42,244. Capital investment, as measured by the value of new residential and commercial building permits issued during the year, totaled \$567.5 million during the year ended June 30, 2018, an increase of 8.4 percent over the prior year.

Long-term financial planning. The Forsyth County Major Capital Improvements Program ("CIP") is the result of an ongoing process by County officials to assess the need for major capital expenditures, the feasibility of funding these projects, and to establish an orderly plan for implementing these projects. The CIP is reviewed by the Commissioners periodically, usually twice a year, once at the annual Commissioners' Planning Workshop, and then again during their annual budget deliberations.

As of June 30, 2018, the County's CIP through the year 2024 consists of \$481.9 million for proposed projects funded with long term financing. General obligation bonds will be incurred for public schools (\$288 million), community college projects (\$55.65 million), park system development and maintenance (\$17.250 million), and County general capital maintenance (\$6.0 million). A replacement of court facilities now housed in the Hall of Justice (\$115 million) will be funded with limited obligation bonds. Sales of property and other revenues will fund replacement of the Kaleideum facility (\$17.84 million). An upgrade or replacement of the joint Forsyth County/City of Winston-Salem 800 MHz Radio System (\$9 million County share) is under consideration for funding from current appropriations or Pay-Go if available. A bond referendum, approved in November 2016, provides the bulk of schools, community college and park system development and maintenance funds with the balance coming from non-voter approved two-thirds bonds.

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

Tax Rate - The Board of Commissioners strives to limit the growth of the annual operating budget to an amount which can be accommodated by growth in the tax base as well as other local, state and federal revenues, without a tax rate increase, whenever possible. The fiscal year 2018 tax rate of \$.7235 is \$.0075 lower than the prior year rate of \$.7310.

Education Debt Leveling Plan ("EDLP") – In order to level the effects of issuing the \$250 million schools and \$25 million community college bonds authorized in the November 2006 referendum, the County has dedicated proceeds from the state education lottery and from a 3-cent property tax increase first levied in fiscal year 2008 to debt service on these bonds. Similarly, the fiscal year 2010 budget included an additional 1.1-cent tax increase over the revenue-neutral rate to fund the \$62 million educational facilities bond authorization approved in the November 2008 referendum. These EDLP tax rates were adjusted to \$.033 and \$.0121 for the 2006 and 2008 EDLP reserves, respectively, following the fiscal year 2014 revaluation. No additional tax increases are anticipated to pay this debt service. Each year lottery funds will be applied first, and the balance of applicable debt service will be paid from fund balance designated from the 3.3-cent and 1.21-cent levies plus any interest on that designated fund balance. The EDLP currently has a balance of \$14.7 million.

Library Debt Leveling Plan ("LDLP") – In order to level the effects of issuing the \$40 million library bonds authorized in the November 2010 referendum, the County has dedicated proceeds a \$.0057 property tax increase first levied in fiscal year 2016 to debt service on these bonds. No additional tax increases are anticipated to pay this debt service. Each year applicable debt service will be paid from fund balance designated from the \$.0057 levy plus any interest on that designated fund balance. The LDLP currently has a balance of \$1.7 million.

Public Improvement Debt Leveling Plan ("PIDLP") – In order to level the effects of issuing the \$83.5 million schools, \$15.5 million community college, and \$3.6 million parks bonds authorized in the November 2016 referendum, the County has dedicated proceeds from annual operating contributions and from a 2.9-cent property tax increase first levied in fiscal year 2018 to debt service on these bonds. No additional tax increases are anticipated to pay this debt service. Each year applicable debt service will be paid from fund balance designated from the 2.9-cent levy plus any interest on that designated fund balance. The PIDLP currently has a balance of \$7.9 million.

Debt Policy - Forsyth County recognizes that a formally adopted debt policy is fundamental to sound financial management. The fiscal year 2018 budget was adopted under the policy goal that the total annual debt service for long-term obligations would not exceed 18% of the appropriations in the annually adopted budget as shown in the Budget Ordinance. The policy of keeping debt service at less than a specified percent of the budget can greatly influence the timing and/or amount of funding for a project, as well as the method of funding.

Fund Balance Policy – Available fund balance in the General Fund should be at least 14% of the subsequent year’s budget. The County exceeded this policy target ending the 2018 fiscal year with an available fund balance, net of committed fund balance, of 20.1% of its 2019 budget. \$9.7 million of available fund balance was appropriated to balance the fiscal 2019 budget leaving 17.8% available fund balance of which 14% was set aside in accordance with the County’s fund balance policy. The remaining 3.8%, or \$13.2 million, was assigned for fiscal 2019 management special projects and capital maintenance projects. One of the County’s goals for future budgets is to reduce the amount of appropriated fund balance needed to balance the budget.

Major Initiatives. While fiscal stress remains for businesses, citizens and local governments, modest projections for continuing recovery have proved to be correct. Higher than expected revenue realization in property taxes in 2018 have resulted in a continuing strong balance sheet. Additionally, continued efforts at reorganization, re-engineering of work processes, efficiency improvements and other efforts to control costs have provided some easing of budgetary pressures. The County expects to have a strong focus on these types of efforts as it seeks to find and implement innovative strategies and systems throughout the organization.

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

The focus of the fiscal year 2019 budget is on maintaining the policies which form the financial foundation of the County; the 18% debt ceiling, the 14% fund balance target, the school, library and public improvement debt leveling plans, the school funding formula which uses economic and demographic data to determine growth in school funding, and the use of a multi-year approach to mitigate effects of revaluations. Also, capital maintenance plans for the County, schools and community college which utilize two-thirds bonds for funding every other year provide resources to keep facilities safe, sound and usable and allow for maintenance planning over the life of facilities.

The County provides all of its statutory services and a variety of services which, though not required, have strong public support. The County does not expect to undertake any major new programs, projects or expansion of services without substantial public support for both the services and the tax rate increase, if necessary, to support them.

Awards and Acknowledgements

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Forsyth County for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the 34th 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 2018 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 2019 budget continues to conform to program requirements, and we are submitting it to GFOA to determine eligibility for another award.

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

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

Sincerely,

J. Dudley Watts, Jr.

County Manager

Paul L. Fulton, Jr.

Chief Financial Officer

Forsyth County Board of Commissioners



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

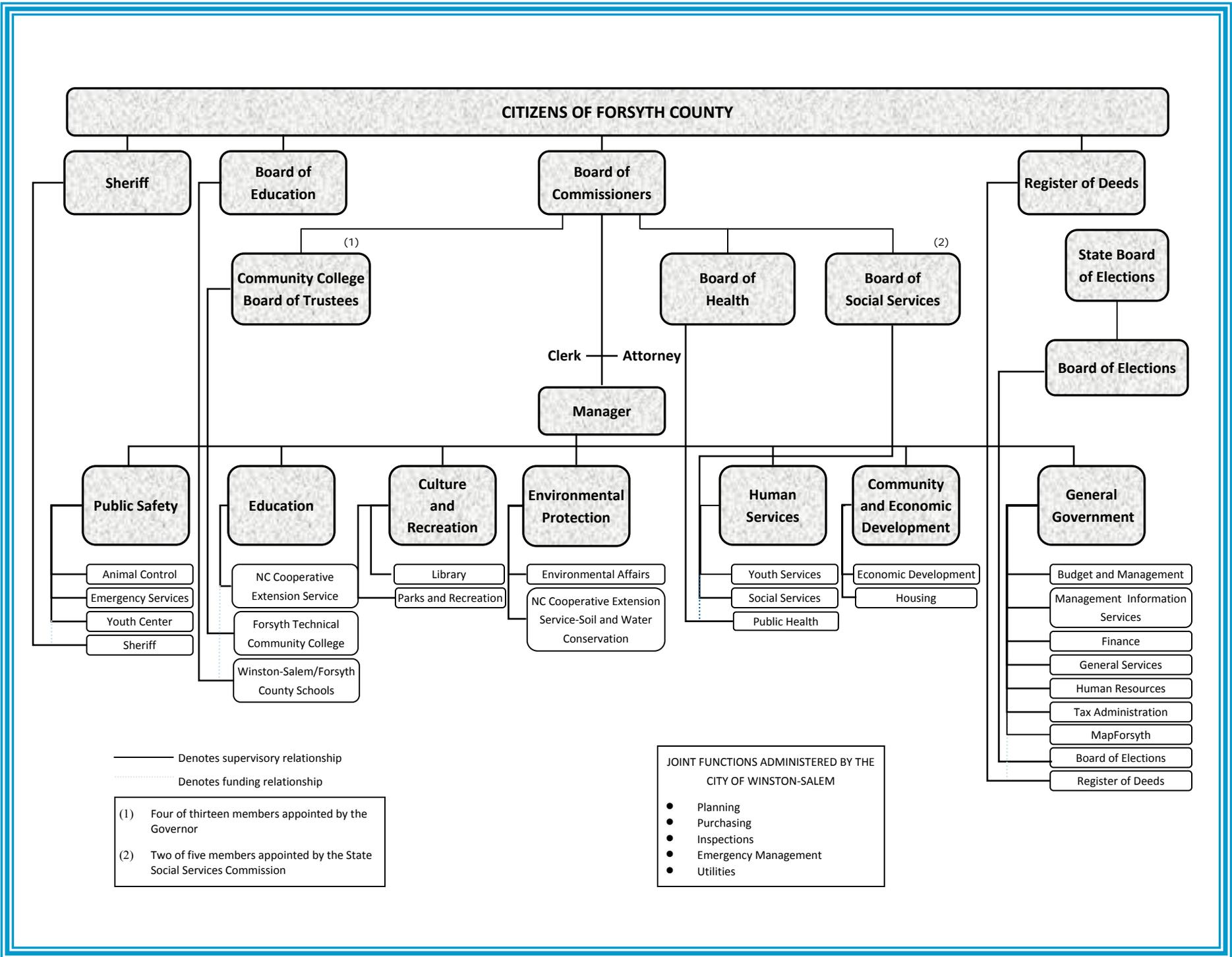
County Officials



J. Dudley Watts, Jr.
County Manager



Paul L. Fulton, Jr.
Chief Financial Officer





Government Finance Officers Association

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

Presented to

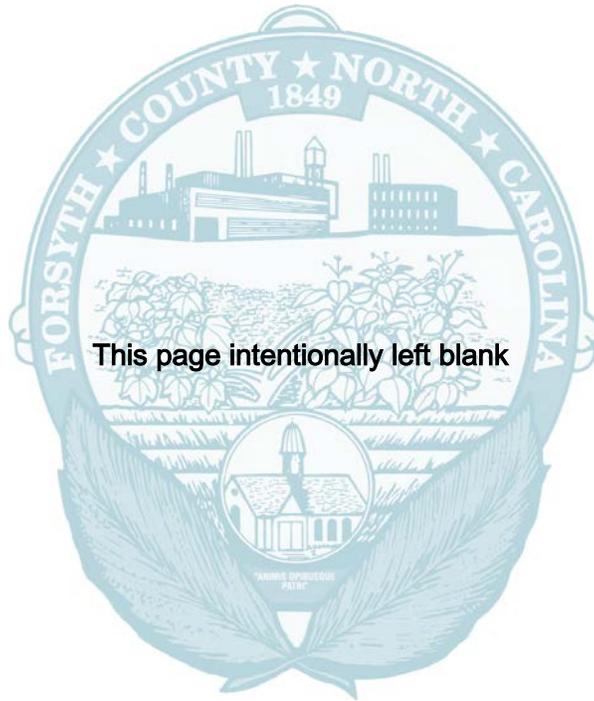
**Forsyth County
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO



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Independent Auditor's Report

The Board of County Commissioners
Forsyth County
Winston-Salem, 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, 2018, 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 includes 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, 2018, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Implementation of New Accounting Standard

As discussed in Note 5h to the financial statements, the County adopted provisions of Governmental Accounting Standards Board (GASB) Statement Number 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, effective July 1, 2017. Our opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Local Government Employee's Retirement System's Schedules of Proportionate Share of the Net Pension Liability and Employer Contributions, the Law Enforcement Officers' Special Separation Allowance Schedules of Changes in the Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, the Register of Deeds' Schedules of Proportionate Share of Net Pension Asset and Employer Contributions, and the Healthcare Plan Schedules of Changes in Net OPEB Liability and Related Ratios, Employer Contributions and Investment Returns, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements, budget and actual comparisons, statement of changes in assets and liabilities – agency funds, schedule of ad valorem taxes receivable, analysis of current tax levy, schedule of ten largest taxpayers, the schedule of expenditures of federal and state awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act, the introductory section and the statistical section as listed in the Table of Contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements, budget and actual comparisons, statement of changes in assets and liabilities – agency funds, schedule of ad valorem taxes receivable, analysis of current tax levy, schedule of ten largest taxpayers, the 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budget and actual comparisons, statement of changes in assets and liabilities – agency funds, schedule of ad valorem taxes receivable, analysis of current tax levy, schedule of ten largest taxpayers, the 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.

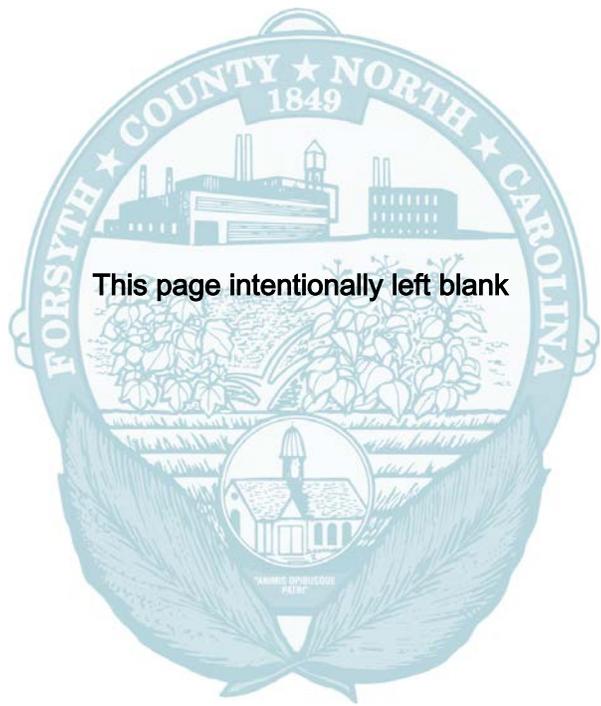
The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2018, 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 the 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
November 5, 2018



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MANAGEMENT'S DISCUSSION AND ANALYSIS

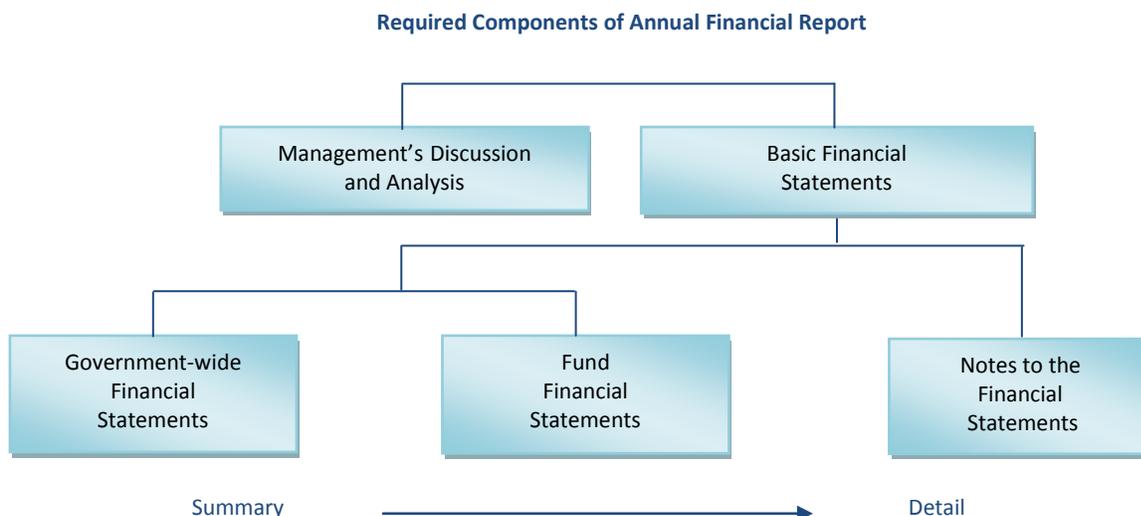
As management of Forsyth County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2018. This narrative complements the data presented in the basic financial statements and we encourage readers to read the information presented here in conjunction with the transmittal letter at the front of this report and the County's financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Forsyth County were lower than its liabilities and deferred inflows of resources at the close of the fiscal year by \$145.0 million (*net deficit*). The deficit in total net position reflects the County's issuance of debt as provided by State law for public school and community college facilities. The assets acquired with such debt are not owned by the County, and therefore, are not included in the County's Statement of Net Position. Had this school and community college related debt (net of unspent proceeds) not been reported as a reduction of net position, total net position would be \$217.1 million.
- The County's total net position increased by \$26.9 million from net position of the prior period (as restated) despite the payment of \$34.3 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 23rd consecutive year.
- As of the close of the current fiscal year, Forsyth County's governmental funds reported combined ending fund balances of \$263.8 million, a decrease of \$36.7 million in comparison with the prior year. This decrease is largely attributed to schools and community college capital project expenditures.
- The balance in the Education Leveling Plan decreased by a net \$4.2 million for the year bringing the total available to pay for future education-related debt service to \$14.7 million. The balance in the Library Leveling Plan decreased by a net \$247,800 for the year bringing the total available to pay for future library-related debt service to \$1.7 million.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$59.7 million or 15.0% of total general fund expenditures for the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

All of the County's basic services were accounted for in 31 governmental funds for the year ended June 30, 2018. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and two capital project funds, the 2011 Library Bond fund and the 2016 Schools Facilities fund, which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements elsewhere in this report.

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

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

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

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 21 - 49 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Forsyth County’s progress in funding its obligation to provide pension benefits and other post-employment benefits (“OPEB”) to certain employees. Required supplementary information can be found on pages 51 - 56 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 62 – 95 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as one useful indicator of a government’s financial condition. The liabilities and deferred inflows of resources of Forsyth County exceed assets and deferred outflows of resources by \$145.0 million as of June 30, 2018. 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 \$362.1 million at year-end and is reported as a reduction of unrestricted net position for governmental activities, resulting in a deficit balance of \$312.3 million for this category of net position. Had the education-related debt not been reported as a reduction of unrestricted net position, the balance of unrestricted net position for governmental activities would be \$49.8 million and total net position would be \$217.1 million, a decrease in total net position of \$28.0 million over the prior year.

The following summarizes Net Position at June 30, 2018 and 2017:

Forsyth County’s Net Position		
	Governmental Activities	
	2018	2017
Current and other assets	\$ 300,911,662	\$ 335,327,906
Capital assets	201,729,274	186,014,863
Total assets	<u>502,640,936</u>	<u>521,342,769</u>
Deferred outflows of resources		
- unamortized bond refunding charges	<u>27,460,362</u>	<u>38,400,187</u>
Long-term liabilities outstanding	562,399,821	619,330,521
Other liabilities	110,245,783	60,685,331
Total liabilities	<u>672,645,604</u>	<u>680,015,852</u>
Deferred inflows of resources	<u>2,444,396</u>	<u>1,730,273</u>
Net position:		
Net investment in capital assets	108,155,157	93,927,835
Restricted	59,161,078	43,255,799
Unrestricted deficit	<u>(312,304,937)</u>	<u>(259,186,803)</u>
Total net position	<u>\$ (144,988,702)</u>	<u>\$ (122,003,169)</u>

A major portion of net position reflects the County's \$108.2 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 \$59.2 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 increased by \$53.1 million. The change in unrestricted net position resulting from governmental activities is discussed in the following section.

Governmental activities. Since the County has no business-type activities, the total change in net position is a result of governmental activities. The County's net position (as restated) increased by \$26.9 million for the fiscal year ended June 30, 2018.

The following summarizes the changes in net position for the years ended June 30, 2018 and 2017:

Forsyth County's Changes in Net Position		
	Governmental Activities	
	2018	2017
Revenues:		
Program revenues:		
Charges for services	\$ 33,245,021	\$ 29,521,434
Operating grants and contributions	55,362,177	56,206,822
General revenues:		
Property taxes	267,549,276	253,812,982
Other taxes	68,854,442	67,023,740
Grants and contributions not restricted to specific programs	4,030,893	4,028,266
Other	5,448,879	1,664,889
Total revenues	<u>434,490,688</u>	<u>412,258,133</u>
Expenses:		
General government	42,248,827	41,691,056
Public safety	82,537,195	80,973,981
Environmental protection	2,819,059	2,435,366
Human services	63,583,037	76,711,222
Culture and recreation	18,485,376	16,641,402
Community and economic development	9,452,469	3,840,814
Education	169,888,388	143,258,413
Interest on long-term debt	18,557,050	17,161,545
Total expenses	<u>407,571,401</u>	<u>382,713,799</u>
Increase in net position	26,919,287	29,544,334
Net position, July 1 as previously reported	(122,003,169)	(143,716,243)
Restatement	(49,904,820)	(7,831,260)
Net position, July 1 as restated	<u>(171,907,989)</u>	<u>(151,547,503)</u>
Net position, June 30	<u>\$ (144,988,702)</u>	<u>\$ (122,003,169)</u>

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

- Program and general revenues increased \$22.2 million from the prior year.
- Education expenses of \$34.3 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, 2018, the County's three major funds were the General Fund, and two capital projects funds, the 2011 Library Bond fund and the 2016 Schools Facilities fund.

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

The General Fund is the primary operating fund of the County. At the end of the current fiscal year, the fund balance in the General Fund was \$149.4 million, an increase of \$3.3 million, with \$118.7 million available for appropriation and \$59.7 million considered unassigned. To meet the cash flow needs of the County and to provide for unforeseen needs or opportunities, the governing body of Forsyth County has determined that the County should maintain a minimum available fund balance (net of committed fund balance) of 14% of its subsequent year's general fund expenditures. The County exceeded this policy target ending the 2018 fiscal year with an available fund balance, net of committed fund balance, of \$85.6 million, 20.1% of its 2019 budget. \$9.7

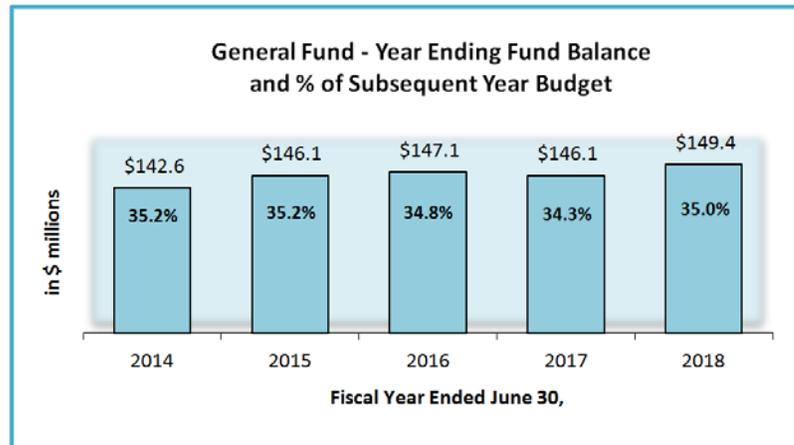
million of fund balance was appropriated to balance the fiscal 2019 budget leaving 17.8% available fund balance of which 14% was set aside in accordance with the County's fund balance policy. \$2.1 million was assigned for fiscal 2019 capital maintenance projects.

Key factors that resulted in the \$3.3 million increase in the General Fund fund balance include:

- Continued diligence in the collection of property taxes which resulted in the maintenance of a 99.22% collection percentage.
- Property tax collections exceeded budget expectation by \$1.3 million.
- Expenditure appropriations were under-spent by \$36.3 million. Significant under-expenditures occurred in public safety (\$6.5 million), human services (\$13.7 million), culture and recreation (\$1.4 million), general government (\$5.74 million), and community and economic development (\$2.1 million). In public safety, outlays for the sheriff's department and emergency services were \$4.2 million and \$1.4 million under-budget, respectively. In human services, savings were in public health (\$4.3 million) and social services (\$8.1 million). The Parks and Recreation Department and the libraries were \$786,000 and \$592,000 under budget, respectively.
- General fund revenues exceeded expenditures by \$3.5 million. Transfers out of the General Fund totaling \$7.3 million included: \$1.7 million for schools capital maintenance projects, \$1.6 million for emergency and fleet vehicle purchases, \$2.5 million for the New Family Museum, and \$1.4 million for the Tanglewood Business Park.
- Transfers to the General Fund totaling \$7.0 million included: lottery proceeds (\$3.5 million) and \$1.9 million from the Fire Tax Districts Funds to support county-wide fire suppression services.

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

- The unspent balance of proceeds from 4.51 cents on the ad valorem tax rate and interest earned thereon totaled \$14.7 million and has been committed for the retirement of education debt authorized in the November 2006 and 2008 referendums. This commitment is a key component of the Education Debt Leveling Plan.
- The unspent balance of proceeds from .57 cents on the ad valorem tax rate and interest earned thereon totaled \$1.7 million and has been committed for the retirement of library debt authorized in the November 2010 referendum. This commitment is a key component of the Library Debt Leveling Plan.
- The unspent balance of proceeds from 2.9 cents on the ad valorem tax rate and annual operating contributions, and interest earned thereon, totaled \$7.9 million. These funds have been committed for the retirement of schools, community college, and parks and recreation debt authorized in the November 2016 referendum. This commitment is a key component of the Public Improvement Debt Leveling Plan.
- \$2.7 million remains committed for economic development activities including \$1.2 million for the Airport Commission, \$581,000 for Whitaker Park, and \$829,000 for the Bailey Power Plant project.
- \$1.1 million has been committed for the future payment of Law Enforcement Special Separation Allowance benefits.



- The amount by which available fund balance net of committed fund balance and fund balance appropriated for fiscal year 2019 budget exceeds 14% of the subsequent year's budgeted expenditures totaled \$15.3 million of which \$13.2 million has been assigned for special management projects and \$2.1 million assigned for capital maintenance projects in the subsequent year.

As of the end of the fiscal year, the County's governmental funds reported combined fund balances of \$263.8 million, a decrease of \$36.7 million from the prior year. This decrease is primarily the result of schools and community college capital project spending. Approximately 55.6%, or \$146.7 million of total combined fund balance, is restricted or non-spendable. \$88.1 million of this restricted total is restricted for debt funded capital expenditures. \$39.0 million is committed for future debt service, economic development projects, or capital projects. \$25.9 million is assigned for subsequent fiscal year 2019 expenditures and capital projects. The remainder of the fund balance is unassigned.

General Fund Budgetary Highlights.

During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services or initiate new programs where timing is critical.

Amendments to the General Fund budget totaled \$16.1 million. Unanticipated state and federal grants totaling \$1.0 million were appropriated for public health and social services. Appropriations of \$14.6 million were made from fund balance, including \$8.7 million for economic development projects, \$2.5 million for the New Family Museum, and \$1.3 million for encumbrances re-appropriated from fiscal year 2017.

Although \$31.4 million of fund balance was appropriated in the final budget, as discussed above, the net change in fund balance for the year was an increase of \$3.3 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. Forsyth County's investment in capital assets for its governmental activities as of June 30, 2018, totals \$201.7 million (net of accumulated depreciation), a \$15.7 million increase from the prior year. These assets include land, buildings, construction-in-progress, park facilities, equipment, vehicles and software.

Forsyth County's Capital Assets (net of depreciation)		
	Governmental Activities	
	2017	2017
Land	\$ 17,910,389	\$ 17,059,332
Art collections	577,907	517,907
Construction-in-progress	5,983,796	24,422,674
Buildings	157,122,241	124,896,141
Improvements other than buildings	9,900,163	9,699,688
Equipment	5,341,864	4,520,521
Vehicles	4,346,905	4,042,999
Software	546,009	855,601
Total Capital Assets	<u>\$ 201,729,274</u>	<u>\$ 186,014,863</u>

Major capital asset transactions during the year include:

- Library projects totaling \$5.8 million.
- General government and parks maintenance projects totaling \$4.7 million.
- Court facility project costs totaling \$911,000.

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

Long-term Debt. At June 30, 2018, Forsyth County had total bonded debt outstanding of \$477.7 million, all of which is backed by the full faith and credit of the County. Other long-term debt represents obligations secured solely by specified property. The County's total liability for bonded debt, certificates of participation, limited obligation bonds and other installment financing agreements is \$524.8 million, a decrease of \$41.9 million. No new debt was issued during the fiscal year ended June 30, 2018.

At June 30, 2018 and 2017, the County’s bonded and non-bonded debt consisted of:

Forsyth County’s Outstanding Debt		
	Governmental Activities	
	2018	2017
General obligation bonds	\$ 477,720,000	\$ 512,675,000
Certificates of Participation and Limited Obligation Bonds	21,215,000	22,780,000
Installment purchase obligations	25,830,000	31,195,000
Total Outstanding Debt	\$ 524,765,000	\$ 566,650,000

As mentioned in the financial highlights section of this document, Forsyth County maintained for the 23rd 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 \$2.86 billion. The County’s total bonded debt is 1.41% of assessed valuation, well below the 8% of assessed valuation legal debt limit.

Additional information regarding Forsyth County’s long-term debt can be found in Note 4i on pages 34 - 37 of the Basic Financial Statements.

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

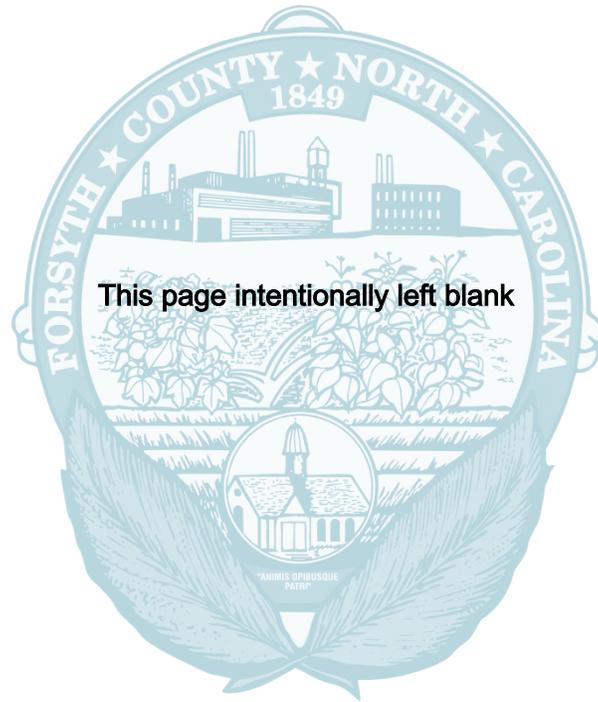
The County has adopted a General Fund budget for the fiscal year ending June 30, 2019 in the amount of \$426.3 million, a decrease of \$15.2 million or 3.4% from the final 2018 budget of \$441.5 million. The property tax rate of \$0.7235 per hundred dollars assessed value is unchanged from the prior year rate. \$13.9 million of the County’s \$118.7 million available fund balance was appropriated, of which \$1.8 million was for the reappropriation of prior year encumbrances and \$2.0 million was from the Education Debt and Library Debt Leveling Plans. Fund balance available net of committed fund balance and fund balance appropriated for the fiscal year 2019 budget is 16.8% of 2019 budgeted expenditures.

Significant factors considered in the preparation of the fiscal year 2019 County budget include:

- The County strives to limit the growth of the annual operating budget to an amount which can be accommodated by growth in the tax base as well as other local, state and federal revenues, without a tax rate increase, whenever possible.
- Continued sales tax growth expected to produce \$2.8 million, or 4.4% in additional revenue.
- Reduced lottery proceeds will continue to cause acceleration in the use of funds from the Education Debt Leveling Plan to cover education related debt costs.

