

Comprehensive Annual Financial Report

Year ended June 30, 2020



2020

Forsyth County, North Carolina

Forsyth County, North Carolina

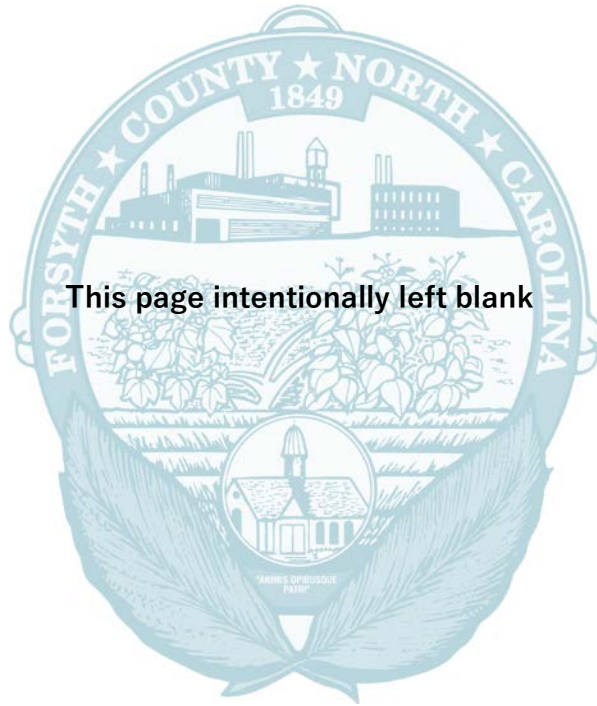
Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

Prepared by the Forsyth County Finance Department:

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

Marques E. Williams, *Internal Auditor*
Matthew W. Day, *Fiscal Analyst*
Adam J. Fernbach, *Fiscal Analyst*
Manjeet Singh, *Fiscal Analyst*
Gloria M. Turowski, *Fiscal Analyst*
Jamie B. Lawson, *Safety/Loss Control Analyst*
Marta Soriano, *Risk Management Analyst*
Regina G. Ireland, *Fiscal Supervisor*
Mary Elizabeth (Beth) Godwin, *Accounting Specialist*
Padma Kamatkar, *Accounting Specialist*
Daphne Avery, *Payroll Specialist*
Ramona A. Jessup, *Payroll Specialist*
Patricia L. Martin, *Fiscal Technician*
Linda S. McKenzie, *Fiscal Technician*
Michelle A. Powell, *Fiscal Technician*
Kathy F. Taylor, *Fiscal Technician*



This page intentionally left blank

Forsyth County, North Carolina

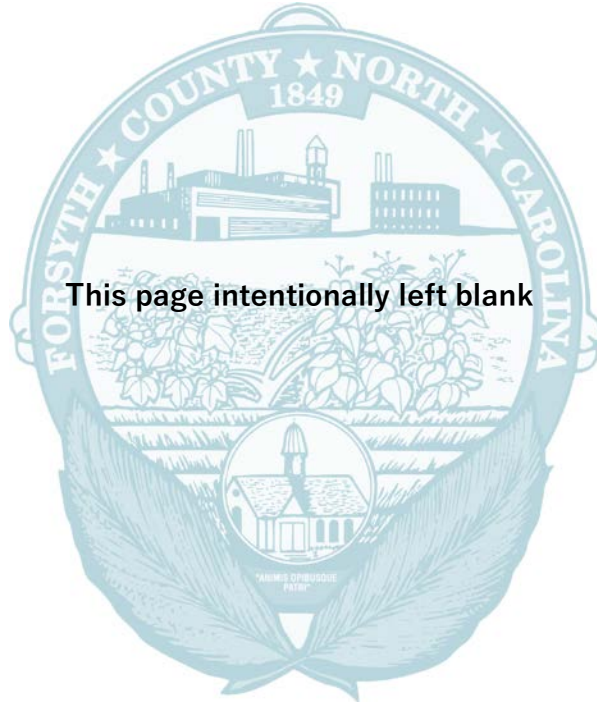
Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2020

TABLE OF CONTENTS

	Page
I. Introductory Section:	
Letter of Transmittal	I
Board of County Commissioners and County Officials	VII
Organization Chart	VIII
Certificate of Achievement for Excellence in Financial Reporting	IX
II. Financial Section:	
Report of Independent Auditor	i
Management's Discussion and Analysis	1
Basic Financial Statements:	9
Government-wide Financial Statements:	
Exhibit 1 Statement of Net Position	10
Exhibit 2 Statement of Activities	11
Fund Financial Statements:	
Exhibit 3 Balance Sheet – Governmental Funds	12
Exhibit 3.1 Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	14
Exhibit 4 Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	15
Exhibit 4.1 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Exhibit 5 Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	18
Exhibit 6 Statement of Net Position – Proprietary Fund – Internal Service Fund	19
Exhibit 7 Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund – Internal Service Fund	19
Exhibit 8 Statement of Cash Flows – Proprietary Fund – Internal Service Fund	20
Exhibit 9 Statement of Fiduciary Net Position – Fiduciary Funds	21
Exhibit 10 Statement of Changes in Fiduciary Net Position – Fiduciary Funds	22
Notes to the Financial Statements	23
Required Supplementary Information	55
Local Governmental Employees' Retirement System – Schedule of Proportionate Share of the Net Pension Liability (Asset)	56
Local Governmental Employees' Retirement System – Schedule of Employer Contributions	56
Law Enforcement Officers' Special Separation Allowance - Schedule of Changes in Total Pension Liability (Asset)	57
Law Enforcement Officers' Special Separation Allowance - Schedule of Total Pension Liability (Asset) as a Percentage of Covered Payroll	57
Law Enforcement Officers' Special Separation Allowance – Notes to the Required Schedules	57
Register of Deeds' Supplemental Pension Fund – Schedule of Proportionate Share of the Net Pension Liability (Asset)	58
Register of Deeds' Supplemental Pension Fund – Schedule of Employer Contributions	58
Healthcare Plan – Schedule of Changes in Net OPEB Liability and Related Ratios	59
Healthcare Plan – Schedule of Employer Contributions	60
Healthcare Plan – Notes to the Required Schedules	60
Healthcare Plan – Schedule of Investment Returns	60
Budgetary Comparison Schedules – Major Governmental Funds:	61
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
A-1 General Fund	62

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – From Inception:		
A-2	2016 Schools Facilities Fund	65
A-3	Capital Reserve Fund	65
A-4	Debt Service Fund	66
Combining and Individual Fund Financial Statements and Schedules - Nonmajor Governmental Funds:		
B-1	Combining Balance Sheet	69
B-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	70
Nonmajor Special Revenue Funds:		
C-1	Combining Balance Sheet	71
C-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	73
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:		
C-3	Fire Tax Districts Fund	75
C-4	Law Enforcement Equitable Distribution Fund	77
C-5	Emergency Telephone System Fund	77
C-6	Moser Bequest for Care of Elderly Fund	78
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – From Inception:		
C-7	State Public School Building Capital Fund	78
C-8	2017 Housing Fund	79
C-9	2018 Housing Fund	80
C-10	2019 Housing Fund	81
C-11	2017 Justice Assistance Fund	82
C-12	2020 Housing Fund	83
C-13	Coronavirus Relief Fund	84
Nonmajor Capital Projects Funds:		
D-1	Combining Balance Sheet	85
D-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	87
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – From Inception:		
D-3	2011 Library Bond Fund	91
D-4	2014 2/3rds Bonds Fund	92
D-5	2016 New Family Museum Fund	93
D-6	2016 2/3rds Bonds Fund	94
D-7	2016 Winston-Salem/Forsyth County Schools Capital Maintenance Fund	94
D-8	2016 Pay-Go Fund	95
D-9	2016 Forsyth Technical Community College Facilities Fund	95
D-10	2016 Parks and Recreation Facilities Fund	96
D-11	2017 Court Facilities Fund	96
D-12	2017 Tanglewood Business Park Fund	97
D-13	2018 Motive Equipment Replacement Fund	98
D-14	2018 2/3rds Bonds Fund	99
D-15	2018 Winston-Salem/Forsyth County Schools Capital Maintenance Fund	99
D-16	2018 Forsyth Technical Community College Capital Maintenance Fund	100
D-17	2018 Smith Reynolds Airport Fund	100
D-18	2018 Pay-Go Fund	101
D-19	2018 First and Chestnut Parking Fund	101
D-20	2019 Pay-Go Fund	102
Fiduciary Funds: Agency Funds		
E-1	Combining Statement of Fiduciary Assets and Liabilities	104
E-2	Combining Statement of Changes in Assets and Liabilities	105
Other Schedules:		
F-1	Schedule of Ad Valorem Taxes Receivable - General Fund	108
F-2	Analysis of Current Tax Levy - Countywide Levy	109
F-3	Ten Largest Taxpayers	110

III. Statistical Section:	111
Schedule 1 Net Position by Component - Last Ten Fiscal Years	112
Schedule 2 Changes in Net Position - Last Ten Fiscal Years	113
Schedule 3 Fund Balances of Governmental Funds - Last Ten Fiscal Years	115
Schedule 4 Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	116
Schedule 5 Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years	118
Schedule 6 Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years	119
Schedule 7 Principal Property Tax Payers – Current Year and Ten Years Ago	121
Schedule 8 Property Tax Levies and Collections – Last Ten Fiscal Years	122
Schedule 9 Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	123
Schedule 10 Direct and Overlapping Governmental Activities Debt	124
Schedule 11 Legal Debt Margin Information - Last Ten Fiscal Years	125
Schedule 12 Demographic and Economic Statistics - Last Ten Calendar Years	126
Schedule 13 Principal Employers – Current Year and Ten Years Ago	127
Schedule 14 Full-Time-Equivalent County Government Employees by Function - Last Ten Fiscal Years	128
Schedule 15 Operating Indicators by Function – Last Ten Fiscal Years	129
Schedule 16 Capital Asset Statistics by Function – Last Ten Fiscal Years	131
IV. Compliance Section:	
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 <i>Government Auditing Standards</i>	133
Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance in accordance with OMB Uniform Guidance and the State Single Audit Implementation Act	135
Independent Auditor’s Report on Compliance for Each Major State Program and on Internal Control Over Compliance in accordance with OMB Uniform Guidance and the State Single Audit Implementation Act	138
Schedule of Expenditures of Federal and State Awards	141
Notes to Schedule of Expenditures of Federal and State Awards	145
Schedule of Findings and Questioned Costs	146
Schedule of Corrective Action Plan	150
Summary of Prior Year Findings	152



This page intentionally left blank

FINANCE DEPARTMENT

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

Terri L. Goodman, CPA
DEPUTY CHIEF FINANCIAL OFFICER

Lee H. Plunkett
ASSISTANT CHIEF FINANCIAL OFFICER



Michael J. Phelps, CPA
CONTROLLER AND SYSTEMS MANAGER

Teresa G. Everhart, CISR
RISK MANAGER

Penny K. Efird, CPA
INTERNAL AUDIT MANAGER

December 17, 2020

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, 2020.

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, 2020, 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, 2020, 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, the Capital Reserve Fund, the Debt Service Fund, and four annually budgeted special revenue funds. Note 1c provides additional information on budgetary data. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 18 as part of the basic financial statements for the governmental funds and, in greater detail, on pages 62 - 64 in the subsection for major fund budgetary comparison schedules. For annually budgeted special revenue funds, this comparison is presented in the nonmajor governmental fund subsection of this report, which starts on page 67. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each nonmajor governmental fund for which a project-length budget has been adopted (i.e., grant project special revenue funds and capital project funds).

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

Factors Affecting Financial Condition

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

Local economy. Located midway between Washington, D.C. and Atlanta, Georgia, Forsyth County is in the heart of the state's Piedmont Triad region, a 12-county area with more than 1.7 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 379,693 and a workforce of more than 178,000, 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, 2020 is 5.6 percent, which is lower than the national rate of 6.0 percent and the same as the state rate, but higher than last year due to the nationwide impact of the COVID-19 pandemic.

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 2018 remain consistently higher than state figures. The County's per capita income is \$48,804, the eleventh highest among counties in the state, and higher than the State's \$46,117. Capital investment, as measured by the value of new residential and commercial building permits issued during the year, totaled \$540 million during the year ended June 30, 2020, a decrease of 9.5 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, 2020, the County's CIP through the year 2026 consists of \$499.7 million for proposed projects. General obligation bonds will be incurred for public schools (\$200.5 million), community college projects (\$39.4 million), park system development and maintenance (\$13.5 million), and

County general capital maintenance (\$6.0 million). A bond referendum, approved in November 2016, provides the bulk of schools, community college and park system development and maintenance funds with the balance coming from non-voter approved two-thirds bonds. A replacement of court facilities now housed in the Hall of Justice (\$110 million) will be funded with limited obligation bonds. Smith Reynolds Airport projects to improve the terminal, runways, taxiways, and hangars will be funded with a combination of limited obligation bonds (\$17 million) and grants (\$64.2 million). Sales of property and other revenues including up to \$23.9 million in limited obligation bonds will fund replacement of the Kaleideum facility (\$32.5 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 as is \$6.3 million for a new ERP system for the Finance, Human Resources, and Budget departments, and \$1.3 million for defibrillator replacements for Emergency Services.

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 2020 tax rate of \$.7535 is \$.03 higher than the prior year rate.

Education Debt Leveling Plan ("EDLP") – In order to level the effects of issuing the \$250 million schools and \$25 million community college bonds authorized in the November 2006 referendum, the County has dedicated proceeds from the state education lottery and from a 3-cent property tax increase first levied in fiscal year 2008 to debt service on these bonds. Similarly, the fiscal year 2010 budget included an additional 1.1-cent tax increase over the revenue-neutral rate to fund the \$62 million educational facilities bond authorization approved in the November 2008 referendum. These EDLP tax rates were adjusted to \$.033 and \$.0121 for the 2006 and 2008 EDLP reserves, respectively, following the fiscal year 2014 revaluation. No additional tax increases are anticipated to pay this debt service. Each year lottery funds will be applied first, and the balance of applicable debt service will be paid from fund balance designated from the 3.3-cent and 1.21-cent levies plus any interest on that designated fund balance. The EDLP currently has a balance of \$11.7 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 from 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 \$1.5 million.

Public Improvement Debt Leveling Plan ("PIDLP") – In order to level the effects of issuing the \$163.6 million schools, \$30.4 million community college, and \$7.0 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 \$12.0 million.

Courthouse Debt Leveling Plan ("CHDLP") – In order to level the effects of debt issued for the construction of a new courthouse facility, the County has dedicated proceeds from a \$.02 property tax rate increase first levied in fiscal year 2020 to debt service incurred for this project. 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 2.0-cent levy plus any interest on that designated fund balance. The CHDLP currently has a balance of \$7.4 million.

Debt Policy - Forsyth County recognizes that a formally adopted debt policy is fundamental to sound financial management. The fiscal year 2020 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 2020 fiscal year with an available fund balance, net of committed fund balance, of 20.8% of its 2021 budget. \$10.3 million of available fund balance was appropriated to balance the fiscal 2021 budget leaving 18.5% available fund balance of which 14% was set aside in accordance with the County's fund balance policy. The remaining 4.5%, or \$20.2 million, was assigned for fiscal 2021 economic development and management special 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 due to the ongoing pandemic, the two major revenue sources for the County (property and sales tax) remain stronger than expected. This relative strength plus a small influx of federal CARES Act funding resulted in another 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 2021 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, 2019. This was the 36th 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 2020 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 2021 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; Penny K. Efirm, Internal Audit Manager; and, Gloria Turowski, Fiscal Analyst.

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

Sincerely,

J. Dudley Watts, Jr.

County Manager

Paul L. Fulton, Jr.

Chief Financial Officer

Forsyth County Board of Commissioners



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

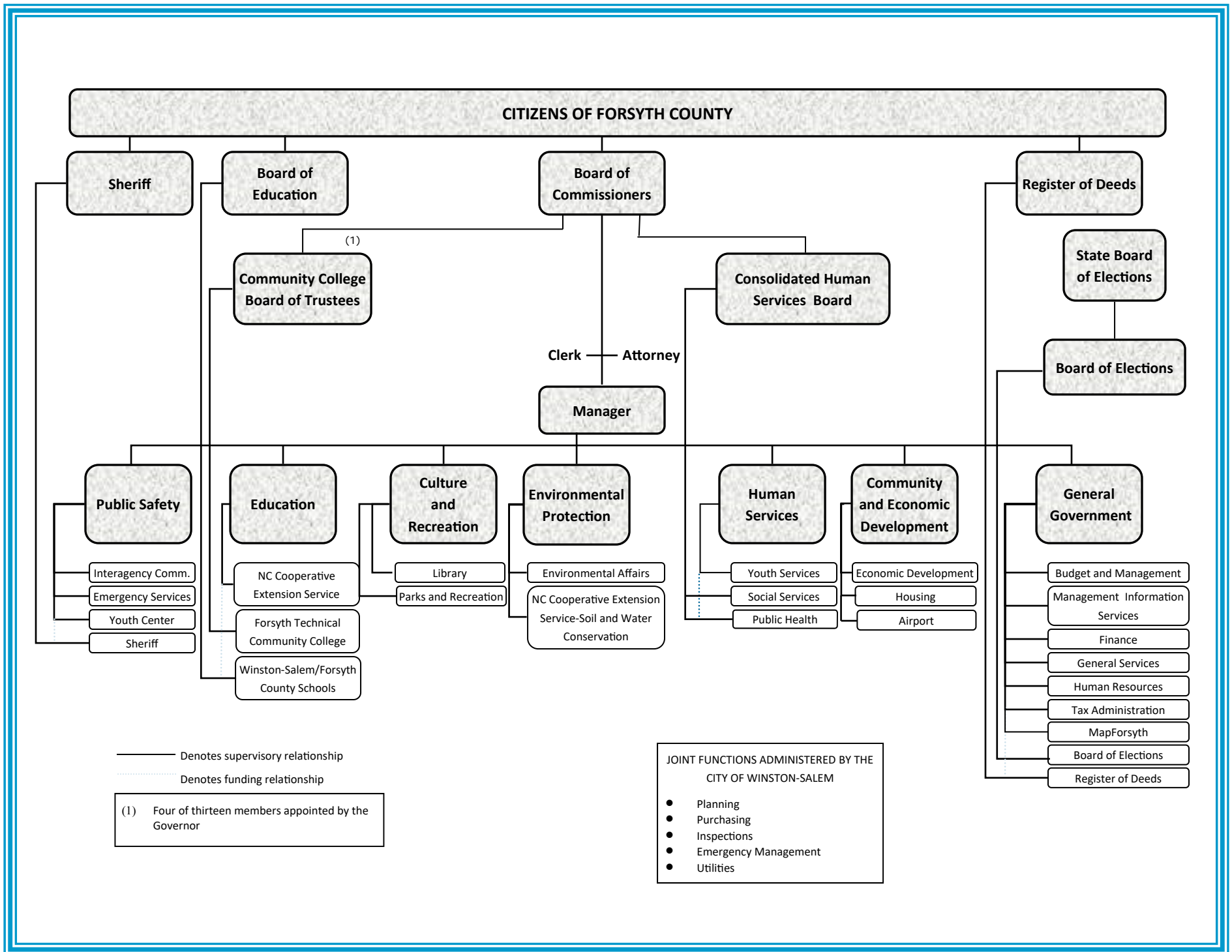
County Officials



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

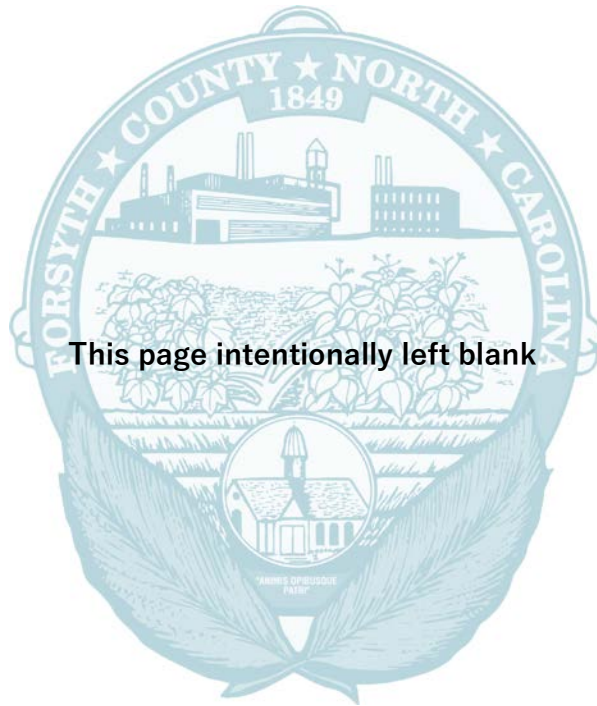
**County of Forsyth
North Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



This page intentionally left blank

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, 2020, 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, 2020, 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.

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 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

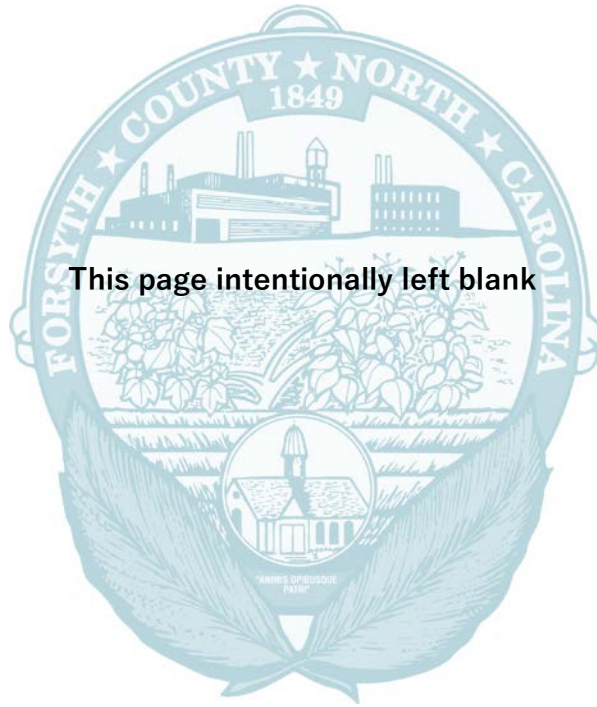
The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2020, 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.

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

Raleigh, North Carolina
December 17, 2020



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, 2020. 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.

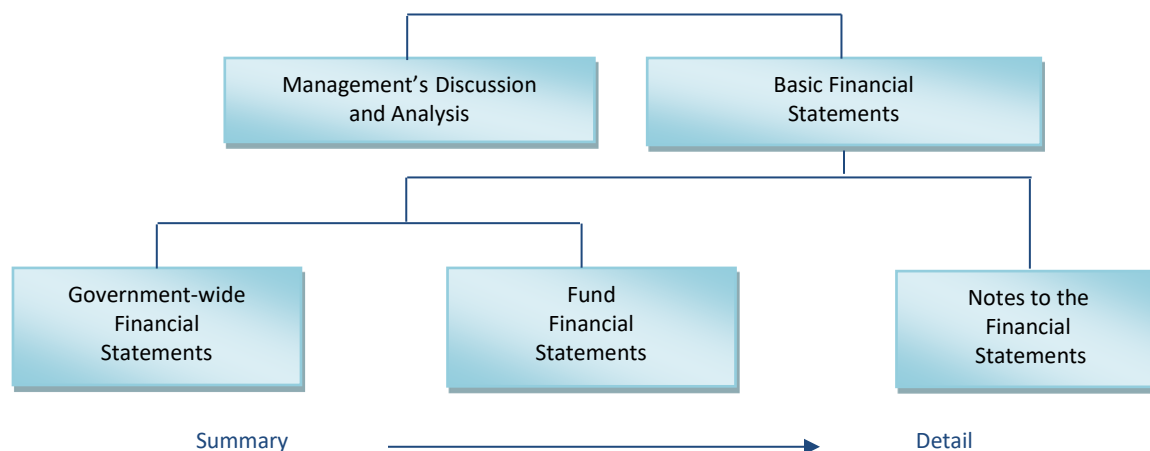
FINANCIAL HIGHLIGHTS

- 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 \$115.7 million (*net deficit*). The deficit in total net position reflects the County's issuance of debt as provided by State law for public school and community college facilities. The assets acquired with such debt are not owned by the County, and therefore, are not included in the County's Statement of Net Position. Had this school and community college related debt (net of unspent proceeds) not been reported as a reduction of net position, total net position would be \$260.2 million.
- The County's total net position increased by \$8.9 million from net position of the prior period despite the payment of \$46.6 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 25th consecutive year.
- As of the close of the current fiscal year, Forsyth County's governmental funds reported combined ending fund balances of \$311.4 million, a decrease of \$42.3 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 Debt Leveling Plans decreased by a net \$2.3 million for the year bringing the total available to pay for future education-related debt service to \$11.7 million. The balance in the Library Debt Leveling Plan decreased by a net \$66,300 for the year bringing the total available to pay for future library-related debt service to \$1.5 million. The balance in the Public Improvement Debt Leveling Plan decreased by a net \$2.3 million for the year bringing the total available to pay for future public improvement-related debt service to \$12.0 million. The Courthouse Debt Leveling Plan, established during the current fiscal year, had a balance of \$7.4 million at year's end.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$62.6 million or 17.9% of total general fund expenditures for the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Required Components of Annual Financial Report



BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

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

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

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

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

The government-wide financial statements are [Exhibits 1 and 2](#) of this report.

Fund Financial Statements

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

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

All of the County's basic services were accounted for in 33 governmental funds for the year ended June 30, 2020. 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, the 2016 Schools Facilities Fund, the Capital Reserve Fund and the Debt Service 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 23 - 53 of this report.

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

Budgetary comparison schedules for major funds are presented following the required supplementary information on pensions and OPEB. The combining statements referred to earlier in connection with nonmajor governmental funds and individual fund statements and schedules can be found on pages 69 – 102 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 \$115.7 million as of June 30, 2020. 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 \$375.9 million at year-end and is reported as a reduction of unrestricted net position for governmental activities, resulting in a deficit balance of \$319.0 million for this category of net position. Had the education-related debt not been reported as a reduction of unrestricted net position, the balance of unrestricted net position for governmental activities would be \$56.9 million and total net position would be \$260.2 million, an increase in adjusted total net position of \$6.2 million over the prior year.

The following summarizes Net Position at June 30, 2020 and 2019:

Forsyth County's Net Position		
	Governmental Activities	
	2020	2019
Current and other assets	\$ 353,813,653	\$ 386,629,750
Capital assets	238,933,363	225,841,646
Total assets	592,747,016	612,471,396
Deferred outflows of resources		
- unamortized bond refunding charges	41,323,190	49,103,436
Long-term liabilities outstanding	716,244,838	758,443,679
Other liabilities	24,480,915	20,675,844
Total liabilities	740,725,753	779,119,523
Deferred inflows of resources	9,046,322	7,033,250
Net position:		
Net investment in capital assets	141,204,543	136,846,089
Restricted	62,092,255	58,440,613
Unrestricted deficit	(318,998,667)	(319,864,643)
Total net position	\$ (115,701,869)	\$ (124,577,941)

A major portion of net position reflects the County's \$141.2 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 \$62.1 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 decreased by \$866,000. The change in unrestricted net position resulting from governmental activities is discussed in the following section.

Governmental activities. Since the County has no business-type activities, the total change in net position is a result of governmental activities. The County's net position increased by \$8.9 million for the fiscal year ended June 30, 2020.

The following summarizes the changes in net position for the years ended June 30, 2020 and 2019:

Forsyth County's Changes in Net Position		
	Governmental Activities	
	2020	2019
Revenues:		
Program revenues:		
Charges for services	\$ 35,048,354	\$ 32,180,502
Operating grants and contributions	51,519,237	41,961,738
Capital grants and contributions	--	24,110,823
General revenues:		
Property taxes	291,511,563	275,276,564
Other taxes	74,311,751	72,758,859
Grants and contributions not restricted to specific programs	5,372,214	4,120,474
Other	6,475,218	6,903,562
Total revenues	<u>464,238,337</u>	<u>457,312,522</u>
Expenses:		
General government	46,726,526	43,824,204
Public safety	91,710,314	89,481,482
Environmental protection	3,169,444	2,988,102
Human services	75,044,951	65,441,721
Culture and recreation	18,744,724	18,477,223
Community and economic development	9,569,704	6,822,318
Education	190,237,126	191,146,150
Interest on long-term debt	20,159,476	18,720,561
Total expenses	<u>455,362,265</u>	<u>436,901,761</u>
Increase in net position	<u>8,876,072</u>	<u>20,410,761</u>
Net position, July 1	<u>(124,577,941)</u>	<u>(144,988,702)</u>
Net position, June 30	<u>\$ (115,701,869)</u>	<u>\$ (124,577,941)</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 \$6.9 million from the prior year.
- Education expenses of \$46.6 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, 2020, the County's four major funds were the General Fund, the 2016 Schools Facilities Fund, the Capital Reserve Fund, and the Debt Service 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.

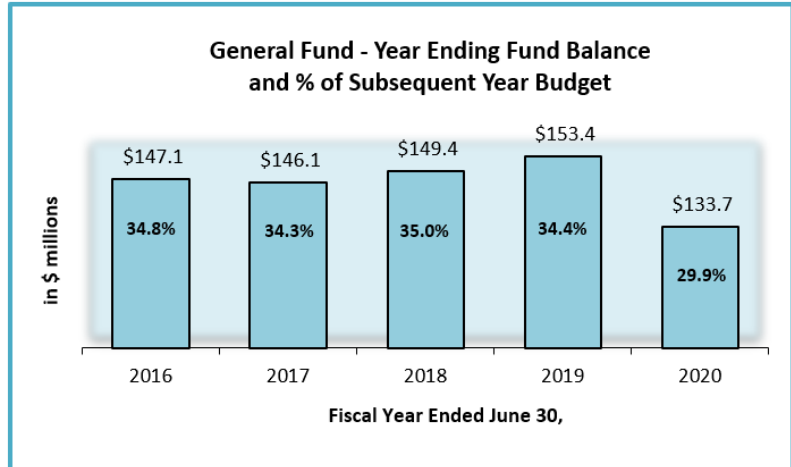
As of the end of the fiscal year, the County's governmental funds reported combined fund balances of \$311.4 million, a decrease of \$42.3 million from the prior year. This decrease is largely attributed to schools and community college capital project expenditures. Approximately 54.2%, or \$168.8 million of total combined fund balance, is restricted or non-spendable. \$107.3 million of this restricted total is restricted for debt funded capital expenditures. \$52.5 million is committed for future debt service, economic development projects, or capital projects. \$30.5 million is assigned for subsequent fiscal year 2021 expenditures and capital projects. The remainder of the fund balance is unassigned.

General Fund Budgetary Highlights The General Fund is the primary operating fund of the County. During the fiscal year, the County revised the General Fund 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 during the year totaled \$47.6 million. Unanticipated state and federal grants totaling \$8.1 million were appropriated for public health and social services. Appropriations of \$37.1 million were made from fund balance, including \$28.7 million to establish the Capital Reserve Fund, \$829,000 for economic development projects, \$1.1 million for the behavioral health services ARCA renovation project, and \$5.8 million to establish the 2019 Pay-Go project fund.

Although \$50.8 million of fund balance was appropriated in the final budget, the net change in fund balance for the year was a decrease of just \$19.7 million.

General Fund At the end of the current fiscal year, the fund balance in the General Fund was \$133.7 million, a decrease of \$19.7 million, with \$101.7 million available for appropriation and \$62.6 million considered unassigned. To meet the cash flow needs of the County and to provide for unforeseen needs or opportunities, the governing body of Forsyth County has determined that the County should maintain a minimum available fund balance (net of committed fund balance) of 14% of its subsequent year's general fund expenditures. The County exceeded this policy target ending the 2020 fiscal year with an available fund balance, net of committed fund balance, of \$93.0 million, 20.8% of its 2021 budget. \$10.3 million of fund balance was appropriated to balance the fiscal 2021 budget leaving 18.5% available fund balance of which 14% was set aside in accordance with the County's fund balance policy.



Key factors that resulted in the \$19.7 million decrease in the General Fund fund balance include:

- \$28.7 million of committed fund balance, representing the prior year ending balances of the County's debt leveling plans, was transferred out of the General Fund to establish the Capital Reserve Fund.
- \$3.4 million in debt leveling property tax revenue in excess of related debt service was transferred to the Capital Reserve Fund.
- General Fund revenues increased \$19.8 million over the prior year attributed primarily to a \$15.1 million increase in property tax revenue arising from a \$.03 increase in the County's fiscal year 2020 property tax rate.
- Continued diligence in the collection of property taxes which resulted in a 99.05% collection percentage allows the County to realize nearly full benefit of its property tax levy.

In accordance with actions taken by the County's governing board and its fund balance policies, the following designations of fund balance have been made:

- \$1.2 million is committed for capital improvements at the Smith Reynolds Airport.
- \$1.7 million is committed for the future payment of Law Enforcement Special Separation Allowance benefits.
- \$1.8 million is assigned for economic development agreements.
- \$18.3 million is assigned for management special projects. This amount represents the amount by which available fund balance net of all committed and assigned balances exceeded 14% of the fiscal year 2021 budgeted expenditures.

2016 Schools Fund The 2016 Schools capital project fund accounts 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 approved by voters in a 2016 referendum. Through June 30, 2020, \$175.3 million of the \$350 million in voter approved bonds have been issued and \$110.2 million has been reimbursed to the Winston-Salem/Forsyth County School system for expenditure on approved projects. To date, project spending has included: \$43.8 million for the Lowrance-Paisley replacement; \$19.0 million for the Konnoak Elementary School replacement; \$3.5 million for Easton Elementary addition and renovation; \$3.7 million and \$3.2 million, respectively, for stadium replacements at Mount Tabor and Glenn high schools; \$1.5 million at Wiley Middle and Reynolds High School and \$965,000 at Parkland High School for safety and traffic improvements; \$4.2 million for the new Robinhood Road Middle School; \$2.7 million for pre-kindergarten additions; \$12.9 million for technology upgrades; and, \$12.4 million for various maintenance and repair projects. The fund balance in the 2016 Schools Fund at June 30, 2020 is \$67.9 million. The County anticipates issuing half of the remaining authorized general obligation bonds in 2021 and the other half in 2023. Expenditure of the remaining proceeds is expected to extend out through 2026.

Capital Reserve Fund Effective July 1, 2020, the County established a Capital Reserve Fund to account for reserves accumulated under the County's four debt leveling plans and for future capital projects. During the year, the Capital Reserve Fund received \$96.4 million in transfers from the General Fund. These transfers included \$28.7 million for the accumulated reserves of each debt leveling plan as of June 30, 2019 (prior to establishing the Capital Reserve Fund these balances were reported as committed fund balance in the General Fund); \$38.8 million for property tax revenue collected under the debt leveling plans; and, \$28.6 million in funding required to meet all current year non-debt leveling debt service requirements. The Capital Reserve Fund transferred \$64.2 million to the Debt Service Fund to provide funds for the payment of all current year debt service. The fund balance in the Capital Reserve Fund at June 30, 2020 is \$32.5 million and is comprised of the following designations:

- The unspent balance of proceeds from 4.51 cents on the ad valorem tax rate and interest earned thereon totaling \$11.7 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 \$1.5 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 \$12.0 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.
- The unspent balance of proceeds from 2.0 cents on the ad valorem tax rate and interest earned thereon totaled \$7.4 million and has been committed for the retirement of debt issued for the design and construction of a new courthouse facility. This commitment is a key component of the Courthouse Debt Leveling Plan.

Debt Service Fund Effective July 1, 2020, the County established a Debt Service Fund to account for the annual payment of debt service and related revenues and expenditures. During the year, the Debt Service Fund received \$64.2 million in transfers from the Capital Reserve Fund, \$3.9 million in transfers of lottery proceeds from the State Public School Building Capital Fund, and \$2.5 million in federal interest payment subsidies to provide funding for the payment of \$70.2 million in current year debt service. The fund balance in the Debt Service Fund at June 30, 2020 is \$555,000. This balance represents lottery proceeds due from the State Public School Building Capital Fund at yearend.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. Forsyth County's investment in capital assets for its governmental activities as of June 30, 2020, totals \$238.9 million (net of accumulated depreciation), a \$13.1 million increase from the prior year. These assets include land, buildings, construction-in-progress, park facilities, equipment, vehicles and software.

Major capital asset transactions during the year include:

- Library projects totaling \$1.9 million.
- General government and parks maintenance projects totaling \$2.9 million.
- Design and construction costs for the New Family Museum totaling \$1.5 million.
- Court facility project costs totaling \$3.7 million.
- Tanglewood Business Park costs totaling \$2.6 million.
- Smith Reynolds Airport maintenance and improvement costs totaling \$540,000.

- Election equipment costs totaling \$1.5 million.
- First and Chestnut Streets parking facility project costs totaling \$11.3 million.

Forsyth County's Capital Assets (net of depreciation)		
	Governmental Activities	
	2020	2019
Land	\$ 19,522,309	\$ 18,821,306
Art collections	577,907	577,907
Construction-in-progress	13,184,660	5,624,717
Buildings	165,507,627	159,626,209
Improvements other than buildings	30,165,238	31,428,268
Equipment	5,458,690	5,157,027
Vehicles	4,516,932	4,606,212
Total Capital Assets	\$ 238,933,363	\$ 225,841,646

Additional information on the County's capital assets can be found in Note 4e on pages 34 - 35 of the Basic Financial Statements.

Long-term Debt. At June 30, 2020, Forsyth County had total bonded debt outstanding of \$513.1 million, all of which is backed by the full faith and credit of the County, total limited obligation and installment financing debt of \$36.6 million secured solely by specified property, and unsecured long-term debt of \$2.2 million. The County's total liability for bonded debt, limited obligation bonds, installment financing agreements, and unsecured debt is \$552.0 million, a decrease of \$51.4 million from the previous year. New debt issued during the year included \$66.8 million general obligation refunding bonds which produced an economic gain of \$10.9 million over the next 10 years.

At June 30, 2020 and 2019, the County's bonded and non-bonded debt consisted of:

Forsyth County's Outstanding Debt		
	Governmental Activities	
	2020	2019
General obligation bonds	\$ 513,090,000	\$ 563,295,000
Limited Obligation Bonds	18,085,000	19,650,000
Installment purchase obligations	18,555,477	20,390,000
Other long-term borrowing	2,247,974	-
Total Outstanding Debt	\$ 551,978,451	\$ 603,335,000

As mentioned in the financial highlights section of this document, Forsyth County maintained for the 25th 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 \$2.99 billion. The County's total bonded debt is 1.47% of assessed valuation, well below the 8% of assessed valuation legal debt limit.

Additional information regarding Forsyth County's long-term debt can be found in Note 4i on pages 36 - 40 of the Basic Financial Statements.

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

The County has adopted a General Fund budget for the fiscal year ending June 30, 2021 in the amount of \$446.9 million, a decrease of \$46.8 million or 9.5% from the final 2020 budget of \$493.7 million. The property tax rate of \$0.7435 per hundred dollars assessed value is \$.01 lower than the prior year rate. \$13.1 million of the County's \$101.7 million available fund balance was appropriated, of which \$1.8 million was for the reappropriation of prior year encumbrances and \$1.0 million was from restricted fund balances. Fund balance available net of committed fund balance and fund balance appropriated for the fiscal year 2021 budget is 17.9% of 2021 budgeted expenditures.

Significant factors considered in the preparation of the fiscal year 2021 County budget include:

- The County strives to limit the growth of the annual operating budget to an amount which can be accommodated by growth in the tax base as well as other local, state and federal revenues, without a tax rate increase, whenever possible.
- Continued sales tax growth expected to produce \$1.5 million, or 2.30% 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.

Basic Financial Statements

FORSYTH COUNTY, NORTH CAROLINA
Statement of Net Position
June 30, 2020

Exhibit 1

	Governmental Activities
ASSETS	
Cash and cash equivalents / investments	\$ 197,896,726
Investments - restricted	110,183,027
Net pension asset - restricted	679,188
Taxes receivable (net)	2,837,412
Accounts receivable (net)	9,992,160
Accrued interest on investments	18,323
Due from other governments	32,079,575
Prepaid items	127,242
Capital assets:	
Land, collections, and construction-in-progress	33,284,876
Other capital assets, net of depreciation	205,648,487
Total capital assets	<u>238,933,363</u>
Total assets	<u>592,747,016</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related deferrals	23,990,056
OPEB related deferrals	11,435,505
Deferred charge on refunding	5,897,629
Total deferred outflows of resources	<u>41,323,190</u>
LIABILITIES	
Accounts payable and accrued liabilities	13,389,144
Unearned revenue	2,574,445
Accrued interest payable	5,922,469
Due to other governments	2,594,857
Current portion of long-term liabilities	54,874,433
Noncurrent liabilities due in more than one year:	
Pension liabilities	46,149,867
Other post-employment benefits liability	66,647,741
Other long-term liabilities	548,572,797
Total liabilities	<u>740,725,753</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related deferrals	633,348
OPEB related deferrals	8,412,974
Total deferred inflows of resources	<u>9,046,322</u>
NET POSITION	
Net investment in capital assets	141,204,543
Restricted for:	
Stabilization by state statute	51,137,220
Pension asset - Register of Deeds	679,188
Public safety	4,009,877
Human services	3,997,797
Community and economic development	547,176
Other purposes	1,720,997
Unrestricted deficit	(318,998,667)
Total net position	<u>\$ (115,701,869)</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, 2020

Exhibit 2

Functions	Expenses	Program Revenues			Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental:					
General government	\$ 45,353,013	3,955,880	956,622	-	(40,440,511)
Public safety	91,710,314	18,477,813	4,412,459	-	(68,820,042)
Environmental protection	3,169,444	652,170	685,541	-	(1,831,733)
Human services	75,044,951	5,402,693	39,206,572	-	(30,435,686)
Culture and recreation	18,744,724	4,060,238	833,288	-	(13,851,198)
Community and economic development	9,569,704	2,457,051	1,127,187	408,031	(5,577,435)
Education	190,237,126	42,509	3,889,537	-	(186,305,080)
Interest on long-term debt	20,159,476	-	-	-	(20,159,476)
Total governmental activities	\$ <u>453,988,752</u>	<u>35,048,354</u>	<u>51,111,206</u>	<u>408,031</u>	<u>(367,421,161)</u>
General revenues:					
Taxes:					
					291,511,563
					70,352,709
					719,675
					441,334
					2,798,033
					5,372,214
					5,061,816
					(1,373,513)
					1,413,402
					<u>376,297,233</u>
					8,876,072
					(124,577,941)
					<u>\$ (115,701,869)</u>

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

FORSYTH COUNTY, NORTH CAROLINA

Balance Sheet

Governmental Funds

June 30, 2020

Exhibit 3

Page 1 of 2

	<u>General Fund</u>	<u>2016 Schools Facilities</u>	<u>Capital Reserve</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents / investments	\$ 118,793,857	-	32,548,272	-	36,081,540	187,423,669
Investments - restricted	-	66,949,664	-	-	43,233,363	110,183,027
Receivables (net):						
Property taxes	2,067,935	-	-	-	62,901	2,130,836
Occupancy taxes	38,134	-	-	-	-	38,134
Other taxes	53,328	-	-	-	-	53,328
Accounts	9,660,825	-	-	-	27,844	9,688,669
Accrued interest	(90,122)	-	-	-	87,060	(3,062)
Due from other governments	29,122,465	959,630	-	-	1,997,480	32,079,575
Due from other funds	168,592	-	1,400	556,512	-	726,504
Prepaid items	122,250	-	-	-	-	122,250
Total assets	\$ 159,937,264	67,909,294	32,549,672	556,512	81,490,188	342,442,930
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 9,725,499	-	-	1,400	3,597,852	13,324,751
Due to other governments	2,594,857	-	-	-	-	2,594,857
Due to other funds	1,400	-	1,400	-	723,704	726,504
Unearned revenue	2,211,052	-	-	-	187,021	2,398,073
Total liabilities	14,532,808	-	1,400	1,400	4,508,577	19,044,185
Deferred Inflows of Resources:						
Unavailable taxes	2,067,935	-	-	-	62,901	2,130,836
Unavailable other revenue	9,599,172	-	-	-	316,102	9,915,274
Total deferred inflows of resources	11,667,107	-	-	-	379,003	12,046,110

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

(continued)

FORSYTH COUNTY, NORTH CAROLINA

Balance Sheet

Governmental Funds

June 30, 2020

Exhibit 3

Page 2 of 2

	<u>General Fund</u>	<u>2016 Schools Facilities</u>	<u>Capital Reserve</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:						
Nonspendable	122,250	-	-	-	-	122,250
Restricted	37,617,142	67,909,294	11,600	556,512	62,598,324	168,692,872
Committed	2,981,418	-	32,538,072	-	17,015,786	52,535,276
Assigned	30,455,363	-	-	-	-	30,455,363
Unassigned	62,561,176	-	(1,400)	(1,400)	(3,011,502)	59,546,874
Total fund balances	<u>133,737,349</u>	<u>67,909,294</u>	<u>32,548,272</u>	<u>555,112</u>	<u>76,602,608</u>	<u>311,352,635</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>159,937,264</u>	<u>67,909,294</u>	<u>32,549,672</u>	<u>556,512</u>	<u>81,490,188</u>	<u>342,442,930</u>

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

FORSYTH COUNTY, NORTH CAROLINA**Exhibit 3.1****Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**

June 30, 2020

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

Fund balances - total governmental funds	\$ 311,352,635
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	238,933,363
Other long-term assets used in governmental activities are not a current financial resource and, therefore, are not reported in the funds.	1,299,294
Deferred outflows of resources used in governmental activities represent a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then, and therefore, are not reported in the funds.	41,323,190
Earned revenue that is not available to pay current period expenditures is deferred in the funds.	12,046,110
Deferred inflows of resources used in governmental activities represent an acquisition of net position that applies to a future period and so will not be recognized as a revenue until then, and therefore, are not reported in the funds.	(9,046,322)
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.	7,641,604
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(719,251,743)
Net position of governmental activities	\$ <u>(115,701,869)</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 Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2020

Exhibit 4

Page 1 of 2

	<u>General Fund</u>	<u>2016 Schools Facilities</u>	<u>Capital Reserve</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 281,317,622	-	-	-	9,821,129	291,138,751
Occupancy taxes	719,675	-	-	-	-	719,675
Local option sales taxes	67,888,920	-	-	-	2,463,789	70,352,709
Other taxes	441,334	-	-	-	-	441,334
Licenses and permits	950,621	-	-	-	-	950,621
Intergovernmental	42,166,283	-	-	2,457,671	11,709,293	56,333,247
Charges for services	24,201,585	-	-	-	-	24,201,585
Investment earnings	2,498,968	1,112,058	126,895	-	1,407,398	5,145,319
Other	11,401,930	-	-	-	1,396,038	12,797,968
Total revenues	<u>431,586,938</u>	<u>1,112,058</u>	<u>126,895</u>	<u>2,457,671</u>	<u>26,797,647</u>	<u>462,081,209</u>
Expenditures:						
Current:						
General government	41,406,663	-	-	-	-	41,406,663
Public safety	73,639,044	-	-	-	9,396,225	83,035,269
Environmental protection	2,980,933	-	-	-	-	2,980,933
Human services	66,186,369	-	-	-	5,495,093	71,681,462
Culture and recreation	15,841,182	-	-	-	-	15,841,182
Community and economic development	5,780,995	-	-	-	673,649	6,454,644
Education	719,385	-	-	-	-	719,385
Intergovernmental: Education	142,953,868	31,858,231	-	-	14,698,148	189,510,247
Debt service:						
Principal retirement	-	-	-	45,885,000	-	45,885,000
Interest and other charges	-	273,950	-	24,304,708	49,450	24,628,108
Capital outlay	-	-	-	-	27,653,351	27,653,351
Total expenditures	<u>349,508,439</u>	<u>32,132,181</u>	<u>-</u>	<u>70,189,708</u>	<u>57,965,916</u>	<u>509,796,244</u>
Excess (deficiency) of revenues over expenditures	<u>82,078,499</u>	<u>(31,020,123)</u>	<u>126,895</u>	<u>(67,732,037)</u>	<u>(31,168,269)</u>	<u>(47,715,035)</u>

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

(continued)

FORSYTH COUNTY, NORTH CAROLINA

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2020

Exhibit 4

Page 2 of 2

	<u>General Fund</u>	<u>2016 Schools Facilities</u>	<u>Capital Reserve</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses):						
Installment purchase obligation issued	-	-	-	-	2,690,477	2,690,477
Other long-term borrowing	-	-	-	-	2,247,974	2,247,974
Refunding bond issuance	-	-	264,114	66,545,886	-	66,810,000
Premium on refunding bonds	-	-	-	10,879,285	-	10,879,285
Transfers in	3,593,266	-	96,386,504	68,081,978	11,517,901	179,579,649
Transfers out	(105,343,952)	-	(64,229,241)	-	(10,006,456)	(179,579,649)
Payment to refunded bond escrow agent	-	-	-	(77,220,000)	-	(77,220,000)
Total other financing sources (uses)	<u>(101,750,686)</u>	<u>-</u>	<u>32,421,377</u>	<u>68,287,149</u>	<u>6,449,896</u>	<u>5,407,736</u>
Net change in fund balances	(19,672,187)	(31,020,123)	32,548,272	555,112	(24,718,373)	(42,307,299)
Fund balance - June 30, 2019	<u>153,409,536</u>	<u>98,929,417</u>	<u>-</u>	<u>-</u>	<u>101,320,981</u>	<u>353,659,934</u>
Fund balance - June 30, 2020	\$ <u><u>133,737,349</u></u>	<u><u>67,909,294</u></u>	<u><u>32,548,272</u></u>	<u><u>555,112</u></u>	<u><u>76,602,608</u></u>	<u><u>311,352,635</u></u>