REQUESTS FOR INFORMATION

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



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Basic Financial Statements

FORSYTH COUNTY, NORTH CAROLINA
Statement of Net Position
June 30, 2018

Exhibit 1

	Governmental
	<u>Activities</u>
ASSETS	
Cash and cash equivalents / investments	\$ 170,517,668
Investments - restricted	88,732,853
Pension asset - restricted	676,308
Taxes receivable (net)	2,547,532
Accounts receivable (net)	10,027,380
Accrued interest on investments	46,354
Due from other governments	28,220,017
Prepaid items	143,550
Capital assets:	
Land, collections, and construction-in-progress	24,472,092
Other capital assets, net of depreciation	177,257,182
Total capital assets	<u>201,729,274</u>
Total assets	<u>502,640,936</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related deferrals	17,372,640
Deferred charge on refunding	10,087,722
Total deferred outflows of resources	<u>27,460,362</u>
LIABILITIES	
Accounts payable and accrued liabilities	12,738,913
Unearned revenue	2,670,802
Accrued interest payable	5,553,572
Due to other governments	2,535,967
Long-term liabilities:	
Pension liabilities	29,170,961
Other Post-Employment Benefits liability	57,575,568
Due within one year	48,953,467
Due in more than one year	513,446,354
Total liabilities	<u>672,645,604</u>
DEFERRED INFLOWS OF RESOURCES - pension and OPEB related deferrals	<u>2,444,396</u>
NET POSITION	
Net investment in capital assets	108,155,157
Restricted for:	
Stabilization by state statute	50,508,863
Pension asset - Register of Deeds	676,308
Public safety	2,604,821
Human services	3,614,022
Community and economic development	199,173
Other purposes	1,557,891
Unrestricted deficit	<u>(312,304,937)</u>
Total net position	<u>\$ (144,988,702)</u>

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

FORSYTH COUNTY, NORTH CAROLINA
Statement of Activities
For the Fiscal Year Ended June 30, 2018

Exhibit 2

Functions	Expenses	Program Revenues			Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental:					
General government	\$ 42,248,827	3,756,993	871,649	-	(37,620,185)
Public safety	82,537,195	15,827,574	4,538,285	-	(62,171,336)
Environmental protection	2,819,059	742,063	1,615,512	-	(461,484)
Human services	63,583,037	8,673,055	30,397,209	12,233,423	(12,279,350)
Culture and recreation	18,485,376	4,074,068	780,014	-	(13,631,294)
Community and economic development	9,452,469	121,073	1,045,211	-	(8,286,185)
Education	169,888,388	50,195	3,880,874	-	(165,957,319)
Interest on long-term debt	18,557,050	-	-	-	(18,557,050)
Total governmental activities	\$ 407,571,401	33,245,021	43,128,754	12,233,423	(318,964,203)
General revenues:					
Taxes:					
					267,549,276
					65,500,369
					843,065
					459,794
					2,051,214
					4,030,893
					3,688,357
					1,760,522
					<u>345,883,490</u>
					26,919,287
					(122,003,169)
					(49,904,820)
					<u>(171,907,989)</u>
					\$ (144,988,702)

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

FORSYTH COUNTY, NORTH CAROLINA
Balance Sheet
Governmental Funds
June 30, 2018

Exhibit 3

Page 1 of 2

	<u>General Fund</u>	<u>Capital Project Fund</u>		<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
		<u>2011 Library Bond</u>	<u>2016 Schools Facilities</u>		
ASSETS					
Cash and cash equivalents / investments	\$ 136,619,412	2,787,482	-	22,916,350	162,323,244
Investments - restricted	-	7,801,085	57,138,868	23,792,900	88,732,853
Receivables (net):					
Property taxes	1,883,208	-	-	58,078	1,941,286
Occupancy taxes	70,802	-	-	-	70,802
Other taxes	57,910	-	-	-	57,910
Accounts	9,711,651	-	-	191,774	9,903,425
Accrued interest	(5,963)	6,568	-	31,387	31,992
Due from other governments	26,037,382	2,980	583,586	1,595,768	28,219,716
Due from other funds	725,530	-	-	-	725,530
Prepaid items	122,250	-	-	-	122,250
Total assets	\$ 175,222,182	10,598,115	57,722,454	48,586,257	292,129,008
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 11,167,006	446,030	-	1,102,392	12,715,428
Due to other governments	2,535,967	-	-	-	2,535,967
Due to other funds	-	-	-	725,530	725,530
Unearned revenue	2,356,613	-	-	-	2,356,613
Total liabilities	16,059,586	446,030	-	1,827,922	18,333,538
Deferred Inflows of Resources:					
Unavailable taxes	1,883,208	-	-	58,078	1,941,286
Unavailable other revenue	7,919,442	-	-	131,613	8,051,055
Total deferred inflows of resources	9,802,650	-	-	189,691	9,992,341
Fund balances:					
Nonspendable	122,250	-	-	-	122,250
Restricted	35,654,436	7,364,603	57,722,454	45,878,426	146,619,919
Committed	28,022,228	2,787,482	-	8,216,464	39,026,174
Assigned	25,877,050	-	-	-	25,877,050
Unassigned	59,683,982	-	-	(7,526,246)	52,157,736
Total fund balances	149,359,946	10,152,085	57,722,454	46,568,644	263,803,129
Total liabilities, deferred inflows of resources and fund balances	\$ 175,222,182	10,598,115	57,722,454	48,586,257	292,129,008

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, 2018

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

Fund balances - total governmental funds	\$	263,803,129
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		201,729,274
Net pension asset.		676,308
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.		7,260,170
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.		20,221,492
Earned revenue that is not available to pay current period expenditures is deferred in the funds.		10,469,875
Pension and OPEB related deferrals.		(2,444,396)
An internal service fund is used by management to charge the costs of health and dental benefits to individual funds. Assets and liabilities of the internal service fund are included in governmental activities of the statement of net position.		6,170,104
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(652,874,658)
Net position of governmental activities	\$	<u>(144,988,702)</u>

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

FORSYTH COUNTY, NORTH CAROLINA

Exhibit 4

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2018

	<u>General Fund</u>	<u>Capital Project Fund</u>		<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
		<u>2011 Library Bond</u>	<u>2016 Schools Facilities</u>		
Revenues:					
Property taxes	\$ 259,258,800	-	-	8,449,414	267,708,214
Occupancy taxes	843,065	-	-	-	843,065
Local option sales taxes	63,526,197	-	-	1,974,172	65,500,369
Other taxes	459,794	-	-	-	459,794
Licenses and permits	888,557	-	-	-	888,557
Intergovernmental	40,257,067	-	-	5,952,251	46,209,318
Charges for services	22,306,846	-	-	-	22,306,846
Investment earnings	2,105,133	161,228	829,759	645,185	3,741,305
Other	11,547,820	118,780	-	2,253,965	13,920,565
Total revenues	<u>401,193,279</u>	<u>280,008</u>	<u>829,759</u>	<u>19,274,987</u>	<u>421,578,033</u>
Expenditures:					
Current:					
General government	39,422,533	-	-	-	39,422,533
Public safety	69,805,057	-	-	9,199,828	79,004,885
Environmental protection	2,813,935	-	-	-	2,813,935
Human services	63,424,277	-	-	7,864	63,432,141
Culture and recreation	15,317,888	-	-	275,000	15,592,888
Community and economic development	8,935,995	-	-	517,081	9,453,076
Education	801,446	-	-	-	801,446
Intergovernmental: Education	133,282,265	-	26,682,143	9,111,891	169,076,299
Debt service:					
Principal retirement	41,823,666	-	-	61,334	41,885,000
Interest and other charges	22,025,532	-	-	5,724	22,031,256
Capital outlay	-	5,816,132	-	8,918,231	14,734,363
Total expenditures	<u>397,652,594</u>	<u>5,816,132</u>	<u>26,682,143</u>	<u>28,096,953</u>	<u>458,247,822</u>
Excess (deficiency) of revenues over expenditures	<u>3,540,685</u>	<u>(5,536,124)</u>	<u>(25,852,384)</u>	<u>(8,821,966)</u>	<u>(36,669,789)</u>
Other financing sources (uses):					
Transfers in	7,016,951	1,611,451	-	7,558,896	16,187,298
Transfers out	(7,282,250)	(440,000)	-	(8,465,048)	(16,187,298)
Total other financing sources (uses)	<u>(265,299)</u>	<u>1,171,451</u>	<u>-</u>	<u>(906,152)</u>	<u>-</u>
Net change in fund balances	<u>3,275,386</u>	<u>(4,364,673)</u>	<u>(25,852,384)</u>	<u>(9,728,118)</u>	<u>(36,669,789)</u>
Fund balance - June 30, 2017	146,084,560	14,516,758	83,574,838	56,296,762	300,472,918
Fund balance - June 30, 2018	<u>\$ 149,359,946</u>	<u>10,152,085</u>	<u>57,722,454</u>	<u>46,568,644</u>	<u>263,803,129</u>

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

(continued)

FORSYTH COUNTY, NORTH CAROLINA

Exhibit 4.1

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Fiscal Year Ended June 30, 2018

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

Net change in fund balances - total governmental funds	\$ (36,669,789)
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.	3,910,666
Contributions to the pension plans in the current fiscal year are not included on the Statement of Activities.	7,260,170
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities.	5,971,688
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	11,803,745
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	1,099,870
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.	41,885,000
Expenses in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds. Expenditures reported in the governmental funds for prepaid items using the purchases method are not reported as expenses in the statement of activities.	(9,768,276)
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.	1,426,213
Change in net position of governmental activities	<u>\$ 26,919,287</u>

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

FORSYTH COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 257,948,278	257,948,278	259,258,800	1,310,522
Occupancy taxes	625,000	625,000	843,065	218,065
Local option sales taxes	65,041,383	65,041,383	63,526,197	(1,515,186)
Other taxes	380,000	380,000	459,794	79,794
Total taxes	323,994,661	323,994,661	324,087,856	93,195
Licenses and permits	835,366	835,366	888,557	53,191
Intergovernmental	47,968,443	49,004,466	40,257,067	(8,747,399)
Charges for services	21,571,773	21,571,773	22,306,846	735,073
Investment earnings	1,253,300	1,253,300	2,105,133	851,833
Other	8,496,079	8,727,094	11,547,820	2,820,726
Total revenues	404,119,622	405,386,660	401,193,279	(4,193,381)
Expenditures:				
Current:				
General government	45,168,540	45,156,566	39,422,533	5,734,033
Public safety	74,558,218	76,311,434	69,805,057	6,506,377
Environmental protection	2,850,480	2,946,206	2,813,935	132,271
Human services	74,840,876	77,124,216	63,424,277	13,699,939
Culture and recreation	16,328,109	16,711,272	15,317,888	1,393,384
Community and economic development	3,702,012	11,020,016	8,935,995	2,084,021
Education	943,132	980,581	801,446	179,135
Intergovernmental:				
Education	133,242,087	133,283,265	133,282,265	1,000
Debt service:				
Principal retirement	41,823,666	41,823,666	41,823,666	-
Interest and other charges	22,839,638	22,839,638	22,025,532	814,106
Contingency	5,711,082	5,711,082	-	5,711,082
Total expenditures	422,007,840	433,907,942	397,652,594	36,255,348
Excess (deficiency) of revenues over expenditures	(17,888,218)	(28,521,282)	3,540,685	32,061,967
Other financing sources (uses):				
Transfers in	4,454,226	4,687,226	7,016,951	2,329,725
Transfers out	(3,397,250)	(7,557,250)	(7,282,250)	275,000
Total other financing sources (uses)	1,056,976	(2,870,024)	(265,299)	2,604,725
Net change in fund balance	\$ (16,831,242)	(31,391,306)	3,275,386	34,666,692
Fund balance - June 30, 2017			146,084,560	
Fund balance - June 30, 2018			\$ 149,359,946	

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, 2018

Exhibit 6

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents / investments	\$ 8,194,424
Accounts receivable	123,955
Accrued interest	14,362
Due from other governments	301
Total assets	<u>8,333,042</u>
LIABILITIES	
Current liabilities:	
Accounts payable	23,485
Claims liability	1,825,264
Unearned revenue	314,189
Total liabilities	<u>2,162,938</u>
NET POSITION	
Unrestricted	<u>\$ 6,170,104</u>

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

FORSYTH COUNTY, NORTH CAROLINA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund - Internal Service Fund
For the Fiscal Year Ended June 30, 2018

Exhibit 7

	Governmental Activities
Operating revenues:	
Charges for services	\$ 25,993,520
Other revenue	712,122
Total operating revenues	<u>26,705,642</u>
Operating expenses:	
Professional services	1,579,691
Claims	22,688,811
Insurance premiums	1,104,853
Other operating	5,042
Total operating expenses	<u>25,378,397</u>
Operating income	1,327,245
Nonoperating revenues:	
Interest earnings	98,968
Change in net position	<u>1,426,213</u>
Net position at beginning of year	<u>4,743,891</u>
Net position at end of year	<u>\$ 6,170,104</u>

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

FORSYTH COUNTY, NORTH CAROLINA
Statement of Cash Flows
Proprietary Fund - Internal Service Fund
For the Fiscal Year Ended June 30, 2018

Exhibit 8

	Governmental Activities
Cash flows from operating activities:	
Cash received from user departments and participants	\$ 26,849,509
Cash paid to suppliers, participants and others	<u>(25,690,032)</u>
Net cash provided by operating activities	<u>1,159,477</u>
Cash flows from investing activities:	
Interest and dividends on investments	<u>86,680</u>
Net increase in cash and cash equivalents	1,246,157
Cash/cash equivalents at beginning of year	<u>6,948,267</u>
Cash/cash equivalents at end of year	<u>\$ 8,194,424</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	<u>\$ 1,327,245</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Decrease in accounts receivable	139,154
Increase in due from other governments	(301)
Increase in accounts payable	401
Decrease in claims payable	(310,719)
Increase in unearned revenue	<u>3,697</u>
Total adjustments	<u>(167,768)</u>
Net cash provided by operating activities	<u>\$ 1,159,477</u>

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

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

Exhibit 9

June 30, 2018

	Other Post-employment Benefit Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents / investments	\$ -	2,185,383
Cash and investments held by fiscal agent:		
Cash and equivalents	40	-
Short-Term OPEB Fund	2,459,613	-
Long-Term OPEB Fund	5,994,478	-
OPEB Equity Funds	16,661,907	-
Receivables:		
Property taxes	-	3,076,400
Accrued interest	-	311
Total assets	<u>25,116,038</u>	<u>5,262,094</u>
LIABILITIES		
Due to other governments	-	4,981,276
Other liabilities	-	280,818
Total liabilities	<u>-</u>	<u>5,262,094</u>
NET POSITION		
Net position restricted for post-employment benefits other than pensions	\$ <u>25,116,038</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
Fiduciary Funds

Exhibit 10

For the Fiscal Year Ended June 30, 2018

	Other Post-employment Benefit Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 4,336,070
Plan members	417,295
Total contributions	<u>4,753,365</u>
Net investment income	<u>1,616,544</u>
Total additions	6,369,909
DEDUCTIONS	
Benefits	<u>3,153,365</u>
Change in net position	3,216,544
Net position restricted for post-employment benefits other than pensions	
Net position, beginning	<u>21,899,494</u>
Net position, ending	<u><u>\$ 25,116,038</u></u>

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

Notes to the Financial Statements

Forsyth County, North Carolina
June 30, 2018

1. Summary of Significant Accounting Policies

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

1a. Reporting Entity

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

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

1b. Basis of Presentation, Basis of Accounting

Basis of Presentation *Government-wide Statements:* The statement of net position and the statement of activities report information on all of the non-fiduciary activities of the County. Eliminations have been made to minimize the double-counting of internal activities with the exception of interfund services provided and used which represent a customer-type relationship. Although such interfund activity is eliminated, the residual balances of the internal service fund are not and are included in the governmental activities column of the government-wide financial statements. These statements present the governmental activities of the County, which encompass all the financial activities of the County, except for fiduciary activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

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

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

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

The County reports the following major governmental funds:

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

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

2016 Schools Facilities Fund. This fund is used to account for the construction of and renovation to school facilities and the related acquisition of land, furnishings and equipment, financed by proceeds of school facilities bonds authorized by a 2016 referendum.

Additionally, the County reports the following fund types:

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

Fiduciary – Trust Fund. The Other Post-employment Benefit Trust Fund accounts for the activities of the Healthcare Plan Fund, which accumulates resources to pay other post employment benefits for qualified retired County employees.

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

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

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

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

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

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

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within ninety days after year-end, except for property taxes. Property taxes are not recognized as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance operations of the current year. Property taxes receivable are recorded net of an allowance for estimated uncollectible delinquent taxes, with the net receivable recorded as deferred inflows of resources until collected. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

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

1c. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and for four special revenue funds: the Fire Tax Districts Fund, Law Enforcement Equitable Distribution Fund, Emergency Telephone System Fund, and Moser Bequest for Care of Elderly Fund. All annual appropriations lapse at fiscal year end. The State Public School Building Capital Fund and the 2014, 2015, 2016, 2017, 2018 and 2019 Housing Funds, which are special revenue funds, and all capital projects funds are budgeted under project ordinances.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for the General Fund, except for Nondepartmental and intergovernmental education expenditures. Certain Nondepartmental appropriations are not expended until they are transferred to a specific department, so they are set apart from other Nondepartmental appropriations. Budgetary control for intergovernmental education expenditures is for current expense and capital outlay for each entity. The legal level of control varies for annually budgeted special revenue funds. Appropriations in the Fire Tax Districts Fund are controlled at the fire tax district level. The Law Enforcement Equitable Distribution Fund is controlled by an appropriation for a transfer to the General Fund. The Emergency Telephone System Fund and the Moser Bequest for Care of Elderly Fund have legal appropriation control at the program level. Amendments are required for revisions to appropriations at the legal level of control in annually budgeted funds, and these amendments may be approved by the County Manager and reported to the Board of Commissioners as long as they do not alter total expenditures of the fund. Amendments that alter total expenditures of any fund must be approved by the Board of Commissioners. During the year, Board amendments to the original budget totaling \$16.1 million included several for unanticipated intergovernmental funding that totaled \$1.0 million and appropriations of fund balance totaling \$14.6 million. Appropriations of fund balance included \$8.7 million for economic development project funding, \$2.5 million for a cultural and recreation project, \$1.3 million for prior year encumbrances, \$1.6 million for human services, and \$500,000 for public safety spending. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers the period until the annual ordinance can be adopted.

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

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

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

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

General Statute 159-30.1 allows the County to establish an Other Postemployment Benefit (OPEB) Trust under the management of the State Treasurer and G.S. 159-30(g) allows the County to make contributions to the Fund. The Fund is not registered with the Securities and Exchange Commission. The State Treasurer in his discretion may invest the proceeds in equities of certain publicly held companies and long or short term fixed income investments as detailed in G.S. 147-69.2(1-6) and (8). Funds submitted are managed in three different sub-funds, the State Treasurer's Short Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by G.S. 147-69.1, the Bond Index Fund (BIF) consisting of high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6), and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund authorized under G.S. 147-69.2(b)(8). Ownership interest of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. Valuation of the underlying assets is performed by the custodian. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund. The BIF is also valued at \$1 per share. The MSCI ACWI EQ Index Non-Lendable Class B Fund is priced at \$21.2727 per share at June 30, 2018.

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, 2017.

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

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

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

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

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

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

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

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

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

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

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

Net Position Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. The restricted component of net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

Restricted for Education – NC Cooperative Extension. This portion of fund balance is restricted by revenue source for an urban gardening internship program.

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

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

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

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

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

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

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

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

Committed for Library Debt Leveling Plan. In the General Fund, unspent revenue generated by .57 cents of the ad valorem tax rate and interest on the unspent portions thereof is committed for retirement of general obligation library debt authorized in a November 2010 referendum for library construction purposes.

Committed for Public Improvement Debt Leveling Plan. Portion of fund balance committed for retirement of general obligation public improvement debt authorized by a November 2016 referendum. Balance is comprised of annual operating contributions and revenue generated by 2.9 cents of the ad valorem tax rate and interest on the unspent portions thereof.

Committed for Library Technology. Portion of fund balance generated by special gifts committed for library technology expenditures.

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

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

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

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

Assigned for Subsequent Year Budget. This represents the portion of fund balance appropriated in the adopted 2018-2019 Budget Ordinance that is not already classified in restricted or committed.

Assigned for Economic Development. The portion of fund balance assigned for payment of future economic development incentive obligations.

Assigned for Special Appropriations. The portion of fund balance assigned for payment of future special appropriation obligations.

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

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

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

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

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

Defined Benefit Pension Plans The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State: the Local Governmental Employees' Retirement System (LERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

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

For the year ended June 30, 2018, the County recognized aggregate defined benefit pension expense of \$7,442,786.

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 \$(408,791,831) consists of several elements detailed in the following table.

Description	Detail	Net Adjustment
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds. Total capital assets on the government-wide statement of net position comprise this adjustment.		\$ 201,729,274
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Pension assets, contributions to pension plans, prepaid expenses, and deferred outflows of resources are not financial resources and therefore are not reported in the funds.		
Net pension assets	\$ 676,308	
Pension contributions, current year	7,260,170	
Pension related deferred outflows	10,112,470	
Prepays	21,300	
Unamortized bond refunding charges	10,087,722	28,157,970
<hr/>		
Some of the County's revenue will be collected after year-end, but is not available soon enough to pay for the current period's expenditures, so it is reported as deferred revenue in the funds.		
Property taxes and accrued interest on property taxes	2,418,820	
Intergovernmental revenue	906,876	
Interest earnings	11,867	
Fees and miscellaneous	7,132,312	10,469,875
<hr/>		
Deferred inflows of resources reported in the government-wide statements, but not the fund statements – pension and OPEB related deferrals		(2,444,396)
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An internal service fund is used by management to charge the costs of health and dental benefits to individual funds. The assets and liabilities of the Employee Health Benefits Fund are included in governmental activities in the statement of net position.		
Cash and cash equivalents	8,194,424	
Accounts receivable and amounts due from other governments	138,618	
Accounts payable	(23,485)	
Claims and judgments – health and dental	(1,825,264)	
Unearned revenue	(314,189)	6,170,104
<hr/>		
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period. Thus, they do not require current resources to pay and, accordingly, are not reported in the fund statements.		
Accrued interest payable	(5,553,572)	
Bonds, installment purchases and limited obligation bonds	(524,765,000)	
Compensated absences	(7,012,640)	
Pension liabilities	(29,170,961)	
Claims and judgments – excluding health and dental	(1,318,393)	
Net OPEB obligation	(57,575,568)	
Unamortized issuance premiums	(27,478,524)	(652,874,658)
<hr/>		
Total adjustment		\$ (408,791,831)

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 \$63,589,076 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.	\$ 14,499,474	
Depreciation expense, the allocation of capital assets over their useful lives, is recorded on the statement of activities but not in the fund statements.	(10,588,808)	\$ 3,910,666
Pension and OPEB plan contributions in the current fiscal year are recorded as expenditures in the fund statements but are not included in the statement of activities.		13,231,858
The statement of activities reports <i>gains</i> and <i>losses</i> arising from the trade-in, sale, or disposal of existing capital assets. Conversely, governmental funds do not report any gain or loss on such transactions, but report the sale proceeds. The change in net position differs from the change in fund balance by the:		
Net book value of capital assets sold or disposed of	(429,678)	
Donated capital assets received	12,233,423	11,803,745
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, 2017:		
Property taxes and accrued interest on property taxes	(2,577,758)	
Intergovernmental	(19,352)	
Interest earnings	(12,089)	
Fees and miscellaneous	(6,760,806)	
Record deferred inflows in the fund statements at June 30, 2018:		
Property taxes and accrued interest on property taxes	2,418,820	
Intergovernmental	906,876	
Interest earnings	11,867	
Fees and miscellaneous	7,132,312	1,099,870
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.		
Principal payments on debt		41,885,000
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	(149,218)	
Decrease in claims and judgments – excluding health and dental	404,043	
OPEB expense	(6,054,189)	
Pension expense	(7,442,786)	
Accrued interest	386,426	
Prepays	5,392	
Amortized charge on refundings	(2,448,211)	
Amortized debt premiums	5,530,267	(9,768,276)
Internal service fund profit or loss generated by customers within the primary government is eliminated from the statement of activities.		1,426,213
Total adjustments		\$ 63,589,076

3. Stewardship, Compliance, and Accountability

Excess of Expenditures over Appropriations

The following budget variances are not in compliance with legal budgetary control. Expenditures for Inspections exceeded budget by \$24,631. Inspections is a consolidated City-County department administered by the City of Winston-Salem. Appropriations for the Inspections department are based on historical costs, and the fourth quarter review indicated the budget was adequate; however, final costs invoiced after the end of the budget year exceeded the appropriation. Continued refinement of estimates may preclude future overages for these expenditures.

4. Detailed Notes on All Funds

4a. Deposits

The County has pooled the cash resources of its funds in order to maximize investment opportunities. Each fund's portion of total cash and investments is reported as cash and cash equivalents/investments by the County's individual major funds and Internal Service Fund and in the aggregate for non-major, pension/OPEB trust and agency funds. Interest earned is distributed monthly to the various funds based on each fund's proportionate equity in the cash and investments pool. For purposes of the statement of cash flows, all cash and investments of the proprietary fund are considered to be cash equivalents, since they are available on demand from the cash and investments pool.

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, 2018, the deposit portion of the County's cash and investment pool was \$27,201,325. The bank balances totaled \$27,861,514, 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, 2018, the County's petty cash funds totaled \$21,610.

4b. Investments

The table below shows the distribution of the County's investment holdings by maturity as of June 30, 2018. The weighted average maturity of the total portfolio at June 30, 2018 is 54 days.

	Valuation Measurement Method	Reported Value	Fair Value	Less than 1 year	1 – 2 years	2 – 3 years
NCCMT Government portfolio	Amortized cost	\$ 120,512,801	120,512,801	120,512,801	-	-
NCCMT Term portfolio	Fair value – level 1	51,950,310	51,950,310	51,950,310	-	-
Commercial Paper	Amortized cost	46,857,051	46,857,051	46,857,051	-	-
Agency Securities	Fair value – level 2	14,892,807	14,892,807	1,994,960	5,510,382	7,387,465
Total Portfolio		\$ 234,212,969	234,212,969	221,315,122	5,510,382	7,387,465

Valuation. Investments with less than one year to maturity at time of purchase and with no call features are priced at amortized cost. Investments reported at fair value are valued using prices and other relevant information generated by market transactions involving identical or comparable assets or groups of assets. Fair value – level 1 securities are valued using directly observable, unadjusted quoted prices in active markets for identical assets. Fair value – level 2 securities are valued using a matrix pricing technique which values the security based its relationship to benchmark quoted prices.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment practice gives consideration to shortening maturities during periods of rising interest rates. The County manages its

exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. To further reduce its exposure to interest rate risk, the County invests in multi-step coupon securities for some of its longer term maturities. As of June 30, 2018, \$1,974,260 of the County's \$7,387,465 in investments with maturities beyond two years are step or multi-step securities.

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, 2018, the County's investments in the bonds of U.S. Agencies were rated with one or more of the following ratings: AAA by Standard & Poor's, AAA by Fitch Ratings, Aaa by Moody's Investors Service. The County's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2018. 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 MUFG Securities (22.6%), J. P. Morgan Securities (16.2%), Natixis (16.2%), General Electric Company (6.5%), Malayan Bank (6.4%), and bonds issued by the Federal Home Loan Mortgage Corporation (8.9%), Federal Farm Credit Bank (8.8%) and Federal Home Loan Bank (6.4%).

Other Post-Employment Benefits Trust

At June 30, 2018, the Healthcare Plan had \$25,116,038 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), 9.8%; State Treasurer's Bond Index Fund (BIF), 23.9%; and, BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund, 66.3% (the equities were split with 53.7% in domestic securities and 46.3% in international securities).

Valuation: North Carolina Department of State Treasurer OPEB Trust investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets. Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs—other than quoted prices—included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share at June 30, 2018. Ownership of the BIF is determined monthly at fair value using the same Level 2 inputs as the STIF and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. The BIF was valued at \$1 per unit at June 30, 2018. The BlackRock's MSCI ACWI EQ Index Non-Lendable Class B fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The Fund's fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2018 the fair value of the funds was \$21.272653 per share. Fair value for this Blackrock fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

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 STIF had a weighted average maturity of 1.4 years at June 30, 2018. The State Treasurer's BIF had a weighted average maturity of 8.24 years at June 30, 2018.

Credit Risk: The County does not have a formal investment policy regarding credit risk for the Healthcare Plan Fund. The STIF is unrated and authorized under NC General Statute 147-69.1. The State Treasurer's STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate term treasuries, agencies, and money market instruments. The BIF is unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The State Treasurer's BIF is invested in high quality debt securities eligible under NC General Statute 147-69.2(b)(1)-(6).

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

In accordance with the general statutes, agriculture, horticulture, and forestland may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is

lost. These amounts have not been recorded in the financial statements.

Year Levied	Tax	Interest	Total
2015	\$ 2,020,324	661,656	2,681,980
2016	2,060,347	489,332	2,549,679
2017	2,060,347	303,901	2,364,248
2018	2,039,208	117,254	2,156,462
Totals	\$ 8,180,226	1,572,143	9,752,369

4d. Receivables

Receivables at June 30, 2018 for the County's individual major funds and nonmajor governmental funds in the aggregate are net of applicable allowances for uncollectible accounts as follows:

Description	Gross Receivable	Allowance for Uncollectible Accounts	Net Receivable
Property taxes			
General fund	\$ 5,137,879	(3,254,671)	1,883,208
Nonmajor governmental funds	158,452	(100,374)	58,078
Occupancy taxes			
General fund	70,802	-	70,802
Other taxes			
General fund	57,910	-	57,910
Accounts			
General fund	38,544,508	(28,832,857)	9,711,651
Nonmajor governmental funds	191,774	-	191,774
Accrued interest			
General fund	(5,963)	-	(5,963)
2011 Library Bond fund	6,568	-	6,568
Nonmajor governmental funds	31,387	-	31,387
Total receivables	\$44,193,317	(32,187,902)	12,005,415

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, 2018, the various components of *unavailable* and *unearned revenue* were as follows:

Description	Unavailable Revenue	Unearned Revenue
Governmental Funds:		
Delinquent property taxes receivable		
General fund	\$ 1,883,208	-
Nonmajor governmental funds	58,078	-
Intergovernmental and private grants		
General fund	775,263	2,014,801
Nonmajor governmental funds	131,613	-
Fees and other revenue – General fund	7,132,312	341,812
Investment earnings – General fund	11,867	-
Total unavailable / unearned revenue for governmental funds	\$ 9,992,341	2,356,613
Governmental Activities:		
Fees and other revenue – Internal Service fund		314,189
Total unearned revenue for governmental activities		\$ 2,670,802

4e. Capital Assets

Capital asset activity for the year ended June 30, 2018, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 17,059,332	901,180	(50,123)	17,910,389
Art collections	517,907	60,000	--	577,907
Construction-in-progress	24,422,674	8,483,134	(26,922,012)	5,983,796
Total capital assets not being depreciated	41,999,913	9,444,314	(26,972,135)	24,472,092
Capital assets being depreciated:				
Buildings	217,238,451	38,480,145	(346,103)	255,372,493
Improvements other than buildings	22,632,689	1,078,500	(13,329)	23,697,860
Equipment	40,449,840	2,391,754	(262,068)	42,579,526
Vehicles	17,147,853	1,934,565	(1,560,561)	17,521,857
Software	9,913,500	325,631	(134,811)	10,104,320
Total capital assets being depreciated	307,382,333	44,210,595	(2,316,872)	349,276,056
Less accumulated depreciation for:				
Buildings	92,342,310	5,972,799	(64,857)	98,250,252
Improvements other than buildings	12,933,001	877,746	(13,050)	13,797,697
Equipment	35,929,319	1,567,197	(258,854)	37,237,662
Vehicles	13,104,854	1,535,843	(1,465,745)	13,174,952
Software	9,057,899	635,223	(134,811)	9,558,311
Total accumulated depreciation	163,367,383	10,588,808	(1,937,317)	172,018,874
Total capital assets being depreciated, net	144,014,950	33,621,787	(379,555)	177,257,182
Capital assets, net	\$186,014,863	43,066,101	(27,351,690)	201,729,274

Depreciation expense charged to functions for the year ended June 30, 2018, was as follows:

Function	Depreciation Expense
General government	\$ 2,929,200
Public safety	4,792,145
Environmental protection	64,099
Human services	683,575
Culture and recreation	2,096,027
Community and economic development	5,587
Education	18,175
Total	\$ 10,588,808

Construction Commitments

Active construction projects as of June 30, 2018 include: construction of two new library branches in Kernersville and Clemmons, detention center energy efficiency enhances, and various park maintenance projects. At June 30, 2018, commitments with contractors on these projects are as follows:

Project	Spent-to-Date	Remaining Commitment
Library – central and branch construction/renovation	\$ 21,850,787	2,651,893
Park maintenance	1,195,271	1,707,428
Law Enforcement Detention Center - efficiency upgrades	1,076,682	85,318
Court facilities	129,662	8,302,298
Family Museum	291,893	206,924
Tanglewood Business Park	69,320	4,563,758
Miscellaneous capital maintenance	--	62,545
Totals	\$ 24,613,615	17,580,164

4f. Interfund Receivables, Payables, and Transfers

Certain special revenue funds account for revenues that are used to reimburse eligible expenditures in the General Fund. Accrual of these revenues at year-end results in interfund receivables and payables at June 30. Amounts advanced from the cash and investment pool are also included in due to and due from other funds. At June 30, 2018, interfund receivables and payables are as follows:

Payable Fund	Receivable Fund - General Fund
Nonmajor governmental funds:	
State Public School Building Capital Fund	\$ 725,530

The following is a summary of interfund transfers for the year ended June 30, 2018:

Transfers out:	Transfers in:			Total
	General Fund	2011 Library	Nonmajor Governmental Funds	
General Fund	\$ --	--	7,282,250	7,282,250
2011 Library Fund	440,000	--	--	440,000
Nonmajor governmental funds	6,576,951	1,611,451	276,646	8,465,048
Totals	\$ 7,016,951	1,611,451	7,558,896	16,187,298

The General Fund transferred \$1,735,000 to the 2016 Winston-Salem/Forsyth County Schools Capital Maintenance fund, \$1,621,000 to the 2016 Motive Equipment fund, \$2,500,000 to the 2016 New Family Museum fund, \$1,400,000 to the 2017 Tanglewood Business Park fund and \$26,250 to the 2018 Housing grant project fund to provide local matching funds for a grant.

The 2011 Library Bond fund transferred to the General Fund \$40,000 for library technology projects and \$400,000 for debt service. Transfers of \$6,576,951 to the General Fund from nonmajor governmental funds included \$3,527,900 in lottery proceeds transferred from the Public School Building Capital fund for debt service; \$630,279 residual equity from several funds which were closed during the year; \$193,000 from the 2016 Pay-Go fund for general government projects; \$1,919,383 from the Fire Tax Districts special revenue fund to support the County fire department; and \$306,389 from the Law Enforcement Equitable Distribution special revenue fund for law enforcement programs. A \$1,611,451 transfer from the 2016 Pay-Go fund to the 2011 Library Bond fund was made to fund library renovation projects. A residual equity transfer of \$96,354 was made from the 2014 Housing fund to the 2018 Housing fund; and, a residual equity transfer of \$103,773 was made from the 2015 Housing fund to the 2019 Housing fund. A \$76,519 transfer was made from the 2016 Winston-Salem/Forsyth County Schools Capital Maintenance fund to provide matching funds for school capital projects in the State Public School Building Capital Fund.

4g. Payables

Payables at June 30, 2018, were as follows:

Description	General Fund	2011 Library Fund	Nonmajor Governmental Funds	Total
Vendors	\$ 7,494,912	446,030	1,102,392	9,043,334
Salaries and benefits	3,672,094	--	--	3,672,094
Totals	\$ 11,167,006	446,030	1,102,392	12,715,428

4h. Leases

Operating Leases The County leases buildings, office facilities, and equipment under non-cancelable operating leases. Total costs for such leases were \$592,012 for the year ended June 30, 2018. 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
2019	\$ 489,500
2020	281,574
2021	141,039
2022	127,722
2023	82,299
2024 – 2028	397,065
2029 – 2033	439,737
2034 – 2038	10,114
Total minimum lease payments	\$ 1,969,050

The total rental expenditures for all operating leases were \$1,008,092 for the year ended June 30, 2018.

4i. Long-term obligations

Long-term obligation activity

Changes in long-term obligations during the year ended June 30, 2018, were as follows:

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018	Due Within One Year
Governmental activities:					
Compensated absences	\$ 6,863,422	10,268,101	10,118,883	7,012,640	5,021,105
Net pension liability (LGERs)	29,287,603	--	8,151,708	21,135,895	--
Pension liability (LEOSSA)	7,609,011	1,106,625	680,570	8,035,066	--
General obligation bonds	512,675,000	--	34,955,000	477,720,000	34,215,000
Unamortized premiums	31,282,057	--	5,324,828	25,957,229	--
Installment purchase obligations	31,195,000	--	5,365,000	25,830,000	5,440,000
Limited obligation bonds	22,780,000	--	1,565,000	21,215,000	1,565,000
Unamortized premiums	1,726,734	--	205,439	1,521,295	--
Net OPEB liability ¹	58,854,709	--	1,279,141	57,575,568	--
Claims and judgments	3,858,419	22,546,741	23,261,503	3,143,657	2,712,362
Total general long-term obligations	\$ 706,131,955	33,921,467	90,907,072	649,146,350	48,953,467

¹ The June 30, 2017 balance is restated due to the implementation of GASB Statement No. 75.

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

Arbitrage In accordance with Section 148 of the Internal Revenue Code of 1986, as amended, and Sections 1.103-13 to 1.103-15 of the related Treasury Regulations, the County must rebate to the federal government "arbitrage profits" earned on governmental

bonds issued after August 31, 1986. Arbitrage profits are the excess of the amount earned on investments over the interest paid on the borrowings. At June 30, 2018, the County had no liability for arbitrage.

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

The American Recovery and Reinvestment Act of 2009 (the "Recovery Act") authorizes the County to issue taxable bonds known as "Build America Bonds" to finance capital expenditures for which the County could issue tax-exempt bonds and to elect to receive a subsidy payment from the federal government equal to 35% of the amount of each interest payment on such taxable bonds. The County has designated its 2010C Bonds as "Build America Bonds" for purposes of the Recovery Act and expects to receive such subsidy payments from the federal government. The County received \$1,255,010 in such federal subsidy during the year ended June 30, 2018, and if the new federal sequester rate remains unchanged, expects to receive \$11,210,259 in such subsidies over the remaining life of the bonds. The Recovery Act also authorizes the County to issue taxable bonds known as "Qualified School Construction Bonds" to finance construction, rehabilitation or repair of public school facilities or for the acquisition of land on which a public school facility is to be constructed. Under the Act, the County may elect to receive a subsidy payment from the United States Treasury in an amount calculated as provided in the Recovery Act. The County has designated its 2010D Bonds as "Qualified School Construction Bonds" for purposes of the Recovery Act and expects to receive such subsidy payments from the federal government. The County received \$1,184,350, or 90.0% of the interest paid on the 2010D Bonds, in such federal subsidy during the year ended June 30, 2018, and if the new federal sequester rate remains unchanged, expects to receive \$9,938,490 in such subsidies over the remaining life of the bonds. Such cash subsidy payments are not pledged to the repayment of the 2010C or 2010D Bonds, but are expected to be a source of payment of debt service on the bonds. Such cash subsidy payments do not constitute a full faith and credit guarantee of the federal government, but are required to be paid by the United States Treasury under the Recovery Act. If such cash subsidy payments from the United States Treasury are reduced or eliminated as a result of the change in the law, the 2010C and 2010D Bonds are subject to extraordinary optional redemption.

In prior years, the County defeased certain general obligation bonds by placing the proceeds of refunding bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. On June 30, 2018, \$23,050,000 of outstanding general obligation bonds are considered defeased. The County has \$10,087,722 unamortized bond refunding charges from prior refunding issues. These unamortized charges are reported as a deferred outflow of resources on the Statement of Net Position.

On June 24, 2004, the County sold two \$15,000,000 issues of general obligation School bonds that initially bear interest at a weekly variable rate. The County has the option to convert to a flexible term rate, a medium-term rate, or a fixed rate by written notice at least 25 days in advance of the proposed conversion date. The current variable rate is determined weekly based on the lowest interest rate necessary to enable the remarketing of the bonds at par plus accrued interest, as determined by the remarketing agent, and shall not exceed an annual rate of 12%. At June 30, 2018, the rate of interest for both issues was 1.47%.

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, 2018, the rate of interest was 1.47%.

A summary of outstanding general obligation bonds follows:

Purpose of Issue	Date of Issue	Final Maturity	Effective Interest Rate	Amount Issued	Principal Outstanding June 30, 2018	
Governmental Activities						
School Building	06-24-2004	03-01-2025	Variable Rate %	\$ 15,000,000	8,250,000	
	06-24-2004	03-01-2025	Variable Rate	15,000,000	8,250,000	
	04-19-2007	10-01-2026	Variable Rate	30,000,000	18,700,000	
	09-02-2010	04-01-2027	4.9860	26,405,000	26,405,000	
	Community College	01-09-2013	05-01-2032	2.4014	5,000,000	3,875,000
	Educational Facilities	06-23-2009	02-01-2019	3.7687	13,200,000	1,650,000
	Library	11-05-2014	05-01-2033	2.4617	34,000,000	30,400,000
	Public Improvement	09-01-2010	04-01-2021	2.0350	14,225,000	4,260,000
		09-02-2010	04-01-2019	2.0350	36,615,000	4,580,000
		09-02-2010	04-01-2030	3.1682	80,380,000	80,380,000
01-08-2013		05-01-2032	2.2334	13,750,000	10,875,000	
11-04-2014		05-01-2033	2.4455	13,550,000	12,050,000	
03-14-2017		03-01-2037	2.8348	20,535,000	19,500,000	
03-15-2017		03-01-2037	3.1155	102,610,000	99,840,000	
Refunding		09-16-2009	03-01-2020	2.5103	42,870,000	10,540,000
	09-02-2010	07-01-2023	2.0350	50,295,000	35,075,000	
	01-09-2013	07-01-2026	1.7692	35,090,000	30,845,000	
	01-28-2015	12-01-2028	1.8425	72,245,000	72,245,000	
Totals			\$ 620,770,000	477,720,000		

Of the \$380,190,000 public improvement and public improvement refunding bonds outstanding, \$38,462,371 funded County facilities and capital projects, \$302,758,724 funded School facilities, and \$38,968,907 funded Community College facilities.

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

June 30	Principal	Interest	Total
2019	\$ 34,215,000	19,846,175	54,061,175
2020	33,800,000	18,393,191	52,193,191
2021	33,645,000	16,958,789	50,603,789
2022	33,545,000	15,596,823	49,141,823
2023	33,535,000	14,115,088	47,650,088
2024 - 2028	167,490,000	47,656,323	215,146,323
2029 - 2033	105,925,000	15,374,841	121,299,841
2034 - 2037	35,565,000	2,743,279	38,308,279
Totals	\$ 477,720,000	150,684,509	628,404,509

There are \$354,410,000 in authorized but unissued general obligation bonds at June 30, 2018.

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, 2018, there were two series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$15,000,000.

Limited Obligation Bonds Outstanding limited obligation bonds are as follows:

Purpose of Issue	Principal Outstanding June 30, 2018
<u>Governmental Activities</u>	
Issued \$11,410,000 on May 31, 2012 to finance County facility renovation and construction; interest varies from 2.00% to 5.00%; final maturity 04-01-2033	\$ 12,215,000
Issued \$11,250,000 on December 22, 2009 to finance County facility renovation and construction; interest varies from 3.00% to 4.50%; final maturity 04-01-2030	9,000,000
Total	\$ 21,215,000

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

Year Ending June 30	Principal	Interest	Total
2019	\$ 1,565,000	981,850	2,546,850
2020	1,565,000	927,400	2,492,400
2021	1,565,000	861,050	2,426,050
2022	1,565,000	794,700	2,359,700
2023	1,565,000	728,350	2,293,350
2024 - 2028	7,825,000	2,553,750	10,378,750
2029 - 2033	5,565,000	721,500	6,286,500
Total	\$ 21,215,000	7,568,600	28,783,600

Principal and interest requirements for limited obligation bonds are provided by a General Fund appropriation in the year in which they are due.

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

Purpose of Issue	Date of Issue	Final Maturity	Interest Rate	Amount Issued	Principal Outstanding June 30, 2018
<u>Governmental Activities</u>					
Refunding	01-22-2014	02-01-2026	2.47 %	\$ 8,230,000	5,320,000
Refunding	10-01-2015	10-01-2022	1.90	29,720,000	20,510,000
Totals				\$ 37,950,000	25,830,000

Annual maturities are as follows:

Year Ending June 30	Principal	Interest	Total
2019	\$ 5,440,000	476,112	5,916,112
2020	4,525,000	377,331	4,902,331
2021	4,595,000	286,682	4,881,682
2022	4,660,000	194,731	4,854,731
2023	4,720,000	101,555	4,821,555
2024 - 2027	1,890,000	92,625	1,982,625
Total	\$ 25,830,000	1,529,036	27,359,036

As of June 30, 2018, the County's legal debt limit was \$2,859,225,891, computed at 8% of the total appraised property valuation of \$35,740,323,642. With \$503,677,229 in County, School, and Community College bonds outstanding at June 30, 2018 and \$48,566,295 committed under limited obligation bonds and installment purchases, the County could issue additional bonds up to \$2,306,982,367 if authorized.

Debt Related to Capital Activities. Of the total governmental activities debt only \$108,685,373 relates to assets the County holds title. Unspent restricted investments related to this debt is \$15,111,256.

4j. Fund Balances

The following are details of the governmental funds fund balances as of June 30, 2018:

	General Fund	2011 Library Fund	2016 Schools Facilities Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable – prepaid items	\$ 122,250	--	--	--	122,250
Restricted:					
State statute reserve	28,677,870	9,548	583,586	1,687,316	30,958,320
Encumbrance reserve	1,875,321	2,492,287	--	15,182,935	19,550,543
Total Stabilization by State Statute	30,553,191	2,501,835	583,586	16,870,251	50,508,863
Register of Deeds	1,504,350	--	--	--	1,504,350
Law Enforcement	229,064	--	--	1,015,310	1,244,374
Education – NC Cooperative Extension	26,182	--	--	--	26,182
Human Services	3,314,290	--	--	299,732	3,614,022
Soil and Water Conservation	27,359	--	--	--	27,359
Capital Projects	--	4,862,768	57,138,868	26,133,513	88,135,149
Fire Protection	--	--	--	554,358	554,358
Emergency Telephone System	--	--	--	806,089	806,089
Community and Economic Development	--	--	--	199,173	199,173
Total Restricted	35,654,436	7,364,603	57,722,454	45,878,426	146,619,919
Committed:					
Education Debt Leveling Plans	14,699,138	--	--	--	14,699,138
Library Debt Leveling Plan	1,657,490	--	--	--	1,657,490
Public Improvement Debt Leveling Plan	7,898,417	--	--	--	7,898,417
Culture and Recreation - Library	40,000	--	--	--	40,000
Law Enforcement Separation Allowance	1,050,862	--	--	--	1,050,862
Economic development	2,676,321	--	--	--	2,676,321
Capital projects	--	2,787,482	--	8,216,464	11,003,946
Total Committed	28,022,228	2,787,482	--	8,216,464	39,026,174
Assigned:					
Subsequent Year Budget	9,687,012	--	--	--	9,687,012
Economic Development	757,406	--	--	--	757,406
Special Appropriations	150,000	--	--	--	150,000
Capital Maintenance Projects	2,100,000	--	--	--	2,100,000
Management Special Projects	13,182,632	--	--	--	13,152,632
Total Assigned	25,877,050	--	--	--	25,877,050
Unassigned	59,683,982	--	--	(7,526,246)	52,157,736
Total Fund Balances	\$ 149,359,946	10,152,085	57,722,454	46,568,644	263,803,129

Subsequent Years Budget Appropriation. The following schedule provides information on the portion of restricted and committed fund balance that has been appropriated in the general fund budget for the fiscal year ending June 30, 2019:

	Subsequent Year's Budget Appropriation	Unappropriated Fund Balance	Total
Restricted:			
Register of Deeds	\$ 22,619	1,481,731	1,504,350
Public Safety	229,064	--	229,064
Human Services	73,500	179,212	252,712
Committed:			
Education Debt Leveling Plans	1,822,516	12,876,622	14,699,138
Library Debt Leveling Plan	216,023	1,441,467	1,657,490

5. Other Information

5a. Pension Costs

North Carolina Local Governmental Employees' Retirement System

Plan Description. Forsyth County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G. S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, visiting their website at www.osc.nc.gov, or calling (919) 981-5454.

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

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

Funding Policy. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Plan members are required to contribute 6.0% of their annual covered salary. The County is required to contribute at an actuarially determined rate. The current rate for employees not engaged in law enforcement and for law enforcement officers is 7.50% and 8.25%, respectively, of annual covered payroll. The County's contributions to LGERS for the years ended June 30, 2018, 2017, and 2016 were \$6,896,296, \$6,435,317, and \$5,736,808, respectively. The contributions made by the County equaled the required contributions for each year.

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

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

At June 30, 2018, the County reported a liability of \$21,135,895 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2017, the County's proportion was 1.3830%, which was an increase of .003% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$7,124,659. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,217,623	598,285
Changes of assumptions	3,018,498	-
Net difference between projected and actual earnings on pension plan investments	5,131,821	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	99,926	186,001
Employer contributions subsequent to the measurement date	6,896,296	-
Totals	\$ 16,364,164	784,286

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

Year ending June 30,	
2019	\$ 1,048,704
2020	6,136,530
2021	3,066,439
2022	(1,568,091)
Total	\$ 8,683,582

Actuarial Assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	7.20 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2017 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s proportionate share of the net pension liability to changes in the discount rate. The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the County’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
County’s proportionate share of the net pension liability (asset)	\$ 63,450,435	21,135,895	(14,183,387)

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

Law Enforcement Officers’ Special Separation Allowance

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2016, the Separation Allowance’s membership consisted of:

Retirees currently receiving benefits	47
Active plan members	212
Total	259

Benefits Provided. The Separation Allowance is equal to .85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly.

Funding Policy. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations in the General Fund. There are no contributions made by employees. The County’s obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. For the fiscal year ended June 30, 2018, the County’s required and actual benefits paid were \$676,934.

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

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

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

At June 30, 2018, the County reported a total pension liability of \$8,035,066. The total pension liability was measured as of December 31, 2017 based on an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of December 31, 2017 utilizing update procedures incorporating the actuarial assumptions.

For the year ended June 30, 2018, the County recognized pension expense of \$564,851.

At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to the LEOSSA pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 125,573	-
Changes of assumptions and other inputs	335,818	292,078
Benefit payments subsequent to the measurement date	331,524	-
Totals	\$ 792,915	292,078

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

Year ending June 30,	
2019	\$ 28,304
2020	28,304
2021	28,304
2022	63,482
2023	20,919
Total	\$ 169,313

Actuarial Assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.16 percent

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

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

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.16 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.16 percent) or 1-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Discount Rate (3.16%)	1% Increase (4.16%)
County's total pension liability	\$ 8,615,876	8,035,066	7,500,397

Schedule of changes in total pension liability.

Total pension liability as of December 31, 2016	\$ 7,609,011
Changes for the year:	
Service cost at end of year	254,543
Interest	280,573
Change in benefit terms	-
Difference between expected and actuarial experience	155,543
Changes of assumptions and inputs	415,966
Benefit payments	(680,570)
Other	-
Net changes	426,055
Total pension liability as of December 31, 2017	\$ 8,035,066

Changes of assumptions and benefit terms. Since the prior measurement date of December 31, 2016 to the current measurement date of December 31, 2017, the discount rate has changed from 3.86 percent to 3.16 percent due to a change in the Municipal Bond Rate. The assumed inflation rate has been reduced from 3.0 percent to 2.5 percent and assumed wage inflation has been increased from .5 percent to 1.0 percent. There are no changes in benefit terms since the prior measurement date.

Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy. Article 12E of G.S. Chapter 143 requires that the County contribute each month an amount equal to 5.0% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan. The County's contributions for the year ended June 30, 2018 were \$576,331, exclusive of voluntary employee contributions.

Register of Deeds' Supplemental Pension Fund

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

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

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to 1.5% of the monthly receipts collected pursuant to Article 1 of North Carolina General Statute Chapter 161. The statutory contribution currently has no relationship to the actuarial required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Immediately following January 1 of each year, the Department of State Treasurer divides 93% of the amount in the RODSPF at the end of the preceding calendar year into equal shares, up to the statutory maximum, to be disbursed as monthly benefits. The remaining 7% of the fund's assets may be used by the State Treasurer in administering the fund. For the fiscal year ended June 30, 2018, the County's required and actual contributions were \$32,350.

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

At June 30, 2018, the County reported an asset of \$676,308 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2017, the County's proportion was 3.962%, which was an increase of .001% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$100,116. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,608	2,179
Changes of assumptions	114,111	-
Net difference between projected and actual earnings on pension plan investments	57,492	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	4,211
Employer contributions subsequent to the measurement date	32,350	-
Totals	\$ 215,561	6,390

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

Year ending June 30,	
2019	\$ 101,505
2020	54,062
2021	6,577
2022	14,677
Total	\$ 176,821

Actuarial Assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2017 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75 percent, as well as what the

County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (531,569)	(676,308)	(798,027)

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

5b. Other Post-employment Benefits (OPEB)

Healthcare, Life Insurance, and Death Benefits

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

As of July 1, 2007, the Plan provides postemployment healthcare benefits to retirees of the County until they reach age 65 or are eligible for Medicare, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and (1) have at least 5 years of creditable service with the County if employed prior to July 1, 2007; (2) have at least twenty years of creditable service with the County if employed on or after July 1, 2007. Coverage on eligible dependents that are on the retiree's policy the day before retirement may be continued until eligibility ceases. Based on level of coverage, the County pays between 68.8% and 87.9% of the established premium cost, and the retiree pays the same premium as active employees.

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

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

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

Membership of the Plan consisted of the following at June 30, 2016, the date of the latest actuarial valuation:

Retirees currently receiving benefits	927
Active plan members	1,870
Total	2,797

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

The County pays the full costs of retiree death benefits and life insurance for disability retirees, which were \$20,000 and \$10,313, respectively, for fiscal year 2018. The monthly cost of healthcare benefits is shared by the County and covered retirees, respectively, as follows: retiree-only coverage, \$731 and \$101; retiree and one dependent, \$909 and \$285; and retiree and more than one dependent, \$1,271 and \$576. For fiscal year 2018, the County contributed \$2,705,757 for healthcare benefits, and retiree Plan members contributed \$417,295. Additionally, the County contributed \$1,600,000 to prefund benefits.

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

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

For the year ended June 30, 2018, the money weighted annual rate of return on investments, net of investment expense, was 7.00 percent.

Net OPEB Liability. The components of the net OPEB liability at June 30, 2018 are:

Total OPEB liability	\$	82,691,606
Plan fiduciary net position		25,116,038
Net OPEB liability	\$	57,575,568

The ratio of plan fiduciary net position to total OPEB liability is 30.37 percent.

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

Inflation	2.50 percent
Real wage growth	1.00 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation:	
General employees	3.50 – 7.75 percent
Firefighters	3.50 – 7.75 percent
Law enforcement officers	3.50 – 7.35 percent
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	5.86 percent
Municipal bond index rate:	
Prior measurement date	3.56 percent
Measurement date	3.89 percent
Year fiduciary net position to be depleted:	
Prior measurement date	N/A
Measurement date	N/A
Single equivalent interest rate, net of OPEB plan investment expense, including price inflation:	
Prior measurement date	5.86 percent
Measurement date	5.86 percent
Health care cost trends:	
Pre-Medicare	7.75 percent for 2016 decreasing to an ultimate rate of 5.00 percent by 2022

The total OPEB liability was rolled forward to June 30, 2018, utilizing update procedures incorporating the actuarial assumptions.

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

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

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

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

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

		Discount Rate (5.86%)	1% Increase (6.86%)
Net OPEB liability	\$	64,346,373	51,503,827

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

	1% Decrease (6.75%)	Healthcare Cost Trend Rate (7.75%)	1% Increase (8.75%)
Net OPEB liability	\$ 49,320,786	57,575,568	67,258,014

Changes in Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB. At June 30, 2018, the County reported a net OPEB liability of \$57,575,568. The total OPEB liability used to calculate the net OPEB liability is based upon an actuarial valuation as of June 30, 2016. The expected total OPEB liability is determined as of June 30, 2018 using standard roll forward techniques.

At June 30, 2018, the components of the net OPEB liability are as follows:

	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance as of June 30, 2017	\$ 80,754,203	21,899,494	58,854,709
Changes for the year:			
Service cost	3,045,210	--	3,045,210
Interest	4,605,929	--	4,605,929
Difference between expected and actual experience	(1,342,048)	--	(1,342,048)
Contributions – employer	--	5,971,688	(5,971,688)
Net investment income	--	1,616,544	(1,616,544)
Benefit payments	(4,371,688)	(4,371,688)	--
Net changes	1,937,403	3,216,544	(1,279,141)
Balance as of June 30, 2018	\$ 82,691,606	25,116,038	57,575,568

For the year ended June 30, 2018, the County recognized OPEB expenses of \$6,054,189. At June 30, 2018, the County reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources
Differences between expected and actual experience	\$ (1,132,025)
Net difference between projected and actual investment earnings	(229,617)
Total	\$ (1,361,642)

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30,	
2019	\$ (267,427)
2020	(267,427)
2021	(267,427)
2022	(267,428)
2023	(210,023)
Thereafter	(81,910)
Total	\$ (1,361,642)

5c. Risk Management

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

The County's risk retention program provides coverage for a maximum of \$700,000 for each workers' compensation claim, \$75,000 for each auto liability and general liability claim, \$250,000 for each public officials and law enforcement claim, \$100,000 for each property damage claim, and \$175,000-\$350,000 for each health care claim. The County purchases commercial insurance for claims in excess of the retention limits. One property claim and one law enforcement liability claim exceeded the County's self-insured retention limit in the last three years. The commercial carrier paid \$309,760 of the property claim and \$10,587 of the

law enforcement liability claim. Both claims are now closed. The commercial carrier paid \$586,137 for excess health care claims during the year.

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

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

Claims liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). For losses other than employee, dependent, and retiree health care costs, the County's actuarially determined claims liability, which does not include non-incremental claims adjustment expenses, is \$1,318,393 at June 30, 2018. It is reported in the Statement of Net Position as a long-term liability, with \$887,098 considered due within one year.

The County's estimated claims liability for employee, dependent, and retiree health care costs is \$1,825,264 at June 30, 2018. It is reported as a current liability in the proprietary fund Statement of Net Position and as a long-term liability, due within one year, in the government-wide Statement of Net Position.

The County's risk retention program for employee, dependent, and retiree health care costs, and premiums is maintained at a level to cover future catastrophic losses as well as the actuarially determined claims liability, and also to enable matching revenues and expenses over a reasonable period of time without significant year-to-year increases. The net position of \$6,170,104 in the Employee Health Benefits Fund are designated for these purposes.

Changes in the claims liability amount in fiscal 2016 through fiscal 2018 were as follows:

	Beginning Balance	Current-Year Claims and Changes in Estimates	Claims Payments	Ending Balance
2015-2016	\$3,543,429	28,319,596	(27,763,582)	4,099,443
2016-2017	4,099,443	22,329,890	(22,570,914)	3,858,419
2017-2018	3,858,419	22,546,741	(23,261,503)	3,143,657

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

5d. Contingent Liabilities

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

The County is involved in several other claims and lawsuits, which it intends to defend vigorously. The County's legal counsel estimates that any possible liability to the County resulting from such litigation and not covered by insurance would not have a material adverse effect on the financial position of the County at June 30, 2018.

5e. Related Organization

The County's governing board is responsible for a majority of the board appointments of the Airport Commission of Forsyth County, but the County's accountability for this organization does not extend beyond making these appointments. The Airport Commission was established by state statute for the purpose of operating an airport on land owned by the County, and it is funded primarily by airport revenue and federal grants. In fiscal year 2018, Forsyth County provided risk management services totaling \$5,500 to the Airport Commission, and \$1,375 of this amount comprised a receivable at year-end.

5f. Joint Ventures

The County, in conjunction with the State of North Carolina and the Winston-Salem/Forsyth County Board of Education, participates in a joint venture to operate Forsyth Technical Community College. Each of the three participants appoints four

members of the thirteen-member board of trustees of the community college. The president of the community college's student government serves as an ex officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds or other debt instruments to provide financing for new facilities. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$9,955,494 and \$3,950,021 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2018. In addition, the County made debt service payments of \$5,734,912 during the fiscal year on general obligation bonds and an installment financing agreement issued for community college capital facilities. The participating governments do not have an equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2018. Complete financial statements for the community college may be obtained from the community college's administrative offices at 2100 Silas Creek Parkway, Winston-Salem, North Carolina 27103.

In conjunction with the City of Winston-Salem and the Greater Winston-Salem Chamber of Commerce, Inc., the County takes part in a joint venture to operate the Forsyth County Tourism Development Authority, which was established pursuant to state statute for the purpose of furthering the development of travel, tourism, and conventions in the County. The Authority board is comprised of nine members of which the County and the City of Winston-Salem each appoint four, and the Chamber appoints one. The Authority receives approximately 61.4% of room occupancy taxes which are levied and collected by the County. For the year ended June 30, 2018, occupancy taxes totaling \$3,746,954 were distributed to the Authority. The County also provided \$22,985 in financial services to the Authority during fiscal year 2018. 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, 2018. Complete financial statements for the Authority can be obtained from the Authority's finance officer at Forsyth County Government Center, 201 N. Chestnut Street, Winston-Salem, North Carolina 27101.

5g. Jointly Governed Organizations

The County, in conjunction with eleven other counties and 61 municipalities, is a member of the Piedmont Triad Regional Council (PTRC). The PTRC is a voluntary association of municipal and county governments, enabled by state law to promote regional issues and cooperation among members and to coordinate funding from federal and state agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$76,974 to the Council during the fiscal year ended June 30, 2018.

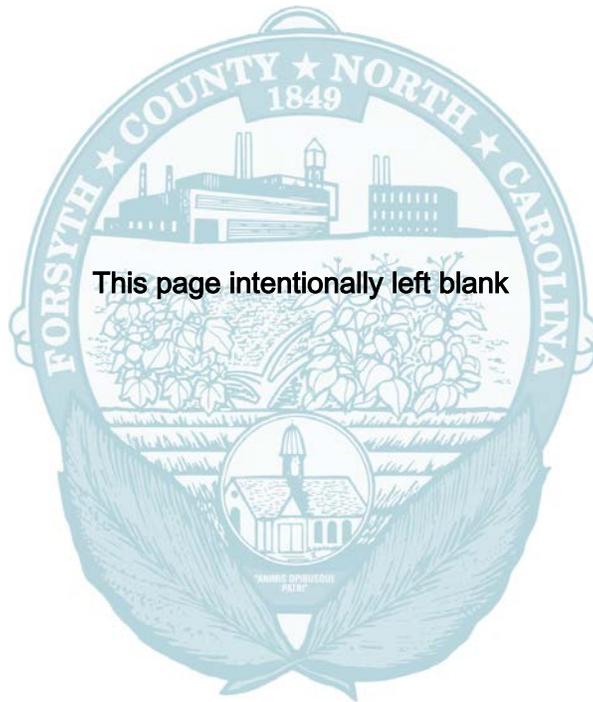
The County participates with Guilford County and three municipalities in the Piedmont Triad International Airport Authority which operates the airport of the same name. Each participating government has one appointment to the seven-member board except Guilford County, which has three appointments. The County made no payments to the Airport Authority in the fiscal year ended June 30, 2018.