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

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, 2020

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

Net change in fund balances - total governmental funds	\$ (42,307,299)
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.	14,465,230
Contributions in the current fiscal year to the pension and OPEB plans are not included on the Statement of Activities.	13,686,847
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(1,373,513)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	2,157,130
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.	40,477,264
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.	(21,158,472)
Internal service funds are used by management to charge the costs of health and dental benefits to individual funds. The profit or loss generated by the internal service fund is eliminated on the statement of activities.	2,928,885
Change in net position of governmental activities	<u>\$ 8,876,072</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, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenues:				
Property taxes	\$ 280,544,843	280,544,843	281,317,622	772,779
Occupancy taxes	800,000	800,000	719,675	(80,325)
Local option sales taxes	68,650,248	68,650,248	67,888,920	(761,328)
Other taxes	445,000	445,000	441,334	(3,666)
Total taxes	350,440,091	350,440,091	350,367,551	(72,540)
Licenses and permits	820,140	820,140	950,621	130,481
Intergovernmental	41,888,563	50,032,027	42,166,283	(7,865,744)
Charges for services	22,843,057	23,968,957	24,201,585	232,628
Investment earnings	3,479,000	3,479,000	2,498,968	(980,032)
Other	10,270,563	10,350,340	11,401,930	1,051,590
Total revenues	429,741,414	439,090,555	431,586,938	(7,503,617)
Expenditures:				
Current:				
General government	48,454,692	47,307,294	41,406,663	5,900,631
Public safety	81,668,242	85,291,512	73,639,044	11,652,468
Environmental protection	2,818,711	2,847,561	2,980,933	(133,372)
Human services	75,009,748	77,381,186	66,186,369	11,194,817
Culture and recreation	17,310,546	17,619,117	15,841,182	1,777,935
Community and economic development	5,776,359	7,306,069	5,780,995	1,525,074
Education	964,868	983,435	719,385	264,050
Intergovernmental:				
Education	142,954,868	142,954,868	142,953,868	1,000
Total expenditures	374,958,034	381,691,042	349,508,439	32,182,603
Excess (deficiency) of revenues over expenditures	54,783,380	57,399,513	82,078,499	24,678,986
Other financing sources (uses):				
Transfers in	2,664,731	3,837,045	3,593,266	(243,779)
Transfers out	(71,140,554)	(112,008,590)	(105,343,952)	6,664,638
Total other financing sources (uses)	(68,475,823)	(108,171,545)	(101,750,686)	6,420,859
Net change in fund balance	\$ (13,692,443)	(50,772,032)	(19,672,187)	31,099,845
Fund balance - June 30, 2019			153,409,536	
Fund balance - June 30, 2020			\$ 133,737,349	

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, 2020

Exhibit 6

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents / investments	\$ 10,473,057
Accounts receivable	303,491
Accrued interest	21,385
Total assets	<u>10,797,933</u>
LIABILITIES	
Current liabilities:	
Accounts payable	64,393
Claims liability	2,915,564
Unearned revenue	176,372
Total liabilities	<u>3,156,329</u>
NET POSITION	
Unrestricted	\$ <u><u>7,641,604</u></u>

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

FORSYTH COUNTY, NORTH CAROLINA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund - Internal Service Fund
For the Fiscal Year Ended June 30, 2020

Exhibit 7

	Governmental Activities
Operating revenues:	
Charges for services	\$ 28,356,288
Other revenue	1,007,506
Total operating revenues	<u>29,363,794</u>
Operating expenses:	
Professional services	1,507,334
Claims	23,484,497
Insurance premiums	1,596,931
Total operating expenses	<u>26,588,762</u>
Operating income	2,775,032
Nonoperating revenues:	
Interest earnings	153,853
Change in net position	<u>2,928,885</u>
Net position at beginning of year	<u>4,712,719</u>
Net position at end of year	\$ <u><u>7,641,604</u></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, 2020

Exhibit 8

	Governmental Activities
Cash flows from operating activities:	
Cash received from user departments and participants	\$ 29,261,787
Cash paid to suppliers, participants and others	<u>(26,740,095)</u>
Net cash provided by operating activities	<u>2,521,692</u>
Cash flows from investing activities:	
Interest and dividends on investments	<u>161,072</u>
Net increase in cash and cash equivalents	2,682,764
Cash/cash equivalents at beginning of year	<u>7,790,293</u>
Cash/cash equivalents at end of year	<u>\$ 10,473,057</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ <u>2,775,032</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Increase in accounts receivable	(110,103)
Decrease in due from other governments	229
Decrease in accounts payable	(36,888)
Decrease in claims payable	(114,445)
Increase in unearned revenue	<u>7,867</u>
Total adjustments	<u>(253,340)</u>
Net cash provided by operating activities	<u>\$ 2,521,692</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, 2020

	Other Post-employment Benefit Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents / investments	\$ -	1,671,770
Cash and investments held by fiscal agent:		
Cash and equivalents	41	-
Short-Term OPEB Fund	3,051,433	-
Long-Term OPEB Fund	8,140,400	-
OPEB Equity Funds	19,934,398	-
Receivables:		
Property taxes	-	3,492,291
Accrued interest	-	537
Total assets	<u>31,126,272</u>	<u>5,164,598</u>
LIABILITIES		
Due to other governments	-	4,518,763
Other liabilities	-	645,835
Total liabilities	<u>-</u>	<u>5,164,598</u>
NET POSITION		
Net position restricted for post-employment benefits other than pensions	\$ <u>31,126,272</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, 2020

	Other Post-employment Benefit Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 4,333,751
Plan members	447,837
Total contributions	<u>4,781,588</u>
Investment income	1,176,466
Investment expense	<u>(1,893)</u>
Total additions	5,956,161
DEDUCTIONS	
Benefits	<u>3,181,588</u>
Change in net position	2,774,573
Net position restricted for post-employment benefits other than pensions	
Net position, beginning	28,351,699
Net position, ending	<u>\$ 31,126,272</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, 2020

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.

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.

Capital Reserve Fund. This fund accounts for the accumulation of reserves for future debt service and capital projects.

Debt Service Fund. This fund accounts for the annual payment of debt service and related revenues and expenditures.

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, the Capital Reserve Fund, the Debt Service Fund, and four special revenue funds: the Fire Tax Districts Fund, Law Enforcement Equitable Distribution Fund, Emergency Telephone System Fund, and Moser Bequest for Care of Elderly Fund. All annual appropriations lapse at fiscal year end. The State Public School Building Capital Fund, the 2017, 2018, 2019 and 2020 Housing Funds, the 2017 Justice Assistance Fund, and the Coronavirus Relief Fund 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. Expenditures may not legally exceed appropriations at the fund level for the Capital Reserve Fund and Debt Service Fund. 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 \$47.6 million included several for unanticipated intergovernmental and local grant funding that totaled \$8.1 million and appropriations of fund balance totaling \$37.1 million. Appropriations of fund balance included \$28.7 million to establish the Capital Reserve Fund, \$5.8 million to fund the 2019 Pay-Go fund, \$1.1 million for human services, and \$829,000 for economic development project funding. 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). 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.

The NCCMT Government Portfolio is an SEC-registered (2a-7) money market mutual fund which invests in treasuries and government agencies. The NCCMT Term portfolio is a short-term bond fund investing in treasuries, government agencies, and money market instruments allowed under North Carolina General Statute 150-30. Both the Government Portfolio and Term Portfolio are reported at fair value.

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).

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, 2019.

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. 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 and OPEB related deferrals, and contributions made to the pension and OPEB 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 several items that meet this criterion – unavailable taxes and other revenue receivable, and 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. This statute is one of several enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. G.S. 159-8(a) stipulates that appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. The resulting amount of fund balance not available for appropriation is known as Restricted by State statute ("RSS"). RSS is calculated at the end of each fiscal year and 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. RSS is further reduced by inventories and prepaids as they are classified as nonspendable. RSS is included as a component of restricted net position in the Statement of Net Position and restricted fund balance in the governmental balance sheet.

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 Public Safety. This portion of fund balance is restricted by revenue source for law enforcement and emergency services purposes.

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

Restricted for Environmental Protection. 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 airport operations, 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. 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. 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 construction of library facilities.

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 Courthouse Debt Leveling Plan. Unspent revenue generated by 2.0 cents of the ad valorem tax rate and interest on the unspent portions thereof is committed for retirement of debt incurred for the construction of new courthouse facility.

Committed for Culture and Recreation - Library. 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 Community and 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 2020-2021 Budget Ordinance that is not already classified in restricted or committed.

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

Assigned for Management Special Projects. In the General Fund, unassigned fund balance in excess of 14% of the subsequent year's budget 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.

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 \$(427,054,504) consists of several elements detailed in the following table.

Description	Detail	Net Adjustment
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		\$ 238,933,363
Other long-term assets used in governmental activities are not a current financial resource and, therefore, are not reported in the funds.		
Pension asset - ROD	\$ 679,188	
Accrued interest and penalties on property taxes	615,114	
Prepays	4,992	1,299,294
Deferred outflows of resources used in governmental activities represent a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then, and therefore, are not reported in the funds.		
Pension and OPEB contributions, current year	\$ 13,686,847	
Pension and OPEB related deferred outflows	21,738,714	
Unamortized bond refunding charges	5,897,629	41,323,190
Earned revenue that is not available to pay current period expenditures is deferred in the funds.		
Property taxes	2,130,836	
Intergovernmental revenue	875,175	
Interest earnings	11,972	
Fees and miscellaneous	9,028,127	12,046,110
Deferred inflows of resources reported in the government-wide statements, but not the fund statements – pension and OPEB related deferrals		(9,046,322)
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.		7,641,604
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	(5,922,469)	
Bonds, limited obligation bonds, installment purchases and other borrowing	(551,978,451)	
Compensated absences	(8,439,750)	
Pension liabilities	(46,149,867)	
Claims and judgments – excluding health and dental	(1,186,081)	
Net OPEB obligation	(66,647,741)	
Unamortized issuance premiums	(38,927,384)	(719,251,743)
Total adjustment		\$ (427,054,504)

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 \$51,183,371 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.	\$ 26,529,356	
Depreciation expense, the allocation of capital assets over their useful lives, is recorded on the statement of activities but not in the fund statements.	(12,064,126)	\$ 14,465,230
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.		13,686,847
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		(1,373,513)
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, 2019:		
Property taxes and accrued interest on property taxes	(2,373,138)	
Intergovernmental	(174,222)	
Interest earnings	(7,208)	
Fees and miscellaneous	(7,949,526)	
Record deferred inflows in the fund statements at June 30, 2020:		
Property taxes and accrued interest on property taxes	2,745,950	
Intergovernmental	875,175	
Interest earnings	11,972	
Fees and miscellaneous	9,028,127	2,157,130
On the fund statements, new debt issued during the year is recorded as a source of funds, and principal payments on debt are recorded as a use of funds. Neither transaction affects the statement of activities.		
New debt issued	(82,627,736)	
Payment to refunded bond escrow agent	77,220,000	
Principal payments on debt	45,885,000	40,477,264
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	(959,339)	
Claims and judgments – excluding health and dental	(45,926)	
OPEB expense	(7,387,223)	
Pension expense	(17,231,741)	
Accrued interest	664,354	
Prepays	(2,875)	
Amortized charge on refundings	(1,971,287)	
Amortized debt premiums	5,775,565	(21,158,472)
Internal service fund profit or loss generated by customers within the primary government is eliminated from the statement of activities.		2,928,885
Total adjustments		\$ 51,183,371

3. Stewardship, Compliance, and Accountability

Excess of Expenditures over Appropriations

The following budget variances are not in compliance with legal budgetary control. Expenditures for Emergency Management exceeded budget by \$1,946. Emergency Management is a consolidated City-County department administered by the City of Winston-Salem. Appropriations for the Emergency Management department are based on historical costs, and a preliminary yearend review indicated the budget was adequate; however, final costs invoiced after the end of the budget year exceeded the appropriation. Continued refinement of estimates should preclude future overages for these expenditures. Expenditures for the Medical Examiner exceeded budget by \$23,300. Appropriations for the Medical Examiner department are based on historical costs. An unanticipated increase in investigative and autopsy fees, all of which were invoiced after June 30, resulted in excess expenditures for the year. Increasing budgeted appropriations for Medical Examiner should preclude future overages for these expenditures. Expenditures for Inspections exceeded budget by \$255,955. Inspection expenditures are budgeted net of anticipated inspection revenue; however, actual inspection revenue and expenditures are reported separately. Had expenditures not been budgeted net of anticipated inspection revenue, actual expenditures would not have exceeded budget. Inspection revenue and expenditures will be budgeted separately in future budgets.

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 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, 2020, the deposit portion of the County's cash and investment pool was \$19,698,230. The bank balances totaled \$20,440,618, 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, 2020, the County's petty cash funds totaled \$18,490.

4b. Investments

The table below shows the distribution of the County's investment holdings by maturity as of June 30, 2020. The weighted average maturity of the total portfolio at June 30, 2020 is 41 days.

	Valuation Measurement Method	Reported Value	Fair Value	Less than 1 year	1 – 2 years	2 – 5 years
NCCMT Government portfolio	Fair value – level 1	\$ 161,969,330	161,969,330	161,969,330	-	-
NCCMT Term portfolio	Fair value – level 1	51,190,799	51,190,799	51,190,799	-	-
Commercial Paper	Amortized cost	66,866,024	66,866,024	66,866,024	-	-
Agency Securities	Fair value – level 2	10,008,650	10,008,650	-	4,010,000	5,998,650
Total Portfolio		\$ 290,034,803	290,034,803	280,026,153	4,010,000	5,998,650

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.

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, 2020, 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, 2020. The County's investment in the NC Capital Management Trust Term Portfolio is unrated and has a duration of .15 years. 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 Lloyds Bank Corp (5.2%), Collateralized Commercial Paper V Company, LLC (6.5%), Malayan Bank (6.5%), J. P. Morgan Securities (6.5%), Korean Development Bank (6.5%), Toyota (9.1%), Santander UK PLC (12.9%), Credit Suisse (13.0%), Bayer Landesbank (13.0%), and bonds issued by the Federal Farm Credit Bureau (5.2%) and Federal Home Loan Mortgage Corporation (7.8%).

Other Post-Employment Benefits Trust

At June 30, 2020, the Healthcare Plan had \$31,126,272 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), 26.2%; and, BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund, 64.0%.

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 interest 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, 2020. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund. 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, 2020. 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, 2020 the fair value of the funds was \$23.1074 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 1.3 years at June 30, 2020. The State Treasurer's BIF had a weighted average maturity of 7.97 years at June 30, 2020.

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
2017	\$ 2,039,533	667,947	2,707,480
2018	2,018,607	479,419	2,498,026
2019	2,018,607	297,745	2,316,352
2020	2,102,309	120,883	2,223,192
Totals	\$ 8,179,056	1,565,994	9,745,050

4d. Receivables

Receivables at June 30, 2020 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	\$ 5,423,529	(3,355,594)	2,067,935
Nonmajor governmental funds	164,970	(102,069)	62,901
Occupancy taxes – General fund	38,134	-	38,134
Other taxes – General fund	53,328	-	53,328
Accounts			
General fund	40,395,475	(30,734,650)	9,660,825
Nonmajor governmental funds	27,844	-	27,844
Accrued interest			
General fund	(90,122)	-	(90,122)
Nonmajor governmental funds	87,060	-	87,060
Total receivables	\$46,100,218	(34,192,313)	11,907,905

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, 2020, the components of *unavailable* and *unearned revenue* were as follows:

	Unavailable Revenue	Unearned Revenue
Governmental Funds:		
Delinquent property taxes receivable		
General fund	\$ 2,067,935	-
Nonmajor governmental funds	62,901	-
Intergovernmental and private grants		
General fund	593,902	1,894,737
Nonmajor governmental funds	281,274	187,021
Fees and other revenue		
General fund	8,993,298	316,315
Nonmajor governmental funds	34,828	-
Investment earnings – General fund	11,972	-
Total unavailable and unearned revenue for governmental funds	\$ 12,046,110	\$ 2,398,073
Governmental Activities: Fees and other revenue – Internal Service fund		176,372
Total unearned revenue for governmental activities		\$ 2,574,445

4e. Capital Assets

Capital asset activity for the year ended June 30, 2020, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 18,821,306	701,003	--	19,522,309
Art collections	577,907	--	--	577,907
Construction-in-progress	5,624,717	20,680,589	(13,120,646)	13,184,660
Total capital assets not being depreciated	25,023,930	21,381,592	(13,120,646)	33,284,876
Capital assets being depreciated:				
Buildings	264,336,112	13,726,162	(3,615,307)	274,446,967
Improvements other than buildings	46,687,596	754,803	(808,008)	46,634,391
Equipment	43,712,569	1,950,830	(2,330,495)	43,332,904
Vehicles	18,568,554	1,663,179	(8,390)	20,223,343
Software	10,344,031	173,436	(5,061,904)	5,455,563
Total capital assets being depreciated	383,648,862	18,268,410	(11,824,104)	390,093,168
Less accumulated depreciation for:				
Buildings	104,709,903	6,511,599	(2,282,162)	108,939,340
Improvements other than buildings	15,259,328	2,017,833	(808,008)	16,469,153
Equipment	38,555,542	1,608,799	(2,290,127)	37,874,214
Vehicles	13,962,342	1,752,459	(8,390)	15,706,411
Software	10,344,031	173,436	(5,061,904)	5,455,563
Total accumulated depreciation	182,831,146	12,064,126	(10,450,591)	184,444,681
Total capital assets being depreciated, net	200,817,716	6,204,284	(1,373,513)	205,648,487
Capital assets, net	\$225,841,646	27,585,876	(14,494,159)	238,933,363

Depreciation expense charged to functions for the year ended June 30, 2020, was as follows:

Function	Depreciation Expense
General government	\$ 2,752,800
Public safety	5,122,423
Environmental protection	61,506
Human services	659,191
Culture and recreation	2,345,218
Community and economic development	1,104,466
Education	18,522
Total	\$ 12,064,126

Construction Commitments

Active construction projects as of June 30, 2020 include: First and Chestnut Street parking deck, courthouse facility, business park infrastructure development, new branch library construction and renovation of existing branches, design work for Kaleideum museum, various general County and park maintenance projects, detention center energy efficiency enhancements, and renovation and improvements to the Z. Smith Reynolds Airport. At June 30, 2020, commitments with contractors on these projects are as follows:

Project	Spent-to-Date	Remaining Commitment
First & Chestnut Street parking deck	\$ 11,527,719	743,707
Court facilities	5,316,795	2,660,132
Tanglewood Business Park	2,553,469	2,484,307
Branch libraries	1,955,082	4,244,872
Kaleideum Museum	1,535,365	2,859,355
Park maintenance	1,354,779	1,735,208
Law Enforcement Detention Center - efficiency upgrades	456,184	45,080
Smith Reynolds Airport	445,838	676,942
Miscellaneous capital maintenance	16,830	43,670
Totals	\$ 25,162,061	15,493,273

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, 2020, interfund receivables and payables are as follows:

Payable Fund:	Receivable Fund:	General Fund	Capital Reserve Fund	Debt Service Fund
Major governmental funds:				
General Fund	\$ --	1,400	--	
Capital Reserve Fund	--	--	1,400	
Nonmajor governmental funds:				
State Public School Building Capital Fund	--	--	555,112	
2018 Housing Fund	168,592	--	--	
Total	\$ 168,592	1,400	556,512	

The following is a summary of interfund transfers for the year ended June 30, 2020:

Transfers in:					
Transfers out:	General Fund	Capital Reserve Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
General Fund	\$ --	96,386,504	--	8,957,448	105,343,952
Capital Reserve Fund	--	--	64,229,241	--	64,229,241
Nonmajor governmental funds	3,593,266	--	3,852,737	2,560,453	10,006,456
Totals	\$ 3,593,266	96,386,504	68,081,978	11,517,901	179,579,649

The General Fund transferred \$96,386,504 to the Capital Reserve Fund, \$1,735,000 to the 2018 Winston-Salem/Forsyth County Schools Capital Maintenance fund, \$1,338,500 to the 2018 Motive Equipment fund, \$5,841,610 to the 2019 Pay-Go fund, and \$42,338 to the 2020 Housing grant project fund to provide local matching funds for a grant.

Transfers of \$3,593,266 to the General Fund from nonmajor governmental funds included \$3,071,560 from the Fire Tax Districts special revenue fund to support the County fire department; \$135,378 from the Law Enforcement Equitable Distribution special revenue fund for law enforcement programs, a residual equity transfer of \$211,664 from the 2016 Pay-Go fund, and \$174,664 from the 2018 Pay-Go fund for general government activities.

The Debt Service Fund received \$64,229,241 from the Capital Reserve Fund and \$3,852,737 in lottery proceeds from the Public School Building Capital fund for the payment of current year debt service and debt issuance costs. To prepare the 2016 Pay-Go fund for closing, transfers of \$881,871 and \$839,450 in unexpended project funds were made to the 2018 Pay-Go fund and 2019 Pay-Go fund, respectively. An additional transfer of \$839,132 was made from the 2018 Pay-Go fund to the 2019 Pay-Go fund to provide funding for future capital projects.

4g. Payables

Payables at June 30, 2020, were as follows:

Description	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Vendors	\$ 4,975,692	1,400	3,597,852	8,574,944
Salaries and benefits	4,749,807	--	--	4,749,807
Totals	\$ 9,725,499	1,400	3,597,852	13,324,751

4h. Leases

Operating Leases The County leases buildings, office facilities, and equipment under non-cancelable operating leases. Total costs for such leases were \$396,199 for the year ended June 30, 2020. 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
2021	\$ 260,325
2022	262,047
2023	163,213
2024	139,871
2025	93,078
2026 – 2030	421,132
2031 – 2034	273,213
Total minimum lease payments	\$ 1,612,879

The total rental expenditures for all operating leases were \$853,561 for the year ended June 30, 2020.

4i. Long-term obligations

Long-term obligation activity

Changes in long-term obligations during the year ended June 30, 2020, were as follows:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Governmental activities:					
Compensated absences	\$ 7,480,411	11,273,878	10,314,539	8,439,750	6,600,692
Net pension liability (LGERs)	33,257,151	4,131,356	--	37,388,507	--
Pension liability (LEOSSA)	8,274,439	1,175,108	688,187	8,761,360	--
General obligation bonds	563,295,000	66,810,000	117,015,000	513,090,000	38,100,000
Unamortized premiums	32,497,576	10,879,285	5,591,224	37,785,637	--
Limited obligation bonds	19,650,000	--	1,565,000	18,085,000	1,565,000
Unamortized premiums	1,326,088	--	184,341	1,141,747	--
Installment purchase obligations	20,390,000	2,690,477	4,525,000	18,555,477	4,595,000
Other long-term borrowing	--	2,247,974	--	2,247,974	112,399
Net OPEB liability	68,102,850	--	1,455,109	66,647,741	--
Claims and judgments	4,170,164	24,482,158	24,550,677	4,101,645	3,901,342
Total general long-term obligations	\$ 758,443,679	123,690,236	165,889,077	716,244,838	54,874,433

Compensated absences, pension liabilities, the net other postemployment benefit obligation, and claims and judgments 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, 2020, 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 Debt Service Fund when due.

On April 1, 2020, the County issued \$66,810,000 general obligation refunding bonds at a total interest cost of 1.176 %. These bonds were issued for the purpose of refunding \$1,420,000 Public Improvement 2010 Series A bonds and \$75,800,000 Public Improvement 2010 Series C taxable Build America Bonds. As a result, the liability related to the refunded bonds has been removed from the statement of net position. This refunding was undertaken to reduce total debt service payments over the next 10 years by \$11,565,078 and resulted in an economic gain of \$10,935,920.

At June 30, 2020, the County has \$5,897,629 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.

The American Recovery and Reinvestment Act of 2009 (the “Recovery Act”) 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 \$1,193,241, or 90.6% of the interest paid on the 2010D Bonds, in such federal subsidy during the year ended June 30, 2020, and if the new federal sequester rate remains unchanged, expects to receive \$7,582,533 in such subsidies over the remaining life of the bonds. Such cash subsidy payments are not pledged to the repayment of the 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 2010D Bonds are subject to extraordinary optional redemption.

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, 2020, the rate of interest for both issues was .10%.

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, 2020, the rate of interest was .10%.

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, 2020
<u>Governmental Activities</u>					
School Building	06-24-2004	03-01-2025	Variable Rate %	\$ 15,000,000	6,250,000
	06-24-2004	03-01-2025	Variable Rate	15,000,000	6,250,000
	04-19-2007	10-01-2026	Variable Rate	30,000,000	14,600,000
	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	3,425,000
Library	11-05-2014	05-01-2033	2.4617	34,000,000	28,000,000
Public Improvement	01-08-2013	05-01-2032	2.2334	13,750,000	9,725,000
	11-04-2014	05-01-2033	2.4455	13,550,000	11,050,000
	03-14-2017	03-01-2037	2.8348	20,535,000	17,430,000
	03-15-2017	03-01-2037	3.1155	102,610,000	94,300,000
Refunding	03-20-2019	03-01-2039	2.7236	21,375,000	20,305,000
	03-21-2019	03-01-2039	2.7459	98,415,000	93,490,000
	09-02-2010	07-01-2023	2.0350	50,295,000	26,310,000
	01-09-2013	07-01-2026	1.7692	35,090,000	23,645,000
	01-28-2015	12-01-2028	1.8425	72,245,000	65,095,000
	04-01-2020	04-01-2030	1.1763	66,810,000	66,810,000
Totals				\$ 620,080,000	513,090,000

Of the \$428,160,000 public improvement and public improvement refunding bonds outstanding, \$44,841,808 funded County facilities and capital projects, \$334,069,271 funded School facilities, and \$49,248,921 funded Community College facilities.