5h. Change in Accounting Principles

The County implemented Governmental Accounting Standards Board (GASB) No. Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, for the fiscal year ending June 30, 2018. The implementation of the statement required the County to record the beginning net OPEB liability and the effects on net position of contributions made by the County to the OPEB Trust during the measurement period, as well as the removal of the net OPEB obligation. As a result, net position for the governmental activities decreased \$49,904,820.

As the provisions of Statement No. 75 were effective July 1, 2017, net position as of that date has been adjusted as follows:

	Governmental Activities
Net position - beginning, previously reported	\$ (122,003,169)
Adjustments:	
Net OPEB obligation	8,949,889
Net OPEB liability, beginning	(58,854,709)
Net Position - beginning, restated	\$ (171,907,989)



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Required Supplementary Schedules

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

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

Local Governmental Employees' Retirement System – Schedule of Employer Contributions

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

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

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

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

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

Healthcare Plan – Schedule of Changes in Net OPEB Liability and Related Ratios

Healthcare Plan – Schedule of Employer Contributions

Healthcare Plan – Notes to the Required Schedules

Healthcare Plan – Schedule of Investment Returns

LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

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

FORSYTH COUNTY, NORTH CAROLINA

Last Five Fiscal Years (see Note 1 below)

	<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>	
Proportion of the net pension liability (asset)	1.383	%	1.380	%	1.400	%	(1.394)	%	1.454	%
County's proportionate share of the net pension liability (asset)	\$ 21,135,895		29,287,603		6,283,987		(7,691,093)		17,531,105	
County's covered-employee payroll	\$ 86,954,681		84,323,090		82,451,507		81,718,579		81,535,693	
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	24.31	%	34.73	%	7.62	%	-9.41	%	21.50	%
Plan fiduciary net position as a percentage of the total pension liability	94.18	%	91.47	%	98.09	%	102.64	%	94.35	%

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

LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS ¹

FORSYTH COUNTY, NORTH CAROLINA

	<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>	
Contractually required contribution	\$ 6,896,296		6,435,317		5,736,808		5,880,990		5,791,279	
Contributions in relation to the contractually required contribution	<u>6,896,296</u>		<u>6,435,317</u>		<u>5,736,808</u>		<u>5,880,990</u>		<u>5,791,279</u>	
Contribution deficiency (excess)	\$ <u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>	
Covered-employee payroll	\$ 87,585,656		86,954,681		84,323,090		82,451,507		81,718,579	
Contributions as a percentage of covered-employee payroll	7.87	%	7.40	%	6.80	%	7.13	%	7.09	%

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

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY (ASSET) ¹

FORSYTH COUNTY, NORTH CAROLINA

For the fiscal year ended June 30,

	<u>2018</u>	<u>2017</u>
Service Cost	\$ 254,543	292,100
Interest	280,573	235,450
Difference between expected and actual experience	155,543	-
Changes of assumptions and other inputs	415,966	(455,706)
Benefit payments	(680,570)	(622,315)
Net change in Total Pension Liability	\$ 426,055	(550,471)
Total Pension Liability - beginning	<u>7,609,011</u>	<u>8,159,482</u>
Total Pension Liability - ending	<u>\$ 8,035,066</u>	<u>7,609,011</u>

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

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF TOTAL PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED PAYROLL ¹

FORSYTH COUNTY, NORTH CAROLINA

For the fiscal year ended June 30,

	<u>2018</u>	<u>2017</u>
Total Pension Liability	\$ 8,035,066	7,609,011
Covered-employee payroll	\$ 10,996,359	10,680,124
Total Pension Liability as a percent of covered-employee payroll	73.07 %	71.24 %

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

Notes to the Required Schedules:

- (1) No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 73 nor does the Plan provide pay related benefits.
- (2) The amounts presented for each fiscal year were determined as of the prior December 31.
- (3) The Discount Rate has changed from 3.86% to 3.16%, which is the Municipal Bond Rate as of December 31, 2017.

REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND

REQUIRED SUPPLEMENTARY INFORMATION

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

FORSYTH COUNTY, NORTH CAROLINA

Last Five Fiscal Years (see Note 1 below)

	<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>	
Proportion of the net pension liability (asset)	3.962	%	3.961	%	3.929	%	3.869	%	3.798	%
County's proportionate share of the net pension liability (asset)	\$ (676,308)		(740,482)		(910,408)		(877,043)		(811,150)	
County's covered-employee payroll	\$ 100,962		97,488		90,114		87,044		83,168	
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(669.86)	%	(759.56)	%	(1010.28)	%	(1007.59)	%	(975.32)	%
Plan fiduciary net position as a percentage of the total pension liability	153.77	%	160.17	%	197.29	%	102.64	%	190.5	%

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

REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS ¹

FORSYTH COUNTY, NORTH CAROLINA

	<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>	
Contractually required contribution	\$ 32,350		34,426		32,356		31,436		31,593	
Contributions in relation to the contractually required contribution	<u>32,350</u>		<u>34,426</u>		<u>32,356</u>		<u>31,436</u>		<u>31,593</u>	
Contribution deficiency (excess)	<u>\$ -</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>	
Covered-employee payroll	\$ 82,261		100,962		97,488		90,114		87,044	
Contributions as a percentage of covered-employee payroll	39.33	%	34.10	%	33.19	%	34.88	%	36.30	%

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

HEALTHCARE PLAN

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS ¹

FORSYTH COUNTY, NORTH CAROLINA

For the fiscal year ended June 30,

	<u>2018</u>	<u>2017</u>
TOTAL OPEB LIABILITY		
Service Cost	\$ 3,045,210	\$ 2,876,639
Interest on total OPEB liability	4,605,929	4,422,422
Difference between expected and actual experience	(1,342,048)	-
Benefit payments ²	<u>(4,371,688)</u>	<u>(4,025,629)</u>
Net change in total OPEB liability	1,937,403	3,273,432
Total OPEB liability - beginning	<u>80,754,203</u>	<u>77,480,771</u>
Total OPEB liability - ending	<u><u>82,691,606</u></u>	<u><u>80,754,203</u></u>
PLAN FIDUCIARY NET POSITION		
Contributions - employer ³	\$ 5,971,688	\$ 5,625,629
Net investment income	1,616,544	2,398,737
Benefit payments ²	<u>(4,371,688)</u>	<u>(4,025,629)</u>
Net change in Plan fiduciary net position	3,216,544	3,998,737
Plan fiduciary net position - beginning	<u>21,899,494</u>	<u>17,900,757</u>
Plan fiduciary net position - ending	<u><u>25,116,038</u></u>	<u><u>21,899,494</u></u>
NET OPEB LIABILITY	\$ 57,575,568	\$ 58,854,709
Plan fiduciary net position as a percentage of the total OPEB liability	30.37 %	27.12 %
Covered employee payroll ⁴	\$ 79,583,427	\$ 79,583,427
Net OPEB liability as a percentage of covered-employee payroll	72.35 %	73.95 %

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

² Benefit payments are net of member contributions. Net benefit payments paid outside the Trust are also included.

³ Employer contributions include benefit payments paid outside the Trust.

⁴ For years following the valuation date (when no new valuation is performed), covered payroll is the same as that used for the most recent valuation.

HEALTHCARE PLAN

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

FORSYTH COUNTY, NORTH CAROLINA

For the fiscal year ended June 30,

	<u>2018</u>	<u>2017</u>	<u>2016</u>
TOTAL OPEB LIABILITY			
Actuarially Determined Contribution	\$ 7,144,036	\$ 5,627,638	\$ 5,321,271
Contributions in relation to the Actuarially Determined Contribution	5,971,688	5,625,629	6,926,372
Annual contribution excess (deficiency)	<u>\$ (1,172,348)</u>	<u>\$ (2,009)</u>	<u>\$ 1,605,101</u>
Contributions as a percentage of covered-employee payroll	7.50 %	7.07 %	

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		06/30/2016
Actuarial cost method		Projected unit credit
Amortization method		Level percentage of pay, closed
Remaining amortization period		24 years
Asset valuation method		Market value of Assets
Actuarial assumptions:	Investment rate of return*	6.00%
	Medical cost trend rate	7.75% - 5.00%
	Year of ultimate trend rate	2022
	*Includes inflation at	3.00%

HEALTHCARE PLAN

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF INVESTMENT RETURNS ¹

FORSYTH COUNTY, NORTH CAROLINA

For the fiscal year ended June 30,

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual money-weighted rate of return, net of investment expenses	7.00 %	12.67 %	(0.93) %

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

Major Governmental Funds

Budgetary Comparison Schedules

General Fund

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

Major Capital Project Funds

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

2016 School Facilities Fund – This fund is used to account for the construction of and renovation to school facilities and the related acquisition of land, furnishings and equipment, financed by proceeds of school facilities bonds authorized by a 2016 referendum.

GENERAL FUND

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property:				
Current year	\$ 255,098,278	255,098,278	256,911,041	1,812,763
Prior years	2,000,000	2,000,000	1,464,851	(535,149)
Interest and fees	850,000	850,000	882,908	32,908
Total property	<u>257,948,278</u>	<u>257,948,278</u>	<u>259,258,800</u>	<u>1,310,522</u>
Occupancy taxes	<u>625,000</u>	<u>625,000</u>	<u>843,065</u>	<u>218,065</u>
Local option sales:				
Article 39 one cent	30,550,165	30,550,165	29,496,386	(1,053,779)
Article 40 one-half cent	16,024,618	16,024,618	16,070,686	46,068
Article 42 one-half cent	18,466,600	18,466,600	17,958,817	(507,783)
Article 44 one-half cent	-	-	308	308
Total sales	<u>65,041,383</u>	<u>65,041,383</u>	<u>63,526,197</u>	<u>(1,515,186)</u>
Other taxes	<u>380,000</u>	<u>380,000</u>	<u>459,794</u>	<u>79,794</u>
Total taxes	<u>323,994,661</u>	<u>323,994,661</u>	<u>324,087,856</u>	<u>93,195</u>
Licenses and permits	835,366	835,366	888,557	53,191
Intergovernmental	47,968,443	49,004,466	40,257,067	(8,747,399)
Charges for services	21,571,773	21,571,773	22,306,846	735,073
Investment earnings	1,253,300	1,253,300	2,105,133	851,833
Other	8,496,079	8,727,094	11,547,820	2,820,726
Total revenues	<u>404,119,622</u>	<u>405,386,660</u>	<u>401,193,279</u>	<u>(4,193,381)</u>
Expenditures:				
Current:				
General government:				
Budget and management	527,746	534,152	522,541	11,611
Management information services	6,585,499	6,678,793	5,786,583	892,210
Finance	2,527,051	2,723,176	2,398,684	324,492
General services	13,771,231	15,074,174	13,086,214	1,987,960
Human resources	1,099,787	1,110,502	965,409	145,093
Planning	1,568,380	1,568,380	1,473,718	94,662
Purchasing	114,480	114,480	113,409	1,071
MapForsyth	637,556	652,435	523,130	129,305
Attorney	1,630,509	1,716,953	1,691,730	25,223
Board of elections	1,287,566	1,294,075	1,034,556	259,519
County commissioners and manager	1,151,899	1,212,010	1,159,048	52,962
Register of deeds	1,330,567	1,344,753	1,264,146	80,607
Tax administration	6,533,532	7,494,795	6,456,271	1,038,524
Non-departmental:				
Contingency	877,481	529,066	-	529,066
County-wide salary savings	(2,500,000)	(2,500,000)	-	(2,500,000)
Other services and adjustments	4,069,256	2,526,480	1,552,502	973,978
Employee salary adjustments	1,756,000	1,531,500	-	1,531,500
Prior year encumbrances	2,000,000	-	-	-
Special appropriations	200,000	1,550,842	1,394,592	156,250
Total general government	<u>45,168,540</u>	<u>45,156,566</u>	<u>39,422,533</u>	<u>5,734,033</u>

GENERAL FUND

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Public safety:				
Animal control	\$ 2,232,623	2,266,149	1,859,328	406,821
Emergency management	407,150	407,150	362,067	45,083
Interagency communications	1,196,004	1,198,402	964,663	233,739
Sheriff	49,519,008	50,735,580	46,511,330	4,224,250
Emergency services	17,675,148	18,135,868	16,759,014	1,376,854
Court services	543,364	543,364	500,579	42,785
Medical examiner	322,500	362,500	343,400	19,100
Youth center	1,023,588	1,023,588	966,659	56,929
Nondepartmental other services and adjustments	1,638,833	1,638,833	1,538,017	100,816
Total public safety	<u>74,558,218</u>	<u>76,311,434</u>	<u>69,805,057</u>	<u>6,506,377</u>
Environmental protection:				
NC cooperative extension service - conservation of natural resources	188,121	194,166	164,064	30,102
Environmental assistance and protection	2,329,223	2,418,904	2,292,552	126,352
Inspections	323,190	323,190	347,821	(24,631)
Nondepartmental other services and adjustments	9,946	9,946	9,498	448
Total environmental protection	<u>2,850,480</u>	<u>2,946,206</u>	<u>2,813,935</u>	<u>132,271</u>
Human services:				
Behavioral health services	3,331,380	2,921,382	1,717,451	1,203,931
Public health	24,335,810	26,344,393	22,014,786	4,329,607
Social services	45,404,153	46,088,908	38,019,968	8,068,940
Aging services	626,130	626,130	582,374	43,756
Special appropriations	354,413	354,413	344,277	10,136
Nondepartmental other services and adjustments	788,990	788,990	745,421	43,569
Total human services	<u>74,840,876</u>	<u>77,124,216</u>	<u>63,424,277</u>	<u>13,699,939</u>
Culture and recreation:				
Library	7,589,777	7,783,398	7,191,538	591,860
Parks and recreation	8,197,786	8,387,328	7,600,948	786,380
Special appropriations	315,000	315,000	315,000	-
Nondepartmental other services and adjustments	225,546	225,546	210,402	15,144
Total culture and recreation	<u>16,328,109</u>	<u>16,711,272</u>	<u>15,317,888</u>	<u>1,393,384</u>
Community and economic development:				
Economic development	3,115,593	10,415,593	8,412,972	2,002,621
Housing	576,473	594,477	513,766	80,711
Nondepartmental other services and adjustments	9,946	9,946	9,257	689
Total community and economic development	<u>3,702,012</u>	<u>11,020,016</u>	<u>8,935,995</u>	<u>2,084,021</u>
Education:				
NC cooperative extension service	892,297	929,746	754,133	175,613
Nondepartmental other services and adjustments	50,835	50,835	47,313	3,522
Total education	<u>943,132</u>	<u>980,581</u>	<u>801,446</u>	<u>179,135</u>
Intergovernmental:				
Education:				
Forsyth Technical Community College:				
Current expense	9,915,316	9,956,494	9,955,494	1,000
Capital outlay	455,000	455,000	455,000	-
Total Forsyth Technical Community College	<u>10,370,316</u>	<u>10,411,494</u>	<u>10,410,494</u>	<u>1,000</u>

GENERAL FUND

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Winston-Salem/Forsyth County Schools:				
Instructional programs	\$ 67,499,542	67,499,542	67,499,542	-
Support services	42,353,452	42,353,452	42,353,452	-
Community services	438,349	438,349	438,349	-
Charter schools	5,536,345	5,536,345	5,536,345	-
Capital outlay	7,044,083	7,044,083	7,044,083	-
Total Winston-Salem/Forsyth County Schools	<u>122,871,771</u>	<u>122,871,771</u>	<u>122,871,771</u>	<u>-</u>
Total intergovernmental education	<u>133,242,087</u>	<u>133,283,265</u>	<u>133,282,265</u>	<u>1,000</u>
Debt service:				
General obligation bonds:				
Principal	34,955,000	34,955,000	34,955,000	-
Interest and other charges	21,216,131	21,216,131	20,409,626	806,505
Contingency	5,711,082	5,711,082	-	5,711,082
Limited obligation bonds, installment purchases and certificates of participation:				
Principal	6,868,666	6,868,666	6,868,666	-
Interest and other charges	1,623,507	1,623,507	1,615,906	7,601
Total debt service	<u>70,374,386</u>	<u>70,374,386</u>	<u>63,849,198</u>	<u>6,525,188</u>
Total expenditures	<u>422,007,840</u>	<u>433,907,942</u>	<u>397,652,594</u>	<u>36,255,348</u>
Excess (deficiency) of revenues over expenditures	<u>(17,888,218)</u>	<u>(28,521,282)</u>	<u>3,540,685</u>	<u>32,061,967</u>
Other financing sources (uses):				
Transfers in:				
Fire Tax Districts Fund	1,959,801	1,959,801	1,919,383	(40,418)
Law Enforcement Equitable Distribution Fund	398,300	398,300	306,389	(91,911)
State Public School Building Capital Fund	2,096,125	2,096,125	3,527,900	1,431,775
2011 Library Fund	-	40,000	440,000	400,000
2012 2/3rds Bonds Fund	-	-	499,902	499,902
2014 Housing Fund	-	-	3,305	3,305
2014 WSFCS Capital Maintenance Fund	-	-	85,521	85,521
2014 FTCC Capital Maintenance Fund	-	-	8,399	8,399
2015 Housing Fund	-	-	3,276	3,276
2015 WSFCS Facilities Fund	-	-	29,876	29,876
2016 Pay-Go Fund	-	193,000	193,000	-
Total transfers in	<u>4,454,226</u>	<u>4,687,226</u>	<u>7,016,951</u>	<u>2,329,725</u>
Transfers out:				
2016 WSFCS Capital Maintenance Fund	(1,735,000)	(1,735,000)	(1,735,000)	-
2016 Motive Equipment Replacement Fund	(1,636,000)	(1,896,000)	(1,621,000)	275,000
2016 New Family Museum Fund	-	(2,500,000)	(2,500,000)	-
2017 Tanglewood Business Park Fund	-	(1,400,000)	(1,400,000)	-
2018 Housing Fund	(26,250)	(26,250)	(26,250)	-
Total transfers out	<u>(3,397,250)</u>	<u>(7,557,250)</u>	<u>(7,282,250)</u>	<u>275,000</u>
Total other financing sources (uses)	<u>1,056,976</u>	<u>(2,870,024)</u>	<u>(265,299)</u>	<u>2,604,725</u>
Net change in fund balance	<u>\$ (16,831,242)</u>	<u>(31,391,306)</u>	<u>3,275,386</u>	<u>34,666,692</u>
Fund balances - June 30, 2017			146,084,560	
Fund balances - June 30, 2018			<u>\$ 149,359,946</u>	

2011 LIBRARY BOND FUND

A-2

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues:				
Investment earnings	\$ -	345,578	161,228	184,350
Other revenues	201,849	330,919	118,780	212,139
Total revenues	<u>201,849</u>	<u>676,497</u>	<u>280,008</u>	<u>396,489</u>
Expenditures:				
Debt service - interest and other charges	143,000	130,036	-	130,036
Capital outlay - culture and recreation				
Library planning	240,000	235,420	-	235,420
Library projects	45,761,849	30,101,957	5,816,132	24,285,825
Total expenditures	<u>46,144,849</u>	<u>30,467,413</u>	<u>5,816,132</u>	<u>24,651,281</u>
Deficiency of revenues over expenditures	<u>(45,943,000)</u>	<u>(29,790,916)</u>	<u>(5,536,124)</u>	<u>(24,254,792)</u>
Other financing sources (uses):				
General obligation bonds issued	40,000,000	34,000,000	-	34,000,000
Premium on general obligation bonds	2,920,098	2,920,099	-	2,920,099
Transfer from (to) General Fund	1,171,451	1,171,451	(440,000)	1,611,451
Transfer from 2008 Pay-Go fund	240,000	240,000	-	240,000
Transfer from 2016 Pay-Go fund	1,611,451	1,611,451	1,611,451	-
Total other financing sources (uses)	<u>45,943,000</u>	<u>39,943,001</u>	<u>1,171,451</u>	<u>38,771,550</u>
Net change in fund balance	<u>\$ -</u>	<u>10,152,085</u>	<u>(4,364,673)</u>	<u>14,516,758</u>
Fund balance - June 30, 2017			14,516,758	
Fund balance - June 30, 2018			<u>\$ 10,152,085</u>	

2016 SCHOOLS FACILITIES FUND

A-3

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues - investment earnings	\$ 813,953	991,856	829,759	162,097
Expenditures:				
Debt service - interest and other charges	813,953	251,143	-	251,143
Current - intergovernmental - education	350,000,000	30,518,750	26,682,143	3,836,607
Total expenditures	<u>350,813,953</u>	<u>30,769,893</u>	<u>26,682,143</u>	<u>4,087,750</u>
Deficiency of revenues over expenditures	<u>(350,000,000)</u>	<u>(29,778,037)</u>	<u>(25,852,384)</u>	<u>(3,925,653)</u>
Other financing sources:				
General obligation bonds issued	350,000,000	83,519,767	-	83,519,767
Premium on general obligation bonds	-	3,980,724	-	3,980,724
Total other financing sources	<u>350,000,000</u>	<u>87,500,491</u>	<u>-</u>	<u>87,500,491</u>
Net change in fund balance	<u>\$ -</u>	<u>57,722,454</u>	<u>(25,852,384)</u>	<u>83,574,838</u>
Fund balance - June 30, 2017			83,574,838	
Fund balance - June 30, 2018			<u>\$ 57,722,454</u>	

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

2016 Housing Fund – This fund accounts for the use of state and federal grants initiated in fiscal year 2016 for rehabilitation and reconstruction of substandard dwellings in Forsyth County, down-payment assistance for Forsyth County citizens who meet eligibility requirements, and other housing rehabilitation and first-time home buyer related purposes.

2017 Housing Fund – This fund accounts for the use of state and federal grants initiated in fiscal year 2017 for rehabilitation and reconstruction of substandard dwellings in Forsyth County, down-payment assistance for Forsyth County citizens who meet eligibility requirements, and other housing rehabilitation and first-time home buyer related purposes.

2018 Housing Fund – This fund accounts for the use of state and federal grants initiated in fiscal year 2018 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.

2019 Housing Fund – This fund will account for the use of state and federal grants to be initiated in fiscal year 2019 for rehabilitation and reconstruction of substandard dwellings in Forsyth County, down-payment assistance for Forsyth County citizens who meet eligibility requirements, and other housing rehabilitation and first-time home buyer related purposes.

Capital Project Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2017 Tanglewood Business Park Fund (formerly 2017 Idols Road Business Park Fund) – This fund accounts for infrastructure development at the business park.

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

B-1

FORSYTH COUNTY, NORTH CAROLINA
 June 30, 2018

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents / investments	\$ 2,974,739	19,941,611	22,916,350
Investments - restricted	-	23,792,900	23,792,900
Receivables (net):			
Property taxes	58,078	-	58,078
Other	182,727	9,047	191,774
Accrued interest	6,024	25,363	31,387
Due from other governments	1,332,511	263,257	1,595,768
Total assets	\$ 4,554,079	44,032,178	48,586,257
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 29,317	1,073,075	1,102,392
Due to other funds	725,530	-	725,530
Total liabilities	754,847	1,073,075	1,827,922
Deferred Inflows of Resources:			
Unavailable taxes	58,078	-	58,078
Unavailable other revenue	131,613	-	131,613
Total deferred inflows of resources	189,691	-	189,691
Fund balances:			
Restricted for:			
Stabilization by state statute	1,496,336	15,373,915	16,870,251
Fire protection	554,358	-	554,358
Law enforcement	1,015,310	-	1,015,310
Emergency telephone system	806,089	-	806,089
Human services	299,732	-	299,732
Housing and community redevelopment	199,173	-	199,173
Capital projects	-	26,133,513	26,133,513
Committed for capital projects	-	8,216,464	8,216,464
Unassigned	(761,457)	(6,764,789)	(7,526,246)
Total fund balances	3,609,541	42,959,103	46,568,644
Total liabilities, deferred inflows of resources and fund balances	\$ 4,554,079	44,032,178	48,586,257

**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, 2018

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues:			
Taxes:			
Property	\$ 8,449,414	-	8,449,414
Local option sales taxes	1,974,172	-	1,974,172
Total taxes	<u>10,423,586</u>	<u>-</u>	<u>10,423,586</u>
Intergovernmental	5,103,621	848,630	5,952,251
Investment earnings	52,570	592,615	645,185
Other	90,209	2,163,756	2,253,965
Total revenues	<u>15,669,986</u>	<u>3,605,001</u>	<u>19,274,987</u>
Expenditures:			
Current:			
Public safety	9,199,828	-	9,199,828
Human services	7,864	-	7,864
Community and economic development	517,081	-	517,081
Culture and recreation	-	275,000	275,000
Intergovernmental - education	306,076	8,805,815	9,111,891
Debt service:			
Principal retirement	61,334	-	61,334
Interest and other charges	5,724	-	5,724
Capital outlay	-	8,918,231	8,918,231
Total expenditures	<u>10,097,907</u>	<u>17,999,046</u>	<u>28,096,953</u>
Excess (deficiency) of revenues over expenditures	<u>5,572,079</u>	<u>(14,394,045)</u>	<u>(8,821,966)</u>
Other financing sources (uses):			
Transfers in	302,896	7,256,000	7,558,896
Transfers out	(5,960,380)	(2,504,668)	(8,465,048)
Total other financing sources (uses)	<u>(5,657,484)</u>	<u>4,751,332</u>	<u>(906,152)</u>
Net change in fund balances	(85,405)	(9,642,713)	(9,728,118)
Fund balance - June 30, 2017	3,694,946	52,601,816	56,296,762
Fund balance - June 30, 2018	<u>\$ 3,609,541</u>	<u>42,959,103</u>	<u>46,568,644</u>

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

FORSYTH COUNTY, NORTH CAROLINA
 June 30, 2018

	Fire Tax Districts	Law Enforcement Equitable Distribution	Emergency Telephone System	Moser Bequest for Care of Elderly	State Public School Building Capital
ASSETS					
Cash and cash equivalents / investments	\$ 563,229	1,015,310	847,649	299,732	-
Receivables (net):					
Property taxes	58,078	-	-	-	-
Other	-	-	182,727	-	-
Accrued interest	1,049	2,426	1,863	562	-
Due from other governments	572,701	796	3,648	128	725,530
Total assets	\$ 1,195,057	1,018,532	1,035,887	300,422	725,530
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 8,871	-	20,446	-	-
Due to other funds - General Fund	-	-	-	-	725,530
Total liabilities	8,871	-	20,446	-	725,530
Deferred Inflows of Resources:					
Unavailable taxes	58,078	-	-	-	-
Unavailable other revenue	-	-	131,613	-	-
Total deferred inflows of resources	58,078	-	131,613	-	-
Fund balances:					
Restricted for:					
Stabilization by state statute	573,750	3,222	77,739	690	725,530
Fire protection	554,358	-	-	-	-
Law enforcement	-	1,015,310	-	-	-
Emergency telephone system	-	-	806,089	-	-
Human services	-	-	-	299,732	-
Housing and community redevelopment	-	-	-	-	-
Unassigned	-	-	-	-	(725,530)
Total fund balances	1,128,108	1,018,532	883,828	300,422	-
Total liabilities, deferred inflows of resources and fund balances	\$ 1,195,057	1,018,532	1,035,887	300,422	725,530

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

FORSYTH COUNTY, NORTH CAROLINA
 June 30, 2018

	2016	2017	2018	2019	Total
	<u>Housing</u>	<u>Housing</u>	<u>Housing</u>	<u>Housing</u>	
ASSETS					
Cash and cash equivalents / investments	\$ 25,135	3,553	116,358	103,773	2,974,739
Receivables (net):					
Property taxes	-	-	-	-	58,078
Other	-	-	-	-	182,727
Accrued interest	50	34	40	-	6,024
Due from other governments	3,033	15,402	11,273	-	1,332,511
Total assets	<u>\$ 28,218</u>	<u>18,989</u>	<u>127,671</u>	<u>103,773</u>	<u>4,554,079</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	-	-	-	29,317
Due to other funds - General Fund	-	-	-	-	725,530
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>754,847</u>
Deferred Inflows of Resources:					
Unavailable taxes	-	-	-	-	58,078
Unavailable other revenue	-	-	-	-	131,613
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>189,691</u>
Fund balances:					
Restricted for:					
Stabilization by state statute	23,426	54,916	37,063	-	1,496,336
Fire protection	-	-	-	-	554,358
Law enforcement	-	-	-	-	1,015,310
Emergency telephone system	-	-	-	-	806,089
Human services	-	-	-	-	299,732
Housing and community redevelopment	4,792	-	90,608	103,773	199,173
Unassigned	-	(35,927)	-	-	(761,457)
Total fund balances	<u>28,218</u>	<u>18,989</u>	<u>127,671</u>	<u>103,773</u>	<u>3,609,541</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 28,218</u>	<u>18,989</u>	<u>127,671</u>	<u>103,773</u>	<u>4,554,079</u>

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

NONMAJOR SPECIAL REVENUE FUNDS

FORSYTH COUNTY, NORTH CAROLINA
For the Fiscal Year Ended June 30, 2018

	Fire Tax Districts	Law Enforcement Equitable Distribution	Emergency Telephone System	Moser Bequest for Care of Elderly	State Public School Building Capital	2014 Housing
Revenues:						
Taxes:						
Property	\$ 8,449,414	-	-	-	-	-
Local option sales taxes	1,974,172	-	-	-	-	-
Intergovernmental	-	38,214	975,138	-	3,757,457	2,624
Investment earnings	16,133	17,584	11,200	4,145	-	1,198
Other	-	-	-	-	-	-
Total revenues	10,439,719	55,798	986,338	4,145	3,757,457	3,822
Expenditures:						
Current:						
Public safety	8,508,874	-	690,954	-	-	-
Human services	-	-	-	7,864	-	-
Community and economic development	-	-	-	-	-	2,000
Intergovernmental - education	-	-	-	-	306,076	-
Debt service:						
Principal retirement	-	-	61,334	-	-	-
Interest and other charges	-	-	5,724	-	-	-
Total expenditures	8,508,874	-	758,012	7,864	306,076	2,000
Excess (deficiency) of revenues over expenditures	1,930,845	55,798	228,326	(3,719)	3,451,381	1,822
Other financing sources (uses):						
Transfers in:						
General Fund	-	-	-	-	-	-
2014 Housing Fund	-	-	-	-	-	-
2015 Housing Fund	-	-	-	-	-	-
2016 WSFCS Capital Maintenance Fund	-	-	-	-	76,519	-
Transfers out:						
General Fund	(1,919,383)	(306,389)	-	-	(3,527,900)	(3,305)
2018 Housing Fund	-	-	-	-	-	(96,354)
2019 Housing Fund	-	-	-	-	-	-
Total other financing sources (uses)	(1,919,383)	(306,389)	-	-	(3,451,381)	(99,659)
Net change in fund balances	11,462	(250,591)	228,326	(3,719)	-	(97,837)
Fund balance - June 30, 2017	1,116,646	1,269,123	655,502	304,141	-	97,837
Fund balance - June 30, 2018	\$ 1,128,108	1,018,532	883,828	300,422	-	-

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

NONMAJOR SPECIAL REVENUE FUNDS

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2018

	2015	2016	2017	2018	2019	Total
	<u>Housing</u>	<u>Housing</u>	<u>Housing</u>	<u>Housing</u>	<u>Housing</u>	
Revenues:						
Taxes:						
Property	\$ -	-	-	-	-	8,449,414
Local option sales taxes	-	-	-	-	-	1,974,172
Intergovernmental	48,635	80,913	158,640	42,000	-	5,103,621
Investment earnings	1,687	260	276	87	-	52,570
Other	90,209	-	-	-	-	90,209
Total revenues	<u>140,531</u>	<u>81,173</u>	<u>158,916</u>	<u>42,087</u>	<u>-</u>	<u>15,669,986</u>
Expenditures:						
Current:						
Public safety	-	-	-	-	-	9,199,828
Human services	-	-	-	-	-	7,864
Community and economic development	215,008	90,215	172,838	37,020	-	517,081
Intergovernmental - education	-	-	-	-	-	306,076
Debt service:						
Principal retirement	-	-	-	-	-	61,334
Interest and other charges	-	-	-	-	-	5,724
Total expenditures	<u>215,008</u>	<u>90,215</u>	<u>172,838</u>	<u>37,020</u>	<u>-</u>	<u>10,097,907</u>
Excess (deficiency) of revenues over expenditures	<u>(74,477)</u>	<u>(9,042)</u>	<u>(13,922)</u>	<u>5,067</u>	<u>-</u>	<u>5,572,079</u>
Other financing sources (uses):						
Transfers in:						
General Fund	-	-	-	26,250	-	26,250
2014 Housing Fund	-	-	-	96,354	-	96,354
2015 Housing Fund	-	-	-	-	103,773	103,773
2016 WSFCS Capital Maintenance Fund	-	-	-	-	-	76,519
Transfers out:						
General Fund	(3,276)	-	-	-	-	(5,760,253)
2018 Housing Fund	-	-	-	-	-	(96,354)
2019 Housing Fund	(103,773)	-	-	-	-	(103,773)
Total other financing sources (uses)	<u>(107,049)</u>	<u>-</u>	<u>-</u>	<u>122,604</u>	<u>103,773</u>	<u>(5,657,484)</u>
Net change in fund balances	(181,526)	(9,042)	(13,922)	127,671	103,773	(85,405)
Fund balance - June 30, 2017	181,526	37,260	32,911	-	-	3,694,946
Fund balance - June 30, 2018	<u>\$ -</u>	<u>28,218</u>	<u>18,989</u>	<u>127,671</u>	<u>103,773</u>	<u>3,609,541</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, 2018

Page 1 of 2

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property	\$ 8,277,618	8,277,618	8,449,414	171,796
Local option sales taxes	1,959,901	1,961,901	1,974,172	12,271
Total taxes	10,237,519	10,239,519	10,423,586	184,067
Investment earnings	-	-	16,133	16,133
Total revenues	10,237,519	10,239,519	10,439,719	200,200
Expenditures - current - public safety:				
Beeson's Cross Roads	294,473	294,473	294,473	-
Beeson's Cross Roads Service	30,782	30,782	30,782	-
Belews Creek	379,548	379,548	379,548	-
City View	41,455	41,455	41,455	-
Clemmons	1,537,883	1,537,883	1,537,883	-
Forest Hill	12,722	12,722	12,722	-
Griffith	117,131	117,131	116,666	465
Gumtree	70,483	70,483	70,483	-
Horneytown	272,553	272,553	265,840	6,713
King of Forsyth County	541,922	541,922	541,922	-
Lewisville	1,446,900	1,446,900	1,446,900	-
Mineral Springs	192,100	192,100	192,100	-
Mineral Springs Service	7,351	7,351	7,351	-
Mount Tabor	79,700	79,700	79,700	-
Old Richmond	440,992	440,992	440,992	-
Piney Grove	775,910	775,910	775,910	-
Rural Hall	466,462	466,462	466,462	-
Salem Chapel	116,942	116,942	116,942	-
South Fork	5,619	5,619	5,619	-
Talley's Crossing	210,294	210,294	210,294	-
Triangle	105,995	105,995	105,995	-
Union Cross	368,159	368,159	368,159	-
Vienna	564,305	564,305	564,305	-
Walkertown	385,189	385,189	385,189	-
West Bend	51,238	51,238	51,182	56
Total expenditures	8,516,108	8,516,108	8,508,874	7,234
Excess of revenues over expenditures	1,721,411	1,723,411	1,930,845	207,434

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, 2018

Page 2 of 2

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Other financing uses - transfers out-				
General Fund:				
Beeson's Cross Roads	(64,416)	(64,416)	(63,855)	561
Beeson's Cross Roads Service	(6,667)	(6,667)	(6,610)	57
Belews Creek	(89,871)	(89,871)	(82,340)	7,531
City View	(9,206)	(9,206)	(8,834)	372
Clemmons	(367,766)	(367,766)	(362,886)	4,880
Forest Hill	(2,958)	(2,958)	(2,830)	128
Griffith	(28,077)	(28,077)	(27,498)	579
Gumtree	(16,415)	(16,415)	(16,027)	388
Horneytown	(54,035)	(54,035)	(53,085)	950
King of Forsyth County	(129,409)	(125,709)	(120,346)	5,363
Lewisville	(337,590)	(337,590)	(333,728)	3,862
Mineral Springs	(46,166)	(46,166)	(44,204)	1,962
Mineral Springs Service	(1,815)	(1,815)	(1,738)	77
Mount Tabor	(17,556)	(17,556)	(17,365)	191
Old Richmond	(104,291)	(104,291)	(103,276)	1,015
Piney Grove	(175,962)	(175,962)	(174,272)	1,690
Rural Hall	(113,213)	(113,213)	(112,323)	890
Salem Chapel	(24,937)	(24,937)	(24,578)	359
South Fork	(1,498)	(1,498)	(1,475)	23
Talley's Crossing	(45,490)	(45,490)	(43,200)	2,290
Triangle	(20,927)	(21,327)	(21,125)	202
Union Cross	(75,089)	(75,089)	(71,368)	3,721
Vienna	(126,594)	(129,894)	(128,886)	1,008
Walkertown	(86,901)	(86,901)	(84,757)	2,144
West Bend	(12,952)	(12,952)	(12,777)	175
Total other financing uses	<u>(1,959,801)</u>	<u>(1,959,801)</u>	<u>(1,919,383)</u>	<u>40,418</u>
Net change in fund balance	\$ <u>(238,390)</u>	<u>(236,390)</u>	11,462	<u>247,852</u>
Fund balance - June 30, 2017			<u>1,116,646</u>	
Fund balance - June 30, 2018			\$ <u><u>1,128,108</u></u>	

LAW ENFORCEMENT EQUITABLE DISTRIBUTION FUND

C-4

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	-	38,214	38,214
Investment earnings	-	-	17,584	17,584
Total revenues	<u>-</u>	<u>-</u>	<u>55,798</u>	<u>55,798</u>
Other financing uses:				
Transfer to General Fund	<u>(398,300)</u>	<u>(398,300)</u>	<u>(306,389)</u>	<u>91,911</u>
Net change in fund balance	<u><u>\$ (398,300)</u></u>	<u><u>(398,300)</u></u>	<u><u>(250,591)</u></u>	<u><u>147,709</u></u>
Fund balance - June 30, 2017			<u>1,269,123</u>	
Fund balance - June 30, 2018			<u><u>\$ 1,018,532</u></u>	

EMERGENCY TELEPHONE SYSTEM FUND

C-5

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 612,718	1,452,718	975,138	(477,580)
Investment earnings	-	-	11,200	11,200
Total revenues	<u>612,718</u>	<u>1,452,718</u>	<u>986,338</u>	<u>(466,380)</u>
Expenditures:				
Debt service:				
Principal retirement	56,041	56,041	61,334	(5,293)
Interest and other charges	10,983	10,983	5,724	5,259
Public safety	<u>545,694</u>	<u>1,447,292</u>	<u>690,954</u>	<u>756,338</u>
Total expenditures	<u>612,718</u>	<u>1,514,316</u>	<u>758,012</u>	<u>756,304</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>(61,598)</u></u>	<u><u>228,326</u></u>	<u><u>289,924</u></u>
Fund balance - June 30, 2017			<u>655,502</u>	
Fund balance - June 30, 2018			<u><u>\$ 883,828</u></u>	

MOSER BEQUEST FOR CARE OF ELDERLY FUND

C-6

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues - investment earnings	\$ 1,000	1,000	4,145	3,145
Expenditures - Human Services	50,000	50,000	7,864	42,136
Net change in fund balance	<u>\$ (49,000)</u>	<u>(49,000)</u>	(3,719)	<u>45,281</u>
Fund balance - June 30, 2017			304,141	
Fund balance - June 30, 2018			<u>\$ 300,422</u>	

STATE PUBLIC SCHOOL BUILDING CAPITAL FUND

C-7

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues:				
Intergovernmental	\$ 94,826,739	91,599,313	3,757,457	87,841,856
Investment earnings	162,074	162,074	-	162,074
Total revenues	94,988,813	91,761,387	3,757,457	88,003,930
Expenditures - current - intergovernmental - education	51,666,898	48,844,393	306,076	48,538,317
Excess (deficiency) of revenues over expenditures	43,321,915	42,916,994	3,451,381	39,465,613
Other financing sources (uses):				
Transfers in:				
Schools Fund	-	1,330,321	-	1,330,321
1990 Schools Facilities Fund	4,170,049	4,169,875	-	4,169,875
1995 School Facilities Fund	65,288	65,288	-	65,288
1996 Schools Facilities Fund	1,933,499	1,933,499	-	1,933,499
2002 Schools Fund	4,161,834	4,161,834	-	4,161,834
2007 School Facilities Fund	250,000	250,000	-	250,000
2016 WSFCS Capital Maintenance Fund	81,629	76,519	76,519	-
Transfers out - General Fund	(55,314,364)	(54,904,330)	(3,527,900)	(51,376,430)
Total other financing sources (uses)	(44,652,065)	(42,916,994)	(3,451,381)	(39,465,613)
Net change in fund balance	<u>\$ (1,330,150)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - June 30, 2017			-	
Fund balance - June 30, 2018			<u>\$ -</u>	

2014 HOUSING FUND

C-8

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues:				
Intergovernmental:				
2013 WSFC HOME program	\$ 167,800	166,100	-	166,100
2013 NCHFA Urgent Repair Program	75,000	63,440	-	63,440
CDBG NC Catalyst Program	70,000	60,760	2,624	58,136
Local government grants	12,000	12,000	-	12,000
Total intergovernmental	324,800	302,300	2,624	299,676
Mortgage repayments	117,500	46,184	-	46,184
Investment earnings	-	2,922	1,198	1,724
Other	32,000	32,000	-	32,000
Total revenues	474,300	383,406	3,822	379,584
Expenditures - current - community and economic development:				
2013 WSFC HOME	167,800	166,100	-	166,100
2013 WSFC HOME - local match	37,755	37,373	-	37,373
Forsyth County IDA	24,250	23,250	-	23,250
CDBG Program Income	91,316	20,000	-	20,000
CDBG NC Catalyst Program	70,000	60,760	2,000	58,760
2013 NCHFA Urgent Repair Program	75,000	63,439	-	63,439
Total expenditures	466,121	370,922	2,000	368,922
Excess (deficiency) of revenues over expenditures	8,179	12,484	1,822	10,662
Other financing sources (uses):				
Transfer from General Fund	25,755	22,450	(3,305)	25,755
Transfer from 2009 Housing Fund	35,838	35,838	-	35,838
Transfer from 2011 Housing Fund	26,582	25,582	-	25,582
Transfer to 2018 Housing Fund	(96,354)	(96,354)	(96,354)	-
Total other financing sources (uses)	(8,179)	(12,484)	(99,659)	87,175
Net change in fund balance	\$ -	-	(97,837)	97,837
Fund balance - June 30, 2017			97,837	
Fund balance - June 30, 2018			\$ -	

2015 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, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues:				
Intergovernmental:				
2014 WSFC HOME program	\$ 176,400	176,400	48,635	127,765
CDBG NSP	50,000	21,751	-	21,751
Local government grants	12,000	12,000	-	12,000
Total intergovernmental	<u>238,400</u>	<u>210,151</u>	<u>48,635</u>	<u>161,516</u>
Mortgage repayments	325,000	278,645	90,209	188,436
Investment earnings	-	3,276	1,687	1,589
Total revenues	<u>563,400</u>	<u>492,072</u>	<u>140,531</u>	<u>351,541</u>
Expenditures - current - community and economic development:				
2014 WSFC HOME	176,400	176,400	48,635	127,765
2014 WSFC HOME - local match	39,690	39,690	21,402	18,288
CDBG NSP Program Income	26,249	-	-	-
HOME Program Income	238,516	235,139	144,971	90,168
Total expenditures	<u>480,855</u>	<u>451,229</u>	<u>215,008</u>	<u>236,221</u>
Excess (deficiency) of revenues over expenditures	82,545	40,843	(74,477)	115,320
Other financing sources (uses):				
General Fund	27,690	24,414	(3,276)	27,690
2012 Housing Fund	38,516	38,516	-	38,516
2019 Housing Fund	(148,751)	(103,773)	(103,773)	-
Total other financing sources (uses)	<u>(82,545)</u>	<u>(40,843)</u>	<u>(107,049)</u>	<u>66,206</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>(181,526)</u>	<u>181,526</u>
Fund balance - June 30, 2017			181,526	
Fund balance - June 30, 2018			<u>\$ -</u>	

2016 HOUSING FUND

C-10

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues:				
Intergovernmental:				
2015 WSFC HOME program	\$ 176,400	164,869	80,913	83,956
2015 NCHFA Urgent Repair program	100,000	89,560	-	89,560
Local government grants	12,000	12,000	-	12,000
Total intergovernmental	<u>288,400</u>	<u>266,429</u>	<u>80,913</u>	<u>185,516</u>
Investment earnings	-	395	260	135
Total revenues	<u>288,400</u>	<u>266,824</u>	<u>81,173</u>	<u>185,651</u>
Expenditures - current - community and economic development:				
2015 WSFC HOME	176,400	164,750	80,794	83,956
2015 WSFC HOME - local match	39,690	9,421	9,421	-
2015 Urgent Repair program	100,000	89,560	-	89,560
Total expenditures	<u>316,090</u>	<u>263,731</u>	<u>90,215</u>	<u>173,516</u>
Excess (deficiency) of revenues over expenditures	<u>(27,690)</u>	<u>3,093</u>	<u>(9,042)</u>	<u>12,135</u>
Other financing sources - transfers in General Fund	<u>27,690</u>	<u>25,125</u>	<u>-</u>	<u>25,125</u>
Net change in fund balance	<u>\$ -</u>	<u>28,218</u>	<u>(9,042)</u>	<u>37,260</u>
Fund balance - June 30, 2017			<u>37,260</u>	
Fund balance - June 30, 2018			<u>\$ 28,218</u>	

2017 HOUSING FUND

C-11

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues:				
Intergovernmental:				
2016 WSFC HOME program	\$ 170,700	71,231	71,141	90
2016 HOME Single Family Rehabilitation	225,000	-	-	-
2016 NCHFA Single Family Rehabilitation	100,000	87,499	87,499	-
Local government grants	12,000	12,000	-	12,000
Total intergovernmental	<u>507,700</u>	<u>170,730</u>	<u>158,640</u>	<u>12,090</u>
Investment earnings	-	362	276	86
Total revenues	<u>507,700</u>	<u>171,092</u>	<u>158,916</u>	<u>12,176</u>
Expenditures - current - community and economic development:				
2016 WSFC HOME	170,700	71,280	71,190	90
2016 WSFC HOME - local match	38,250	389	389	-
2016 NCHFA Urgent Repair	325,000	106,684	101,259	5,425
Total expenditures	<u>533,950</u>	<u>178,353</u>	<u>172,838</u>	<u>5,515</u>
Excess (deficiency) of revenues over expenditures	<u>(26,250)</u>	<u>(7,261)</u>	<u>(13,922)</u>	<u>6,661</u>
Other financing sources - transfers in General Fund	<u>26,250</u>	<u>26,250</u>	<u>-</u>	<u>26,250</u>
Net change in fund balance	<u>\$ -</u>	<u>18,989</u>	<u>(13,922)</u>	<u>32,911</u>
Fund balance - June 30, 2017			<u>32,911</u>	
Fund balance - June 30, 2018			<u>\$ 18,989</u>	

2018 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, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues:				
Intergovernmental:				
2017 WSFC HOME program	\$ 170,000	30,000	30,000	-
CDBG NSP	2,000,000	-	-	-
2017 NCHFA Urgent Repair Program	100,000	-	-	-
Local government grants	12,000	12,000	12,000	-
Total intergovernmental	2,282,000	42,000	42,000	-
Mortgage repayments	62,022	-	-	-
Investment earnings	-	87	87	-
Total revenues	<u>2,344,022</u>	<u>42,087</u>	<u>42,087</u>	<u>-</u>
Expenditures - current - community and economic development:				
2017 WSFC HOME	170,000	30,000	30,000	-
2017 WSFC HOME - local match	38,250	870	870	-
Forsyth County IDA	34,332	6,150	6,150	-
CDBG NSP	2,000,000	-	-	-
CDBG Program Income	125,000	-	-	-
2017 NCHFA Urgent Repair Program	100,000	-	-	-
Total expenditures	<u>2,467,582</u>	<u>37,020</u>	<u>37,020</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(123,560)</u>	<u>5,067</u>	<u>5,067</u>	<u>-</u>
Other financing sources - transfers in:				
General Fund	26,250	26,250	26,250	-
2014 Housing Fund	97,310	96,354	96,354	-
Total other financing sources	<u>123,560</u>	<u>122,604</u>	<u>122,604</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>127,671</u>	<u>127,671</u>	<u>-</u>
Fund balance - June 30, 2017			-	
Fund balance - June 30, 2018			<u>\$ 127,671</u>	

2019 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, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues:				
Intergovernmental:				
2018 WSFC HOME program	\$ 262,000	-	-	-
CDBG NSP	26,249	-	-	-
2018 NCHFA Urgent Repair Program	100,000	-	-	-
Local government grants	10,000	-	-	-
Total intergovernmental	398,249	-	-	-
Mortgage repayments	300,000	-	-	-
Total revenues	698,249	-	-	-
Expenditures - current - community and economic development:				
2018 WSFC HOME	262,000	-	-	-
2018 WSFC HOME - local match	56,950	-	-	-
HOME Program Income	425,000	-	-	-
CDBG NSP Program Income	50,000	-	-	-
2018 NCHFA Urgent Repair Program	100,000	-	-	-
Total expenditures	893,950	-	-	-
Excess (deficiency) of revenues over expenditures	(195,701)	-	-	-
Other financing sources - transfers in:				
General Fund	46,950	-	-	-
2015 Housing Fund	148,751	103,773	103,773	-
Total other financing sources	195,701	103,773	103,773	-
Net change in fund balance	\$ -	103,773	103,773	-
Fund balance - June 30, 2017			-	
Fund balance - June 30, 2018			\$ 103,773	

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

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FORSYTH COUNTY, NORTH CAROLINA

June 30, 2018

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	2009 Phillips Building Phases <u>1A and 1B</u>	2012 2/3rds <u>Bonds</u>	2014 FTCC Carolina Building <u>Renovation</u>	2014 2/3rds <u>Bonds</u>	2016 Motive Equipment <u>Replacement</u>	2016 New Family Museum	2016 2/3rds <u>Bonds</u>	2016 WSFCS Capital <u>Maintenance</u>
ASSETS								
Cash and cash equivalents / investments	\$ 736,050	-	68,826	-	1,105,164	4,557,990	1,958,401	7,177,041
Investments - restricted	-	39,100	-	336,245	-	-	-	-
Receivables (net):	-	-	-	-	-	-	-	-
Other	-	-	-	-	9,047	-	-	-
Accrued interest	1,263	-	322	616	2,121	8,837	-	6,486
Due from other governments	52,490	-	-	1,141	39,658	-	54,203	104,043
Total assets	\$ 789,803	39,100	69,148	338,002	1,155,990	4,566,827	2,012,604	7,287,570
LIABILITIES AND FUND BALANCES								
Liabilities - accounts payable and accrued liabilities	\$ -	39,100	-	88,843	169,301	4,925	284,348	-
Fund balances:								
Restricted for:								
Stabilization by state statute	53,753	-	322	132,309	74,326	146,491	206,291	110,529
Capital projects	-	-	-	116,850	-	-	1,521,965	7,177,041
Committed for capital projects	736,050	-	68,826	-	912,363	4,415,411	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	789,803	-	69,148	249,159	986,689	4,561,902	1,728,256	7,287,570
Total liabilities and fund balances	\$ 789,803	39,100	69,148	338,002	1,155,990	4,566,827	2,012,604	7,287,570

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

D-1

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2018

Page 2 of 2

	2016 FTCC Capital Maintenance	2016 Pay-Go	2016 Forsyth Technical Community College Facilities	2016 Parks and Recreation Facilities	2017 Court Facilities	2017 Tanglewood Business Park	Total
ASSETS							
Cash and cash equivalents / investments	\$ 479,315	2,453,037	-	-	-	1,405,787	19,941,611
Investments - restricted	-	-	15,944,073	2,614,997	4,315,708	542,777	23,792,900
Receivables (net):							
Other	-	-	-	-	-	-	9,047
Accrued interest	-	4,678	-	-	-	1,040	25,363
Due from other governments	-	11,722	-	-	-	-	263,257
Total assets	\$ 479,315	2,469,437	15,944,073	2,614,997	4,315,708	1,949,604	44,032,178
LIABILITIES AND FUND BALANCES							
Liabilities - accounts payable and accrued liabilities	\$ -	249,223	-	48,369	163,067	25,899	1,073,075
Fund balances:							
Restricted for:							
Stabilization by state statute	-	136,400	-	1,672,359	8,276,337	4,564,798	15,373,915
Capital projects	479,315	-	15,944,073	894,269	-	-	26,133,513
Committed for capital projects	-	2,083,814	-	-	-	-	8,216,464
Unassigned	-	-	-	-	(4,123,696)	(2,641,093)	(6,764,789)
Total fund balances	479,315	2,220,214	15,944,073	2,566,628	4,152,641	1,923,705	42,959,103
Total liabilities and fund balances	\$ 479,315	2,469,437	15,944,073	2,614,997	4,315,708	1,949,604	44,032,178

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

NONMAJOR CAPITAL PROJECTS FUNDS

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2018

	2009 Phillips Building Phases <u>1A and 1B</u>	2012 2/3rds <u>Bonds</u>	2014 FTCC Carolina Building <u>Renovation</u>	2014 2/3rds <u>Bonds</u>	2014 WSFCS Capital <u>Maintenance</u>
Revenues:					
Intergovernmental	\$ -	-	-	-	-
Investment earnings	10,475	6,903	4,080	3,561	6,867
Other	-	-	-	273,703	-
Total revenues	10,475	6,903	4,080	277,264	6,867
Expenditures:					
Current:					
Culture and recreation	-	-	-	-	-
Intergovernmental - education	-	-	1,017,790	-	1,366,549
Capital outlay:					
General government	-	245,874	-	127,437	-
Public safety	265,638	-	-	-	-
Culture and recreation	-	-	-	-	-
Community and economic development	-	-	-	-	-
Total expenditures	265,638	245,874	1,017,790	127,437	1,366,549
Excess (deficiency) of revenues over expenditures	(255,163)	(238,971)	(1,013,710)	149,827	(1,359,682)
Other financing sources (uses):					
Transfers in:					
General Fund	-	-	-	-	-
Transfers out:					
General Fund	-	(499,902)	-	-	(85,521)
2011 Library Fund	-	-	-	-	-
Public School Building Capital Fund	-	-	-	-	-
Total other financing sources (uses)	-	(499,902)	-	-	(85,521)
Net change in fund balances	(255,163)	(738,873)	(1,013,710)	149,827	(1,445,203)
Fund balance - June 30, 2017	1,044,966	738,873	1,082,858	99,332	1,445,203
Fund balance - June 30, 2018	\$ 789,803	-	69,148	249,159	-

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

NONMAJOR CAPITAL PROJECTS FUNDS

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2018

	2014 FTCC Capital Maintenance	2015 WSFCS Facilities	2016 Motive Equipment Replacement	2016 New Family Museum	2016 2/3rds Bonds
Revenues:					
Intergovernmental	\$ -	-	158,630	-	-
Investment earnings	600	940	12,727	48,708	46,609
Other	-	-	188,303	1,700,000	1,750
Total revenues	<u>600</u>	<u>940</u>	<u>359,660</u>	<u>1,748,708</u>	<u>48,359</u>
Expenditures:					
Current:					
Culture and recreation	-	-	-	-	-
Intergovernmental - education	444,155	128,577	-	-	-
Capital outlay:					
General government	-	-	429,871	-	2,712,692
Public safety	-	-	1,191,471	-	-
Culture and recreation	-	-	35,542	689,653	747,820
Community and economic development	-	-	-	-	-
Total expenditures	<u>444,155</u>	<u>128,577</u>	<u>1,656,884</u>	<u>689,653</u>	<u>3,460,512</u>
Excess (deficiency) of revenues over expenditures	<u>(443,555)</u>	<u>(127,637)</u>	<u>(1,297,224)</u>	<u>1,059,055</u>	<u>(3,412,153)</u>
Other financing sources (uses):					
Transfers in:					
General Fund	-	-	1,621,000	2,500,000	-
Transfers out:					
General Fund	(8,399)	(29,876)	-	-	-
2011 Library Fund	-	-	-	-	-
Public School Building Capital Fund	-	-	-	-	-
Total other financing sources (uses)	<u>(8,399)</u>	<u>(29,876)</u>	<u>1,621,000</u>	<u>2,500,000</u>	<u>-</u>
Net change in fund balances	<u>(451,954)</u>	<u>(157,513)</u>	<u>323,776</u>	<u>3,559,055</u>	<u>(3,412,153)</u>
Fund balance - June 30, 2017	<u>451,954</u>	<u>157,513</u>	<u>662,913</u>	<u>1,002,847</u>	<u>5,140,409</u>
Fund balance - June 30, 2018	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>986,689</u></u>	<u><u>4,561,902</u></u>	<u><u>1,728,256</u></u>

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

NONMAJOR CAPITAL PROJECTS FUNDS

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2018

	2016 WSFCS Capital Maintenance	2016 FTCC Capital Maintenance	2016 Pay-Go	2016 Forsyth Technical Community College Facilities	2016 Parks and Recreation Facilities
Revenues:					
Intergovernmental	\$ -	-	-	-	-
Investment earnings	90,470	16,361	51,744	190,467	42,511
Other	-	-	-	-	-
Total revenues	90,470	16,361	51,744	190,467	42,511
Expenditures:					
Current:					
Culture and recreation	-	-	275,000	-	-
Intergovernmental - education	3,815,669	1,543,503	-	489,572	-
Capital outlay:					
General government	-	-	164,889	-	-
Public safety	-	-	-	-	-
Culture and recreation	-	-	-	-	1,224,309
Community and economic development	-	-	-	-	-
Total expenditures	3,815,669	1,543,503	439,889	489,572	1,224,309
Excess (deficiency) of revenues over expenditures	(3,725,199)	(1,527,142)	(388,145)	(299,105)	(1,181,798)
Other financing sources (uses):					
Transfers in:					
General Fund	1,735,000	-	-	-	-
Transfers out:					
General Fund	-	-	(193,000)	-	-
2011 Library Fund	-	-	(1,611,451)	-	-
Public School Building Capital Fund	(76,519)	-	-	-	-
Total other financing sources (uses)	1,658,481	-	(1,804,451)	-	-
Net change in fund balances	(2,066,718)	(1,527,142)	(2,192,596)	(299,105)	(1,181,798)
Fund balance - June 30, 2017	9,354,288	2,006,457	4,412,810	16,243,178	3,748,426
Fund balance - June 30, 2018	\$ 7,287,570	479,315	2,220,214	15,944,073	2,566,628

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

NONMAJOR CAPITAL PROJECTS FUNDS

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2018

	2017 Court Facilities	2017 Tanglewood Business Park	Total
Revenues:			
Intergovernmental	\$ -	690,000	848,630
Investment earnings	53,805	5,787	592,615
Other	-	-	2,163,756
Total revenues	<u>53,805</u>	<u>695,787</u>	<u>3,605,001</u>
Expenditures:			
Current:			
Culture and recreation	-	-	275,000
Intergovernmental - education	-	-	8,805,815
Capital outlay:			
General government	910,953	-	4,591,716
Public safety	-	-	1,457,109
Culture and recreation	-	-	2,697,324
Community and economic development	-	172,082	172,082
Total expenditures	<u>910,953</u>	<u>172,082</u>	<u>17,999,046</u>
Excess (deficiency) of revenues over expenditures	<u>(857,148)</u>	<u>523,705</u>	<u>(14,394,045)</u>
Other financing sources (uses):			
Transfers in:			
General Fund	-	1,400,000	7,256,000
Transfers out:			
General Fund	-	-	(816,698)
2011 Library Fund	-	-	(1,611,451)
Public School Building Capital Fund	-	-	(76,519)
Total other financing sources (uses)	<u>-</u>	<u>1,400,000</u>	<u>4,751,332</u>
Net change in fund balances	<u>(857,148)</u>	<u>1,923,705</u>	<u>(9,642,713)</u>
Fund balance - June 30, 2017	<u>5,009,789</u>	<u>-</u>	<u>52,601,816</u>
Fund balance - June 30, 2018	<u><u>\$ 4,152,641</u></u>	<u><u>1,923,705</u></u>	<u><u>42,959,103</u></u>

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

D-3

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues:				
Investment earnings	\$ -	50,948	10,475	40,473
Other	-	50,030	-	50,030
Total revenues	<u>-</u>	<u>100,978</u>	<u>10,475</u>	<u>90,503</u>
Expenditures:				
Phase 1A:				
Debt service - interest and other charges	200,000	200,000	-	200,000
Capital outlay - public safety:				
Site acquisition	3,480,000	3,483,122	-	3,483,122
Asbestos abatement; re-fireproofing; engineering and architectural services for two floors and parking level	6,720,000	5,385,350	-	5,385,350
Professional fees	10,000	10,000	-	10,000
Phase 1B:				
Current - debt service - interest and other charges	300,000	307,414	-	307,414
Capital outlay - public safety - renovation and rehabilitation of two floors and parking level	25,400,000	25,036,330	(10,980)	25,047,310
Level 4 Upfit: Capital outlay - public safety - probation and parole	4,905,692	4,202,520	276,618	3,925,902
Total expenditures	<u>41,015,692</u>	<u>38,624,736</u>	<u>265,638</u>	<u>38,359,098</u>
Deficiency of revenues over expenditures	<u>(41,015,692)</u>	<u>(38,523,758)</u>	<u>(255,163)</u>	<u>(38,268,595)</u>
Other financing sources:				
Limited obligation bonds issued	36,110,000	31,290,000	-	31,290,000
Premium on limited obligation bonds	-	3,117,869	-	3,117,869
Transfer from 2014 2/3rds Bonds fund	750,000	750,000	-	750,000
Transfer from 2015 Pay-Go fund	3,436,338	3,436,338	-	3,436,338
Transfer from 2016 2/3rds Bonds fund	719,354	719,354	-	719,354
Total other financing sources	<u>41,015,692</u>	<u>39,313,561</u>	<u>-</u>	<u>39,313,561</u>
Net change in fund balance	<u>\$ -</u>	<u>789,803</u>	<u>(255,163)</u>	<u>1,044,966</u>
Fund balance - June 30, 2017			1,044,966	
Fund balance - June 30, 2018			<u>\$ 789,803</u>	