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

June 30	Principal	Interest	Total
2021	\$ 38,100,000	20,666,225	58,766,225
2022	38,090,000	18,980,012	57,070,012
2023	38,140,000	17,186,037	55,326,037
2024	38,170,000	15,351,437	53,521,437
2025	39,370,000	13,477,437	52,847,437
2026 - 2030	184,530,000	42,208,805	226,738,805
2031 - 2035	98,145,000	15,246,006	113,391,006
2036 - 2039	38,545,000	2,574,268	41,119,268
Totals	\$ 513,090,000	145,690,227	658,780,227

There are \$228,975,000 in authorized but unissued general obligation bonds at June 30, 2020.

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, 2020, there was one series of industrial revenue bonds outstanding, with a principal amount payable of \$3,837,232.

Limited Obligation Bonds Outstanding limited obligation bonds secured by a deed of trust on County property are as follows:

Purpose of Issue	Principal Outstanding June 30, 2020
<u>Governmental Activities</u>	
Issued \$16,290,000 on May 31, 2012 to finance County facility renovation and construction; interest varies from 2.00% to 5.00%; final maturity 04-01-2033	\$ 10,585,000
Issued \$15,000,000 on December 22, 2009 to finance County facility renovation and construction; interest varies from 3.00% to 4.50%; final maturity 04-01-2030	7,500,000
Total	\$ 18,085,000

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

Year Ending June 30	Principal	Interest	Total
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	1,565,000	662,000	2,227,000
2025	1,565,000	587,500	2,152,500
2026 - 2030	7,825,000	1,782,500	9,607,500
2031 - 2034	2,435,000	243,250	2,678,250
Total	\$ 18,085,000	5,659,350	23,744,350

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

Installment Purchases On October 16, 2019, the County entered a \$70,000,000 direct installment financing draw program to finance the acquisition, construction and equipping of a new 250,000 square foot courthouse facility to be situated adjacent to the existing Forsyth County Government Center and Forsyth County Law Enforcement Detention Center. As security for any borrowing under this agreement, the County has pledged the new courthouse facility site and all buildings, improvements and fixtures to be located thereon. The County is reimbursed from the draw program for actual cost on a monthly basis. At June 30, 2020, the rate of interest was .41%. The County pays interest on the funds drawn under the agreement until the closing of the draw program which may be earlier than the final maturity date depending on the cash flow needs of the project. At that time, the County will issue fixed rate debt to pay off the direct installment financing draw program. As of June 30, 2020, the County has an unused line of credit for this direct installment financing draw program in the amount of \$67,309,523.

As authorized by State law, the County has entered into direct borrowing installment financing agreements secured by a deed of trust on County property as follows:

Purpose of Issue	Date of Issue	Final Maturity	Interest Rate	Amount Issued	Principal Outstanding June 30, 2020
<u>Governmental Activities</u>					
Refunding	01-22-2014	02-01-2026	2.47 %	\$ 8,230,000	3,920,000
Refunding	10-01-2015	10-01-2022	1.90	29,720,000	11,945,000
Court Facility	10-16-2019	10-16-2022	Variable Rate	2,690,477	2,690,477
Totals				\$ 40,640,477	18,555,477

Annual maturities are as follows:

Year Ending June 30	Principal	Interest	Total
2021	\$ 4,595,000	406,682	5,001,682
2022	4,660,000	314,731	4,974,731
2023	7,410,477	151,555	7,562,032
2024	645,000	46,683	691,683
2025	630,000	30,752	660,752
2026	615,000	15,191	630,191
Total	\$ 18,555,477	965,594	19,521,071

Other long-term borrowing. On December 20, 2019, the County entered a \$4,473,300 unsecured direct installment financing draw program with the State of North Carolina for the purpose of constructing and equipping a sanitary sewer project to serve the western area of the county. The County is reimbursed on a periodic basis from the draw program for actual cost. The County will pay interest on the funds drawn under the agreement at a rate of 1.91% with the first interest payment due upon project completion. The final principal sum drawn under the agreement will be repaid in 20 annual installments, the first of which is due on May 1st not earlier than six months after the scheduled completion date of the project, currently July 27, 2020. As of June 30, 2020, the County has an unused line of credit for this direct installment financing draw program in the amount of \$2,225,326.

As authorized by State law, the County has entered into an unsecured direct borrowing financing agreement as follows:

Purpose of Issue	Principal Outstanding June 30, 2020
<u>Governmental Activities</u>	
Issued \$4,473,300 on December 20, 2019 to finance sanitary sewer project; interest rate 1.91%; final maturity 05-01-2040	\$ 2,247,974
Total	\$ 2,247,974

Debt service requirements to maturity for other long-term borrowing are as follows:

Year Ending June 30	Principal	Interest	Total
2021	\$ 112,399	32,702	145,101
2022	112,399	40,789	153,188
2023	112,399	38,643	151,042
2024	112,399	36,496	148,895
2025	112,399	34,349	146,748
2026 - 2030	561,994	139,543	701,537
2031 - 2035	561,994	85,873	647,867
2036 - 2040	561,991	32,202	594,193
Total	\$ 2,247,974	440,597	2,688,571

Principal and interest requirements for other long-term borrowing are provided by a Debt Service Fund appropriation in the year in which they are due.

Legal Debt Limit. As of June 30, 2020, the County's legal debt limit was \$2,988,419,987, computed at 8% of the total appraised property valuation of \$37,355,249,837. With \$550,875,637 in County, School, and Community College bonds outstanding at June 30, 2020 and \$40,030,198 committed under limited obligation bonds, installment purchase and other long-term borrowing, the County could issue additional bonds up to \$2,397,514,152 if authorized.

Debt Related to Capital Activities. Of the total governmental activities debt, \$111,363,510 relates to assets to which the County holds title. Unspent restricted investments related to this debt is \$13,634,690.

4j. Fund Balances

The following are details of the governmental funds fund balances as of June 30, 2020:

	General Fund	2016 Schools Facilities Fund	Capital Reserve Fund	Debt Service Fund	Nonmajor Governmental Funds
Nonspendable – prepaid items	\$ 122,250	--	--	--	--
Restricted:					
State statute reserve	29,354,050	959,630	1,400	556,512	1,796,282
Encumbrance reserve	2,556,587	--	--	--	15,912,759
Total Stabilization by State Statute	31,910,637	959,630	1,400	556,512	17,709,041
Register of Deeds	1,696,374	--	--	--	--
Public Safety	680,729	--	--	--	953,814
Human Services	2,949,565	--	--	--	1,048,232
Environmental Protection	24,623	--	--	--	--
Capital Projects	--	66,949,664	10,200	--	40,319,941
Fire Protection	--	--	--	--	668,415
Emergency Telephone System	--	--	--	--	1,706,919
Community and Economic Development	355,214	--	--	--	191,962
Total Restricted	37,617,142	67,909,294	11,600	556,512	62,598,324
Committed:					
Education Debt Leveling Plans	--	--	11,718,731	--	--
Library Debt Leveling Plan	--	--	1,476,891	--	--
Public Improvement Debt Leveling Plan	--	--	11,967,864	--	--
Courthouse Debt Leveling Plan	--	--	7,374,586	--	--
Culture and Recreation - Library	40,000	--	--	--	--
Law Enforcement Separation Allowance	1,656,552	--	--	--	--
Community and Economic Development	1,284,866	--	--	--	--
Capital projects	--	--	--	--	17,015,786
Total Committed	2,981,418	--	32,538,072	--	17,015,786
Assigned:					
Subsequent Year Budget	10,271,148	--	--	--	--
Community and Economic Development	1,797,981	--	--	--	--
Management Special Projects	18,386,234	--	--	--	--
Total Assigned	30,455,363	--	--	--	--
Unassigned	62,561,176	--	(1,400)	(1,400)	(3,011,502)
Total Fund Balances	\$ 133,737,349	67,909,294	32,548,272	555,112	76,602,608

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, 2021:

	Subsequent Year's Budget Appropriation	Unappropriated Fund Balance	Total
Restricted:			
Public Safety	\$ 418,625	--	418,625
Human Services	615,000	1,695,529	2,310,529

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 8.95% and 9.70%, respectively, of annual covered payroll. The County's contributions to LGERS for the years ended June 30, 2020, 2019, and 2018 were \$8,915,568, \$7,328,062, and \$6,896,296, 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, 2020, the County reported a liability of \$37,388,507 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2019, the County's proportion was 1.369%, which was a decrease of .033% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$16,708,709. At June 30, 2020, 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	\$ 6,401,859	-
Changes of assumptions	6,093,707	-
Net difference between projected and actual earnings on pension plan investments	911,958	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	108,458	300,658
Employer contributions subsequent to the measurement date	8,915,568	-
Totals	\$ 22,431,550	300,658

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 outflows and deferred inflows of resources related to LGERS pension benefits will be recognized in pension expense as follows:

Year ending June 30,

2021	\$ 6,622,459
2022	2,036,507
2023	3,588,235
2024	968,123
Total	\$ 13,215,324

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality rates based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* 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, 2018 valuation were based on the results of an actuarial experience study prepared as of 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, 2020 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 2018 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 7.0%. 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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 85,514,352	37,388,507	(2,613,820)

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, 2018, the Separation Allowance's membership consisted of:

Retirees currently receiving benefits	42
Active plan members	217
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, 2020, the County's required and actual benefits paid were \$710,273.

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, 2020, the County reported a total pension liability of \$8,761,360. The total pension liability was measured as of December 31, 2019 based on an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of December 31, 2019 utilizing update procedures incorporating the actuarial assumptions.

For the year ended June 30, 2020, the County recognized pension expense of \$798,275. Benefit payments and administrative costs paid during the current fiscal year, but before the measurement date totaled \$349,616.

At June 30, 2020, 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	\$ 737,739	-
Changes of assumptions and other inputs	355,051	299,962
Benefit payments subsequent to the measurement date	362,139	-
Totals	\$ 1,454,929	299,962

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 outflows and deferred inflows of resources related to LEOSSA pension benefits will be recognized in pension expense as follows:

Year ending June 30,	
2021	\$ 207,647
2022	242,825
2023	200,262
2024	127,248
2025	14,846
Total	\$ 792,828

Actuarial Assumptions. The total pension liability in the December 31, 2018 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	3.26 percent

The discount rate used to determine the total pension liability is the Standard and Poor's Municipal Bond 20 Year High Grade Rate Index.

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 3.26 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 (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
County's total pension liability	\$ 9,382,680	8,761,360	8,189,455

Schedule of changes in total pension liability.

Total pension liability as of December 31, 2018	\$ 8,274,439
Changes for the year:	
Service cost at end of year	300,482
Interest	288,665
Change in benefit terms	-
Difference between expected and actuarial experience	362,962
Changes of assumptions and inputs	222,999
Benefit payments	(688,187)
Other	-
Net changes	486,921
Total pension liability as of December 31, 2019	\$ 8,761,360

Changes of assumptions and benefit terms. Since the prior measurement date of December 31, 2018 to the current measurement date of December 31, 2019, the discount rate has changed from 3.64 percent to 3.26 percent due to a change in the Municipal Bond Rate. There are no changes in assumed inflation rate, assumed wage inflation or 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, 2020 were \$693,428, 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, cost-sharing multiple-employer defined benefit 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, 2020, the County's required and actual contributions were \$34,124.

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, 2020, the County reported an asset of \$679,188 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2019, the County's proportion was 3.440%, which was a decrease of .340% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$74,373. At June 30, 2020, 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	\$ -	32,728
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	6,949	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	62,504	-
Employer contributions subsequent to the measurement date	34,124	-
Totals	\$ 103,577	32,728

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 outflows and deferred inflows of resources related to RODSPF pension benefits will be recognized in pension expense as follows:

Year ending June 30,	
2021	\$ 16,377
2022	23,166
2023	10,575
2024	(13,393)
Total	\$ 36,725

Actuarial Assumptions. The total pension liability in the December 31, 2018 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 rates based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* 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, 2018 valuation were based on the results of an actuarial experience study prepared as of 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, 2020 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 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)	\$ (561,426)	(679,188)	(778,751)

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.

Total Expense, Liabilities (Assets), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The following is information related to the proportionate share and pension expense for all pension plans as of June 30, 2020:

	LGERS	LEOSSA	RODSPF	Total
Pension Expense	\$ 16,708,709	798,275	74,373	17,581,357
Pension Liability (Asset)	37,388,507	8,761,360	(679,188)	45,470,679
Proportionate share of pension liability (asset)	1.369%		3.440%	
Deferred Outflows of Resources:				
Differences between expected and actual experience	6,401,859	737,739	--	7,139,598
Changes of Assumptions	6,093,707	355,051	--	6,448,758
Net difference between projected and actual earnings on pension plan investments	911,958	--	6,949	918,907
Changes in proportion and differences between employer contributions and proportionate share of contributions	108,458	--	62,504	170,962
Employer contributions subsequent to the measurement date	8,915,568	362,139	34,124	9,311,831
Total Deferred Outflows of Resources	\$ 22,431,550	1,454,929	103,577	23,990,056
Deferred Inflows of Resources:				
Differences between expected and actual experience	--	--	32,728	32,728
Changes of Assumptions	--	299,962	--	299,962
Changes in proportion and differences between employer contributions and proportionate share of contributions	300,658	--	--	300,658
Total Deferred Inflows of Resources	\$ 300,658	299,962	32,728	633,348

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, 2018, the date of the latest actuarial valuation:

Retirees currently receiving benefits	983
Active plan members	1,893
Total	2,876

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 \$-0- and \$10,099, respectively, for fiscal year 2020. The monthly cost of healthcare benefits is shared by the County and covered retirees, respectively, as follows: retiree-only coverage, \$796 and \$110; retiree and one dependent, \$991 and \$310; and retiree and more than one dependent, \$1,385 and \$628. For fiscal year 2020, the County contributed \$2,723,652 for healthcare benefits, and retiree Plan members contributed \$447,837. 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%	6.75%
Bond index fund	25%	2.84%
Short-term investment fund	10%	2.32%

For the year ended June 30, 2020, the money weighted annual rate of return on investments, net of investment expense, was 3.91 percent.

Net OPEB Liability. The components of the net OPEB liability at June 30, 2020 are:

Total OPEB liability	\$ 97,774,013
Plan fiduciary net position	31,126,272
Net OPEB liability	\$ 66,647,741

The ratio of plan fiduciary net position to total OPEB liability is 31.83 percent.

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2018 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	5.33 percent
Municipal bond index rate:	
Prior measurement date	3.50 percent
Measurement date	2.21 percent
Year fiduciary net position to be depleted:	
Prior measurement date	2035
Measurement date	2049
Single equivalent interest rate, net of OPEB plan investment expense, including price inflation:	
Prior measurement date	4.14 percent
Measurement date	4.26 percent
Health care cost trends: Pre-Medicare	7.25 percent for 2018 decreasing to an ultimate rate of 4.75 percent by 2028

The total OPEB liability was rolled forward to June 30, 2020, 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, 2018 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 be depleted in 2049.

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 4.26 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 (3.26 percent) or 1-percentage-point higher (5.26 percent) than the current rate:

	1% Decrease (3.26%)	Discount Rate (4.26%)	1% Increase (5.26%)
Net OPEB liability	\$ 75,326,376	66,647,741	58,881,893

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 7.25 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 (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB liability	\$ 56,212,889	66,647,741	79,016,036

Changes in Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB. At June 30, 2020, the County reported a net OPEB liability of \$66,647,741. The total OPEB liability used to calculate the net OPEB liability is based upon an actuarial valuation as of June 30, 2018. The expected total OPEB liability is determined as of June 30, 2020 using standard roll forward techniques.

At June 30, 2020, the components of the net OPEB liability are as follows:

	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance as of June 30, 2019	\$ 96,454,549	28,351,699	68,102,850
Changes for the year:			
Service cost	4,365,019	--	4,365,019
Interest	3,936,358	--	3,936,358
Difference between expected and actual experience	(3,215,577)	--	(3,215,577)
Changes of assumptions or other inputs	(991,320)	--	(991,320)
Contributions – employer	--	4,375,016	(4,375,016)
Net investment income	--	1,174,573	(1,174,573)
Benefit payments	(2,775,016)	(2,775,016)	--
Net changes	1,319,464	2,774,573	(1,455,109)
Balance as of June 30, 2020	\$ 97,774,013	31,126,272	66,647,741

For the year ended June 30, 2020, the County recognized OPEB expenses of \$7,387,223. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	7,580,012
Changes of assumptions and other inputs	11,194,462	832,962
Net difference between projected and actual earnings on pension plan investments	241,043	-
Totals	\$ 11,435,505	8,412,974

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

Year ending June 30,	
2021	\$ 793,469
2022	793,468
2023	850,875
2024	1,002,516
2025	(243,068)
Thereafter	(174,729)

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 for each health care claim. The County purchases commercial insurance for claims in excess of the retention limits. The commercial carrier paid \$906,151 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 \$2,000,000.

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 \$1,186,081 at June 30, 2020. It is reported in the Statement of Net Position as a long-term liability, with \$985,778 considered due within one year.

The County's estimated claims liability for employee, dependent, and retiree health care costs is \$2,915,564 at June 30, 2020. 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 \$7,641,604 in the Employee Health Benefits Fund are designated for these purposes.

Changes in the claims liability amount in fiscal 2018 through fiscal 2020 were as follows:

	Beginning Balance	Current-Year Claims and Changes in Estimates	Claims Payments	Ending Balance
2017-2018	\$3,858,419	22,546,741	(23,261,503)	3,143,657
2018-2019	3,143,657	25,568,436	(24,541,929)	4,170,164
2019-2020	4,170,164	24,482,158	(24,550,677)	4,101,645

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, 2020.

5e. 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 \$10,376,344 and \$8,416,379 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2020. In addition, the County made debt service payments of \$5,274,895 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, 2020. 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, 2020, occupancy taxes totaling \$3,198,557 were distributed to the Authority. The County also provided \$27,695 in financial services to the Authority during fiscal year 2020. 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, 2020. 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.

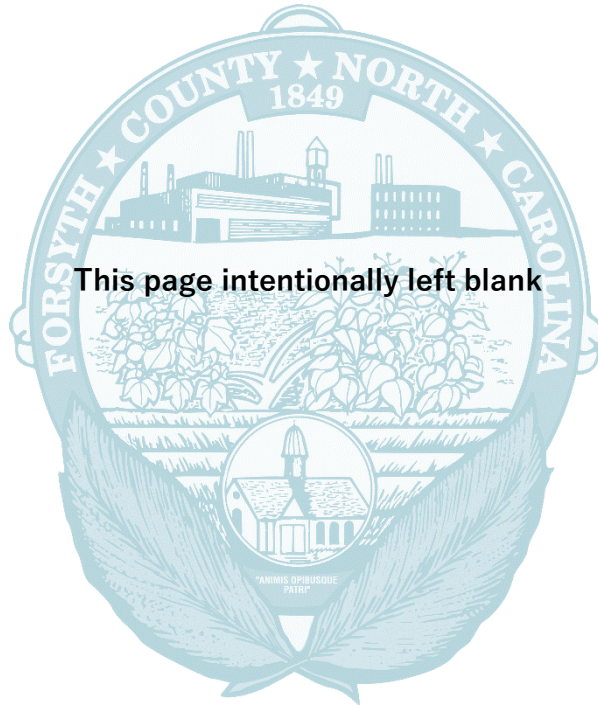
5f. Jointly Governed Organizations

The County, in conjunction with eleven other counties and 62 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 \$82,461 to the Council during the fiscal year ended June 30, 2020.

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, 2020.

5g. Risks and Uncertainties

The 2019 novel coronavirus ("COVID-19") has adversely affected, and may continue to adversely affect global, national and local economic activity. It is unknown the extent to which COVID-19 may continue to have a destabilizing effect on financial and economic activity or how it may adversely affect the County's financial condition, demand for County services, and results of operations. In addition, COVID-19 may result in health or other governmental authorities requiring the closure of County or other business operations which could significantly disrupt the County's ability to provide services and procure needed supplies and materials. The full extent of the adverse impact of the COVID-19 outbreak on the County cannot be predicted at this time.



This page intentionally left blank

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 Seven Fiscal Years (see Note 1 below)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset)	1.369%	1.402%	1.383%	1.380%	1.400%	(1.394%)	1.454%
County's proportionate share of the net pension liability (asset)	\$ 37,388,507	33,257,151	21,135,895	29,287,603	6,283,987	(7,691,093)	17,531,105
County's covered payroll	\$ 92,640,576	87,585,656	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 payroll	40.36%	37.97%	24.31%	34.73%	7.62%	(9.41%)	21.50%
Plan fiduciary net position as a percentage of the total pension liability	90.86%	91.63%	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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 8,915,568	7,328,062	6,896,296	6,435,317	5,736,808	5,880,990	5,791,279
Contributions in relation to the contractually required contribution	8,915,568	7,328,062	6,896,296	6,435,317	5,736,808	5,880,990	5,791,279
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 96,946,393	92,640,576	87,585,656	86,954,681	84,323,090	82,451,507	81,718,579
Contributions as a percentage of covered payroll	9.20%	7.91%	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

Last Four Fiscal Years (see Note 1 below)

		<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service Cost	\$	300,482	317,852	254,543	292,100
Interest		288,665	243,471	280,573	235,450
Difference between expected and actual experience		362,962	617,333	155,543	-
Changes of assumptions and other inputs		222,999	(278,708)	415,966	(455,706)
Benefit payments		(688,187)	(660,575)	(680,570)	(622,315)
Net change in Total Pension Liability	\$	486,921	239,373	426,055	(550,471)
Total Pension Liability - beginning		8,274,439	8,035,066	7,609,011	8,159,482
Total Pension Liability - ending	\$	<u>8,761,360</u>	<u>8,274,439</u>	<u>8,035,066</u>	<u>7,609,011</u>

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.

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>2019</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Pension Liability	\$	8,761,360	8,274,439	8,035,066	7,609,011
Covered-employee payroll	\$	12,300,412	11,753,403	10,996,359	10,680,124
Total Pension Liability as a percent of covered-employee payroll		71.23%	70.40%	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.

REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND

REQUIRED SUPPLEMENTARY INFORMATION

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

FORSYTH COUNTY, NORTH CAROLINA

Last Seven Fiscal Years (see Note 1 below)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset)	3.440%	3.780%	3.962%	3.961%	3.929%	3.869%	3.798%
County's proportionate share of the net pension liability (asset)	\$ (679,188)	(626,106)	(676,308)	(740,482)	(910,408)	(877,043)	(811,150)
Plan fiduciary net position as a percentage of the total pension liability	164.11%	153.31%	153.77%	160.17%	197.29%	102.64%	190.50%

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 34,124	32,699	32,350	34,426	32,356	31,436	31,593
Contributions in relation to the contractually required contribution	34,124	32,699	32,350	34,426	32,356	31,436	31,593
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
TOTAL OPEB LIABILITY				
Service Cost	\$ 4,365,019	\$ 3,081,527	\$ 3,045,210	\$ 2,876,639
Interest on total OPEB liability	3,936,358	4,719,619	4,605,929	4,422,422
Difference between expected and actual experience	(3,215,577)	(6,122,054)	(1,342,048)	-
Changes of assumptions or other inputs	(991,320)	16,450,078	-	-
Benefit payments ²	(2,775,016)	(4,366,227)	(4,371,688)	(4,025,629)
Net change in total OPEB liability	1,319,464	13,762,943	1,937,403	3,273,432
Total OPEB liability - beginning	96,454,549	82,691,606	80,754,203	77,480,771
Total OPEB liability - ending	<u>97,774,013</u>	<u>96,454,549</u>	<u>82,691,606</u>	<u>80,754,203</u>
PLAN FIDUCIARY NET POSITION				
Contributions - employer ³	\$ 4,375,016	\$ 5,991,311	\$ 5,971,688	\$ 5,625,629
Net investment income	1,174,573	1,635,661	1,616,544	2,398,737
Benefit payments ²	(2,775,016)	(4,366,227)	(4,371,688)	(4,025,629)
Plan administrative expenses	-	(25,084)	-	-
Net change in Plan fiduciary net position	2,774,573	3,235,661	3,216,544	3,998,737
Plan fiduciary net position - beginning	28,351,699	25,116,038	21,899,494	17,900,757
Plan fiduciary net position - ending	<u>31,126,272</u>	<u>28,351,699</u>	<u>25,116,038</u>	<u>21,899,494</u>
NET OPEB LIABILITY	\$ 66,647,741	\$ 68,102,850	\$ 57,575,568	\$ 58,854,709
Plan fiduciary net position as a percentage of the total OPEB liability	31.83%	29.39%	30.37%	27.12%

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.

HEALTHCARE PLAN

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

FORSYTH COUNTY, NORTH CAROLINA

For the fiscal year ended June 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
TOTAL OPEB LIABILITY					
Actuarially Determined Contribution	\$ 7,277,688	\$ 7,144,036	\$ 7,144,036	\$ 5,627,638	\$ 5,321,271
Contributions in relation to the Actuarially Determined Contribution	4,375,016	5,991,311	5,971,688	5,625,629	6,926,372
Annual contribution excess (deficiency)	<u>\$ (2,902,672)</u>	<u>\$ (1,152,725)</u>	<u>\$ (1,172,348)</u>	<u>\$ (2,009)</u>	<u>\$ 1,605,101</u>

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	06/30/2018
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar
Remaining amortization period	22 years, closed
Asset valuation method	Market value of Assets
Actuarial assumptions:	
Investment rate of return*	5.86%
Medical cost trend rate	7.25% - 4.75%
Year of ultimate trend rate	2028
*Includes inflation at	2.50%

HEALTHCARE PLAN

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF INVESTMENT RETURNS ¹

FORSYTH COUNTY, NORTH CAROLINA

For the fiscal year ended June 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual money-weighted rate of return, net of investment expenses	3.91%	6.32%	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

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.

Capital Reserve Fund – This fund accounts for the accumulation of reserves for debt service and capital projects.

Debt Service Fund – This fund accounts for the payment of debt service and related revenues and expenditures.

GENERAL FUND**A-1****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2020

Page 1 of 3

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenues:				
Taxes:				
Property:				
Current year	\$ 278,494,843	278,494,843	278,664,272	169,429
Prior years	1,200,000	1,200,000	1,664,482	464,482
Interest and fees	850,000	850,000	988,868	138,868
Total property	280,544,843	280,544,843	281,317,622	772,779
Occupancy taxes	800,000	800,000	719,675	(80,325)
Local option sales:				
Article 39 one cent	31,866,182	31,866,182	31,151,041	(715,141)
Article 40 one-half cent	17,335,453	17,335,453	17,564,987	229,534
Article 42 one-half cent	19,448,613	19,448,613	19,166,099	(282,514)
Article 44 one-half cent	-	-	2,137	2,137
Article 46 one-quarter cent	-	-	4,656	4,656
Total sales	68,650,248	68,650,248	67,888,920	(761,328)
Other taxes	445,000	445,000	441,334	(3,666)
Total taxes	350,440,091	350,440,091	350,367,551	(72,540)
Licenses and permits	820,140	820,140	950,621	130,481
Intergovernmental	41,888,563	50,032,027	42,166,283	(7,865,744)
Charges for services	22,843,057	23,968,957	24,201,585	232,628
Investment earnings	3,479,000	3,479,000	2,498,968	(980,032)
Other	10,270,563	10,350,340	11,401,930	1,051,590
Total revenues	429,741,414	439,090,555	431,586,938	(7,503,617)
Expenditures:				
Current:				
General government:				
Budget and management	547,587	548,406	487,165	61,241
Management information services	6,895,688	7,211,920	6,926,444	285,476
Finance	2,719,569	3,148,323	2,596,364	551,959
General services	14,763,324	16,503,454	13,797,797	2,705,657
Human resources	1,342,953	1,405,204	1,255,748	149,456
Planning	1,597,330	1,597,330	1,412,715	184,615
Purchasing	119,700	119,700	117,108	2,592
MapForsyth	649,381	664,301	628,175	36,126
Attorney	1,721,413	1,801,592	1,750,724	50,868
Board of elections	1,687,581	1,693,597	1,405,552	288,045
County commissioners and manager	1,240,720	1,301,632	1,252,680	48,952
Register of deeds	1,429,991	1,483,823	1,343,737	140,086
Tax administration	7,074,815	7,463,241	6,952,812	510,429
Non-departmental:				
Contingency	732,668	1,016	-	1,016
County-wide salary savings	(2,500,000)	(2,500,000)	-	(2,500,000)
Other services and adjustments	4,387,658	2,792,364	1,169,642	1,622,722
Employee salary adjustments	1,939,314	1,761,391	-	1,761,391
Prior year encumbrances	1,800,000	-	-	-
Special appropriations	305,000	310,000	310,000	-
Total general government	48,454,692	47,307,294	41,406,663	5,900,631

GENERAL FUND

A-1

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2020

Page 2 of 3

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Public safety:				
Emergency management	\$ 408,350	408,350	410,296	(1,946)
Interagency communications	1,153,039	1,316,875	958,348	358,527
Sheriff	57,348,730	59,469,255	51,264,666	8,204,589
Emergency services	19,305,499	20,217,714	17,343,775	2,873,939
Court services	386,767	421,808	323,727	98,081
Medical examiner	349,500	349,500	372,800	(23,300)
Youth center	1,013,108	1,404,761	1,357,458	47,303
Nondepartmental other services and adjustments	1,703,249	1,703,249	1,607,974	95,275
Total public safety	81,668,242	85,291,512	73,639,044	11,652,468
Environmental protection:				
NC cooperative extension service - conservation of natural resources	216,321	221,244	187,204	34,040
Environmental assistance and protection	2,349,790	2,373,717	2,285,561	88,156
Inspections	241,820	241,820	497,775	(255,955)
Nondepartmental other services and adjustments	10,780	10,780	10,393	387
Total environmental protection	2,818,711	2,847,561	2,980,933	(133,372)
Human services:				
Behavioral health services	2,764,238	2,457,246	2,066,943	390,303
Public health	25,522,570	26,685,655	22,400,343	4,285,312
Social services	44,634,498	45,972,654	39,868,609	6,104,045
Aging services	631,130	708,319	615,180	93,139
Special appropriations	569,510	669,510	396,593	272,917
Nondepartmental other services and adjustments	887,802	887,802	838,701	49,101
Total human services	75,009,748	77,381,186	66,186,369	11,194,817
Culture and recreation:				
Library	8,032,466	8,250,266	7,662,344	587,922
Parks and recreation	8,524,169	8,614,940	7,488,946	1,125,994
Special appropriations	505,000	505,000	455,000	50,000
Nondepartmental other services and adjustments	248,911	248,911	234,892	14,019
Total culture and recreation	17,310,546	17,619,117	15,841,182	1,777,935
Community and economic development:				
Airport	2,167,072	2,419,520	1,961,990	457,530
Community and economic development	3,598,507	4,875,769	3,808,857	1,066,912
Nondepartmental other services and adjustments	10,780	10,780	10,148	632
Total community and economic development	5,776,359	7,306,069	5,780,995	1,525,074
Education:				
NC cooperative extension service	935,101	953,668	691,364	262,304
Nondepartmental other services and adjustments	29,767	29,767	28,021	1,746
Total education	964,868	983,435	719,385	264,050
Intergovernmental:				
Education:				
Forsyth Technical Community College:				
Current expense	10,377,344	10,377,344	10,376,344	1,000
Capital outlay	455,000	455,000	455,000	-
Total Forsyth Technical Community College	10,832,344	10,832,344	10,831,344	1,000

GENERAL FUND

A-1

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2020

Page 3 of 3

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Winston-Salem/Forsyth County Schools:				
Instructional programs	\$ 74,108,212	74,108,212	74,108,212	-
Support services	44,657,996	44,657,996	44,657,996	-
Community services	426,792	426,792	426,792	-
Charter schools	6,720,734	6,720,734	6,720,734	-
Capital outlay	6,208,790	6,208,790	6,208,790	-
Total Winston-Salem/Forsyth County Schools	<u>132,122,524</u>	<u>132,122,524</u>	<u>132,122,524</u>	<u>-</u>
Total intergovernmental education	<u>142,954,868</u>	<u>142,954,868</u>	<u>142,953,868</u>	<u>1,000</u>
Total expenditures	<u>374,958,034</u>	<u>381,691,042</u>	<u>349,508,439</u>	<u>32,182,603</u>
Excess (deficiency) of revenues over expenditures	<u>54,783,380</u>	<u>57,399,513</u>	<u>82,078,499</u>	<u>24,678,986</u>
Other financing sources (uses):				
Transfers in:				
Fire Tax Districts Fund	2,489,201	3,219,846	3,071,560	(148,286)
Law Enforcement Equitable Distribution Fund	175,530	242,535	135,378	(107,157)
2016 Pay-Go Fund	-	200,000	211,664	11,664
2018 Pay-Go Fund	-	174,664	174,664	-
Total transfers in	<u>2,664,731</u>	<u>3,837,045</u>	<u>3,593,266</u>	<u>(243,779)</u>
Transfers out:				
Capital Reserve Fund	-	(96,581,077)	(96,386,504)	194,573
Debt Service Fund	(67,913,216)	-	-	-
2018 WSFCS Capital Maintenance Fund	(1,735,000)	(1,735,000)	(1,735,000)	-
2018 Motive Equipment Replacement Fund	(1,450,000)	(1,338,500)	(1,338,500)	-
2019 Pay-Go Fund	-	(5,841,610)	(5,841,610)	-
2020 Housing Fund	(42,338)	(42,338)	(42,338)	-
Coronavirus Relief Fund	-	(6,470,065)	-	6,470,065
Total transfers out	<u>(71,140,554)</u>	<u>(112,008,590)</u>	<u>(105,343,952)</u>	<u>6,664,638</u>
Total other financing sources (uses)	<u>(68,475,823)</u>	<u>(108,171,545)</u>	<u>(101,750,686)</u>	<u>6,420,859</u>
Net change in fund balance	<u>\$ (13,692,443)</u>	<u>(50,772,032)</u>	<u>(19,672,187)</u>	<u>31,099,845</u>
Fund balance - June 30, 2019			153,409,536	
Fund balance - June 30, 2020			\$ 133,737,349	

2016 SCHOOLS FACILITIES FUND

A-2

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2020

	<u>Budget</u>	<u>Cumulative Total to June 30, 2020</u>	<u>Activity Year Ended June 30, 2020</u>	<u>Cumulative Total to June 30, 2019</u>
Revenues - investment earnings	\$ 813,953	3,277,264	1,112,058	2,165,206
Expenditures:				
Debt service - interest and other charges	813,953	525,093	273,950	251,143
Current - intergovernmental - education	350,000,000	110,176,656	31,858,231	78,318,425
Total expenditures	<u>350,813,953</u>	<u>110,701,749</u>	<u>32,132,181</u>	<u>78,569,568</u>
Deficiency of revenues over expenditures	<u>(350,000,000)</u>	<u>(107,424,485)</u>	<u>(31,020,123)</u>	<u>(76,404,362)</u>
Other financing sources:				
General obligation bonds issued	350,000,000	163,625,000	-	163,625,000
Premium on general obligation bonds	-	11,708,779	-	11,708,779
Total other financing sources	<u>350,000,000</u>	<u>175,333,779</u>	<u>-</u>	<u>175,333,779</u>
Net change in fund balance	\$ <u>-</u>	<u>67,909,294</u>	<u>(31,020,123)</u>	<u>98,929,417</u>
Fund balance - June 30, 2019			98,929,417	
Fund balance - June 30, 2020			\$ <u><u>67,909,294</u></u>	

CAPITAL RESERVE 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, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues - investment earnings	\$ -	-	126,895	126,895
Expenditures - Budget reserve	<u>31,076,520</u>	<u>31,076,520</u>	<u>-</u>	<u>31,076,520</u>
Deficiency of revenues over expenditures	<u>(31,076,520)</u>	<u>(31,076,520)</u>	<u>126,895</u>	<u>(30,949,625)</u>
Other financing sources (uses):				
Refunding bonds issuance	-	264,114	264,114	-
Transfers in - General Fund	96,581,077	96,581,077	96,386,504	(194,573)
Transfers out - Debt Service Fund	<u>(65,504,557)</u>	<u>(65,768,671)</u>	<u>(64,229,241)</u>	<u>1,539,430</u>
Total other financing sources (uses)	<u>31,076,520</u>	<u>31,076,520</u>	<u>32,421,377</u>	<u>1,344,857</u>
Net change in fund balance	\$ <u>-</u>	<u>-</u>	<u>32,548,272</u>	<u>(29,604,768)</u>
Fund balance - June 30, 2019			-	
Fund balance - June 30, 2020			\$ <u><u>32,548,272</u></u>	

DEBT SERVICE FUND

A-4

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
Revenues - intergovernmental	\$ 6,103,748	6,103,748	2,457,671	(3,646,077)
Expenditures:				
Debt service:				
General obligation bonds:				
Principal	39,795,000	39,795,000	39,795,000	-
Interest and other charges	23,366,949	23,631,063	22,992,553	638,510
Budget reserve	2,554,639	-	-	-
Limited obligation bonds, installment purchases and certificates of participation:				
Principal	6,090,000	6,090,000	6,090,000	-
Interest and other charges	2,356,356	2,356,356	1,312,155	1,044,201
Budget reserve	6,346,408	-	-	-
Total expenditures	<u>80,509,352</u>	<u>71,872,419</u>	<u>70,189,708</u>	<u>1,682,711</u>
Deficiency of revenues over expenditures	<u>(74,405,604)</u>	<u>(65,768,671)</u>	<u>(67,732,037)</u>	<u>(5,328,788)</u>
Other financing sources:				
Refunding bonds issuance	-	77,220,000	66,545,886	(10,674,114)
Premium on refunding bonds	-	-	10,879,285	10,879,285
Transfers in:				
General Fund	67,913,216	-	-	-
State Public School Building Capital Fund	-	-	3,852,737	3,852,737
Capital Reserve Fund	-	65,768,671	64,229,241	(1,539,430)
Payment to refunded bond escrow agent	-	(77,220,000)	(77,220,000)	-
Total other financing sources (uses)	<u>67,913,216</u>	<u>65,768,671</u>	<u>68,287,149</u>	<u>2,518,478</u>
Net change in fund balance	\$ <u>(6,492,388)</u>	<u>-</u>	<u>555,112</u>	<u>(2,810,310)</u>
Fund balance - June 30, 2019			-	
Fund balance - June 30, 2020			\$ <u><u>555,112</u></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.

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.

2017 Justice Assistance Fund – This fund accounts for the 2017 Edward Byrne Memorial Justice Assistance grant.

2020 Housing Fund – This fund will account for the use of state and federal grants to be initiated in fiscal year 2020 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.

Coronavirus Relief Fund – This fund accounts for the use of state grant funds received from the North Carolina Coronavirus Relief Fund established under the 2020 COVID-19 Recovery Act for expenditures incurred related to the Coronavirus Disease 2019 public health emergency.

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

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

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

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 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.

2018 Motive Equipment Replacement Fund – This fund accounts for the purchase of the County's emergency and non-emergency vehicle fleet.

2018 2/3rds Bonds Fund – Proceeds of general obligation two-thirds bonds will finance County facility maintenance and repair and park maintenance projects.

2018 Winston-Salem/Forsyth County Schools Capital Maintenance Fund – Proceeds of general obligation two-thirds bonds will finance school capital maintenance projects.

2018 Forsyth Technical Community College Capital Maintenance Fund – Proceeds of general obligation two-thirds bonds will finance community college maintenance projects.

2018 Smith Reynolds Airport Fund – This fund will account for the use of state and federal grants for capital renovations and purchase of equipment at the Smith Reynolds Airport.

2018 Pay-Go Fund – This fund accounts for capital repairs at Smith Reynolds Airport, radio system and elections equipment replacement.

2018 First and Chestnut Parking Fund – This fund accounts for design and construction costs for a parking deck to be constructed across from the planned new court facility adjacent to the County Government Center.

2019 Pay-Go Fund – This fund accounts for community and economic development support, general government capital projects, and the construction, expansion, improvement and renovation of parks and recreational facilities.

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

B-1

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2020

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents / investments	\$ 5,299,864	30,781,676	36,081,540
Investments - restricted	-	43,233,363	43,233,363
Receivables (net):			
Property taxes	62,901	-	62,901
Accounts	2,510	25,334	27,844
Accrued interest	10,126	76,934	87,060
Due from other governments	1,593,447	404,033	1,997,480
Total assets	\$ 6,968,848	74,521,340	81,490,188
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 296,620	3,301,232	3,597,852
Due to other funds	723,704	-	723,704
Unearned revenue	187,021	-	187,021
Total liabilities	1,207,345	3,301,232	4,508,577
Deferred Inflows of Resources:			
Unavailable taxes	62,901	-	62,901
Unavailable other revenue	281,274	34,828	316,102
Total deferred inflows of resources	344,175	34,828	379,003
Fund balances:			
Restricted for:			
Stabilization by state statute	1,664,593	16,044,448	17,709,041
Fire protection	668,415	-	668,415
Law enforcement	953,814	-	953,814
Emergency telephone system	1,706,919	-	1,706,919
Human services	1,048,232	-	1,048,232
Housing and community redevelopment	191,962	-	191,962
Capital projects	-	40,319,941	40,319,941
Committed for capital projects	-	17,015,786	17,015,786
Unassigned	(816,607)	(2,194,895)	(3,011,502)
Total fund balances	5,417,328	71,185,280	76,602,608
Total liabilities, deferred inflows of resources and fund balances	\$ 6,968,848	74,521,340	81,490,188

**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, 2020

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues:			
Taxes:			
Property	\$ 9,821,129	-	9,821,129
Local option sales taxes	2,463,789	-	2,463,789
Total taxes	12,284,918	-	12,284,918
Intergovernmental	11,177,500	531,793	11,709,293
Investment earnings	82,073	1,325,325	1,407,398
Other	116,079	1,279,959	1,396,038
Total revenues	23,660,570	3,137,077	26,797,647
Expenditures:			
Current:			
Debt service - interest and other charges	-	49,450	49,450
Public safety	9,396,225	-	9,396,225
Human services	5,495,093	-	5,495,093
Community and economic development	673,649	-	673,649
Intergovernmental - education	-	14,698,148	14,698,148
Capital outlay	53,341	27,600,010	27,653,351
Total expenditures	15,618,308	42,347,608	57,965,916
Excess (deficiency) of revenues over expenditures	8,042,262	(39,210,531)	(31,168,269)
Other financing sources (uses):			
Installment purchase obligation issued	-	2,690,477	2,690,477
Other long-term borrowing	-	2,247,974	2,247,974
Transfers in	42,338	11,475,563	11,517,901
Transfers out	(7,059,675)	(2,946,781)	(10,006,456)
Total other financing sources (uses)	(7,017,337)	13,467,233	6,449,896
Net change in fund balances	1,024,925	(25,743,298)	(24,718,373)
Fund balance - June 30, 2019	4,392,403	96,928,578	101,320,981
Fund balance (deficit) - June 30, 2020	\$ 5,417,328	71,185,280	76,602,608

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

C-1

FORSYTH COUNTY, NORTH CAROLINA

Page 1 of 2

June 30, 2020

	Fire Tax <u>Districts</u>	Law Enforcement Equitable <u>Distribution</u>	Emergency Telephone <u>System</u>	Moser Bequest for Care of Elderly	State Public School Building <u>Capital</u>	2017 Housing
ASSETS						
Cash and cash equivalents / investments	\$ 711,741	953,814	1,764,459	302,160	-	2,643
Receivables (net):						
Property taxes	62,901	-	-	-	-	-
Accounts	-	-	2,510	-	-	-
Accrued interest	1,980	2,250	4,139	703	-	-
Due from other governments	699,071	6,788	35,954	-	555,112	-
Total assets	\$ 1,475,693	962,852	1,807,062	302,863	555,112	2,643
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 43,326	-	57,540	-	-	-
Due to other funds	-	-	-	-	555,112	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	43,326	-	57,540	-	555,112	-
Deferred Inflows of Resources:						
Unavailable taxes	62,901	-	-	-	-	-
Unavailable other revenue	11,923	-	-	-	-	-
Total deferred inflows of resources	74,824	-	-	-	-	-
Fund balances:						
Restricted for:						
Stabilization by state statute	689,128	9,038	42,603	703	555,112	-
Fire protection	668,415	-	-	-	-	-
Law enforcement	-	953,814	-	-	-	-
Emergency telephone system	-	-	1,706,919	-	-	-
Human services	-	-	-	302,160	-	-
Housing and community redevelopment	-	-	-	-	-	2,643
Unassigned	-	-	-	-	(555,112)	-
Total fund balances (deficits)	1,357,543	962,852	1,749,522	302,863	-	2,643
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 1,475,693	962,852	1,807,062	302,863	555,112	2,643

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

C-1

FORSYTH COUNTY, NORTH CAROLINA

Page 2 of 2

June 30, 2020

	2018	2019	2017	2020	Coronavirus	
	<u>Housing</u>	<u>Housing</u>	<u>Justice Assistance</u>	<u>Housing</u>	<u>Relief</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents / investments	\$ -	183,500	198,844	13,163	1,169,540	5,299,864
Receivables (net):						
Property taxes	-	-	-	-	-	62,901
Accounts	-	-	-	-	-	2,510
Accrued interest	-	381	479	60	134	10,126
Due from other governments	269,554	196	-	26,400	372	1,593,447
Total assets	<u>\$ 269,554</u>	<u>184,077</u>	<u>199,323</u>	<u>39,623</u>	<u>1,170,046</u>	<u>6,968,848</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and						
accrued liabilities	\$ 203	994	685	-	193,872	296,620
Due to other funds	168,592	-	-	-	-	723,704
Unearned revenue	-	-	187,021	-	-	187,021
Total liabilities	<u>168,795</u>	<u>994</u>	<u>187,706</u>	<u>-</u>	<u>193,872</u>	<u>1,207,345</u>
Deferred Inflows of Resources:						
Unavailable taxes	-	-	-	-	-	62,901
Unavailable other revenue	269,351	-	-	-	-	281,274
Total deferred inflows of resources	<u>269,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>344,175</u>
Fund balances:						
Restricted for:						
Stabilization by state statute	203	6,927	104,317	26,460	230,102	1,664,593
Fire protection	-	-	-	-	-	668,415
Law enforcement	-	-	-	-	-	953,814
Emergency telephone system	-	-	-	-	-	1,706,919
Human services	-	-	-	-	746,072	1,048,232
Housing and community redevelopment	-	176,156	-	13,163	-	191,962
Unassigned	(168,795)	-	(92,700)	-	-	(816,607)
Total fund balances (deficits)	<u>(168,592)</u>	<u>183,083</u>	<u>11,617</u>	<u>39,623</u>	<u>976,174</u>	<u>5,417,328</u>
Total liabilities, deferred inflows of						
resources and fund balances (deficits)	<u>\$ 269,554</u>	<u>184,077</u>	<u>199,323</u>	<u>39,623</u>	<u>1,170,046</u>	<u>6,968,848</u>

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

C-2

NONMAJOR SPECIAL REVENUE FUNDS

Page 1 of 2

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2020

	<u>Fire Tax Districts</u>	<u>Law Enforcement Equitable Distribution</u>	<u>Emergency Telephone System</u>	<u>Moser Bequest for Care of Elderly</u>	<u>State Public School Building Capital</u>	<u>2017 Housing</u>
Revenues:						
Taxes:						
Property	\$ 9,821,129	-	-	-	-	-
Local option sales taxes	2,463,789	-	-	-	-	-
Intergovernmental	-	42,462	343,059	-	3,852,737	85,059
Investment earnings	23,757	17,939	29,655	5,351	-	-
Other	-	-	-	-	-	-
Total revenues	<u>12,308,675</u>	<u>60,401</u>	<u>372,714</u>	<u>5,351</u>	<u>3,852,737</u>	<u>85,059</u>
Expenditures:						
Current:						
Public safety	9,111,769	-	245,205	-	-	-
Human services	-	-	-	1,068	-	-
Community and economic development	-	-	-	-	-	80,195
Capital outlay - Public safety	-	-	53,341	-	-	-
Total expenditures	<u>9,111,769</u>	<u>-</u>	<u>298,546</u>	<u>1,068</u>	<u>-</u>	<u>80,195</u>
Excess (deficiency) of revenues over expenditures	<u>3,196,906</u>	<u>60,401</u>	<u>74,168</u>	<u>4,283</u>	<u>3,852,737</u>	<u>4,864</u>
Other financing sources (uses):						
Transfers in: General Fund	-	-	-	-	-	-
Transfers out:						
General Fund	(3,071,560)	(135,378)	-	-	-	-
Debt Service Fund	-	-	-	-	(3,852,737)	-
Total other financing sources (uses)	<u>(3,071,560)</u>	<u>(135,378)</u>	<u>-</u>	<u>-</u>	<u>(3,852,737)</u>	<u>-</u>
Net change in fund balances	125,346	(74,977)	74,168	4,283	-	4,864
Fund balance - June 30, 2019	1,232,197	1,037,829	1,675,354	298,580	-	(2,221)
Fund balance (deficit) - June 30, 2020	<u><u>\$ 1,357,543</u></u>	<u><u>962,852</u></u>	<u><u>1,749,522</u></u>	<u><u>302,863</u></u>	<u><u>-</u></u>	<u><u>2,643</u></u>