2012 2/3rds BONDS FUND

D-4

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues - investment earnings	\$ -	14,769	6,903	7,866
Expenditures:				
Debt service - interest and other charges	250,000	134,743	-	134,743
Capital outlay:				
General Government:				
Hall of Justice renovation	1,250,000	954,809	237,586	717,223
Capital repair and maintenance	1,500,000	1,498,373	8,288	1,490,085
Culture and recreation - Park maintenance projects	1,834,904	1,835,539	-	1,835,539
Total expenditures	<u>4,834,904</u>	<u>4,423,464</u>	<u>245,874</u>	<u>4,177,590</u>
Deficiency of revenues over expenditures	<u>(4,834,904)</u>	<u>(4,408,695)</u>	<u>(238,971)</u>	<u>(4,169,724)</u>
Other financing sources (uses):				
General obligation bonds issued	5,000,000	4,820,000	-	4,820,000
Premium on general obligation bonds	-	253,693	-	253,693
Transfer to 2009 2/3rds bond fund	(165,096)	(165,096)	-	(165,096)
Transfer to General Fund	-	(499,902)	(499,902)	-
Total other financing sources (uses)	<u>4,834,904</u>	<u>4,408,695</u>	<u>(499,902)</u>	<u>4,908,597</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>(738,873)</u>	<u>738,873</u>
Fund balance - June 30, 2017			738,873	
Fund balance - June 30, 2018			<u>\$ -</u>	

2014 FTCC CAROLINA BUILDING RENOVATION FUND

D-5

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues - investment earnings	\$ -	42,499	4,080	38,419
Expenditures:				
Current - intergovernmental - education	3,600,000	3,573,351	1,017,790	2,555,561
Deficiency of revenues over expenditures	<u>(3,600,000)</u>	<u>(3,530,852)</u>	<u>(1,013,710)</u>	<u>(2,517,142)</u>
Other financing sources:				
Transfer from General Fund	3,600,000	3,600,000	-	3,600,000
Net change in fund balance	<u>\$ -</u>	<u>69,148</u>	<u>(1,013,710)</u>	<u>1,082,858</u>
Fund balance - June 30, 2017			1,082,858	
Fund balance - June 30, 2018			<u>\$ 69,148</u>	

2014 2/3rds BONDS FUND

D-6

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues:				
Investment earnings	\$ -	16,058	3,561	12,497
Other	273,703	273,703	273,703	-
Total revenues	<u>273,703</u>	<u>289,761</u>	<u>277,264</u>	<u>12,497</u>
Expenditures:				
Debt service - interest and other charges	19,982	18,167	-	18,167
Capital outlay:				
Culture and recreation: Park maintenance	1,138,238	1,138,229	-	1,138,229
General Government: Capital repair and maintenance	3,314,899	3,357,325	127,437	3,229,888
Total expenditures	<u>4,473,119</u>	<u>4,513,721</u>	<u>127,437</u>	<u>4,386,284</u>
Deficiency of revenues over expenditures	<u>(4,199,416)</u>	<u>(4,223,960)</u>	<u>149,827</u>	<u>(4,373,787)</u>
Other financing sources (uses):				
General obligation bonds issued	4,750,000	4,750,000	-	4,750,000
Premium on general obligation bonds	418,854	418,854	-	418,854
Transfer from 2009 2/3rds Bonds fund	54,265	54,265	-	54,265
Transfer to 2009 Phillips Building fund	(750,000)	(750,000)	-	(750,000)
Total other financing sources	<u>4,473,119</u>	<u>4,473,119</u>	<u>-</u>	<u>4,473,119</u>
Net change in fund balance	<u>\$ 273,703</u>	<u>249,159</u>	<u>149,827</u>	<u>99,332</u>
Fund balance - June 30, 2017			99,332	
Fund balance - June 30, 2018			<u>\$ 249,159</u>	

2014 WINSTON-SALEM/FORSYTH COUNTY SCHOOLS CAPITAL MAINTENANCE 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, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues - investment earnings	\$ -	43,734	6,867	36,867
Expenditures:				
Debt service - interest and other charges	27,343	24,860	-	24,860
Current - intergovernmental - education	10,515,826	10,476,522	1,366,549	9,109,973
Total expenditures	<u>10,543,169</u>	<u>10,501,382</u>	<u>1,366,549</u>	<u>9,134,833</u>
Deficiency of revenues over expenditures	<u>(10,543,169)</u>	<u>(10,457,648)</u>	<u>(1,359,682)</u>	<u>(9,097,966)</u>
Other financing sources:				
General obligation bonds issued	6,500,000	6,500,000	-	6,500,000
Premium on general obligation bonds	573,169	573,169	-	573,169
Transfer from General Fund	3,470,000	3,384,479	(85,521)	3,470,000
Total other financing sources	<u>10,543,169</u>	<u>10,457,648</u>	<u>(85,521)</u>	<u>10,543,169</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>(1,445,203)</u>	<u>1,445,203</u>
Fund balance - June 30, 2017			1,445,203	
Fund balance - June 30, 2018			<u>\$ -</u>	

2014 FORSYTH TECHNICAL COMMUNITY COLLEGE CAPITAL MAINTENANCE FUND **D-8**
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues - investment earnings	\$ -	7,520	600	6,920
Expenditures:				
Debt service - interest and other charges	9,675	8,796	-	8,796
Current - intergovernmental - education	2,493,138	2,493,138	444,155	2,048,983
Total expenditures	<u>2,502,813</u>	<u>2,501,934</u>	<u>444,155</u>	<u>2,057,779</u>
Deficiency of revenues over expenditures	<u>(2,502,813)</u>	<u>(2,494,414)</u>	<u>(443,555)</u>	<u>(2,050,859)</u>
Other financing sources:				
General obligation bonds issued	2,300,000	2,300,000	-	2,300,000
Premium on general obligation bonds	202,813	202,813	-	202,813
Transfer to General Fund	-	(8,399)	(8,399)	-
Total other financing sources	<u>2,502,813</u>	<u>2,494,414</u>	<u>(8,399)</u>	<u>2,502,813</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>(451,954)</u>	<u>451,954</u>
Fund balance - June 30, 2017			451,954	
Fund balance - June 30, 2018			<u>\$ -</u>	

2015 WINSTON-SALEM/FORSYTH COUNTY SCHOOLS FACILITIES FUND **D-9**
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues - investment earnings	\$ -	12,958	940	12,018
Expenditures:				
Current - intergovernmental - education	1,681,000	1,664,082	128,577	1,535,505
Deficiency of revenues over expenditures	<u>(1,681,000)</u>	<u>(1,651,124)</u>	<u>(127,637)</u>	<u>(1,523,487)</u>
Other financing sources (uses):				
Transfer from (to) General Fund	1,681,000	1,651,124	(29,876)	1,681,000
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>(157,513)</u>	<u>157,513</u>
Fund balance - June 30, 2017			157,513	
Fund balance - June 30, 2018			<u>\$ -</u>	

2016 MOTIVE EQUIPMENT REPLACEMENT FUND

D-10

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues:				
Intergovernmental	\$ 96,400	322,733	158,630	164,103
Charges for services	8,800	14,782	-	14,782
Investment earnings	-	15,386	12,727	2,659
Other revenue	289,407	356,918	188,303	168,615
Total revenues	<u>394,607</u>	<u>709,819</u>	<u>359,660</u>	<u>350,159</u>
Expenditures:				
Capital outlay:				
General government - Non-emergency fleet	757,255	747,289	429,871	317,418
Public safety:				
Animal control	201,796	159,972	80,519	79,453
Emergency services	1,466,705	1,060,221	526,488	533,733
Sheriff	1,571,384	1,110,129	584,464	525,665
Culture and recreation - Parks and recreation	62,490	35,542	35,542	-
Total expenditures	<u>4,059,630</u>	<u>3,113,153</u>	<u>1,656,884</u>	<u>1,456,269</u>
Deficiency of revenues over expenditures	<u>(3,665,023)</u>	<u>(2,403,334)</u>	<u>(1,297,224)</u>	<u>(1,106,110)</u>
Other financing sources:				
Transfer from General Fund	3,409,000	3,134,000	1,621,000	1,513,000
Transfer from 2014 Motive Equipment Fund	256,023	256,023	-	256,023
Total other financing sources	<u>3,665,023</u>	<u>3,390,023</u>	<u>1,621,000</u>	<u>1,769,023</u>
Net change in fund balance	<u>\$ -</u>	<u>986,689</u>	<u>323,776</u>	<u>662,913</u>
Fund balance - June 30, 2017			<u>662,913</u>	
Fund balance - June 30, 2018			<u>\$ 986,689</u>	

2016 NEW FAMILY MUSEUM

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, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues:	\$			
Intergovernmental	1,000,000	1,000,000	-	1,000,000
Investment earnings	-	51,555	48,708	2,847
Other revenue	14,340,000	1,700,000	1,700,000	-
Total revenues	<u>15,340,000</u>	<u>2,751,555</u>	<u>1,748,708</u>	<u>1,002,847</u>
Expenditures:				
Current - culture and recreation	500,000	-	-	-
Capital outlay - culture and recreation	17,340,000	689,653	689,653	-
Total expenditures	<u>17,840,000</u>	<u>689,653</u>	<u>689,653</u>	<u>-</u>
Deficiency of revenues over expenditures	<u>(2,500,000)</u>	<u>2,061,902</u>	<u>1,059,055</u>	<u>1,002,847</u>
Other financing sources:				
Transfer from General Fund	2,500,000	2,500,000	2,500,000	-
Net change in fund balance	<u>\$ -</u>	<u>4,561,902</u>	<u>3,559,055</u>	<u>1,002,847</u>
Fund balance - June 30, 2017			<u>1,002,847</u>	
Fund balance - June 30, 2018			<u>\$ 4,561,902</u>	

2016 2/3rds BONDS 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, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues:				
Investment earnings	\$ -	56,897	46,609	10,288
Other	-	1,750	1,750	-
Total revenues	<u>-</u>	<u>58,647</u>	<u>48,359</u>	<u>10,288</u>
Expenditures:				
Capital outlay:				
General Government	3,280,646	2,863,610	2,712,692	150,918
Culture and recreation	2,000,000	747,820	747,820	-
Total expenditures	<u>5,280,646</u>	<u>3,611,430</u>	<u>3,460,512</u>	<u>150,918</u>
Deficiency of revenues over expenditures	<u>(5,280,646)</u>	<u>(3,552,783)</u>	<u>(3,412,153)</u>	<u>(140,630)</u>
Other financing sources (uses):				
General obligation bonds issued	6,000,000	5,651,835	-	5,651,835
Premium on general obligation bonds	-	348,558	-	348,558
Transfer to 2009 Phillips Building fund	(719,354)	(719,354)	-	(719,354)
Total other financing sources (uses)	<u>5,280,646</u>	<u>5,281,039</u>	<u>-</u>	<u>5,281,039</u>
Net change in fund balance	<u>\$ -</u>	<u>1,728,256</u>	<u>(3,412,153)</u>	<u>5,140,409</u>
Fund balance - June 30, 2017			5,140,409	
Fund balance - June 30, 2018			<u>\$ 1,728,256</u>	

2016 WINSTON-SALEM/FORSYTH COUNTY SCHOOLS CAPITAL MAINTENANCE 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, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues - investment earnings	\$ -	113,287	90,470	22,817
Expenditures:				
Debt service - interest and other charges				
Current - intergovernmental - education	11,888,371	4,719,754	3,815,669	904,085
Total expenditures	<u>11,888,371</u>	<u>4,719,754</u>	<u>3,815,669</u>	<u>904,085</u>
Deficiency of revenues over expenditures	<u>(11,888,371)</u>	<u>(4,606,467)</u>	<u>(3,725,199)</u>	<u>(881,268)</u>
Other financing sources (uses):				
General obligation bonds issued	8,500,000	8,006,766	-	8,006,766
Premium on general obligation bonds	-	493,790	-	493,790
Transfer from General Fund	3,470,000	3,470,000	1,735,000	1,735,000
Transfer to Public School Building Capital Fund	(81,629)	(76,519)	(76,519)	-
Total other financing sources	<u>11,888,371</u>	<u>11,894,037</u>	<u>1,658,481</u>	<u>10,235,556</u>
Net change in fund balance	<u>\$ -</u>	<u>7,287,570</u>	<u>(2,066,718)</u>	<u>9,354,288</u>
Fund balance - June 30, 2017			9,354,288	
Fund balance - June 30, 2018			<u>\$ 7,287,570</u>	

2016 FORSYTH TECHNICAL COMMUNITY COLLEGE CAPITAL MAINTENANCE FUND **D-14**
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues - investment earnings	\$ -	20,549	16,361	4,188
Expenditures:				
Current - intergovernmental - education	2,300,000	1,841,385	1,543,503	297,882
Total expenditures	<u>2,300,000</u>	<u>1,841,385</u>	<u>1,543,503</u>	<u>297,882</u>
Deficiency of revenues over expenditures	<u>(2,300,000)</u>	<u>(1,820,836)</u>	<u>(1,527,142)</u>	<u>(293,694)</u>
Other financing sources:				
General obligation bonds issued	2,300,000	2,166,537	-	2,166,537
Premium on general obligation bonds	-	133,614	-	133,614
Total other financing sources	<u>2,300,000</u>	<u>2,300,151</u>	<u>-</u>	<u>2,300,151</u>
Net change in fund balance	<u>\$ -</u>	<u>479,315</u>	<u>(1,527,142)</u>	<u>2,006,457</u>
Fund balance - June 30, 2017			<u>2,006,457</u>	
Fund balance - June 30, 2018			<u>\$ 479,315</u>	

2016 PAY-GO FUND **D-15**
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues - investment earnings	\$ -	63,678	51,744	11,934
Expenditures:				
Current -				
Culture and recreation	275,000	275,000	275,000	-
Community and economic development	295,000	-	-	-
Capital Outlay - general government	480,000	164,889	164,889	-
Unallocated	1,546,425	-	-	-
Total expenditures	<u>2,596,425</u>	<u>439,889</u>	<u>439,889</u>	<u>-</u>
Deficiency of revenues over expenditures	<u>(2,596,425)</u>	<u>(376,211)</u>	<u>(388,145)</u>	<u>11,934</u>
Other financing sources (uses):				
Transfer from General Fund	4,007,876	4,007,876	(193,000)	4,200,876
Transfer from 2015 Pay-Go Fund	200,000	200,000	-	200,000
Transfer to 2011 Library Fund	(1,611,451)	(1,611,451)	(1,611,451)	-
Total other financing sources	<u>2,596,425</u>	<u>2,596,425</u>	<u>(1,804,451)</u>	<u>4,400,876</u>
Net change in fund balance	<u>\$ -</u>	<u>2,220,214</u>	<u>(2,192,596)</u>	<u>4,412,810</u>
Fund balance - June 30, 2017			<u>4,412,810</u>	
Fund balance - June 30, 2018			<u>\$ 2,220,214</u>	

2016 FORSYTH TECHNICAL COMMUNITY COLLEGE FACILITIES FUND

D-16

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues - investment earnings	\$ 151,163	220,799	190,467	30,332
Expenditures:				
Debt service - interest and other charges	151,163	37,245	-	37,245
Current - intergovernmental - education	65,000,000	489,572	489,572	-
Total expenditures	<u>65,151,163</u>	<u>526,817</u>	<u>489,572</u>	<u>37,245</u>
Deficiency of revenues over expenditures	<u>(65,000,000)</u>	<u>(306,018)</u>	<u>(299,105)</u>	<u>(6,913)</u>
Other financing sources:				
General obligation bonds issued	65,000,000	15,510,814	-	15,510,814
Premium on general obligation bonds	-	739,277	-	739,277
Total other financing sources	<u>65,000,000</u>	<u>16,250,091</u>	<u>-</u>	<u>16,250,091</u>
Net change in fund balance	<u>\$ -</u>	<u>15,944,073</u>	<u>(299,105)</u>	<u>16,243,178</u>
Fund balance - June 30, 2017			16,243,178	
Fund balance - June 30, 2018			<u>\$ 15,944,073</u>	

2016 PARKS AND RECREATION FACILITIES FUND

D-17

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues - investment earnings	\$ 34,884	49,511	42,511	7,000
Expenditures:				
Debt service - interest and other charges	34,884	8,595	-	8,595
Capital outlay - culture and recreation	15,000,000	1,224,309	1,224,309	-
Total expenditures	<u>15,034,884</u>	<u>1,232,904</u>	<u>1,224,309</u>	<u>8,595</u>
Deficiency of revenues over expenditures	<u>(15,000,000)</u>	<u>(1,183,393)</u>	<u>(1,181,798)</u>	<u>(1,595)</u>
Other financing sources:				
General obligation bonds issued	15,000,000	3,579,419	-	3,579,419
Premium on general obligation bonds	-	170,602	-	170,602
Total other financing sources	<u>15,000,000</u>	<u>3,750,021</u>	<u>-</u>	<u>3,750,021</u>
Net change in fund balance	<u>\$ -</u>	<u>2,566,628</u>	<u>(1,181,798)</u>	<u>3,748,426</u>
Fund balance - June 30, 2017			3,748,426	
Fund balance - June 30, 2018			<u>\$ 2,566,628</u>	

2017 COURT FACILITIES FUND

D-18

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues - investment earnings	\$ -	63,267	53,805	9,462
Expenditures:				
Capital outlay - general government	120,000,000	910,953	910,953	-
Deficiency of revenues over expenditures	<u>(120,000,000)</u>	<u>(847,686)</u>	<u>(857,148)</u>	<u>9,462</u>
Other financing sources:				
General obligation bonds issued	120,000,000	4,709,862	-	4,709,862
Premium on general obligation bonds	-	290,465	-	290,465
Total other financing sources	<u>120,000,000</u>	<u>5,000,327</u>	<u>-</u>	<u>5,000,327</u>
Net change in fund balance	<u>\$ -</u>	<u>4,152,641</u>	<u>(857,148)</u>	<u>5,009,789</u>
Fund balance - June 30, 2017			5,009,789	
Fund balance - June 30, 2018			<u>\$ 4,152,641</u>	

2017 TANGLEWOOD BUSINESS PARK FUND

D-19

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2018

	<u>Budget</u>	<u>Cumulative Total to June 30, 2018</u>	<u>Activity Year Ended June 30, 2018</u>	<u>Cumulative Total to June 30, 2017</u>
Revenues:	\$			
Intergovernmental	690,000	690,000	690,000	-
Investment earnings	-	5,787	5,787	-
Other revenue	499,500	-	-	-
Total revenues	<u>1,189,500</u>	<u>695,787</u>	<u>695,787</u>	<u>-</u>
Expenditures:				
Capital outlay -				
Community and economic development	6,663,300	172,082	172,082	-
Unallocated	399,500	-	-	-
Total expenditures	<u>7,062,800</u>	<u>172,082</u>	<u>172,082</u>	<u>-</u>
Deficiency of revenues over expenditures	<u>\$ (5,873,300)</u>	<u>523,705</u>	<u>523,705</u>	<u>-</u>
Other financing sources:				
Transfer from General Fund	1,400,000	1,400,000	1,400,000	-
Other Long-term Borrowing	4,473,300	-	-	-
Total other financing sources	<u>5,873,300</u>	<u>1,400,000</u>	<u>1,400,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>1,923,705</u>	<u>1,923,705</u>	<u>-</u>
Fund balance - June 30, 2017			-	
Fund balance - June 30, 2018			<u>\$ 1,923,705</u>	

Fiduciary Funds

Agency Funds

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

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

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

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

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

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

E-1

AGENCY FUNDS

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2018

	<u>Tax</u>	<u>Fines and Forfeitures</u>	<u>Protective Payee</u>	<u>Sheriff</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents / investments	\$ 1,762,688	142,188	163,548	116,959	2,185,383
Receivables:					
Property taxes	3,076,400	-	-	-	3,076,400
Accrued interest	-	-	311	-	311
Total assets	\$ 4,839,088	142,188	163,859	116,959	5,262,094
LIABILITIES					
Due to other governments	\$ 4,839,088	142,188	-	-	4,981,276
Other liabilities	-	-	163,859	116,959	280,818
Total liabilities	\$ 4,839,088	142,188	163,859	116,959	5,262,094

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

E-2

AGENCY FUNDS

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2018

	<u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2018</u>
<u>TAX AGENCY</u>				
ASSETS				
Cash and cash equivalents / investments	\$ 671,056	415,378,303	414,286,671	1,762,688
Receivables - property taxes	3,129,898	387,057,601	387,111,099	3,076,400
Total assets	\$ 3,800,954	802,435,904	801,397,770	4,839,088
LIABILITIES				
Due to other governments	\$ 3,800,954	561,901,044	560,862,910	4,839,088
<u>FINES AND FORFEITURES</u>				
ASSETS				
Cash and cash equivalents / investments	\$ 5,528	1,685,979	1,549,319	142,188
LIABILITIES				
Due to other governments	\$ 5,528	1,686,518	1,549,858	142,188
<u>PROTECTIVE PAYEE</u>				
ASSETS				
Cash and cash equivalents / investments	\$ 147,268	474,434	458,154	163,548
Receivables - accrued interest	71	2,190	1,950	311
Total assets	\$ 147,339	476,624	460,104	163,859
LIABILITIES				
Other liabilities	\$ 147,339	474,674	458,154	163,859
<u>SHERIFF AGENCY</u>				
ASSETS				
Cash and cash equivalents / investments	\$ 123,602	471,378	478,021	116,959
LIABILITIES				
Other liabilities	\$ 123,602	451,053	457,696	116,959
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents / investments	\$ 947,454	418,010,094	416,772,165	2,185,383
Receivables:				
Property taxes	3,129,898	387,057,601	387,111,099	3,076,400
Accrued interest	71	2,190	1,950	311
Total assets	\$ 4,077,423	805,069,885	803,885,214	5,262,094
LIABILITIES				
Due to other governments	\$ 3,806,482	563,587,562	562,412,768	4,981,276
Other liabilities	270,941	925,727	915,850	280,818
Total liabilities	\$ 4,077,423	564,513,289	563,328,618	5,262,094

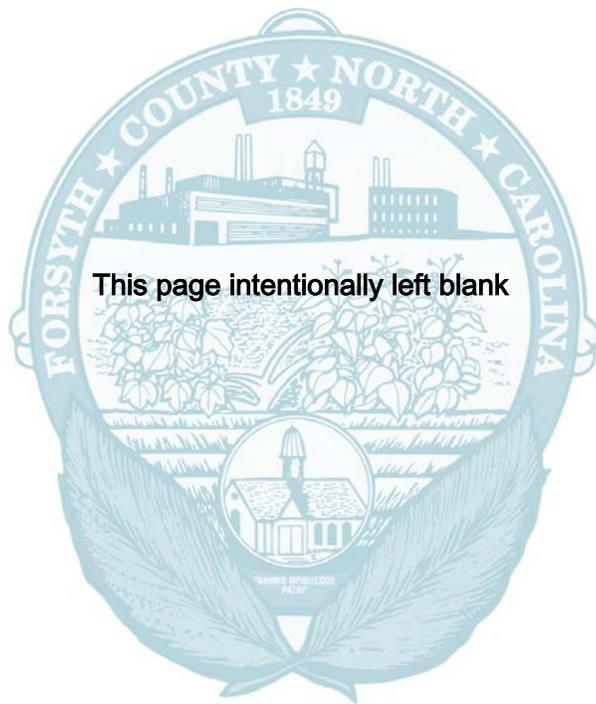
Other Schedules

This section contains additional information on property taxes.

[Schedule of Ad Valorem Taxes Receivable – General Fund](#)

[Analysis of Current Tax Levy – Countywide Levy](#)

[Ten Largest Taxpayers](#)



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SCHEDULE OF AD VALOREM TAXES RECEIVABLE

F-1

GENERAL FUND

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2018

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2017</u>	<u>Additions Net of Releases</u>	<u>Collections And Credits</u>	<u>Writeoffs</u>	<u>Uncollected Balance June 30, 2018</u>
2017 - 2018	\$ -	259,184,864	257,172,253	-	2,012,611
2016 - 2017	2,127,324	(254,690)	1,056,578	-	816,056
2015 - 2016	672,619	(87,671)	140,235	-	444,713
2014 - 2015	488,632	(83,028)	48,016	3,871	353,717
2013 - 2014	492,987	(80,765)	43,041	-	369,181
2012 - 2013	379,661	(17,131)	45,585	-	316,945
2011 - 2012	343,585	(8,610)	32,116	-	302,859
2010 - 2011	307,881	(7,317)	19,577	-	280,987
2009 - 2010	258,161	(3,986)	13,365	-	240,810
2008 - 2009	231,482	(2,933)	8,733	219,816	-
	<u>\$ 5,302,332</u>	<u>258,638,733</u>	<u>258,579,499</u>	<u>223,687</u>	<u>5,137,879</u>

Less: allowance for uncollectible accounts:

General Fund

(3,254,671)

Ad valorem taxes receivable - net:

General Fund

\$ 1,883,208

Reconciliation with revenues:

Property taxes - General Fund \$ 259,258,800

Penalties collected on ad valorem taxes -
Fines and Forfeitures Fund 156,943

Reconciling items:

Interest and fees collected \$ (882,908)

Refunds 97,889

Collection of taxes previously written off (51,225)

Total reconciling items (836,244)

Total collections and credits \$ 258,579,499

ANALYSIS OF CURRENT TAX LEVY
COUNTYWIDE LEVY

F-2

FORSYTH COUNTY, NORTH CAROLINA
 For the Fiscal Year Ended June 30, 2018

	Countywide			Total levy	
	Property Valuation	Rate (1)	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Gross levy:					
Property taxed at current year's rate	\$ 35,056,359,244	\$.7235	\$ 254,024,955	\$ 236,276,254	\$ 17,748,701
Motor vehicles taxed at prior year's rate:					
FY 15-16	754,720	.7310	5,517	-	5,517
FY 16-17	688,119,699	.7310	5,030,155	-	5,030,155
Penalties	-		159,761	159,749	12
Total	<u>35,745,233,663</u>		<u>259,220,388</u>	<u>236,436,003</u>	<u>22,784,385</u>
Releases	(4,910,021)		(35,524)	(35,524)	-
Total property valuation	<u>\$ 35,740,323,642</u>				
Net levy			259,184,864	236,400,479	22,784,385
Uncollected taxes at June 30, 2018			<u>2,012,611</u>	<u>2,012,481</u>	<u>130</u>
Current year's taxes collected			<u>\$ 257,172,253</u>	<u>\$ 234,387,998</u>	<u>\$ 22,784,255</u>
Current levy collection percentage			<u>99.22%</u>	<u>99.15%</u>	<u>99.999%</u>

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio (2)	100%
Real Property	\$ 28,493,555,596
Personal Property	6,551,104,573
Public Service Companies (3)	<u>695,663,473</u>
Total Assessed Valuation	35,740,323,642
Tax Rate per \$100	<u>0.7235</u>
Levy (includes discoveries, releases and abatements)	<u>\$ 259,184,864</u>

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

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

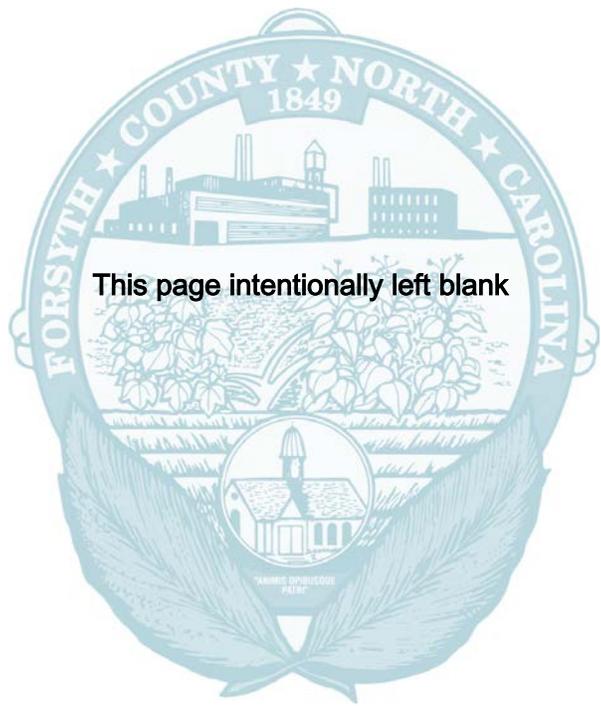
(3) Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.