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

C-2

NONMAJOR SPECIAL REVENUE FUNDS

Page 2 of 2

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2020

	2018	2019	2017	2020	Coronavirus	
	<u>Housing</u>	<u>Housing</u>	<u>Justice</u>	<u>Housing</u>	<u>Relief</u>	<u>Total</u>
			<u>Assistance</u>			
Revenues:						
Taxes:						
Property	\$ -	-	-	-	-	9,821,129
Local option sales taxes	-	-	-	-	-	2,463,789
Intergovernmental	115,281	164,556	46,260	58,021	6,470,065	11,177,500
Investment earnings	-	2,685	2,335	217	134	82,073
Other	-	116,079	-	-	-	116,079
Total revenues	<u>115,281</u>	<u>283,320</u>	<u>48,595</u>	<u>58,238</u>	<u>6,470,199</u>	<u>23,660,570</u>
Expenditures:						
Current:						
Public safety	-	-	39,251	-	-	9,396,225
Human services	-	-	-	-	5,494,025	5,495,093
Community and economic development	255,040	277,461	-	60,953	-	673,649
Capital outlay - Public safety	-	-	-	-	-	53,341
Total expenditures	<u>255,040</u>	<u>277,461</u>	<u>39,251</u>	<u>60,953</u>	<u>5,494,025</u>	<u>15,618,308</u>
Excess (deficiency) of revenues over expenditures	<u>(139,759)</u>	<u>5,859</u>	<u>9,344</u>	<u>(2,715)</u>	<u>976,174</u>	<u>8,042,262</u>
Other financing sources (uses):						
Transfers in: General Fund	-	-	-	42,338	-	42,338
Transfers out:						
General Fund	-	-	-	-	-	(3,206,938)
Debt Service Fund	-	-	-	-	-	(3,852,737)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,338</u>	<u>-</u>	<u>(7,017,337)</u>
Net change in fund balances	(139,759)	5,859	9,344	39,623	976,174	1,024,925
Fund balance - June 30, 2019	(28,833)	177,224	2,273	-	-	4,392,403
Fund balance (deficit) - June 30, 2020	<u><u>\$ (168,592)</u></u>	<u><u>183,083</u></u>	<u><u>11,617</u></u>	<u><u>39,623</u></u>	<u><u>976,174</u></u>	<u><u>5,417,328</u></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, 2020

Page 1 of 2

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
Revenues:				
Taxes:				
Property	\$ 9,622,613	9,622,613	9,821,129	198,516
Local option sales taxes	2,489,204	2,489,204	2,463,789	(25,415)
Total taxes	12,111,817	12,111,817	12,284,918	173,101
Investment earnings	-	-	23,757	23,757
Total revenues	12,111,817	12,111,817	12,308,675	196,858
Expenditures - current - public safety:				
Beeson's Cross Roads	302,650	302,650	302,650	-
Beeson's Cross Roads Service	32,758	32,758	32,758	-
Belews Creek	402,218	402,218	402,218	-
City View	42,116	42,116	42,116	-
Clemmons	1,720,468	1,720,468	1,720,468	-
Forest Hill	14,082	14,082	12,600	1,482
Griffith	161,918	161,918	161,918	-
Gumtree	71,260	71,260	71,260	-
Horneytown	322,770	322,770	322,770	-
King (Forsyth County)	567,011	567,011	567,011	-
Lewisville	1,499,547	1,499,547	1,499,547	-
Mineral Springs	211,416	211,416	211,416	-
Mineral Springs Service	8,254	8,254	8,254	-
Mount Tabor	88,424	88,424	88,405	19
Old Richmond	452,014	452,014	452,014	-
Piney Grove	852,628	852,628	852,628	-
Rural Hall	467,061	480,985	480,985	-
Salem Chapel	110,892	110,892	110,892	-
South Fork	5,853	5,853	5,853	-
Talley's Crossing	213,531	213,531	213,531	-
Triangle	110,506	110,506	110,506	-
Union Cross	338,150	338,150	338,150	-
Vienna	660,211	660,211	660,211	-
Walkertown	392,181	392,181	392,181	-
West Bend	51,993	51,993	51,427	566
Total expenditures	9,099,912	9,113,836	9,111,769	2,067
Excess of revenues over expenditures	3,011,905	2,997,981	3,196,906	198,925

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, 2020

Page 2 of 2

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
Other financing uses - transfers out-				
General Fund:				
Beeson's Cross Roads	(79,617)	(79,617)	(78,351)	1,266
Beeson's Cross Roads Service	(8,597)	(8,597)	(8,486)	111
Belews Creek	(103,922)	(103,922)	(102,760)	1,162
City View	(11,016)	(11,016)	(10,895)	121
Clemmons	(442,120)	(442,120)	(432,479)	9,641
Countywide Fire Service	(871,166)	(871,166)	(763,385)	107,781
Forest Hill	(3,550)	(3,550)	(3,498)	52
Griffith	(32,790)	(32,790)	(32,133)	657
Gumtree	(18,777)	(18,777)	(18,596)	181
Hornetown	(73,811)	(73,811)	(72,045)	1,766
King of Forsyth County	(163,739)	(163,739)	(158,460)	5,279
Lewisville	(395,332)	(395,332)	(390,234)	5,098
Mineral Springs	(51,981)	(51,981)	(51,487)	494
Mineral Springs Service	(1,988)	(1,988)	(1,982)	6
Mount Tabor	(21,167)	(21,167)	(20,866)	301
Old Richmond	(118,413)	(118,413)	(116,992)	1,421
Piney Grove	(221,429)	(221,429)	(215,905)	5,524
Rural Hall	(127,729)	(127,729)	(126,059)	1,670
Salem Chapel	(29,246)	(29,246)	(28,929)	317
South Fork	(1,571)	(1,571)	(1,551)	20
Talley's Crossing	(54,902)	(54,902)	(54,450)	452
Triangle	(29,119)	(29,119)	(28,605)	514
Union Cross	(88,030)	(88,030)	(87,269)	761
Vienna	(153,187)	(153,187)	(150,862)	2,325
Walkertown	(102,761)	(102,761)	(101,603)	1,158
West Bend	(13,889)	(13,889)	(13,678)	211
Total other financing uses	<u>(3,219,849)</u>	<u>(3,219,849)</u>	<u>(3,071,560)</u>	<u>148,289</u>
Net change in fund balance	\$ <u>(207,944)</u>	<u>(221,868)</u>	125,346	<u>347,214</u>
Fund balance - June 30, 2019			<u>1,232,197</u>	
Fund balance (deficit) - June 30, 2020			\$ <u>1,357,543</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
Revenues:				
Intergovernmental	\$ -	-	42,462	42,462
Investment earnings	-	-	17,939	17,939
Total revenues	-	-	60,401	60,401
Other financing uses:				
Transfer to General Fund	(175,527)	(242,532)	(135,378)	107,154
Net change in fund balance	\$ (175,527)	(242,532)	(74,977)	167,555
Fund balance - June 30, 2019			1,037,829	
Fund balance (deficit) - June 30, 2020			\$ 962,852	

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
Revenues:				
Intergovernmental	\$ 370,612	370,612	343,059	(27,553)
Investment earnings	-	-	29,655	29,655
Total revenues	370,612	370,612	372,714	2,102
Expenditures:				
Current - Public Safety	524,123	541,123	245,205	295,918
Capital outlay - Public Safety	600,000	583,000	53,341	529,659
Total expenditures	1,124,123	1,124,123	298,546	825,577
Net change in fund balance	\$ (753,511)	(753,511)	74,168	(823,475)
Fund balance - June 30, 2019			1,675,354	
Fund balance (deficit) - June 30, 2020			\$ 1,749,522	

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
Revenues - investment earnings	\$ 1,000	1,000	5,351	4,351
Expenditures - Human Services	50,000	50,000	1,068	48,932
Net change in fund balance	<u>\$ (49,000)</u>	<u>(49,000)</u>	4,283	<u>53,283</u>
Fund balance - June 30, 2019			298,580	
Fund balance (deficit) - June 30, 2020			<u>\$ 302,863</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, 2020

	<u>Budget</u>	<u>Cumulative</u> <u>Total to</u> <u>June 30, 2020</u>	<u>Activity</u> <u>Year Ended</u> <u>June 30, 2020</u>	<u>Cumulative</u> <u>Total to</u> <u>June 30, 2019</u>
Revenues:				
Intergovernmental	\$ 102,634,376	99,319,194	3,852,737	95,466,457
Investment earnings	162,074	162,074	-	162,074
Total revenues	102,796,450	99,481,268	3,852,737	95,628,531
Expenditures - current - intergovernmental - education	51,666,898	48,860,719	-	48,860,719
Excess (deficiency) of revenues over expenditures	<u>51,129,552</u>	<u>50,620,549</u>	<u>3,852,737</u>	<u>46,767,812</u>
Other financing sources (uses):				
Transfers in:				
Schools Fund	-	1,330,321	-	1,330,321
1990 Schools Facilities Fund	4,170,049	4,169,875	-	4,169,875
1995 School Facilities Fund	65,288	65,288	-	65,288
1996 Schools Facilities Fund	1,933,499	1,933,499	-	1,933,499
2002 Schools Fund	4,161,834	4,161,834	-	4,161,834
2007 School Facilities Fund	250,000	250,000	-	250,000
2016 WSFCS Capital Maintenance Fund	81,629	80,601	-	80,601
Transfers out:				
General Fund	(63,122,001)	(58,759,230)	-	(58,759,230)
Debt Service Fund	-	(3,852,737)	(3,852,737)	-
Total other financing sources (uses)	<u>(52,459,702)</u>	<u>(50,620,549)</u>	<u>(3,852,737)</u>	<u>(46,767,812)</u>
Net change in fund balance	<u>\$ (1,330,150)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - June 30, 2019			-	
Fund balance (deficit) - June 30, 2020			<u>\$ -</u>	

2017 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, 2020

	<u>Budget</u>	<u>Cumulative Total to June 30, 2020</u>	<u>Activity Year Ended June 30, 2020</u>	<u>Cumulative Total to June 30, 2019</u>
Revenues:				
Intergovernmental:				
2016 WSFC HOME program	\$ 170,700	170,950	10,159	160,791
2016 HOME Single Family Rehabilitation	225,000	123,910	74,900	49,010
2016 NCHFA Single Family Rehabilitation	100,000	87,499	-	87,499
Local government grants	12,000	12,000	-	12,000
Total intergovernmental	507,700	394,359	85,059	309,300
Investment earnings	-	538	-	538
Total revenues	507,700	394,897	85,059	309,838
Expenditures - current - community and economic development:				
2016 WSFC HOME	170,700	170,700	3,670	167,030
2016 WSFC HOME - local match	38,250	38,250	1,625	36,625
2016 NCHFA Urgent Repair	325,000	209,554	74,900	134,654
Total expenditures	533,950	418,504	80,195	338,309
Excess (deficiency) of revenues over expenditures	(26,250)	(23,607)	4,864	(28,471)
Other financing sources - transfers in General Fund	26,250	26,250	-	26,250
Net change in fund balance	\$ -	2,643	4,864	(2,221)
Fund balance - June 30, 2019			(2,221)	
Fund balance (deficit) - June 30, 2020			\$ 2,643	

2018 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, 2020

	<u>Budget</u>	<u>Cumulative Total to June 30, 2020</u>	<u>Activity Year Ended June 30, 2020</u>	<u>Cumulative Total to June 30, 2019</u>
Revenues:				
Intergovernmental:				
2017 WSFC HOME program	\$ 170,000	154,540	115,281	39,259
CDBG NSP	2,000,000	877,653	-	877,653
2017 NCHFA Urgent Repair Program	100,000	91,425	-	91,425
Local government grants	12,000	12,000	-	12,000
Total intergovernmental	2,282,000	1,135,618	115,281	1,020,337
Investment earnings	-	842	-	842
Mortgage repayments	62,022	25,950	-	25,950
Total revenues	2,344,022	1,162,410	115,281	1,047,129
Expenditures - current - community and economic development:				
2017 WSFC HOME	170,000	155,265	115,281	39,984
2017 WSFC HOME - local match	38,250	34,712	9,009	25,703
Forsyth County IDA	34,332	6,150	-	6,150
CDBG NSP	2,000,000	1,166,004	130,700	1,035,304
CDBG Program Income	125,000	50	50	-
2017 NCHFA Urgent Repair Program	100,000	91,425	-	91,425
Total expenditures	2,467,582	1,453,606	255,040	1,198,566
Excess (deficiency) of revenues over expenditures	(123,560)	(291,196)	(139,759)	(151,437)
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	123,560	122,604	-	122,604
Net change in fund balance	\$ -	(168,592)	(139,759)	(28,833)
Fund balance - June 30, 2019			(28,833)	
Fund balance (deficit) - June 30, 2020			\$ (168,592)	

2019 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, 2020

	<u>Budget</u>	<u>Cumulative Total to June 30, 2020</u>	<u>Activity Year Ended June 30, 2020</u>	<u>Cumulative Total to June 30, 2019</u>
Revenues:				
Intergovernmental:				
2018 WSFC HOME program	\$ 262,000	123,803	73,319	50,484
CDBG NSP	176,249	119,298	-	119,298
2018 NCHFA Urgent Repair Program	100,000	91,237	91,237	-
Local government grants	10,000	12,000	-	12,000
Total intergovernmental	548,249	346,338	164,556	181,782
Investment earnings	-	5,852	2,685	3,167
Mortgage repayments	300,000	293,474	116,079	177,395
Total revenues	848,249	645,664	283,320	362,344
Expenditures - current - community and economic development:				
2018 WSFC HOME	262,000	123,767	73,191	50,576
2018 WSFC HOME - local match	56,950	45,950	44,950	1,000
HOME Program Income	425,000	225,154	82,883	142,271
CDBG NSP Program Income	200,000	133,996	-	133,996
2018 NCHFA Urgent Repair Program	100,000	84,437	76,437	8,000
Total expenditures	1,043,950	613,304	277,461	335,843
Excess (deficiency) of revenues over expenditures	(195,701)	32,360	5,859	26,501
Other financing sources - transfers in:				
General Fund	46,950	46,950	-	46,950
2015 Housing Fund	148,751	103,773	-	103,773
Total other financing sources	195,701	150,723	-	150,723
Net change in fund balance	\$ -	183,083	5,859	177,224
Fund balance - June 30, 2019			177,224	
Fund balance (deficit) - June 30, 2020			\$ 183,083	

2017 JUSTICE ASSISTANCE FUND

C-11

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2020

	<u>Budget</u>	<u>Cumulative Total to June 30, 2020</u>	<u>Activity Year Ended June 30, 2020</u>	<u>Cumulative Total to June 30, 2019</u>
Revenues:				
Intergovernmental - Justice Assistance	\$ 356,771	169,065	46,260	122,805
Investment earnings	4,044	4,608	2,335	2,273
Total revenues	<u>360,815</u>	<u>173,673</u>	<u>48,595</u>	<u>125,078</u>
Expenditures - current - public safety:				
Sheriff	181,020	84,874	39,251	45,623
City of Winston-Salem police	179,795	77,182	-	77,182
Total expenditures	<u>360,815</u>	<u>162,056</u>	<u>39,251</u>	<u>122,805</u>
Net change in fund balance	<u>\$ -</u>	<u>11,617</u>	9,344	<u>2,273</u>
Fund balance - June 30, 2019			<u>2,273</u>	
Fund balance (deficit) - June 30, 2020			<u>\$ 11,617</u>	

2020 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, 2020

	<u>Budget</u>	<u>Cumulative Total to June 30, 2020</u>	<u>Activity Year Ended June 30, 2020</u>	<u>Cumulative Total to June 30, 2019</u>
Revenues:				
Intergovernmental:				
2019 WSFC HOME Program	\$ 241,500	46,021	46,021	-
2019 Single Family Rehabilitation Program	190,000	-	-	-
2019 NCHFA Urgent Repair Program	100,000	-	-	-
Local government grants	12,000	12,000	12,000	-
Total intergovernmental	543,500	58,021	58,021	-
Investment earnings	-	217	217	-
Total revenues	543,500	58,238	58,238	-
Expenditures - current - community and economic development:				
2019 WSFC HOME	241,500	46,140	46,140	-
2019 WSFC HOME - local match	27,169	14	14	-
2019 Forsyth County - local match	27,169	-	-	-
2019 Single Family Rehabilitation Program	190,000	-	-	-
2019 NCHFA Urgent Repair Program	100,000	14,799	14,799	-
Total expenditures	585,838	60,953	60,953	-
Excess (deficiency) of revenues over expenditures	(42,338)	(2,715)	(2,715)	-
Other financing sources - transfer in general fund	42,338	42,338	42,338	-
Net change in fund balance	\$ -	39,623	39,623	-
Fund balance - June 30, 2019			-	
Fund balance (deficit) - June 30, 2020			\$ 39,623	

CORONAVIRUS RELIEF 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, 2020

	<u>Budget</u>	<u>Cumulative Total to June 30, 2020</u>	<u>Activity Year Ended June 30, 2020</u>	<u>Cumulative Total to June 30, 2019</u>
Revenues:				
Intergovernmental	\$ -	6,470,065	6,470,065	-
Investment earnings	-	134	134	-
Total revenues	-	6,470,199	6,470,199	-
Expenditures - current - human services:				
Testing	500,000	178,710	178,710	-
PPE/sanitary supplies	450,000	4,559	4,559	-
Enhanced outreach	200,000	15,130	15,130	-
Business grants and support	100,000	100,000	100,000	-
Payroll expenditures	4,220,065	5,195,626	5,195,626	-
Municipality grants	1,000,000	-	-	-
Total expenditures	6,470,065	5,494,025	5,494,025	-
Excess (deficiency) of revenues over expenditures	(6,470,065)	976,174	976,174	-
Other financing sources - transfer in general fund	6,470,065	-	-	-
Net change in fund balance	\$ -	976,174	976,174	-
Fund balance - June 30, 2019			-	
Fund balance (deficit) - June 30, 2020			\$ 976,174	

COMBINING BALANCE SHEET

D-1

NONMAJOR CAPITAL PROJECTS FUNDS

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2020

Page 1 of 2

	2011	2014	2016	2016	2016 WSFCS	2016 Forsyth	2016	2017	2017
	Library	2/3rds	New Family	2/3rds	Capital	Technical	Parks and	2017	Tanglewood
	<u>Bond</u>	<u>Bonds</u>	<u>Museum</u>	<u>Bonds</u>	<u>Maintenance</u>	<u>College Facilities</u>	<u>Recreation</u>	<u>Court</u>	<u>Business</u>
									<u>Park</u>
ASSETS									
Cash and cash equivalents / investments	\$ 2,787,482	-	4,755,933	438,838	715,893	-	-	-	1,495,367
Investments - restricted	4,416,309	34,070	-	-	-	25,197,119	3,508,715	1,914,309	568,172
Receivables (net):									
Accounts	-	-	-	-	-	-	-	-	-
Accrued interest	8,846	79	12,365	1,206	2,235	-	-	-	5,563
Due from other governments	58,802	-	-	11,125	40,285	-	19,531	62	-
Total assets	\$ 7,271,439	34,149	4,768,298	451,169	758,413	25,197,119	3,528,246	1,914,371	2,069,102
LIABILITIES AND FUND BALANCES									
Liabilities - accounts payable and accrued liabilities	\$ 1,397,293	-	531,156	3,000	-	-	359,174	404,242	-
Deferred Inflows of Resources - Unavailable other revenue	-	-	-	-	-	-	-	-	-
Fund balances:									
Restricted for:									
Stabilization by state statute	4,237,116	79	2,842,243	150,536	42,520	-	1,670,673	2,660,194	2,489,870
Capital projects	1,637,030	34,070	-	297,633	715,893	25,197,119	1,498,399	-	-
Committed for capital projects	-	-	1,394,899	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(1,150,065)	(420,768)
Total fund balances	5,874,146	34,149	4,237,142	448,169	758,413	25,197,119	3,169,072	1,510,129	2,069,102
Total liabilities and fund balances	\$ 7,271,439	34,149	4,768,298	451,169	758,413	25,197,119	3,528,246	1,914,371	2,069,102

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

D-1

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2020

Page 2 of 2

	2018 Motive Equipment Replacement	2018 2/3rds Bonds	2018 WSFCS Capital Maintenance	2018 FTCC Capital Maintenance	2018 Smith Reynolds Airport	2018 Pay-Go	2018 First and Chestnut Parking	2019 Pay-Go	Total
ASSETS									
Cash and cash equivalents / investments	\$ 474,746	-	3,470,000	-	92,258	7,666,443	1,355,599	7,529,117	30,781,676
Investments - restricted	-	3,677,488	2,125,797	1,791,384	-	-	-	-	43,233,363
Receivables (net):									
Accounts	25,334	-	-	-	-	-	-	-	25,334
Accrued interest	1,197	-	7,008	-	88	20,206	5,648	12,493	76,934
Due from other governments	39,647	5,466	129,400	-	-	-	99,715	-	404,033
Total assets	\$ 540,924	3,682,954	5,732,205	1,791,384	92,346	7,686,649	1,460,962	7,541,610	74,521,340
LIABILITIES AND FUND BALANCES									
Liabilities - accounts payable and accrued liabilities	\$ 53,324	2,899	-	-	39,378	-	510,766	-	3,301,232
Deferred Inflows of Resources - Unavailable other revenue	34,828	-	-	-	-	-	-	-	34,828
Fund balances:									
Restricted for:									
Stabilization by state statute	189,136	127,439	136,408	-	677,030	186,231	622,480	12,493	16,044,448
Capital projects	-	3,552,616	5,595,797	1,791,384	-	-	-	-	40,319,941
Committed for capital projects	263,636	-	-	-	-	7,500,418	327,716	7,529,117	17,015,786
Unassigned	-	-	-	-	(624,062)	-	-	-	(2,194,895)
Total fund balances	452,772	3,680,055	5,732,205	1,791,384	52,968	7,686,649	950,196	7,541,610	71,185,280
Total liabilities and fund balances	\$ 540,924	3,682,954	5,732,205	1,791,384	92,346	7,686,649	1,460,962	7,541,610	74,521,340

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

D-2

Page 1 of 4

NONMAJOR CAPITAL PROJECTS FUNDS

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2020

	2011 Library Bond	2014 2/3rds Bonds	2016 New Family Museum	2016 2/3rds Bonds	2016 WSFCS Capital Maintenance
Revenues:					
Intergovernmental	\$ -	-	-	-	-
Investment earnings	114,687	484	90,319	16,390	23,156
Other	10,099	-	1,143,912	-	-
Total revenues	124,786	484	1,234,231	16,390	23,156
Expenditures:					
Current:					
Debt service - interest and other charges	-	-	-	-	-
Intergovernmental - education	-	-	-	-	1,170,641
Capital outlay:					
General government	-	-	-	611,286	-
Public safety	-	-	-	-	-
Culture and recreation	1,883,014	-	1,540,256	306,191	-
Community and economic development	-	-	-	-	-
Total expenditures	1,883,014	-	1,540,256	917,477	1,170,641
Excess (deficiency) of revenues over expenditures	(1,758,228)	484	(306,025)	(901,087)	(1,147,485)
Other financing sources (uses):					
Installment purchase obligation issued	-	-	-	-	-
Other long-term borrowing	-	-	-	-	-
Transfers in:					
General Fund	-	-	-	-	-
2016 Pay-Go Fund	-	-	-	-	-
2018 Pay-Go Fund	-	-	-	-	-
Transfers out:					
General Fund	-	-	-	-	-
2018 Pay-Go Fund	-	-	-	-	-
2019 Pay-Go Fund	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	(1,758,228)	484	(306,025)	(901,087)	(1,147,485)
Fund balance - June 30, 2019	7,632,374	33,665	4,543,167	1,349,256	1,905,898
Fund balance - June 30, 2020	\$ 5,874,146	34,149	4,237,142	448,169	758,413

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

D-2

Page 2 of 4

NONMAJOR CAPITAL PROJECTS FUNDS

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2020

	2016 Pay-Go	2016 Forsyth Technical Community College Facilities	2016 Parks and Recreation Facilities	2017 Court Facilities	2017 Tanglewood Business Park
Revenues:					
Intergovernmental	\$ -	-	-	-	-
Investment earnings	28,658	401,756	56,843	28,522	39,648
Other	-	-	-	-	-
Total revenues	<u>28,658</u>	<u>401,756</u>	<u>56,843</u>	<u>28,522</u>	<u>39,648</u>
Expenditures:					
Current:					
Debt service - interest and other charges	-	40,178	9,272	-	-
Intergovernmental - education	-	7,402,552	-	-	-
Capital outlay:					
General government	-	-	-	3,713,195	-
Public safety	-	-	-	-	-
Culture and recreation	-	-	1,607,772	-	-
Community and economic development	-	-	-	-	2,577,435
Total expenditures	<u>-</u>	<u>7,442,730</u>	<u>1,617,044</u>	<u>3,713,195</u>	<u>2,577,435</u>
Excess (deficiency) of revenues over expenditures	<u>28,658</u>	<u>(7,040,974)</u>	<u>(1,560,201)</u>	<u>(3,684,673)</u>	<u>(2,537,787)</u>
Other financing sources (uses):					
Installment purchase obligation issued	-	-	-	2,690,477	-
Other long-term borrowing	-	-	-	-	2,247,974
Transfers in:					
General Fund	-	-	-	-	-
2016 Pay-Go Fund	-	-	-	-	-
2018 Pay-Go Fund	-	-	-	-	-
Transfers out:					
General Fund	(211,664)	-	-	-	-
2018 Pay-Go Fund	(881,871)	-	-	-	-
2019 Pay-Go Fund	(839,450)	-	-	-	-
Total other financing sources (uses)	<u>(1,932,985)</u>	<u>-</u>	<u>-</u>	<u>2,690,477</u>	<u>2,247,974</u>
Net change in fund balances	<u>(1,904,327)</u>	<u>(7,040,974)</u>	<u>(1,560,201)</u>	<u>(994,196)</u>	<u>(289,813)</u>
Fund balance - June 30, 2019	<u>1,904,327</u>	<u>32,238,093</u>	<u>4,729,273</u>	<u>2,504,325</u>	<u>2,358,915</u>
Fund balance - June 30, 2020	<u><u>\$ -</u></u>	<u><u>25,197,119</u></u>	<u><u>3,169,072</u></u>	<u><u>1,510,129</u></u>	<u><u>2,069,102</u></u>