TEN LARGEST TAXPAYERS

F-3

FORSYTH COUNTY, NORTH CAROLINA
For the Fiscal Year Ended June 30, 2018

<u>Taxpayer</u>	<u>Type of Business</u>		2017 Assessed Valuation	Percentage of Total Assessed Valuation
R. J. Reynolds Industries, Inc	Tobacco, Foods, Petroleum and Transportation	\$	964,257,222	2.70%
Duke Energy Corporation	Electric Utility		365,872,840	1.02%
Caterpillar Inc	Manufacturer		272,445,473	0.76%
Wexford Science & Technology, LLC	Real Estate Development		219,887,215	0.62%
Wells Fargo Bank NA	Banking		211,694,679	0.59%
JG Winston-Salem	Real Estate Management		191,462,336	0.54%
Deere-Hitachi	Manufacturer		112,428,611	0.31%
Branch Banking & Trust	Banking		101,421,562	0.28%
Winston Salem Healthcare	Real Estate Development		100,187,008	0.28%
Herbalife International of America	Manufacturer		94,124,395	0.26%
		\$	<u>2,633,781,341</u>	<u>7.36%</u>



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

Contents

Financial Trends – These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time. 106

Revenue Capacity – These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property taxes. 110

Debt Capacity – These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future. 115

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments. 118

Operating Information – These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs. 120

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

Schedule 1

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities:										
Net investment in										
capital assets	\$ 72,988,514	78,662,765	84,541,770	83,829,746	75,547,493	76,582,427	80,960,647	91,997,431	93,927,835	108,155,157
Restricted	3,860,233	3,704,815	31,191,934	31,151,206	36,231,000	46,204,270	38,012,456	55,613,795	43,255,799	59,161,078
Unrestricted	(164,391,922)	(227,581,718)	(311,324,492)	(340,506,961)	(335,671,385)	(330,405,550)	(302,041,917)	(291,327,469)	(259,186,803)	(312,304,937)
Total governmental activities net deficit	\$ (87,543,175)	(145,214,138)	(195,590,788)	(225,526,009)	(223,892,892)	(207,618,853)	(183,068,814)	(143,716,243)	(122,003,169)	(144,988,702)

CHANGES IN NET POSITION
FORSYTH COUNTY, NORTH CAROLINA

Schedule 2

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses - Governmental activities:										
General government	\$ 38,189,282	40,075,708	40,444,367	43,252,315	39,642,837	41,283,224	37,104,610	39,710,432	41,691,056	42,248,827
Public safety	68,384,497	71,544,414	71,590,553	71,455,381	69,433,724	73,826,748	73,502,755	77,733,569	80,973,981	82,537,195
Environmental protection	2,713,093	2,682,028	2,653,528	2,642,585	2,442,611	2,229,539	2,504,903	2,777,088	2,435,366	2,819,059
Human services	81,156,032	76,826,616	75,228,239	76,403,049	77,395,541	75,195,871	74,304,852	78,666,572	76,711,222	63,583,037
Culture and recreation	16,540,703	15,936,872	15,995,428	15,830,605	15,886,345	14,556,355	16,535,727	15,951,292	16,641,402	18,485,376
Community and economic development	2,777,002	4,231,621	4,541,117	6,697,889	2,795,206	4,209,903	2,936,334	4,211,266	3,840,814	9,452,469
Education	185,747,060	217,912,687	199,596,063	181,325,863	152,410,053	144,359,143	134,732,270	135,927,424	143,258,413	169,888,388
Interest on long-term debt	17,734,361	17,800,372	21,423,843	21,732,376	21,796,354	19,259,551	18,129,062	16,179,523	17,161,545	18,557,050
Total expenses	413,242,030	447,010,318	431,473,138	419,340,063	381,802,671	374,920,334	359,750,513	371,157,166	382,713,799	407,571,401
Program revenues - Governmental activities:										
Charges for services										
General government	3,766,905	3,326,610	3,168,910	3,834,636	3,743,500	3,617,005	3,248,381	3,528,423	3,648,384	3,756,993
Public safety	16,039,769	15,538,279	15,837,236	16,810,834	17,540,753	17,361,145	17,605,671	17,143,278	16,137,539	15,827,574
Environmental protection	222,569	251,076	292,471	205,762	220,956	228,599	618,162	532,922	172,683	742,063
Human services	8,631,222	9,140,340	8,481,786	9,936,712	8,055,427	6,479,949	8,677,070	7,142,225	5,247,617	8,673,055
Culture and recreation	4,403,575	3,872,609	3,792,170	3,908,560	4,079,006	3,944,701	4,251,360	4,197,334	4,162,505	4,074,068
Community and economic development	16,988	23,587	60,793	40,954	58,979	160,528	91,515	126,263	103,560	121,073
Education	42,907	41,324	43,457	77,091	67,038	62,076	57,565	48,249	49,146	50,195
Operating grants and contributions										
General government	1,142,633	944,665	605,190	648,658	564,085	831,442	587,768	651,129	581,454	871,649
Public safety	4,409,705	4,870,901	4,525,900	5,259,860	4,468,936	5,436,967	5,225,898	4,325,041	4,270,996	4,538,285
Environmental protection	1,025,921	767,359	748,827	1,035,482	747,815	837,273	717,751	870,607	815,512	1,615,512
Human services	38,460,763	39,533,989	38,387,457	41,638,514	40,842,999	41,633,018	43,276,151	44,316,342	44,429,639	42,630,632
Culture and recreation	979,233	1,112,728	694,216	672,829	904,113	1,037,768	1,783,651	1,145,752	1,904,836	780,014
Community and economic development	321,981	1,666,607	2,618,897	1,011,533	713,754	339,875	422,464	476,516	329,492	1,045,211
Education	7,098,274	9,477,257	9,118,121	5,406,597	4,627,031	4,517,993	3,700,660	3,922,145	3,874,893	3,880,874
Capital grants and contributions - General government	25,975	-	-	-	-	-	-	-	-	-
Total program revenues	86,588,420	90,567,331	88,375,431	90,488,022	86,634,392	86,488,339	90,264,067	88,426,226	85,728,256	88,607,198
Net expense	(326,653,610)	(356,442,987)	(343,097,707)	(328,852,041)	(295,168,279)	(288,431,995)	(269,486,446)	(282,730,940)	(296,985,543)	(318,964,203)
General revenues and other changes in net position - Governmental activities:										
Taxes:										
Property taxes	223,660,085	234,161,047	234,598,651	235,293,490	239,530,106	241,781,572	237,494,550	248,996,613	253,812,982	267,549,276
Local option sales taxes	56,381,820	49,733,084	49,565,057	52,867,275	52,933,206	52,905,448	59,852,643	61,889,139	63,841,660	65,500,369
Occupancy taxes	466,198	436,578	483,945	542,596	558,116	619,138	673,224	747,342	787,567	843,065
Other taxes and licenses	1,749,344	-	-	-	-	-	-	-	-	-
Gross receipts tax	-	242,411	271,131	290,674	314,099	363,830	408,843	430,692	475,501	459,794
Excise stamp tax	-	1,138,069	943,248	1,039,534	1,429,078	1,254,797	1,702,744	1,696,261	1,919,012	2,051,214
Grants and contributions not restricted										
to specific programs	1,644,749	3,224,786	5,840,620	5,849,059	4,572,092	3,985,233	3,784,090	3,744,478	4,028,266	4,030,893
Investment earnings	4,150,368	966,309	741,526	612,725	141,520	715,063	487,307	874,524	1,548,280	3,688,357
Miscellaneous	1,061,681	8,869,740	276,879	2,421,467	1,009,905	3,080,953	530,167	3,172,690	116,609	1,760,522
Total general revenues	289,114,245	298,772,024	292,721,057	298,916,820	300,488,122	304,706,034	304,933,568	321,551,739	326,529,877	345,883,490
Change in net position - governmental activities	\$ (37,539,365)	(57,670,963)	(50,376,650)	(29,935,221)	5,319,843	16,274,039	35,447,122	38,820,799	29,544,334	26,919,287

**FUND BALANCES OF GOVERNMENTAL FUNDS
 FORSYTH COUNTY, NORTH CAROLINA**

Schedule 3

Last Ten Fiscal Years

(modified accrual basis of accounting)

		Fiscal Year									
		<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund											
Reserved	\$	27,865,589	29,731,129								
Unreserved		101,701,080	113,871,426								
Nonspendable				180,133	172,691	251,658	122,250	122,250	122,250	122,250	122,250
Restricted				27,663,373	27,898,443	28,735,140	34,471,195	30,627,178	31,674,812	32,644,300	35,654,436
Committed				40,358,769	37,892,059	36,573,358	33,141,288	29,078,705	37,544,316	34,743,602	28,022,228
Assigned				15,950,543	19,235,587	13,978,806	10,031,500	27,673,036	18,603,884	19,017,695	25,877,050
Unassigned				62,118,267	63,057,650	63,971,070	64,817,179	58,038,886	59,187,664	59,556,713	59,683,982
Total General Fund	\$	129,566,669	143,602,555	146,271,085	148,256,430	143,510,032	142,583,412	145,540,055	147,132,926	146,084,560	149,359,946
All other governmental funds											
Reserved	\$	11,659,953	10,483,574								
Unreserved, reported in:											
Special revenue funds		884,635	(194,420)								
Capital projects funds		132,424,595	47,918,354								
Nonspendable				-	-	-	-	-	-	-	-
Restricted				131,779,815	68,905,275	47,662,220	30,604,023	61,255,209	46,325,132	147,066,899	110,965,483
Committed				5,487,886	5,206,773	7,257,834	4,166,932	8,599,219	8,127,167	7,415,455	11,003,946
Assigned				-	-	-	-	-	-	-	-
Unassigned				(457,737)	(479,424)	(123,274)	(5,169,337)	(746,862)	(1,883,107)	(93,996)	(7,526,246)
Total all other governmental funds	\$	144,969,183	58,207,508	136,809,964	73,632,624	54,796,780	29,601,618	69,107,566	52,569,192	154,388,358	114,443,183

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Property taxes	\$ 222,931,993	234,067,805	234,253,068	235,124,729	240,017,934	242,188,927	238,433,384	249,097,206	254,356,987	267,708,214
Occupancy taxes	466,198	436,578	483,945	542,596	558,116	619,138	673,224	747,342	787,567	843,065
Local option sales tax	56,381,820	49,733,084	49,565,057	52,867,275	52,933,206	52,905,448	59,852,643	61,889,139	63,841,660	65,500,369
Other taxes	202,959	242,411	271,131	290,674	314,099	363,830	408,843	430,692	475,501	459,794
Licenses and permits	940,488	857,450	902,447	766,104	867,200	790,379	840,176	885,379	837,632	888,557
Intergovernmental	55,768,601	61,855,315	63,225,328	61,804,884	57,669,048	58,735,531	59,319,667	58,522,653	59,841,104	46,209,318
Charges for services	25,129,543	24,332,511	22,884,593	23,276,406	24,945,629	23,733,229	23,624,514	23,129,592	22,105,829	22,306,846
Investment earnings	4,251,484	984,702	758,785	626,269	152,564	727,569	502,238	892,558	1,575,590	3,741,305
Other	9,379,996	16,408,473	8,944,216	12,978,204	9,041,885	10,014,487	10,780,239	10,599,508	8,630,891	13,920,565
Total revenues	<u>375,453,082</u>	<u>388,918,329</u>	<u>381,288,570</u>	<u>388,277,141</u>	<u>386,499,681</u>	<u>390,078,538</u>	<u>394,434,928</u>	<u>406,194,069</u>	<u>412,452,761</u>	<u>421,578,033</u>
Expenditures										
Current:										
General government	33,038,710	36,672,233	36,208,234	36,548,586	36,031,427	36,546,154	34,751,181	36,742,065	39,040,088	39,422,533
Public safety	64,633,076	67,313,048	68,412,022	69,124,066	68,062,518	69,651,727	71,415,681	75,399,678	78,879,635	79,071,943
Environmental protection	2,686,706	2,633,641	2,613,354	2,633,817	2,477,195	2,206,012	2,557,325	2,770,670	2,497,067	2,813,935
Human services	74,142,024	68,825,351	68,481,046	70,142,751	70,607,949	68,544,801	69,035,342	72,603,478	74,918,617	63,432,141
Culture and recreation	15,459,452	15,034,842	14,657,631	14,430,037	14,488,772	14,453,569	14,172,939	14,523,516	15,064,741	15,592,888
Community and economic development	2,766,353	4,236,714	4,534,972	6,694,033	2,798,505	2,774,655	2,935,327	4,212,562	3,839,152	9,453,076
Education	2,243,594	1,580,098	1,391,488	788,811	698,383	604,563	969,082	789,485	807,656	801,446
Intergovernmental:										
Human services	6,167,610	6,379,039	5,679,583	5,692,674	6,742,601	5,740,312	5,861,305	5,811,072	1,948,784	-
Education	183,475,254	216,316,478	198,206,090	180,529,368	151,695,430	143,738,262	133,713,158	135,157,216	142,452,410	169,076,299
Debt service:										
Principal retirement	26,200,993	29,693,677	29,909,022	37,906,327	39,097,635	41,565,055	39,050,432	40,054,752	39,184,853	41,823,666
Interest and other charges	19,490,528	19,189,422	23,820,913	24,767,215	24,130,833	22,433,916	22,056,472	20,643,389	19,090,480	22,025,532
Capital outlay	8,097,429	10,192,815	10,677,148	20,995,615	13,136,326	8,029,369	7,626,935	13,083,061	23,260,508	14,734,363
Total expenditures	<u>438,401,729</u>	<u>478,067,358</u>	<u>464,591,503</u>	<u>470,253,300</u>	<u>429,967,574</u>	<u>416,288,395</u>	<u>404,145,179</u>	<u>421,790,944</u>	<u>440,983,991</u>	<u>458,247,822</u>
Deficiency of revenues over expenditures	<u>(62,948,647)</u>	<u>(89,149,029)</u>	<u>(83,302,933)</u>	<u>(81,976,159)</u>	<u>(43,467,893)</u>	<u>(26,209,857)</u>	<u>(9,710,251)</u>	<u>(15,596,875)</u>	<u>(28,531,230)</u>	<u>(36,669,789)</u>
Other financing sources (uses):										
Installment purchases	1,026,000	-	-	2,400,000						
Refunding bonds issued	-	42,870,000	50,295,000	-	35,090,000	8,230,000	72,245,000	29,720,000	-	-
Premium on refunding bonds	-	5,025,171	7,503,955	-	8,795,717	-	18,145,244	-	-	-
General obligation bonds issuance	156,255,000	-	157,625,000	-	18,750,000	-	47,550,000	-	123,145,000	-
Premium on general obligation bonds	4,407,759	-	6,548,336	-	811,977	-	4,114,935	-	6,157,030	-
Limited obligation bonds issued	-	15,000,000	-	16,290,000	-	-	-	-	-	-
Premium on limited obligation bonds	-	1,023,705	-	2,094,164	-	-	-	-	-	-
Transfers in	13,141,259	17,572,682	18,196,159	10,806,854	13,712,606	13,687,885	16,176,832	15,574,472	18,622,313	16,187,298
Transfers out	(13,141,259)	(17,572,682)	(18,196,159)	(10,806,854)	(13,712,606)	(13,687,885)	(16,176,832)	(15,574,472)	(18,622,313)	(16,187,298)
Payment to refunded bond escrow agent	(29,264,379)	(47,495,636)	(57,398,372)		(43,562,043)	(8,141,925)	(89,882,337)	(29,600,400)		
Payment to refunded certificates	-	-	-	-	-	-	-	-	-	-
of participation escrow agent	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>132,424,380</u>	<u>16,423,240</u>	<u>164,573,919</u>	<u>20,784,164</u>	<u>19,885,651</u>	<u>88,075</u>	<u>52,172,842</u>	<u>119,600</u>	<u>129,302,030</u>	<u>-</u>
Net change in fund balances	\$ <u>69,475,733</u>	<u>(72,725,789)</u>	<u>81,270,986</u>	<u>(61,191,995)</u>	<u>(23,582,242)</u>	<u>(26,121,782)</u>	<u>42,462,591</u>	<u>(15,477,275)</u>	<u>100,770,800</u>	<u>(36,669,789)</u>
Debt service as a percentage of noncapital expenditures	10.6%	10.5%	11.9%	15.5%	15.2%	15.6%	15.4%	14.9%	14.0%	14.4%

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
FORSYTH COUNTY, NORTH CAROLINA

Schedule 5

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
2009	2008	25,059,661,800	3,273,855,900	2,437,710,820	612,718,250	31,383,946,770	100%	0.6960
2010	2009	27,808,315,600	3,160,949,200	2,258,490,180	628,610,220	33,856,365,200	100%	0.6740
2011	2010	27,971,609,000	3,036,245,900	2,224,587,900	606,245,900	33,838,688,700	100%	0.6740
2012	2011	28,019,913,529	2,928,773,237	2,361,443,265	598,732,969	33,908,863,000	100%	0.6740
2013	2012	28,311,900,597	3,077,593,236	2,359,763,765	613,418,118	34,362,675,716	100%	0.6740
2014	2013	25,962,868,887	3,060,564,808	3,379,328,693	587,034,662	32,989,797,050	100%	0.7168
2015	2014	26,041,986,825	2,809,383,967	2,736,319,899	611,422,481	32,199,113,172	100%	0.7168
2016	2015	26,239,522,214	3,040,006,463	2,885,713,744	660,896,757	32,826,139,178	100%	0.7310
2017	2016	26,875,173,026	3,012,441,003	3,024,187,570	675,048,940	33,586,850,539	100%	0.7310
2018	2017	28,493,555,596	3,409,057,936	3,142,046,637	695,663,473	35,740,323,642	100%	0.7235

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

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

(2) Assessed value is established at estimated market value. Real property was revalued on January 1 of 2005 and 2013. As of January 1, 1993, assessed value for registered vehicles is established monthly. Assessed value for all other property is established annually.

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

DIRECT AND OVERLAPPING PROPERTY TAX RATES
FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

	Tax Rates per \$100 Valuation, Year Ended June 30,									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Forsyth County	\$ 0.7235	0.7310	0.7310	0.7168	0.7168	0.6740	0.6740	0.6740	0.6740	0.6960
Municipalities: (1)										
City of Winston-Salem	0.5974	0.5850	0.5650	0.5400	0.5300	0.4910	0.4750	0.4750	0.4675	0.4900
Combined Rate	1.3209	1.3160	1.2960	1.2568	1.2468	1.1650	1.1490	1.1490	1.1415	1.1860
Town of Bethania	0.3000	0.3000	0.3000	0.3000	0.3000	0.3200	0.3200	0.3500	0.3500	0.3500
Combined Rate	1.0235	1.0310	1.0310	1.0168	1.0168	0.9940	0.9940	1.0240	1.0240	1.0460
Village of Clemmons	0.1150	0.1150	0.1150	0.1150	0.1150	0.1150	0.1150	0.1150	0.0985	0.0985
Combined Rate	0.8385	0.8460	0.8460	0.8318	0.8318	0.7890	0.7890	0.7890	0.7725	0.7945
City of High Point	0.6475	0.6475	0.6500	0.6640	0.6750	0.6750	0.6620	0.6330	0.6330	0.6330
Combined Rate	1.3710	1.3785	1.3810	1.3808	1.3918	1.3490	1.3360	1.3070	1.3070	1.3290
Town of Kernersville	0.5545	0.5700	0.5425	0.5425	0.5275	0.4975	0.4975	0.4975	0.4975	0.5500
Combined Rate	1.2780	1.3010	1.2735	1.2593	1.2443	1.1715	1.1715	1.1715	1.1715	1.2460
City of King	0.4220	0.4220	0.4220	0.4220	0.4220	0.3999	0.3999	0.3799	0.3799	0.3799
Combined Rate	1.1455	1.1530	1.1530	1.1388	1.1388	1.0739	1.0739	1.0539	1.0539	1.0759
Town of Lewisville	0.1770	0.1770	0.1770	0.1770	0.1770	0.1770	0.1770	0.1770	0.1770	0.1770
Combined Rate	0.9005	0.9080	0.9080	0.8938	0.8938	0.8510	0.8510	0.8510	0.8510	0.8730
Town of Rural Hall	0.3100	0.3100	0.3100	0.3000	0.2800	0.2500	0.2500	0.2400	0.2400	0.2400
Combined Rate	1.0335	1.0410	1.0410	1.0168	0.9968	0.9240	0.9240	0.9140	0.9140	0.9360
Village of Tobaccoville	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Combined Rate	0.7735	0.7810	0.7810	0.7668	0.7668	0.7240	0.7240	0.7240	0.7240	0.7460
Town of Walkertown	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
Combined Rate	0.9235	0.9310	0.9310	0.9168	0.9168	0.8740	0.8740	0.8740	0.8740	0.8960
Fire Tax Districts: (2)										
Beesons Crossroads	0.0950	0.0880	0.0880	0.0880	0.0880	0.0800	0.0800	0.0700	0.0700	0.0700
Combined Direct Rate	0.8185	0.8190	0.8190	0.8048	0.8048	0.7540	0.7540	0.7440	0.7440	0.7660
Beesons Crossroads Service	0.0950	0.0880	0.0880	0.0880	0.0880					
Combined Direct Rate	0.8185	0.8190	0.8190	0.8048	0.8048					
Belews Creek	0.1100	0.1100	0.0750	0.0750	0.0750	0.0700	0.0700	0.0700	0.0700	0.0700
Combined Direct Rate	0.8335	0.8410	0.8060	0.7918	0.7918	0.7440	0.7440	0.7440	0.7440	0.7660
City View	0.1050	0.1050	0.0900	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
Combined Direct Rate	0.8285	0.8360	0.8210	0.7968	0.7968	0.7540	0.7540	0.7540	0.7540	0.7760
Clemmons	0.0600	0.0600	0.0600	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Combined Direct Rate	0.7835	0.7910	0.7910	0.7668	0.7668	0.7240	0.7240	0.7240	0.7240	0.7460
Forest Hill	0.1050	0.1050	0.0900	0.0850	0.0850	0.0750	0.0750	0.0650	0.0650	0.0650
Combined Direct Rate	0.8285	0.8360	0.8210	0.8018	0.8018	0.7490	0.7490	0.7390	0.7390	0.7610
Griffith	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550
Combined Direct Rate	0.7785	0.7860	0.7860	0.7718	0.7718	0.7290	0.7290	0.7290	0.7290	0.7510
Gumtree	0.1000	0.1000	0.1000	0.1000	0.1000	0.0950	0.0850	0.0850	0.0850	0.0850
Combined Direct Rate	0.8235	0.8310	0.8310	0.8168	0.8168	0.7690	0.7590	0.7590	0.7590	0.7810

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
FORSYTH COUNTY, NORTH CAROLINA**

Last Ten Fiscal Years

	Tax Rates per \$100 Valuation, Year Ended June 30,									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Fire Tax Districts (cont.): (2)										
Horneytown	\$ 0.1220	0.1100	0.1100	0.1100	0.1100	0.1000	0.1000	0.1000	0.1000	0.1000
Combined Direct Rate	0.8455	0.8410	0.8410	0.8268	0.8268	0.7740	0.7740	0.7740	0.7740	0.7740
King	0.0750	0.0750	0.0650	0.0650	0.0650	0.0650	0.0650	0.0550	0.0550	0.0550
Combined Direct Rate	0.7985	0.8060	0.7960	0.7818	0.7818	0.7390	0.7390	0.7290	0.7290	0.7290
Lewisville	0.0800	0.0800	0.0800	0.0780	0.0740	0.0600	0.0600	0.0600	0.0600	0.0600
Combined Direct Rate	0.8035	0.8110	0.8110	0.7948	0.7908	0.7340	0.7340	0.7340	0.7340	0.7340
Mineral Springs	0.1050	0.1050	0.0900	0.0850	0.0850	0.0750	0.0750	0.0650	0.0650	0.0650
Combined Direct Rate	0.8285	0.8360	0.8210	0.8018	0.8018	0.7490	0.7490	0.7390	0.7390	0.7390
Mineral Springs Service	0.1050	0.1050	0.0900	0.0850	0.0850	0.0750	0.0750	0.0650	0.0650	0.0650
Combined Direct Rate	0.8285	0.8360	0.8210	0.8018	0.8018	0.7490	0.7490	0.7390	0.7390	0.7390
Mount Tabor	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750
Combined Direct Rate	0.7985	0.8060	0.8060	0.7918	0.7918	0.7490	0.7490	0.7490	0.7490	0.7490
Old Richmond	0.0950	0.0950	0.0950	0.0900	0.0900	0.0850	0.0850	0.0800	0.0700	0.0700
Combined Direct Rate	0.8185	0.8260	0.8260	0.8068	0.8068	0.7590	0.7590	0.7540	0.7440	0.7440
Piney Grove	0.1300	0.1300	0.1300	0.1150	0.1150	0.1070	0.1070	0.0900	0.0900	0.0900
Combined Direct Rate	0.8535	0.8610	0.8610	0.8318	0.8318	0.7810	0.7810	0.7640	0.7640	0.7640
Salem Chapel	0.1200	0.1200	0.1200	0.0900	0.0900	0.0900	0.0900	0.0900	0.0600	0.0600
Combined Direct Rate	0.8435	0.8510	0.8510	0.8068	0.8068	0.7640	0.7640	0.7640	0.7340	0.7340
South Fork	0.0600	0.0600	0.0600	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Combined Direct Rate	0.7835	0.7910	0.7910	0.7668	0.7668	0.7240	0.7240	0.7240	0.7240	0.7240
Suburban (Rural Hall)	0.1050	0.1050	0.1050	0.0960	0.0860	0.0750	0.0750	0.0650	0.0650	0.0650
Combined Direct Rate	0.8285	0.8360	0.8360	0.8128	0.8028	0.7490	0.7490	0.7390	0.7390	0.7390
Talley's Crossing	0.1050	0.1050	0.0900	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
Combined Direct Rate	0.8285	0.8360	0.8210	0.7968	0.7968	0.7540	0.7540	0.7540	0.7540	0.7540
Triangle	0.0920	0.0920	0.0920	0.0920	0.0920	0.0800	0.0800	0.0800	0.0800	0.0800
Combined Direct Rate	0.8155	0.8230	0.8230	0.8088	0.8088	0.7540	0.7540	0.7540	0.7540	0.7540
Union Cross	0.1200	0.1200	0.1000	0.1000	0.1000	0.1000	0.1000	0.0800	0.0800	0.0800
Combined Direct Rate	0.8435	0.8510	0.8310	0.8168	0.8168	0.7740	0.7740	0.7540	0.7540	0.7540
Vienna	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750
Combined Direct Rate	0.7985	0.8060	0.8060	0.7918	0.7918	0.7490	0.7490	0.7490	0.7490	0.7490
Walkertown (Northeast)	0.1000	0.1000	0.0950	0.0950	0.0870	0.0800	0.0800	0.0800	0.0800	0.0800
Combined Direct Rate	0.8235	0.8310	0.8260	0.8118	0.8038	0.7540	0.7540	0.7540	0.7540	0.7540
West Bend	0.0800	0.0800	0.0800	0.0780	0.0740	0.0600	0.0600	0.0500	0.0500	0.0500
Combined Direct Rate	0.8035	0.8110	0.8110	0.7948	0.7908	0.7340	0.7340	0.7240	0.7240	0.7240

Source:

Property Tax Rates provided by the Forsyth County Tax Office

Notes:

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

**PRINCIPAL PROPERTY TAX PAYERS
 FORSYTH COUNTY, NORTH CAROLINA**

Schedule 7

Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2017 Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>2008 Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
R. J. Reynolds Industries, Inc	Tobacco, Foods, Petroleum and Transportation	\$ 964,257,222	1	2.70%	\$ 1,051,976,630	1	3.43%
Duke Energy Corporation	Electric Utility	365,872,840	2	1.02%	272,178,722	3	0.89%
Caterpillar Inc	Manufacturer	272,445,473	3	0.76%			
Wexford Science & Technology, LLC	Real Estate Development	219,887,215	4	0.62%			
Wells Fargo Bank NA	Banking	211,694,679	5	0.59%	333,528,540	2	1.09%
JG Winston-Salem	Real Estate Management	191,462,336	6	0.54%	178,849,000	5	0.58%
Deere-Hitachi	Manufacturer	112,428,611	7	0.31%			
Branch Banking & Trust	Banking	101,421,562	8	0.28%			
Winston Salem Healthcare	Real Estate Development	100,187,008	9	0.28%			
Herbalife International of America	Manufacturer	94,124,395	10	0.26%			
Lowes Home Center	Retail				245,477,800	4	0.80%
Hanesbrands Inc.	Textiles				177,385,310	6	0.58%
Highwoods/Forsyth Partners	Real Estate Management				141,736,700	7	0.46%
BellSouth Corporation	Communications Utility				122,318,655	8	0.40%
Dell Inc	Computer Manufacturer				114,252,900	9	0.37%
Wake Forest University	Education / Health Care				106,654,147	10	0.35%
		<u>\$ 2,633,781,341</u>		<u>7.36%</u>	<u>\$ 2,744,358,404</u>		<u>8.95%</u>

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

Note: Hanesbrands Inc. includes property previously reported under Sara Lee Corporation.

Wells Fargo Bank NA includes property previously reported under Wachovia Bank NA

PROPERTY TAX LEVIES AND COLLECTIONS
FORSYTH COUNTY, NORTH CAROLINA

Schedule 8

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		Amount	Percentage
		<u>Amount</u>				
2009	219,385,625	213,993,232	97.54%	4,111,557	218,104,789	99.42%
2010	229,188,797	224,184,021	97.82%	4,311,064	228,495,085	99.70%
2011	229,126,449	224,104,050	97.81%	4,375,945	228,479,995	99.72%
2012	228,728,259	223,947,380	97.91%	4,029,135	227,976,516	99.67%
2013	232,910,975	228,359,406	98.05%	3,658,755	232,018,161	99.62%
2014	234,215,900	230,760,638	98.52%	2,121,092	232,881,730	99.43%
2015	230,986,702	228,618,034	98.97%	1,601,385	230,219,419	99.67%
2016	241,192,603	239,063,497	99.12%	1,200,948	240,264,445	99.62%
2017	246,544,840	244,417,516	99.14%	1,056,578	245,474,094	99.57%
2018	259,184,864	257,172,253	99.22%		257,172,253	99.22%

RATIOS OF OUTSTANDING DEBT BY TYPE
FORSYTH COUNTY, NORTH CAROLINA
 Last Ten Fiscal Years

Schedule 9

Fiscal Year	General Obligation Bonds	Bonded Debt as a	
		Percentage of Actual Taxable Value of Property ^a	Total Bonded Debt Per Capita ^b
2009	428,904,785	1.37%	1,250.54
2010	407,697,994	1.20%	1,173.80
2011	552,547,783	1.63%	1,571.98
2012	517,690,727	1.53%	1,462.25
2013	506,841,054	1.47%	1,417.33
2014	467,559,237	1.42%	1,298.47
2015	492,044,964	1.53%	1,353.65
2016	452,707,749	1.38%	1,237.38
2017	543,957,057	1.62%	1,473.56
2018	503,677,229	1.41%	1,351.61

Governmental Activities							
Fiscal Year	General Obligation Bonds	Certificates of Participation	Limited Obligation Bonds	Installment Purchase Obligations	Total Primary Government	Percentage of Personal Income ^b	Total Debt Per Capita ^b
2009	428,904,785	73,004,074	-	2,185,884	504,094,743	3.55%	1,469.77
2010	407,697,994	67,394,069	15,977,734	1,582,207	492,652,004	3.68%	1,418.39
2011	552,547,783	61,641,500	15,139,749	812,088	630,141,120	4.59%	1,792.73
2012	517,690,727	55,731,450	32,676,028	2,835,543	608,933,748	4.38%	1,719.98
2013	506,841,054	49,976,539	31,680,167	2,141,649	590,639,409	4.06%	1,651.67
2014	467,559,237	37,650,582	29,874,372	9,620,166	544,704,357	3.78%	1,512.71
2015	492,044,964	33,730,604	28,076,784	8,335,996	562,188,347	3.61%	1,546.61
2016	452,707,749	-	26,287,402	36,475,000	515,470,151	3.16%	1,408.92
2017	543,957,057	-	24,506,733	31,195,000	599,658,790	3.61%	1,624.46
2018	503,677,229	-	22,736,295	25,830,000	552,243,524	n/a	1,481.93

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

^a See Schedule 5 for property value data.

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

**DIRECT AND OVERLAPPING GOVERNMENTAL
ACTIVITIES DEBT
FORSYTH COUNTY, NORTH CAROLINA**

Schedule 10

As of June 30, 2018

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Forsyth County^a</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
City of Winston-Salem	\$ 368,623,536	100.0%	\$ 368,623,536
Town of Kernersville	26,892,726	95.0%	25,548,090
Town of King	1,176,186	10.7%	125,576
Other debt			
City of Winston-Salem	578,060,356	100.0%	<u>578,060,356</u>
Subtotal, overlapping debt			972,357,558
County direct debt			<u>552,243,524</u>
Total direct and overlapping debt			<u><u>\$ 1,524,601,082</u></u>

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

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

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

LEGAL DEBT MARGIN INFORMATION
FORSYTH COUNTY, NORTH CAROLINA

Schedule 11

Last Ten Fiscal Years
(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2018	
Assessed Value of Taxable Property	\$ 35,740,324
Debt Limit - Eight percent (8%) of assessed value	2,859,226
Debt applicable to limit:	
General obligation bonds	503,677
Limited obligation bonds	22,736
Installment purchase obligations	25,830
Total debt applicable to legal debt limit	552,244
Legal debt margin	\$ 2,306,982

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 2,510,716	2,708,509	2,707,095	2,712,709	2,749,014	2,639,184	2,575,929	2,626,091	2,626,091	2,859,226
Total net debt applicable to limit	493,576	463,047	605,572	586,266	590,639	544,704	562,188	515,470	515,470	552,244
Legal debt margin	\$ 2,017,140	2,245,462	2,101,523	2,126,443	2,158,375	2,094,479	2,013,741	2,110,621	2,110,621	2,306,982
Total net debt applicable to the limit as a percentage of debt limit	19.7%	17.1%	22.4%	21.6%	21.5%	20.6%	21.8%	19.6%	19.6%	19.3%

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

DEMOGRAPHIC AND ECONOMIC STATISTICS
FORSYTH COUNTY, NORTH CAROLINA

Schedule 12

Last Ten Calendar Years

Calendar Year^b	Population¹	Personal Income (000's)²	Per Capita Personal Income²	Median Age^{1,3}	Dropout Rates for Grades 9-12⁴	Public School Enrollment⁴	Private School Enrollment^{5, a}	Unemployment Rate⁶
2008	342,975	14,192,325	41,217	37.8	5.5%	51,422	5,480	5.6%
2009	347,333	13,398,550	38,443	37.1	4.8%	51,488	5,197	9.5%
2010	351,499	13,727,506	39,054	37.2	4.1%	52,050	5,056	10.1%
2011	354,036	13,899,034	39,200	37.2	3.8%	52,277	4,834	9.8%
2012	357,602	14,536,438	40,626	37.3	3.4%	52,860	4,691	8.9%
2013	360,086	14,410,752	39,914	37.5	2.7%	53,107	4,579	7.5%
2014	363,496	15,581,627	42,682	37.6	2.3%	53,693	4,494	6.0%
2015	365,861	16,327,016	44,365	37.7	2.8%	53,908	4,458	5.5%
2016	369,144	16,595,996	44,672	38.0	2.4%	54,162	4,505	4.9%
2017	372,651	n/a	n/a	n/a	2.5%	54,094	4,511	4.9%

- Sources: ¹ Office of State Budget and Management. Subject to change as OSBM updates periodically. 2017 is a projection.
² U.S. Department of Commerce: Bureau of Economic Analysis.
³ U.S. Census Bureau
⁴ North Carolina Department of Public Instruction
⁵ State of North Carolina Division of Non-Public Education
⁶ The North Carolina Department of Commerce

Notes:

- ^a Private School Enrollment does not include special schools or home schools.
^b Personal Income, Per Capital Personal Income, and Median Age for 2017 had not been released by the Bureau of Economic Analysis at the time of this schedule.