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

D-2

Page 3 of 4

NONMAJOR CAPITAL PROJECTS FUNDS

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2020

	2018 Motive Equipment Replacement	2018 2/3rds Bonds	2018 WSFCS Capital Maintenance	2018 FTCC Capital Maintenance	2018 Smith Reynolds Airport
Revenues:					
Intergovernmental	\$ 123,762	-	-	-	408,031
Investment earnings	6,139	53,075	112,735	25,142	1,974
Other	125,948	-	-	-	-
Total revenues	<u>255,849</u>	<u>53,075</u>	<u>112,735</u>	<u>25,142</u>	<u>410,005</u>
Expenditures:					
Current:					
Debt service - interest and other charges	-	-	-	-	-
Intergovernmental - education	-	-	5,566,128	558,827	-
Capital outlay:					
General government	118,261	164,974	-	-	-
Public safety	1,535,590	-	-	-	-
Culture and recreation	-	251,645	-	-	-
Community and economic development	-	-	-	-	539,660
Total expenditures	<u>1,653,851</u>	<u>416,619</u>	<u>5,566,128</u>	<u>558,827</u>	<u>539,660</u>
Excess (deficiency) of revenues over expenditures	<u>(1,398,002)</u>	<u>(363,544)</u>	<u>(5,453,393)</u>	<u>(533,685)</u>	<u>(129,655)</u>
Other financing sources (uses):					
Installment purchase obligation issued	-	-	-	-	-
Other long-term borrowing	-	-	-	-	-
Transfers in:					
General Fund	1,338,500	-	1,735,000	-	-
2016 Pay-Go Fund	-	-	-	-	-
2018 Pay-Go Fund	-	-	-	-	-
Transfers out:					
General Fund	-	-	-	-	-
2018 Pay-Go Fund	-	-	-	-	-
2019 Pay-Go Fund	-	-	-	-	-
Total other financing sources (uses)	<u>1,338,500</u>	<u>-</u>	<u>1,735,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(59,502)	(363,544)	(3,718,393)	(533,685)	(129,655)
Fund balance - June 30, 2019	<u>512,274</u>	<u>4,043,599</u>	<u>9,450,598</u>	<u>2,325,069</u>	<u>182,623</u>
Fund balance - June 30, 2020	\$ <u>452,772</u>	<u>3,680,055</u>	<u>5,732,205</u>	<u>1,791,384</u>	<u>52,968</u>

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

D-2

Page 4 of 4

NONMAJOR CAPITAL PROJECTS FUNDS

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2020

	2018 Pay-Go	2018 First and Chestnut Parking	2019 Pay-Go	Total
Revenues:				
Intergovernmental	\$ -	-	-	531,793
Investment earnings	164,890	139,489	21,418	1,325,325
Other	-	-	-	1,279,959
Total revenues	<u>164,890</u>	<u>139,489</u>	<u>21,418</u>	<u>3,137,077</u>
Expenditures:				
Current:				
Debt service - interest and other charges	-	-	-	49,450
Intergovernmental - education	-	-	-	14,698,148
Capital outlay:				
General government	1,457,751	11,292,980	-	17,358,447
Public safety	-	-	-	1,535,590
Culture and recreation	-	-	-	5,588,878
Community and economic development	-	-	-	3,117,095
Total expenditures	<u>1,457,751</u>	<u>11,292,980</u>	<u>-</u>	<u>42,347,608</u>
Excess (deficiency) of revenues over expenditures	<u>(1,292,861)</u>	<u>(11,153,491)</u>	<u>21,418</u>	<u>(39,210,531)</u>
Other financing sources (uses):				
Installment purchase obligation issued	-	-	-	2,690,477
Other long-term borrowing	-	-	-	2,247,974
Transfers in:				
General Fund	-	-	5,841,610	8,915,110
2016 Pay-Go Fund	881,871	-	839,450	1,721,321
2018 Pay-Go Fund	-	-	839,132	839,132
Transfers out:				
General Fund	(174,664)	-	-	(386,328)
2018 Pay-Go Fund	-	-	-	(881,871)
2019 Pay-Go Fund	(839,132)	-	-	(1,678,582)
Total other financing sources (uses)	<u>(131,925)</u>	<u>-</u>	<u>7,520,192</u>	<u>13,467,233</u>
Net change in fund balances	<u>(1,424,786)</u>	<u>(11,153,491)</u>	<u>7,541,610</u>	<u>(25,743,298)</u>
Fund balance - June 30, 2019	<u>9,111,435</u>	<u>12,103,687</u>	<u>-</u>	<u>96,928,578</u>
Fund balance - June 30, 2020	<u><u>\$ 7,686,649</u></u>	<u><u>950,196</u></u>	<u><u>7,541,610</u></u>	<u><u>71,185,280</u></u>

2011 LIBRARY BOND 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, 2020

	<u>Budget</u>	<u>Cumulative Total to June 30, 2020</u>	<u>Activity Year Ended June 30, 2020</u>	<u>Cumulative Total to June 30, 2019</u>
Revenues:				
Investment earnings	\$ -	661,156	114,687	546,469
Other revenues	446,589	484,418	10,099	474,319
Total revenues	<u>446,589</u>	<u>1,145,574</u>	<u>124,786</u>	<u>1,020,788</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	46,006,589	34,848,973	1,883,014	32,965,959
Total expenditures	<u>46,389,589</u>	<u>35,214,429</u>	<u>1,883,014</u>	<u>33,331,415</u>
Deficiency of revenues over expenditures	<u>(45,943,000)</u>	<u>(34,068,855)</u>	<u>(1,758,228)</u>	<u>(32,310,627)</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	-	1,171,451
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>-</u>	<u>39,943,001</u>
Net change in fund balance	<u>\$ -</u>	<u>5,874,146</u>	<u>(1,758,228)</u>	<u>7,632,374</u>
Fund balance - June 30, 2019			7,632,374	
Fund balance - June 30, 2020			<u>\$ 5,874,146</u>	

2014 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, 2020

	<u>Budget</u>	<u>Cumulative Total to June 30, 2020</u>	<u>Activity Year Ended June 30, 2020</u>	<u>Cumulative Total to June 30, 2019</u>
Revenues:				
Investment earnings	\$ -	19,522	484	19,038
Other	273,703	273,703	-	273,703
Total revenues	<u>273,703</u>	<u>293,225</u>	<u>484</u>	<u>292,741</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	3,588,602	3,575,799	-	3,575,799
Total expenditures	<u>4,746,822</u>	<u>4,732,195</u>	<u>-</u>	<u>4,732,195</u>
Excess (deficiency) of revenues over expenditures	<u>(4,473,119)</u>	<u>(4,438,970)</u>	<u>484</u>	<u>(4,439,454)</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>-</u>	<u>34,149</u>	<u>484</u>	<u>33,665</u>
Fund balance - June 30, 2019			<u>33,665</u>	
Fund balance - June 30, 2020			\$ <u><u>34,149</u></u>	

2016 NEW FAMILY MUSEUM

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, 2020

	<u>Budget</u>	<u>Cumulative Total to June 30, 2020</u>	<u>Activity Year Ended June 30, 2020</u>	<u>Cumulative Total to June 30, 2019</u>
Revenues:	\$			
Intergovernmental	3,000,000	1,000,000	-	1,000,000
Investment earnings	100,000	246,857	90,319	156,538
Other revenue	1,900,000	2,843,912	1,143,912	1,700,000
Total revenues	<u>5,000,000</u>	<u>4,090,769</u>	<u>1,234,231</u>	<u>2,856,538</u>
Expenditures:				
Current - culture and recreation	500,000	-	-	-
Capital outlay - culture and recreation	32,000,000	2,353,627	1,540,256	813,371
Total expenditures	<u>32,500,000</u>	<u>2,353,627</u>	<u>1,540,256</u>	<u>813,371</u>
Excess (deficiency) of revenues over expenditures	<u>(27,500,000)</u>	<u>1,737,142</u>	<u>(306,025)</u>	<u>2,043,167</u>
Other financing sources:				
Limited obligation bonds issued	25,000,000	-	-	-
Transfer from General Fund	2,500,000	2,500,000	-	2,500,000
Total other financing sources	<u>27,500,000</u>	<u>2,500,000</u>	<u>-</u>	<u>2,500,000</u>
Net change in fund balance	<u>\$ -</u>	<u>4,237,142</u>	<u>(306,025)</u>	<u>4,543,167</u>
Fund balance - June 30, 2019			4,543,167	
Fund balance - June 30, 2020			<u>\$ 4,237,142</u>	

2016 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, 2020

	<u>Budget</u>	<u>Cumulative Total to June 30, 2020</u>	<u>Activity Year Ended June 30, 2020</u>	<u>Cumulative Total to June 30, 2019</u>
Revenues:				
Investment earnings	\$ -	110,110	16,390	93,720
Other	-	1,750	-	1,750
Total revenues	-	111,860	16,390	95,470
Expenditures:				
Capital outlay:				
General Government	3,982,267	3,809,616	611,286	3,198,330
Culture and recreation	2,000,000	1,836,735	306,191	1,530,544
Total expenditures	5,982,267	5,646,351	917,477	4,728,874
Excess (deficiency) of revenues over expenditures	(5,982,267)	(5,534,491)	(901,087)	(4,633,404)
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	(17,733)	(17,733)	-	(17,733)
Total other financing sources (uses)	5,982,267	5,982,660	-	5,982,660
Net change in fund balance	\$ -	448,169	(901,087)	1,349,256
Fund balance - June 30, 2019			1,349,256	
Fund balance - June 30, 2020			\$ 448,169	

2016 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, 2020

	<u>Budget</u>	<u>Cumulative Total to June 30, 2020</u>	<u>Activity Year Ended June 30, 2020</u>	<u>Cumulative Total to June 30, 2019</u>
Revenues - investment earnings	\$ -	216,268	23,156	193,112
Expenditures:				
Current - intergovernmental - education	11,888,371	11,347,810	1,170,641	10,177,169
Total expenditures	11,888,371	11,347,810	1,170,641	10,177,169
Excess (deficiency) of revenues over expenditures	(11,888,371)	(11,131,542)	(1,147,485)	(9,984,057)
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	-	3,470,000
Transfer to Public School Building Capital Fund	(81,629)	(80,601)	-	(80,601)
Total other financing sources	11,888,371	11,889,955	-	11,889,955
Net change in fund balance	\$ -	758,413	(1,147,485)	1,905,898
Fund balance - June 30, 2019			1,905,898	
Fund balance - June 30, 2020			\$ 758,413	

2016 PAY-GO 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, 2020

	<u>Budget</u>	<u>Cumulative Total to June 30, 2020</u>	<u>Activity Year Ended June 30, 2020</u>	<u>Cumulative Total to June 30, 2019</u>
Revenues - investment earnings	\$ 128,387	140,051	28,658	111,393
Expenditures:				
Current -				
Culture and recreation	275,000	275,000	-	275,000
Community and economic development	120,000	120,000	-	120,000
Capital Outlay - general government	233,491	233,491	-	233,491
Unallocated	-	-	-	-
Total expenditures	628,491	628,491	-	628,491
Excess (deficiency) of revenues over expenditures	(500,104)	(488,440)	28,658	(517,098)
Other financing sources (uses):				
Transfer from General Fund	3,632,876	3,621,212	(211,664)	3,832,876
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)
Transfer to 2018 Pay-Go Fund	(881,871)	(881,871)	(881,871)	-
Transfer to 2019 Pay-Go Fund	(839,450)	(839,450)	(839,450)	-
Total other financing sources	500,104	488,440	(1,932,985)	2,421,425
Net change in fund balance	\$ -	-	(1,904,327)	1,904,327
Fund balance - June 30, 2019			1,904,327	
Fund balance - June 30, 2020			\$ -	

2016 FORSYTH TECHNICAL COMMUNITY COLLEGE 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, 2020

	<u>Budget</u>	<u>Cumulative Total to June 30, 2020</u>	<u>Activity Year Ended June 30, 2020</u>	<u>Cumulative Total to June 30, 2019</u>
Revenues - investment earnings	\$ 151,163	1,060,318	401,756	658,562
Expenditures:				
Debt service - interest and other charges	151,163	77,423	40,178	37,245
Current - intergovernmental - education	65,000,000	8,347,764	7,402,552	945,212
Total expenditures	65,151,163	8,425,187	7,442,730	982,457
Excess (deficiency) of revenues over expenditures	(65,000,000)	(7,364,869)	(7,040,974)	(323,895)
Other financing sources:				
General obligation bonds issued	65,000,000	30,387,500	-	30,387,500
Premium on general obligation bonds	-	2,174,488	-	2,174,488
Total other financing sources	65,000,000	32,561,988	-	32,561,988
Net change in fund balance	\$ -	25,197,119	(7,040,974)	32,238,093
Fund balance - June 30, 2019			32,238,093	
Fund balance - June 30, 2020			\$ 25,197,119	

2016 PARKS AND RECREATION FACILITIES 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, 2020

	<u>Budget</u>	<u>Cumulative Total to June 30, 2020</u>	<u>Activity Year Ended June 30, 2020</u>	<u>Cumulative Total to June 30, 2019</u>
Revenues - investment earnings	\$ 34,884	158,813	56,843	101,970
Expenditures:				
Debt service - interest and other charges	34,884	17,867	9,272	8,595
Capital outlay - culture and recreation	15,000,000	4,486,179	1,607,772	2,878,407
Total expenditures	15,034,884	4,504,046	1,617,044	2,887,002
Excess (deficiency) of revenues over expenditures	(15,000,000)	(4,345,233)	(1,560,201)	(2,785,032)
Other financing sources:				
General obligation bonds issued	15,000,000	7,012,500	-	7,012,500
Premium on general obligation bonds	-	501,805	-	501,805
Total other financing sources	15,000,000	7,514,305	-	7,514,305
Net change in fund balance	\$ -	3,169,072	(1,560,201)	4,729,273
Fund balance - June 30, 2019			4,729,273	
Fund balance - June 30, 2020			\$ 3,169,072	

2017 COURT FACILITIES FUND**D-11****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2020

	<u>Budget</u>	<u>Cumulative Total to June 30, 2020</u>	<u>Activity Year Ended June 30, 2020</u>	<u>Cumulative Total to June 30, 2019</u>
Revenues - investment earnings	\$ 101,000	168,539	28,522	140,017
Expenditures:				
Debt service - interest and other charges	101,000	-	-	-
Capital outlay - general government	115,915,200	6,349,214	3,713,195	2,636,019
Total expenditures	116,016,200	6,349,214	3,713,195	2,636,019
Excess (deficiency) of revenues over expenditures	(115,915,200)	(6,180,675)	(3,684,673)	(2,496,002)
Other financing sources:				
General obligation bonds issued	115,915,200	4,709,862	-	4,709,862
Premium on general obligation bonds	-	290,465	-	290,465
Installment purchase obligation issued	-	2,690,477	2,690,477	-
Total other financing sources	115,915,200	7,690,804	2,690,477	5,000,327
Net change in fund balance	\$ -	1,510,129	(994,196)	2,504,325
Fund balance - June 30, 2019			2,504,325	
Fund balance - June 30, 2020			\$ 1,510,129	

2017 TANGLEWOOD BUSINESS PARK 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, 2020

	<u>Budget</u>	<u>Cumulative Total to June 30, 2020</u>	<u>Activity Year Ended June 30, 2020</u>	<u>Cumulative Total to June 30, 2019</u>
Revenues:	\$			
Intergovernmental	690,000	690,000	-	690,000
Investment earnings	-	95,367	39,648	55,719
Other revenue	499,500	399,500	-	399,500
Total revenues	<u>1,189,500</u>	<u>1,184,867</u>	<u>39,648</u>	<u>1,145,219</u>
Expenditures:				
Capital outlay -				
Community and economic development	<u>7,062,800</u>	<u>2,763,739</u>	<u>2,577,435</u>	<u>186,304</u>
Total expenditures	<u>7,062,800</u>	<u>2,763,739</u>	<u>2,577,435</u>	<u>186,304</u>
Excess (deficiency) of revenues over expenditures	<u>(5,873,300)</u>	<u>(1,578,872)</u>	<u>(2,537,787)</u>	<u>958,915</u>
Other financing sources:				
Transfer from General Fund	1,400,000	1,400,000	-	1,400,000
Other long-term borrowing	<u>4,473,300</u>	<u>2,247,974</u>	<u>2,247,974</u>	-
Total other financing sources	<u>5,873,300</u>	<u>3,647,974</u>	<u>2,247,974</u>	<u>1,400,000</u>
Net change in fund balance	\$ <u>-</u>	<u>2,069,102</u>	<u>(289,813)</u>	<u>2,358,915</u>
Fund balance - June 30, 2019			<u>2,358,915</u>	
Fund balance - June 30, 2020			\$ <u><u>2,069,102</u></u>	

2018 MOTIVE EQUIPMENT REPLACEMENT FUND

D-13

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2020

	<u>Budget</u>	<u>Cumulative Total to June 30, 2020</u>	<u>Activity Year Ended June 30, 2020</u>	<u>Cumulative Total to June 30, 2019</u>
Revenues:				
Intergovernmental	\$ 96,400	284,912	123,762	161,150
Charges for services	8,800	-	-	-
Investment earnings	-	15,979	6,139	9,840
Other revenue	118,496	192,473	125,948	66,525
Total revenues	<u>223,696</u>	<u>493,364</u>	<u>255,849</u>	<u>237,515</u>
Expenditures:				
Capital outlay:				
General government - Non-emergency fleet	496,043	356,653	118,261	238,392
Public safety:				
Animal control	207,135	154,327	95,501	58,826
Emergency services	1,477,625	1,353,409	764,030	589,379
Sheriff	1,651,430	1,566,029	676,059	889,970
Culture and recreation - Parks and recreation	13,957	10,414	-	10,414
Total expenditures	<u>3,846,190</u>	<u>3,440,832</u>	<u>1,653,851</u>	<u>1,786,981</u>
Excess (deficiency) of revenues over expenditures	<u>(3,622,494)</u>	<u>(2,947,468)</u>	<u>(1,398,002)</u>	<u>(1,549,466)</u>
Other financing sources:				
Transfer from General Fund	2,630,343	2,469,850	1,338,500	1,131,350
Transfer from 2016 Motive Equipment Fund	992,151	930,390	-	930,390
Total other financing sources	<u>3,622,494</u>	<u>3,400,240</u>	<u>1,338,500</u>	<u>2,061,740</u>
Net change in fund balance	<u>\$ -</u>	<u>452,772</u>	<u>(59,502)</u>	<u>512,274</u>
Fund balance - June 30, 2019			512,274	
Fund balance - June 30, 2020			<u>\$ 452,772</u>	

2018 2/3rds BONDS 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, 2020

	<u>Budget</u>	<u>Cumulative Total to June 30, 2020</u>	<u>Activity Year Ended June 30, 2020</u>	<u>Cumulative Total to June 30, 2019</u>
Revenues - investment earnings	\$ -	78,924	53,075	25,849
Expenditures:				
Capital outlay:				
General government	2,000,000	164,974	164,974	-
Culture and recreation	2,000,000	251,645	251,645	-
Total expenditures	4,000,000	416,619	416,619	-
Excess (deficiency) of revenues over expenditures	(4,000,000)	(337,695)	(363,544)	25,849
Other financing sources (uses):				
General obligation bonds issued	4,000,000	3,669,528	-	3,669,528
Premium on general obligation bonds	-	348,222	-	348,222
Total other financing sources (uses)	4,000,000	4,017,750	-	4,017,750
Net change in fund balance	\$ -	3,680,055	(363,544)	4,043,599
Fund balance - June 30, 2019			4,043,599	
Fund balance - June 30, 2020			\$ 3,680,055	

2018 WINSTON-SALEM/FORSYTH COUNTY SCHOOLS CAPITAL MAINTENANCE 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, 2020

	<u>Budget</u>	<u>Cumulative Total to June 30, 2020</u>	<u>Activity Year Ended June 30, 2020</u>	<u>Cumulative Total to June 30, 2019</u>
Revenues - investment earnings	\$ -	175,797	112,735	63,062
Expenditures:				
Current - intergovernmental - education	11,970,000	6,451,311	5,566,128	885,183
Total expenditures	11,970,000	6,451,311	5,566,128	885,183
Excess (deficiency) of revenues over expenditures	(11,970,000)	(6,275,514)	(5,453,393)	(822,121)
Other financing sources (uses):				
General obligation bonds issued	8,500,000	7,797,747	-	7,797,747
Premium on general obligation bonds	-	739,972	-	739,972
Transfer from General Fund	3,470,000	3,470,000	1,735,000	1,735,000
Total other financing sources	11,970,000	12,007,719	1,735,000	10,272,719
Net change in fund balance	\$ -	5,732,205	(3,718,393)	9,450,598
Fund balance - June 30, 2019			9,450,598	
Fund balance - June 30, 2020			\$ 5,732,205	

2018 FORSYTH TECHNICAL COMMUNITY COLLEGE CAPITAL MAINTENANCE FUND

D-16

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2020

	<u>Budget</u>	<u>Cumulative Total to June 30, 2020</u>	<u>Activity Year Ended June 30, 2020</u>	<u>Cumulative Total to June 30, 2019</u>
Revenues - investment earnings	\$ -	40,005	25,142	14,863
Expenditures:				
Current - intergovernmental - education	2,300,000	558,827	558,827	-
Total expenditures	2,300,000	558,827	558,827	-
Excess (deficiency) of revenues over expenditures	(2,300,000)	(518,822)	(533,685)	14,863
Other financing sources:				
General obligation bonds issued	2,300,000	2,109,978	-	2,109,978
Premium on general obligation bonds	-	200,228	-	200,228
Total other financing sources	2,300,000	2,310,206	-	2,310,206
Net change in fund balance	\$ -	1,791,384	(533,685)	2,325,069
Fund balance - June 30, 2019			2,325,069	
Fund balance - June 30, 2020			\$ 1,791,384	

2018 SMITH REYNOLDS AIRPORT 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, 2020

	<u>Budget</u>	<u>Cumulative Total to June 30, 2020</u>	<u>Activity Year Ended June 30, 2020</u>	<u>Cumulative Total to June 30, 2019</u>
Revenues:				
Intergovernmental	\$ 53,493,240	778,193	408,031	370,162
Investment earnings	-	3,655	1,974	1,681
Total revenues	53,493,240	781,848	410,005	371,843
Expenditures:				
Capital Outlay - Community and economic development:				
Runway 15-33 Improvements	2,250,000	28,291	7,580	20,711
Terminal Ramp, Runway 4-22	205,600	204,204	86,241	117,963
Taxiway Lima and Ramp	14,550,000	173,148	148,214	24,934
Taxiway Quebec	26,550,000	421,102	131,711	289,391
Terminal Area Improvements	21,500,000	-	-	-
Terminal Fencing	70,220	62,221	-	62,221
15-33 Rehabilitation (Design)	8,500,000	165,914	165,914	-
Airfield Drainage Improvements Phase II	500,000	-	-	-
Total expenditures	74,125,820	1,054,880	539,660	515,220
Excess (deficiency) of revenues over expenditures	(20,632,580)	(273,032)	(129,655)	(143,377)
Other financing sources (uses):				
Long-term borrowing	17,000,000	-	-	-
Transfer from General Fund	3,632,580	326,000	-	326,000
Total other financing sources (uses)	20,632,580	326,000	-	326,000
Net change in fund balance	\$ -	52,968	(129,655)	182,623
Fund balance - June 30, 2019			182,623	
Fund balance - June 30, 2020			\$ 52,968	

2018 PAY-GO FUND

D-18

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2020

	<u>Budget</u>	<u>Cumulative Total to June 30, 2020</u>	<u>Activity Year Ended June 30, 2020</u>	<u>Cumulative Total to June 30, 2019</u>
Revenues - investment earnings	\$ 151,460	231,357	164,890	66,467
Expenditures:				
Capital Outlay -				
Public safety	6,282,632	-	-	-
Community and economic development	1,150,000	-	-	-
General government	1,631,871	1,457,751	1,457,751	-
Unallocated	-	-	-	-
Total expenditures	9,064,503	1,457,751	1,457,751	-
Excess (deficiency) of revenues over expenditures	(8,913,043)	(1,226,394)	(1,292,861)	66,467
Other financing sources (uses):				
Transfer from (to) General Fund	9,044,122	9,044,122	(174,664)	9,218,786
Transfer from 2016 Pay-Go Fund	881,871	881,871	881,871	-
Transfer to Emergency Telephone System Fund	(173,818)	(173,818)	-	(173,818)
Transfer to 2019 Pay-Go Fund	(839,132)	(839,132)	(839,132)	-
Total other financing sources	8,913,043	8,913,043	(131,925)	9,044,968
Net change in fund balance	\$ -	7,686,649	(1,424,786)	9,111,435
Fund balance - June 30, 2019			9,111,435	
Fund balance - June 30, 2020			\$ 7,686,649	