PRINCIPAL EMPLOYERS
FORSYTH COUNTY, NORTH CAROLINA

Schedule 13

Current Year and Ten Years Ago

<u>Employer</u>	<u>2017</u> ¹			<u>2007</u> ²		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Wake Forest University Baptist Medical Center	12,873	1	7.3%	13,000	1	7.8%
Novant Health	8,145	2	4.6%	8,145	2	4.9%
Winston-Salem/Forsyth County School System	6,860	3	3.9%	6,692	3	4.0%
Reynolds American ^a	3,000	4	1.7%	4,100	5	2.5%
Wake Forest University	2,784	5	1.6%	1,680	10	1.0%
Wells Fargo Bank ^b	2,745	6	1.6%	3,970	6	2.4%
Hanesbrands, Inc.	2,500	7	1.4%	5,200	4	3.1%
City of Winston-Salem	2,420	8	1.4%	2,660	7	1.6%
Forsyth County	2,275	9	1.3%	2,029	9	1.2%
BB&T Corporation	2,134	10	1.2%	2,259	8	1.4%
Total	45,736		25.9%	49,735		30.0%

¹ Most current estimates are as of July 2017

² Estimates as of October 2007

^b Formerly Wachovia Corporation

^a Formerly R.J. Reynolds Tobacco Company

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 Department of Commerce.

**FULL-TIME-EQUIVALENT COUNTY GOVERNMENT
EMPLOYEES BY FUNCTION/PROGRAM
FORSYTH COUNTY, NORTH CAROLINA**

Schedule 14

Last Ten Fiscal Years

<u>Function</u>	Full-time Equivalent Employees as of June 30,									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General government	368	361	354	346	336	320	314	314	325	308
Public safety	792	803	800	774	771	781	784	782	786	774
Human services	660	654	667	660	667	662	661	661	710	693
Environmental protection	22	22	22	22	22	22	23	24	23	23
Community and economic development	5	5	5	6	5	5	5	4	5	5
Education	16	14	9	4	4	4	5	5	6	6
Culture and recreation	216	200	204	203	205	198	191	184	192	192
Total	<u>2,055</u>	<u>2,079</u>	<u>2,059</u>	<u>2,061</u>	<u>2,015</u>	<u>2,010</u>	<u>1,992</u>	<u>1,974</u>	<u>2,047</u>	<u>2,001</u>

Source: Forsyth County Finance Department

Notes: The County has full-time employees scheduled to work 36-hour (1,944 hours per year), 40-hour (2,080 hours per year), 42-hour (2,184 hours per year), 42.5-hour (2,210 hours per year), 42.88-hour (2,230 hours per year), or 56-hour (2,912 hours per year) work weeks.

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

OPERATING INDICATORS BY FUNCTION
FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
General services										
Number of facilities ¹	70	70	72	49	46	47	47	47	41	42
Square footage - active	2,917,478	2,917,478	1,864,494	1,853,678	1,827,073	2,257,302	2,277,389	2,150,982	2,099,727	2,158,870
Assigned fleet vehicles	597	597	631	622	585	577	577	577	562	583
Register of deeds										
Deeds recorded	13,932	10,346	10,150	9,215	9,651	10,875	11,399	11,335	12,108	12,617
Real estate copies	29,105	26,445	23,427	21,648	21,542	24,193	18,413	15,795	17,735	18,138
Birth certificates	9,325	8,526	7,825	7,314	8,140	8,499	5,575	8,134	9,691	9,328
Marriage certificates	2,097	2,039	1,937	2,001	2,083	2,038	2,092	2,329	2,483	2,444
Vital records copies	59,036	56,729	54,685	58,043	59,439	62,319	60,826	65,744	65,740	67,406
Tax administration										
Audits	350	n/a								
Current year levy collection percentage	98.18%	97.54%	97.82%	97.81%	97.91%	98.05%	98.52%	98.97%	99.12%	99.14%
Public safety										
Animal control										
Animals sheltered	8,079	8,833	8,397	8,395	9,059	8,223	7,220	6,750	6,772	6,245
Animals adopted	1,349	1,474	1,311	1,175	1,518	1,797	1,585	1,672	1,730	1,540
Emergency management										
Responders receiving specialized training	448	477	480	211	474	125	125	125	100	150
Emergency services										
Emergency dispatches	25,809	25,238	27,057	27,854	30,912	31,349	29,348	29,364	30,818	31,557
Non-emergency dispatches	10,258	8,561	7,151	6,668	5,560	2,968	8,095	9,484	10,296	12,273
Fire										
Fire alarms (total dispatches)	4,164	3,787	3,897	3,907	3,738	4,058	7,518	7,241	7,711	8,110
Volunteer rescue squad response	24,238	24,307	25,670	27,007	28,846	10,478	19,744	20,060	20,942	19,824
911 calls received	N/A	83,669	85,614	88,635	89,006	44,444	89,695	93,542	98,333	102,769
Telephone calls processed	205,592	178,366	176,043	177,527	188,363	97,758	204,839	209,199	215,479	216,701
Sheriff										
Patrol service calls	41,720	44,219	48,284	45,791	47,669	74,125	66,409	80,851	83,851	76,016
Detention - avg. daily inmate population	881	869	824	675	775	695	761	731	684	766
Detention - avg. length of stay (in days)	26	25	24	20	21	20	22	21	22	23

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

OPERATING INDICATORS BY FUNCTION
FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Human services										
Public health										
Wait time on improvement permits (in days)	21.0	10.5	12.3	12.3	9.0	7.5	7.5	8.0	8.0	9.5
Children Immunized by 24 months of age	82%	82%	90%	90%	88%	82%	87%	91%	91%	92%
Social services										
Adult guardianships	n/a	n/a	1,424	1,739	1,813	1,812	2,114	2,485	2,737	2,634
Adoptions finalized	63	63	53	37	34	22	24	25	29	45
Child protective services investigations	2,625	2,756	2,621	2,688	2,893	2,724	2,952	2,819	3,514	3,686
Child day care clients served	n/a	n/a	40,621	37,190	37,639	36,994	34,941	33,423	32,505	n/a
Environmental protection										
Environmental assistance & protection										
Permits processed within prescribed timeframe	99%	100%	99%	97%	91%	91%	100%	100%	85%	85%
Correct air quality forecasting	90%	89%	80%	80%	78%	81%	78%	76%	77%	79%
Economic development										
Housing										
Homes rehabilitated	21	21	18	38	35	24	23	16	16	24
First time home buyers & IDA	48	44	64	37	24	15	33	39	36	35
Culture and recreation										
NC cooperative extension service										
Educational meetings attendance	1,778	2,539	7,950	9,103	5,493	4,145	2,824	4,522	5,423	6,581
Economic value of volunteer service	\$345,000	\$475,000	\$305,169	\$592,880	\$565,117	\$523,119	\$613,391	\$663,391	\$1,093,246	\$903,533
Library										
Number of libraries	10	10	10	10	10	10	10	10	10	10
Program Attendance	90,867	107,468	95,791	101,284	96,108	104,377	81,141	102,577	108,526	117,978
Materials Circulated	1,913,042	2,044,856	1,956,849	1,933,496	1,915,971	1,887,526	1,819,410	1,613,189	1,560,638	1,478,637
Recreation and parks										
Number of parks	11	11	11	11	11	11	11	11	11	11
Park visitors	2,826,255	3,188,518	2,914,185	2,889,969	2,854,524	3,192,212	3,716,992	4,256,936	4,376,870	4,114,472
Golf rounds played	70,720	65,449	59,193	49,642	56,553	52,038	51,370	52,513	51,950	52,090
Festival of lights - visitors	282,700	250,458	223,236	217,362	263,100	262,818	245,808	280,842	281,016	294,942
Education										
Winston-Salem/Forsyth County Schools										
Number of schools	75	76	80	80	80	79	81	81	81	80
Number of classrooms	2,653	n/a								
Number of teachers	3,293	3,585	3,938	3,768	3,778	3,878	3,749	3,826	3,758	3,763
Forsyth Technical Community College										
Enrollment	7,895	9,144	9,922	10,616	9,941	9,881	12,968	13,036	12,238	11,477

Sources: Forsyth County Budget Office. North Carolina Department of Public Instruction. Fiscal Year 2017 is the most recent actual data available.

CAPITAL ASSET STATISTICS BY FUNCTION
FORSYTH COUNTY, NORTH CAROLINA

Schedule 16

Last Ten Fiscal Years

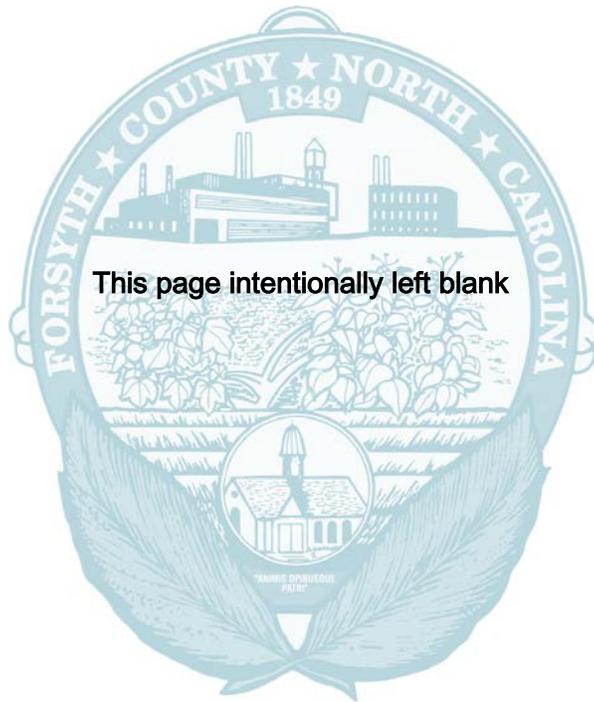
Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government										
General services										
Number of facilities ¹	70	72	72	53	47	48	44	41	41	43
Square footage - active ²	2,917,478	1,864,494	1,853,678	1,827,073	2,257,302	2,277,389	2,150,982	2,099,727	2,146,032	2,264,658
Fleet vehicles ³	590	620	615	585	575	569	562	577	571	574
Public safety ³										
Emergency medical services										
Assigned vehicles	30	31	31	34	34	34	34	35	38	37
Fire										
Assigned vehicles	13	13	13	17	17	16	14	15	14	14
Sheriff										
Assigned vehicles	242	244	260	237	237	227	229	238	234	237

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

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

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

³ Public safety vehicles listed are included in the general services fleet vehicles.



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**Independent Auditor’s Report 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***

The Board of County Commissioners
Forsyth County
Winston-Salem, North Carolina

We have audited, 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, 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, 2018, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated November 5, 2018.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’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 over financial reporting was for the limited purposes 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 and therefore, material weaknesses or significant deficiencies in internal control may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be 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 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.

A handwritten signature in black ink that reads "Elliott Davis, PLLC". The signature is written in a cursive, flowing style.

Raleigh, North Carolina
November 5, 2018

**Independent Auditor’s Report on Compliance for Each Major Federal Program;
Report on Internal Control over Compliance; In Accordance
With OMB Uniform Guidance and the State Single Audit Implementation Act**

The Board of County Commissioners
Forsyth County
Winston-Salem, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Forsyth County, North Carolina’s (the “County”) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County’s major federal programs for the year ended June 30, 2018. The County’s major federal programs are identified in the summary of auditor’s results section of the accompanying *Schedule of Findings and Questioned Costs*.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the County’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

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, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule as item 2018-001 to be a material weakness.

The County's response to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



Raleigh, North Carolina
November 5, 2018

**Independent Auditor's Report on Compliance for Each Major State Program;
Report on Internal Control over Compliance; In Accordance with
OMB the Uniform Guidance; and the State Single Audit Implementation Act**

The Board of County Commissioners
Forsyth County
Winston-Salem, North Carolina

Report on Compliance for Each Major State Program

We have audited Forsyth County, North Carolina's (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, 2018. The County's major state programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in *the Audit Manual for Governmental Auditors in North Carolina* and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2018.

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, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding 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 and therefore, significant deficiencies or material weaknesses may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses. However material weaknesses may exist that have not been identified.

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



Raleigh, North Carolina
November 5, 2018

Forsyth County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2018

Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Federal/State Pass-Through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
Federal Awards:					
<u>U.S. Dept. of Health and Human Services</u>					
<u>Administration for Children and Families</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Temporary Assistance for Needy Families:					
TANF Administration	93.558	-	\$ 315,207	\$ -	\$ -
TANF Services/Domestic Violence	93.558	-	1,178,962	-	-
TANF Child Protective Services/Foster Care/Adoption	93.558	-	193,133	-	-
TANF Incentives	93.558	-	1,006	449	-
Total TANF Cluster			1,688,308	449	-
Child Support Enforcement Administration	93.563	-	2,261,632	-	-
Child Support Incentive	93.563	-	346,406	-	-
Child Support Reimbursement	93.563	-	13,252	-	-
Child Support Enforcement Fees	93.563	-	34,691	-	-
Refugee MA/PA	93.566	-	4,070	-	-
Low Income Home Energy Assistance:					
Low Income Home Energy Assistance Administration	93.568	-	218,220	-	-
Low Income Home Energy Assistance Crisis Intervention	93.568	-	1,378,662	-	-
Low Income Home Energy Assistance Payments	93.568	-	1,442,202	-	-
Child Welfare Services - State Grants:					
Child Welfare Services Permanency Special/Regular	93.645	-	104,035	-	-
Child Welfare Services Adoption Assistance	-	-	-	18,317	-
Family Reunification	93.556	-	35,967	-	-
Foster Care Caseworker Visit	93.556	-	11,198	-	-
<u>Foster Care and Adoption Cluster: (Note 3)</u>					
Title IV-E Foster Care Administration	93.658	-	846,758	-	-
Title IV-E Foster Care	93.658	-	333,099	89,297	-
Title IV-E Foster Care Training	93.658	-	1,812	-	-
Title IV-E Foster Care Child Protective Services	93.658	-	100,779	-	-
Title IV-E Maximization	93.658	-	548,623	471,395	-
State Foster Care/HIV	-	-	-	182,431	-
Special Children's Adoption Fund	93.658	-	33,600	78,000	-
CPS State	93.658	-	161,738	334,464	-
Adoption Assistance	93.659	-	3,366	1,683	-
IV-E Optional Adoption	93.659	-	13,825	-	-
Total Foster Care and Adoption Cluster (Note 3)			2,043,600	1,157,270	-
Social Services Block Grant:					
Social Services Block Grant Administration	93.667	-	1,660,711	-	-
Social Services Block Grant In Home Services	93.667	-	147,323	-	-
Social Services Block Grant Adult Day Care	93.667	-	74,489	59,996	-
Social Services Block Grant Transportation	93.667	-	8,998	-	-
Chafee Foster Care - Independent Living	93.674	-	17,074	4,269	-
Independent Living - Direct Benefit Payments	93.674	-	16,305	-	-
<u>Subsidized Child Care (Note 3)</u>					
<u>Child Care and Development Fund Cluster</u>					
Division of Social Services:					
Child Care and Development Fund Administration	93.596	-	617,741	-	-
Division of Child Development:					
Child Care and Development Fund - Discretionary	93.575	-	428	-	-
Child Care and Development Fund - Mandatory	93.596	-	168	-	-
TANF to CCDF Discretionary	93.575	-	136	-	-
Temporary Assistance for Needy Families	93.558	-	840	-	-
Total Subsidized Child Care (Note 3)			619,313	-	-

Forsyth County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2018

Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Federal/State Pass-Through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<u>Centers for Medicare and Medicaid Services</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
State Children's Insurance Program - N.C. Health Choice Administration	93.767		\$ 149,565	\$ 51	\$ -
<u>Medicaid Cluster</u>					
Medical Assistance Program:					
Medical Assistance Administration	93.778	-	4,916,194	-	-
Adult Home Specialist	93.778	-	46,549	23,274	-
MAC CORD Transp	93.778	-	193,260	-	-
Medical Assistance Transportation Administration	93.778	-	305,235	-	-
State/County Special Assistance	93.778	-	360,271	-	-
Division of Medical Assistance:					
Passed-through Northwest Community Care Network:					
CCNC Pregnancy Prevention (Note 4)	93.778	-	801,923	-	-
Pregnancy Care Management (Note 4)	93.778	-	726,941	-	-
Medical Assistance Program:					
Medical Assistance Transportation Vendor Payments	93.778	-	20,028	12,275	-
Total Medicaid Cluster			<u>7,370,401</u>	<u>35,549</u>	<u>-</u>
<u>Administration on Aging</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Aging:					
Passed-through Piedmont Regional Council of Government					
Special Programs for the Aging - Title III, Part B	93.044	-	24,650	313,951	-
Access	93.044	-	274,018	122,707	396,725.00
In Home Services					
Title IIIB	93.044	-	38,151	2,254	40,396.00
Nutrition					
Congregate Nutrition	93.045	-	66,027	3,887	69,914.00
Home Delivery Nutrition	93.045	-	170,842	163,422	334,264.00
NSIP Supplement	93.053	-	171,777	-	171,777.00
Total Administration of Aging			<u>745,465</u>	<u>606,221</u>	<u>1,013,076.00</u>
<u>Centers for Disease Control and Prevention</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Project Grants and Cooperative Agreements for					
Tuberculosis Control Programs	93.116	-	92,922	-	-
Healthy Communities	93.217	-	38,449	-	-
Immunization Outreach	93.268	-	76,214	-	-
Cooperative Agreements for State-Based Comprehensive:					
Comp Breast Cancer Screen	93.283	-	55,223	41,422	-
BCCP Wisewoman Project	93.283	-	6,990	-	-
Jail Screening Program	93.940	-	139,183	-	-
Child Svc Coordinator	93.994	-	7,451	5,589	-
Preparedness and Response Team	93.283	-	58,629	-	-
<u>Health Resources and Services Administration</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Healthy Start Initiative	93.926	-	208,294	-	-
Minority Infant Mortality Rate	93.994	-	45,762	34,326	-
Maternal and Child Health Services Block Grant to the States	93.994	-	168,781	112,423	-
STD Drugs	93.977	-	439	329	-
Women's Preventive Health	93.558	-	49,737	-	-
Family Planning Title X (Note 4)	93.217	-	61,364	-	-
Total U.S. Dept. of Health and Human Services			<u>21,401,325</u>	<u>2,076,211</u>	<u>1,013,076.00</u>

Forsyth County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2018

Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Federal/State Pass-Through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<u>U. S. Dept. of Housing and Urban Development</u>					
<u>Community Planning and Development</u>					
Passed through N. C. Department of Commerce:					
Division of Community Assistance:					
Community Development Block Grants - NC Catalyst	14.228	09-D-2468	\$ 2,624	\$ -	-
Passed-through N.C. Housing Finance Agency:					
NCHFA URP		-		87,499	-
Passed through City of Winston-Salem:					
HOME Investment Partnerships Program:					
2014 Winston-Salem/Forsyth County HOME Consortium	14.239	M14-DC-37-0204	48,635	-	-
2015 Winston-Salem/Forsyth County HOME Consortium	14.239	M15-DC-37-0204	80,913	-	-
2016 Winston-Salem/Forsyth County HOME Consortium	14.239	M16-DC-37-0204	71,140	-	-
2017 Winston-Salem/Forsyth County HOME Consortium	14.239	M17-DC-37-0204	30,000	-	-
Total U. S. Dept. of Housing and Urban Development			<u>233,312</u>	<u>87,499</u>	<u>-</u>
<u>U.S. Dept. of Agriculture</u>					
<u>Food and Nutrition Service</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
<u>Supplemental Nutrition Assistance Program (SNAP) Cluster:</u>					
State Administrative Matching Grants:					
SNAP Administration	10.561	-	2,903,624	-	-
SNAP Incentives	10.561	-	43,549	-	-
SNAP Fraud Administration	10.561	-	278,848	-	-
Total SNAP Cluster			<u>3,226,021</u>	<u>-</u>	<u>-</u>
Division of Public Health:					
Special Supplemental Nutrition Program for Women, Infants, & Children:					
Administration	10.557	-	1,951,412	-	-
Total U. S. Dept. of Agriculture			<u>5,177,433</u>	<u>-</u>	<u>-</u>
<u>Environmental Protection Agency</u>					
Direct Programs:					
Surveys, Studies, Investigations and Special Purpose Grants	66.034	-	91,067	-	-
<u>Office of Air and Radiation</u>					
Air Pollution Control Program Support	66.001	-	360,000	-	-
Total Environmental Protection Agency			<u>451,067</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Justice</u>					
Direct programs:					
<u>Office of Justice Programs</u>					
<u>Office of Justice Programs</u>					
Bureau Of Justice Assistance					
2016 Justice Assistance Grant Program	16.738	2016-DJ-BX-1069	70,177	-	-
<u>Office of Violence Against Women</u>					
Passed-through N.C. Dept. of Crime Control and Public Safety:					
Governor's Crime Commission:					
Safe on Seven Domestic Violence Grant	16.588	034-1-07-3VA-AW-833	107,952	-	107,952
Total U.S. Dept. of Justice			<u>178,129</u>	<u>-</u>	<u>107,952</u>
Total federal awards			<u>27,441,266</u>	<u>2,163,710</u>	<u>\$ 1,121,028</u>
State Awards:					
<u>N.C. Dept. of Health and Human Services</u>					
Division of Social Services:					
State Adoption Fund		-	-	-	-
Share the Warmth		-	-	19,678	-

Forsyth County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2018

Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Federal/State Pass-Through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
State Awards: (cont)					
Child WLFR STNHM SVC		-	\$ -	\$ 190,973	\$ -
ST COS Caseload Reduction		-	-	59,296	-
General Health Administration		-	-	234,073	-
AIDS		-	-	57,821	-
Offsite HIV CTS		-	-	106,460	-
Division of Child Development:					
Passed-through Forsyth Early Childhood Partnership:					
Communicable Disease		-	-	19,760	-
Women's Preventive Health		-	-	30,212	-
Family Planning State		-	-	20,741	-
High Risk Maternity Unit		-	-	111,525	-
School Nurse Funding		-	-	89,619	-
Zika		-	-	15,642	-
Refugee Accessment		-	-	2,109	-
Minority Diabetes Prevention		-	-	109,906	-
Nursing NFP		-	-	587,677	-
Division of Aging:					
In-Home Services:					
State Funds		-	-	477,621	-
Caregiver Match		-	-	6,027	-
Total N.C. Dept. of Health and Human Services			-	2,139,140	-
<u>N.C. Dept. of Natural and Cultural Resources</u>					
Division of State Library:					
State Aid to Libraries		-	-	303,225	-
New Family Museum Grant		-	-	689,653	-
Total N.C. Dept. of Cultural and Natural Resources			-	992,878	-
<u>N.C. Dept. of Environmental Quality</u>					
Air Quality Mobile Source Program		-	-	208,386	-
Food and Lodging Permit Distribution		-	-	45,583	-
NC A&T University Position Reimbursement		-	-	31,769	-
SWC - Agricultural Cost Share Program		-	-	25,550	-
SWC - Administration and Technical Assistance		-	-	4,600	-
Total N.C. Dept. of Environmental Quality			-	315,888	-
<u>N.C. Department of Information Technology</u>					
NC 911 Board					
911 Fund Grant		-	-	361,779	-
Total N.C. Dept. of Information Technology			-	361,779	-
<u>N.C. Department of Public Safety</u>					
Juvenile Justice and Delinquency Prevention		-	-	697,608	697,608
Total N.C. Dept. of Public Safety			-	697,608	697,608
<u>N.C. Dept. of Public Instruction</u>					
Public School Building Capital Fund		0-002-933	-	3,527,900	-
<u>N.C. Dept. of Transportation</u>					
Rural Operating Assistance Program:					
Work First Transitional/Employment Transportation Assistance		9.9051570	-	7,065	-
Elderly and Disabled Transportation Assistance		9.9050716	-	161,375	162,374
Total N.C. Dept. of Transportation			-	168,440	162,374
Total state awards			-	8,203,633	859,982
Total federal and state awards			\$ 27,441,266	\$ 10,367,343	\$ 1,981,010

Forsyth County, North Carolina
Notes to the Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2018

(1) Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and state grant activity of Forsyth County, North Carolina (the "County") under the program of the federal government and the State of North Carolina for the year ended June 30, 2018. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of the County it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

(2) Summary of Significant Accounting Policies

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

(3) Clusters

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirements: Foster Care and Adoption, Subsidized Child Care.

(4) Pass-through Entity

The following programs report the entire amount as federal funds as the amount is not determinable between federal and state: Prevention CCNC Pregnancy and Pregnancy Care Management

Forsyth County, North Carolina
Schedule of Findings and Questioned Costs
For the year ended June 30, 2018

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Noncompliance material to the financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

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

Any audit findings disclosed that are required to be reported in accordance
 2 CFR 200.516(a): Yes No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.778	Medicaid Cluster
93.667	Social Services Block Grant
93.568	Low-Income Home Energy Assistance

Dollar threshold used to distinguish between type A and type B programs: \$ 823,238

Auditee qualified as low-risk auditee? No

State Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

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

Any audit findings disclosed that are required to be reported in accordance
 with the State Single Audit Implementation Act: Yes No

Identification of major state programs:

- Nurse Family Partnership
- Library Museum Grant
- Public School Construction Program
- Juvenile Crime Prevention Program

Other major state programs include Medical Assistance Program (Medicaid) which has a state match on the federal program. Therefore, this program has been included in the list of major federal programs above.

Forsyth County, North Carolina
Schedule of Findings and Questioned Costs
For the year ended June 30, 2018

II. FINANCIAL STATEMENT FINDINGS

None Reported

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2018-001, Material Weakness over Eligibility Material Noncompliance

Information on the federal program: Low Income Home Energy Assistance, CFDA 93.568, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Social Services.

Criteria or specific requirement: Per the North Carolina Low-Income Home Energy Assistance Compliance Supplement and Energy Programs Manual published by the Division of Social Services, the case file should contain a completed Eligibility Worksheet (DSS-8116-I) if a household member has earned and/or unearned income, is an ineligible alien with income, or a household member has reserve that is questionable. The form is required if the eligibility determination is being completed outside of NC FAST and must be reviewed by a County DSS caseworker.

Condition: We noted that in twenty-four instances the Low Income Home Energy Assistance Eligibility Worksheet form DSS-8116-I was not completed and reviewed by the County's DSS caseworker.

Context: We sampled 90 case files of a total of 13,766 cases. We noted the above condition in 24 of the 90 inspected files.

Effect: Case files not containing a reviewed and approved Eligibility Worksheet (DSS-8116-I) result in a risk that the County could provide assistance to individuals not eligible to receive assistance or that such assistance could be denied to eligible to receive assistance or assistance could be denied to eligible individuals. Subsequent to being notified that required documentation had not been retained in case files, the County was able to substantiate that the applicants tested were eligible to receive benefits.

Cause: Proper internal controls are not in place to ensure the proper documentation is completed and a DSS caseworker reviews the documentation.

Recommendation: We recommend that the County continue to train and monitor employees on the eligibility application process to ensure eligibility worksheets are completed appropriately and are reviewed by the DSS caseworker and retained by the County.

IV. STATE AWARD FINDINGS AND QUESTIONED COSTS

None Reported

FINANCE DEPARTMENT

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Terri L. Goodman, CPA
DEPUTY CHIEF FINANCIAL OFFICER

Lee H. Plunkett
ASSISTANT CHIEF FINANCIAL OFFICER



Michael J. Phelps, CPA
CONTROLLER AND SYSTEMS MANAGER

Teresa G. Everhart, CISR
RISK MANAGER

Penny K. Efird, CPA
INTERNAL AUDIT MANAGER

FORSYTH COUNTY, NORTH CAROLINA
SCHEDULE OF CORRECTIVE ACTION PLAN

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Section II. Financial Statement Findings

None reported.

Section III. Federal Award Findings and Questioned Costs

Finding 2018-001

Material Weakness over Eligibility Materials Noncompliance

Criteria or specific requirement: Per the North Carolina Low-Income Home Energy Assistance Compliance Supplement and Energy Programs Manual published by the Division of Social Services, the case file should contain a completed Eligibility Worksheet (DSS-8116) if a household member has earned and/or unearned income, is an ineligible alien with income, or a household member has reserve that is questionable. The form is required if the eligibility determination is being completed outside of NCFAST and must be reviewed by a County DSS caseworker.

Corrective Action Plan: After reviewing policy and comparing information gathered on the DSS-8116 to the NCFAST LIEAP Application, it was determined that all this information is recorded in the NCFAST Application process. After a conversation with OST and a request for State Leadership to review the policy and potentially update the need for the DSS-8116, it was determined by the State, that the DSS-8116 was no longer a required form as long as the Application was taken in NCFAST. Change Notice 04-2018 was issued September 1, 2018, clarifying this and updating the Energy Manual effective 10/1/2018. Based on these changes no Corrective Action is needed.

FINANCE DEPARTMENT

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Penny K. Efird, CPA
INTERNAL AUDIT MANAGER

FORSYTH COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Finding: 2017-001

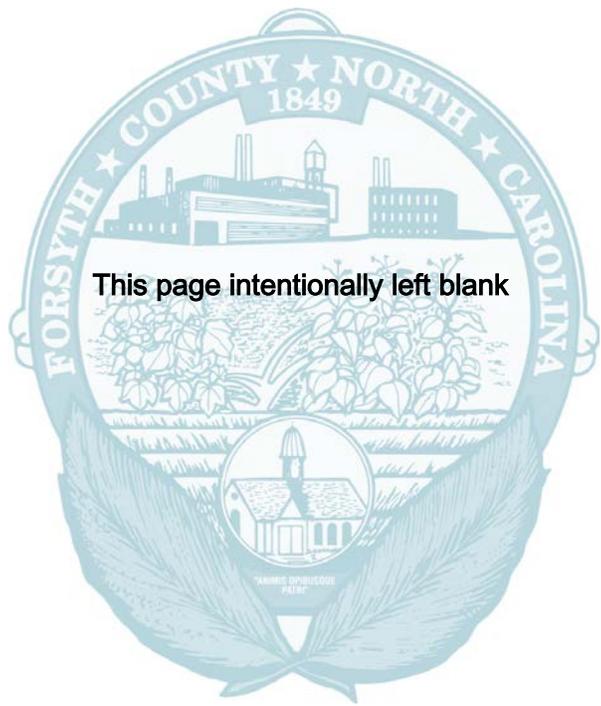
Condition: Two Medicaid cases noted instances in which documentation was missing in the case file or the case was not properly terminated.

Current status: Medicaid eligibility is no longer considered a direct and material compliance requirement, as a result of direct benefit payments no longer being reported on the County's Schedule of Expenditures of Federal and State Awards.

Finding: 2017-002

Condition: DSS Crosscutting testing noted one instance where the day sheet entry was not supported by documentation in the case record file and two instances where the expenditures were not properly coded.

Current status: Management considers this finding to have been cleared during the year ended June 30, 2018.



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ACKNOWLEDGEMENTS

The preparation of the annual financial report was made possible by the dedicated service of the entire staff of the Forsyth County Finance Department. The year-end closing of the accounting system and report preparation was effectively managed by [Terri L. Goodman](#), Deputy Chief Financial Officer.

Also providing substantial support in report preparation and related accounting activities were:

[Lee H. Plunkett](#), Assistant Chief Financial Officer

[Michael J. Phelps](#), Controller and Systems Manager

[Teresa G. Everhart](#), Risk Manager

[Gloria M. Turowski](#), Fiscal Analyst

[Jean-Baptiste A. Lagnie](#), Internal Auditor

Cover Design: [Keith Spencer](#)