2018 FIRST AND CHESTNUT PARKING 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, 2020

	<u>Budget</u>	<u>Cumulative Total to June 30, 2020</u>	<u>Activity Year Ended June 30, 2020</u>	<u>Cumulative Total to June 30, 2019</u>
Revenues - investment earnings	\$ -	221,762	139,489	82,273
Expenditures:				
Capital - general government	13,000,000	12,309,285	11,292,980	1,016,305
Total expenditures	13,000,000	12,309,285	11,292,980	1,016,305
Excess (deficiency) of revenues over expenditures	(13,000,000)	(12,087,523)	(11,153,491)	(934,032)
Other financing sources (uses):				
General obligation bonds issued	8,500,000	7,797,747	-	7,797,747
Premium on general obligation bonds	-	739,972	-	739,972
Transfer from general fund	4,500,000	4,500,000	-	4,500,000
Total other financing sources (uses)	13,000,000	13,037,719	-	13,037,719
Net change in fund balance	\$ -	950,196	(11,153,491)	12,103,687
Fund balance - June 30, 2019			12,103,687	
Fund balance - June 30, 2020			\$ 950,196	

2019 PAY-GO FUND**D-20****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2020

	Budget	Cumulative Total to June 30, 2020	Activity Year Ended June 30, 2020	Cumulative Total to June 30, 2019
Revenues - investment earnings	\$ -	21,418	21,418	-
Expenditures:				
Capital outlay:				
General government	3,000,000	-	-	-
Culture and recreation - Parks and recreation	2,594,777	-	-	-
Undesignated	1,925,415	-	-	-
Total expenditures	7,520,192	-	-	-
Excess (deficiency) of revenues over expenditures	(7,520,192)	21,418	21,418	-
Other financing sources (uses):				
Transfer from General Fund	5,841,610	5,841,610	5,841,610	-
Transfer from 2016 Pay-Go Fund	839,450	839,450	839,450	-
Transfer from 2018 Pay-Go Fund	839,132	839,132	839,132	-
Total other financing sources	7,520,192	7,520,192	7,520,192	-
Net change in fund balance	\$ -	7,541,610	7,541,610	-
Fund balance - June 30, 2019			-	
Fund balance - June 30, 2020			\$ 7,541,610	

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, 2020

		<u>Tax</u>	<u>Fines and Forfeitures</u>	<u>Protective Payee</u>	<u>Sheriff</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents / investments	\$	1,015,623	10,849	214,053	431,245	1,671,770
Receivables:						
Property taxes		3,492,291	-	-	-	3,492,291
Accrued interest		-	-	537	-	537
Total assets	\$	<u>4,507,914</u>	<u>10,849</u>	<u>214,590</u>	<u>431,245</u>	<u>5,164,598</u>
LIABILITIES						
Due to other governments	\$	4,507,914	10,849	-	-	4,518,763
Other liabilities		-	-	214,590	431,245	645,835
Total liabilities	\$	<u>4,507,914</u>	<u>10,849</u>	<u>214,590</u>	<u>431,245</u>	<u>5,164,598</u>

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

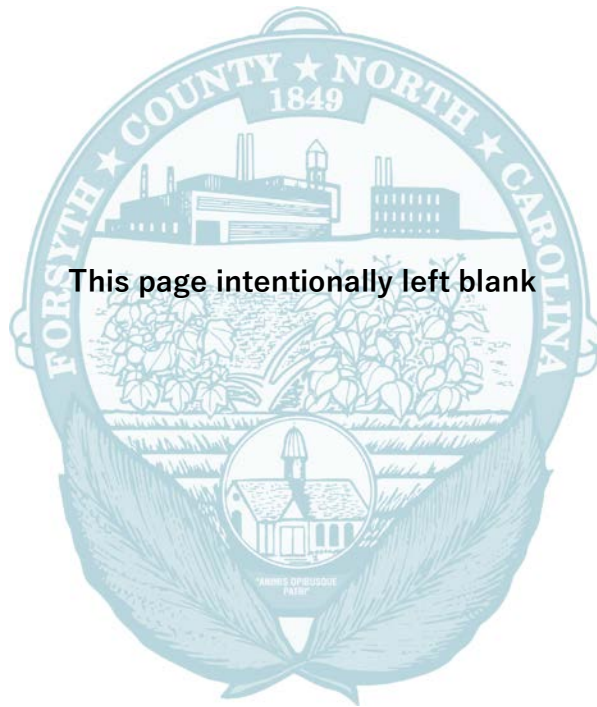
E-2

AGENCY FUNDS

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2020

	<u>June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2020</u>
<u>TAX AGENCY</u>				
ASSETS				
Cash and cash equivalents / investments	\$ 567,931	449,875,472	449,427,780	1,015,623
Receivables - property taxes	2,819,885	422,882,918	422,210,512	3,492,291
Total assets	\$ 3,387,816	872,758,390	871,638,292	4,507,914
LIABILITIES				
Due to other governments	\$ 3,387,816	610,810,044	609,689,946	4,507,914
<u>FINES AND FORFEITURES</u>				
ASSETS				
Cash and cash equivalents / investments	\$ 11,357	1,618,771	1,619,279	10,849
LIABILITIES				
Due to other governments	\$ 11,357	1,618,771	1,619,279	10,849
<u>PROTECTIVE PAYEE</u>				
ASSETS				
Cash and cash equivalents / investments	\$ 225,648	520,712	532,307	214,053
Receivables - accrued interest	952	4,213	4,628	537
Total assets	\$ 226,600	524,925	536,935	214,590
LIABILITIES				
Other liabilities	\$ 226,600	520,276	532,286	214,590
<u>SHERIFF AGENCY</u>				
ASSETS				
Cash and cash equivalents / investments	\$ 160,021	758,495	487,271	431,245
LIABILITIES				
Other liabilities	\$ 160,021	758,495	487,271	431,245
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents / investments	\$ 964,957	452,773,450	452,066,637	1,671,770
Receivables:				
Property taxes	2,819,885	422,882,918	422,210,512	3,492,291
Accrued interest/Other	952	4,213	4,628	537
Total assets	\$ 3,785,794	875,660,581	874,281,777	5,164,598
LIABILITIES				
Due to other governments	\$ 3,399,173	612,428,815	611,309,225	4,518,763
Other liabilities	386,621	1,278,771	1,019,557	645,835
Total liabilities	\$ 3,785,794	613,707,586	612,328,782	5,164,598



This page intentionally left blank

Other Schedules

This section contains additional information on property taxes.

Schedule of Ad Valorem Taxes Receivable – General Fund

Analysis of Current Tax Levy – Countywide Levy

Ten Largest Taxpayers

SCHEDULE OF AD VALOREM TAXES RECEIVABLE

F-1

GENERAL FUND

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2020

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2019</u>	<u>Additions Net of Releases</u>	<u>Collections And Credits</u>	<u>Writeoffs</u>	<u>Uncollected Balance June 30, 2020</u>
2019 - 2020	\$ -	281,867,417	279,198,788	-	2,668,629
2018 - 2019	1,906,275	(163,843)	1,013,414	-	729,018
2017 - 2018	637,355	(116,342)	104,195	-	416,818
2016 - 2017	487,696	(42,945)	52,750	388	391,613
2015 - 2016	339,619	(1,594)	53,844	-	284,181
2014 - 2015	286,048	(802)	44,525	-	240,721
2013 - 2014	282,347	(1,248)	37,027	-	244,072
2012 - 2013	272,776	(1,423)	27,660	-	243,693
2011 - 2012	220,108	(874)	14,450	-	204,784
2010 - 2011	245,041	(593)	10,894	233,554	-
	<u>\$ 4,677,265</u>	<u>281,537,753</u>	<u>280,557,547</u>	<u>233,942</u>	<u>5,423,529</u>

Less: allowance for uncollectible accounts:

General Fund

(3,355,594)

Ad valorem taxes receivable - net:

General Fund

\$ 2,067,935

Reconcilement with revenues:

Property taxes - General Fund	\$	281,317,622
Penalties collected on ad valorem taxes - Fines and Forfeitures Fund		197,624
Reconciling items:		
Interest and fees collected	\$	(988,868)
Refunds		85,912
Collection of taxes previously written off		<u>(54,743)</u>
Total reconciling items		<u>(957,699)</u>
Total collections and credits	\$	<u>280,557,547</u>

ANALYSIS OF CURRENT TAX LEVY

F-2

COUNTYWIDE LEVY

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2020

	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	\$ 36,714,297,116	\$.7535	\$ 277,066,563	\$ 257,725,368	\$ 19,341,195
Motor vehicles taxed at prior year's rate: FY 17-18	6,693,158	.7235	48,425	-	48,425
FY 18-19	829,529,371	.7235	6,001,645	-	6,001,645
Penalties	-		222,142	222,142	-
Total	37,550,519,645		283,338,775	257,947,510	25,391,265
Releases	(195,269,808)		(1,471,358)	(1,471,358)	-
Total property valuation	\$ 37,355,249,837				
Net levy			281,867,417	256,476,152	25,391,265
Uncollected taxes at June 30, 2020			2,668,629	2,668,613	16
Current year's taxes collected			\$ 279,198,788	\$ 253,807,539	\$ 25,391,249
Current levy collection percentage			99.05%	98.96%	100.000%

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ²	100%
Real Property	\$ 29,439,875,290
Personal Property	7,160,985,200
Public Service Companies ³	754,389,347
Total Assessed Valuation	37,355,249,837
Tax Rate per \$100	0.7235
Levy (includes discoveries, releases and abatements)	\$ 281,867,417

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
FORSYTH COUNTY, NORTH CAROLINA

F-3

For the Fiscal Year Ended June 30, 2020

<u>Taxpayer</u>	<u>Type of Business</u>		<u>2019 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
R. J. Reynolds Industries, Inc	Tobacco, Foods, Petroleum and Transportation	\$	1,037,330,325	2.78%
Duke Energy Corporation	Electric Utility		415,713,736	1.11%
Wells Fargo Bank NA	Banking		304,210,883	0.81%
Wexford Science & Technology, LLC	Real Estate Management		242,657,465	0.65%
Caterpillar Inc	Manufacturer		228,629,728	0.61%
JG Winston-Salem	Real Estate Management		176,324,751	0.47%
American Homes 4 Rent	Real Estate Management		114,152,488	0.31%
Branch Banking & Trust	Banking		106,017,120	0.28%
Wake Forest University Health	Medical		103,670,604	0.28%
Novant Health Inc	Medical		102,254,678	0.27%
		\$	<u>2,830,961,778</u>	<u>7.57%</u>

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

Contents

Financial Trends – These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	112
Revenue Capacity – These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property taxes.	118
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.	123
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.	126
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.	128

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

NET POSITION BY COMPONENT
FORSYTH COUNTY, NORTH CAROLINA

Schedule 1

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental activities:										
Net investment in										
capital assets	\$ 84,541,770	83,829,746	75,547,493	76,582,427	80,960,647	91,997,431	93,927,835	108,155,157	136,846,089	141,204,543
Restricted	31,191,934	31,151,206	36,231,000	46,204,270	38,012,456	55,613,795	43,255,799	59,161,078	58,440,613	62,092,255
Unrestricted	<u>(311,324,492)</u>	<u>(340,506,961)</u>	<u>(335,671,385)</u>	<u>(330,405,550)</u>	<u>(302,041,917)</u>	<u>(291,327,469)</u>	<u>(259,186,803)</u>	<u>(312,304,937)</u>	<u>(319,864,643)</u>	<u>(318,998,667)</u>
Total governmental activities net deficit	<u>\$ (195,590,788)</u>	<u>(225,526,009)</u>	<u>(223,892,892)</u>	<u>(207,618,853)</u>	<u>(183,068,814)</u>	<u>(143,716,243)</u>	<u>(122,003,169)</u>	<u>(144,988,702)</u>	<u>(124,577,941)</u>	<u>(115,701,869)</u>

CHANGES IN NET POSITION

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years
(accrual basis of accounting)

Schedule 2

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses - Governmental activities:										
General government	\$ 40,444,367	43,252,315	39,642,837	41,283,224	37,104,610	39,710,432	41,691,056	42,248,827	43,824,204	46,726,526
Public safety	71,590,553	71,455,381	69,433,724	73,826,748	73,502,755	77,733,569	80,973,981	82,537,195	89,481,482	91,710,314
Environmental protection	2,653,528	2,642,585	2,442,611	2,229,539	2,504,903	2,777,088	2,435,366	2,819,059	2,988,102	3,169,444
Human services	75,228,239	76,403,049	77,395,541	75,195,871	74,304,852	78,666,572	76,711,222	63,583,037	65,441,721	75,044,951
Culture and recreation	15,995,428	15,830,605	15,886,345	14,556,355	16,535,727	15,951,292	16,641,402	18,485,376	18,477,223	18,744,724
Community and econ. development	4,541,117	6,697,889	2,795,206	4,209,903	2,936,334	4,211,266	3,840,814	9,452,469	6,822,318	9,569,704
Education	199,596,063	181,325,863	152,410,053	144,359,143	134,732,270	135,927,424	143,258,413	169,888,388	191,146,150	190,237,126
Interest on long-term debt	21,423,843	21,732,376	21,796,354	19,259,551	18,129,062	16,179,523	17,161,545	18,557,050	18,720,561	20,159,476
Total expenses	<u>431,473,138</u>	<u>419,340,063</u>	<u>381,802,671</u>	<u>374,920,334</u>	<u>359,750,513</u>	<u>371,157,166</u>	<u>382,713,799</u>	<u>407,571,401</u>	<u>436,901,761</u>	<u>455,362,265</u>
Program revenues - Governmental activities:										
Charges for services										
General government	3,168,910	3,834,636	3,743,500	3,617,005	3,248,381	3,528,423	3,648,384	3,756,993	3,768,511	3,955,880
Public safety	15,837,236	16,810,834	17,540,753	17,361,145	17,605,671	17,143,278	16,137,539	15,827,574	17,531,635	18,477,813
Environmental protection	292,471	205,762	220,956	228,599	618,162	532,922	172,683	742,063	960,498	652,170
Human services	8,481,786	9,936,712	8,055,427	6,479,949	8,677,070	7,142,225	5,247,617	8,673,055	4,572,125	5,402,693
Culture and recreation	3,792,170	3,908,560	4,079,006	3,944,701	4,251,360	4,197,334	4,162,505	4,074,068	3,772,485	4,060,238
Community and econ. development	60,793	40,954	58,979	160,528	91,515	126,263	103,560	121,073	1,532,214	2,457,051
Education	43,457	77,091	67,038	62,076	57,565	48,249	49,146	50,195	43,034	42,509
Operating grants and contributions										
General government	605,190	648,658	564,085	831,442	587,768	651,129	581,454	871,649	966,906	956,622
Public safety	4,525,900	5,259,860	4,468,936	5,436,967	5,225,898	4,325,041	4,270,996	4,538,285	4,433,121	4,412,459
Environmental protection	748,827	1,035,482	747,815	837,273	717,751	870,607	815,512	1,615,512	453,138	685,541
Human services	38,387,457	41,638,514	40,842,999	41,633,018	43,276,151	44,316,342	44,429,639	30,397,209	29,518,375	39,206,572
Culture and recreation	694,216	672,829	904,113	1,037,768	1,783,651	1,145,752	1,904,836	780,014	919,383	833,288
Community and econ. development	2,618,897	1,011,533	713,754	339,875	422,464	476,516	329,492	1,045,211	1,687,001	1,535,218
Education	9,118,121	5,406,597	4,627,031	4,517,993	3,700,660	3,922,145	3,874,893	3,880,874	3,983,814	3,889,537
Capital grants and contributions										
Human services	-	-	-	-	-	-	-	12,233,423	-	-
Community and econ. development	-	-	-	-	-	-	-	-	24,110,823	-
Total program revenues	<u>88,375,431</u>	<u>90,488,022</u>	<u>86,634,392</u>	<u>86,488,339</u>	<u>90,264,067</u>	<u>88,426,226</u>	<u>85,728,256</u>	<u>88,607,198</u>	<u>98,253,063</u>	<u>86,567,591</u>
Net expense	<u>(343,097,707)</u>	<u>(328,852,041)</u>	<u>(295,168,279)</u>	<u>(288,431,995)</u>	<u>(269,486,446)</u>	<u>(282,730,940)</u>	<u>(296,985,543)</u>	<u>(318,964,203)</u>	<u>(338,648,698)</u>	<u>(368,794,674)</u>

(continued)

CHANGES IN NET POSITION
FORSYTH COUNTY, NORTH CAROLINA

Schedule 2

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General revenues and other changes in net position - Governmental activities:										
Taxes:										
Property taxes	234,598,651	235,293,490	239,530,106	241,781,572	237,494,550	248,996,613	253,812,982	267,549,276	275,276,564	291,511,563
Local option sales taxes	49,565,057	52,867,275	52,933,206	52,905,448	59,852,643	61,889,139	63,841,660	65,500,369	68,839,822	70,352,709
Occupancy taxes	483,945	542,596	558,116	619,138	673,224	747,342	787,567	843,065	907,089	719,675
Other taxes and licenses	-	-	-	-	-	-	-	-	-	-
Gross receipts tax	271,131	290,674	314,099	363,830	408,843	430,692	475,501	459,794	492,137	441,334
Excise stamp tax	943,248	1,039,534	1,429,078	1,254,797	1,702,744	1,696,261	1,919,012	2,051,214	2,519,811	2,798,033
Grants and contributions not restricted to specific programs	5,840,620	5,849,059	4,572,092	3,985,233	3,784,090	3,744,478	4,028,266	4,030,893	4,120,474	5,372,214
Investment earnings	741,526	612,725	141,520	715,063	487,307	874,524	1,548,280	3,688,357	6,481,035	5,061,816
Miscellaneous	276,879	2,421,467	1,009,905	3,080,953	530,167	3,172,690	116,609	1,760,522	422,527	1,413,402
Total general revenues	<u>292,721,057</u>	<u>298,916,820</u>	<u>300,488,122</u>	<u>304,706,034</u>	<u>304,933,568</u>	<u>321,551,739</u>	<u>326,529,877</u>	<u>345,883,490</u>	<u>359,059,459</u>	<u>377,670,746</u>
Change in net position - governmental activities	<u>\$ (50,376,650)</u>	<u>(29,935,221)</u>	<u>5,319,843</u>	<u>16,274,039</u>	<u>35,447,122</u>	<u>38,820,799</u>	<u>29,544,334</u>	<u>26,919,287</u>	<u>20,410,761</u>	<u>8,876,072</u>

FUND BALANCES OF GOVERNMENTAL FUNDS
FORSYTH COUNTY, NORTH CAROLINA

Schedule 3

Last Ten Fiscal Years

(modified accrual basis of accounting)

		Fiscal Year									
		<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund											
Nondisposable	\$	180,133	172,691	251,658	122,250	122,250	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	36,356,366	37,617,142
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	33,369,023	2,981,418
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	19,344,636	30,455,363
Unassigned		<u>62,118,267</u>	<u>63,057,650</u>	<u>63,971,070</u>	<u>64,817,179</u>	<u>58,038,886</u>	<u>59,187,664</u>	<u>59,556,713</u>	<u>59,683,982</u>	<u>64,217,261</u>	<u>62,561,176</u>
Total General Fund	\$	<u>146,271,085</u>	<u>148,256,430</u>	<u>143,510,032</u>	<u>142,583,412</u>	<u>145,540,055</u>	<u>147,132,926</u>	<u>146,084,560</u>	<u>149,359,946</u>	<u>153,409,536</u>	<u>133,737,349</u>
All other governmental funds											
Nondisposable	\$	-	-	-	-	-	-	-	-	-	-
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	161,445,708	131,075,730
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	9,060,673	49,553,858
Assigned		-	-	-	-	-	-	-	-	-	-
Unassigned		<u>(457,737)</u>	<u>(479,424)</u>	<u>(123,274)</u>	<u>(5,169,337)</u>	<u>(746,862)</u>	<u>(1,883,107)</u>	<u>(93,996)</u>	<u>(7,526,246)</u>	<u>29,744,017</u>	<u>(3,014,302)</u>
Total all other governmental funds	\$	<u>136,809,964</u>	<u>73,632,624</u>	<u>54,796,780</u>	<u>29,601,618</u>	<u>69,107,566</u>	<u>52,569,192</u>	<u>154,388,358</u>	<u>114,443,183</u>	<u>200,250,398</u>	<u>177,615,286</u>

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FORSYTH COUNTY, NORTH CAROLINA

Schedule 4

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues										
Property taxes	\$ 234,253,068	235,124,729	240,017,934	242,188,927	238,433,384	249,097,206	254,356,987	267,708,214	275,322,245	291,138,751
Occupancy taxes	483,945	542,596	558,116	619,138	673,224	747,342	787,567	843,065	907,089	719,675
Local option sales tax	49,565,057	52,867,275	52,933,206	52,905,448	59,852,643	61,889,139	63,841,660	65,500,369	68,839,822	70,352,709
Other taxes	271,131	290,674	314,099	363,830	408,843	430,692	475,501	459,794	492,137	441,334
Licenses and permits	902,447	766,104	867,200	790,379	840,176	885,379	837,632	888,557	847,930	950,621
Intergovernmental	63,225,328	61,804,884	57,669,048	58,735,531	59,319,667	58,522,653	59,841,104	46,209,318	46,976,546	56,333,247
Charges for services	22,884,593	23,276,406	24,945,629	23,733,229	23,624,514	23,129,592	22,105,829	22,306,846	24,005,139	24,201,585
Investment earnings	758,785	626,269	152,564	727,569	502,238	892,558	1,575,590	3,741,305	6,572,370	5,145,319
Other	8,944,216	12,978,204	9,041,885	10,014,487	10,780,239	10,599,508	8,630,891	13,920,565	9,271,542	12,797,968
Total revenues	<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>	<u>433,234,820</u>	<u>462,081,209</u>
Expenditures										
Current:										
General government	36,208,234	36,548,586	36,031,427	36,546,154	34,751,181	36,742,065	39,040,088	39,422,533	40,088,488	41,406,663
Public safety	68,412,022	69,124,066	68,062,518	69,651,727	71,415,681	75,399,678	78,879,635	79,004,885	82,827,983	83,035,269
Environmental protection	2,613,354	2,633,817	2,477,195	2,206,012	2,557,325	2,770,670	2,497,067	2,813,935	2,854,242	2,980,933
Human services	68,481,046	70,142,751	70,607,949	68,544,801	69,035,342	72,603,478	74,918,617	63,432,141	63,428,312	71,681,462
Culture and recreation	14,657,631	14,430,037	14,488,772	14,453,569	14,172,939	14,523,516	15,064,741	15,592,888	15,525,342	15,841,182
Comm. and econ. development	4,534,972	6,694,033	2,798,505	2,774,655	2,935,327	4,212,562	3,839,152	9,453,076	6,287,498	6,454,644
Education	1,391,488	788,811	698,383	604,563	969,082	789,485	807,656	801,446	733,935	719,385
Intergovernmental:										
Human services	5,679,583	5,692,674	6,742,601	5,740,312	5,861,305	5,811,072	1,948,784	-	-	-
Education	198,206,090	180,529,368	151,695,430	143,738,262	133,713,158	135,157,216	142,452,410	169,076,299	189,876,343	189,510,247
Debt service:										
Principal retirement	29,909,022	37,906,327	39,097,635	41,565,055	39,050,432	40,054,752	39,184,853	41,885,000	41,220,000	45,885,000
Interest and other charges	23,820,913	24,767,215	24,130,833	22,433,916	22,056,472	20,643,389	19,090,480	22,031,256	20,646,227	24,628,108
Capital outlay	10,677,148	20,995,615	13,136,326	8,029,369	7,626,935	13,083,061	23,260,508	14,734,363	11,202,508	27,653,351
Total expenditures	<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>	<u>474,690,878</u>	<u>509,796,244</u>
Deficiency of revenues over expenditures	<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>	<u>(41,456,058)</u>	<u>(47,715,035)</u>

(continued)

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FORSYTH COUNTY, NORTH CAROLINA

Schedule 4

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Other financing sources (uses):										
Installment purchases	-	2,400,000	-	-	-	-	-	-	-	2,690,477
Other long-term borrowing	-	-	-	-	-	-	-	-	-	2,247,974
Refunding bonds issued	50,295,000	-	35,090,000	8,230,000	72,245,000	29,720,000	-	-	-	66,810,000
Premium on refunding bonds	7,503,955	-	8,795,717	-	18,145,244	-	-	-	-	10,879,285
General obligation bonds issuance	157,625,000	-	18,750,000	-	47,550,000	-	123,145,000	-	119,790,000	-
Premium on general obligation bonds	6,548,336	-	811,977	-	4,114,935	-	6,157,030	-	11,522,863	-
Limited obligation bonds issued	-	16,290,000	-	-	-	-	-	-	-	-
Premium on limited obligation bonds	-	2,094,164	-	-	-	-	-	-	-	-
Transfers in	18,196,159	10,806,854	13,712,606	13,687,885	16,176,832	15,574,472	18,622,313	16,187,298	25,444,016	179,579,649
Transfers out	(18,196,159)	(10,806,854)	(13,712,606)	(13,687,885)	(16,176,832)	(15,574,472)	(18,622,313)	(16,187,298)	(25,444,016)	(179,579,649)
Payment to refunded bond escrow agent	(57,398,372)	-	(43,562,043)	(8,141,925)	(89,882,337)	(29,600,400)	-	-	-	(77,220,000)
Total other financing sources (uses)	<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>	<u>131,312,863</u>	<u>5,407,736</u>
Net change in fund balances	<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>	<u>89,856,805</u>	<u>(42,307,299)</u>
Debt service as a percentage of noncapital expenditures	<u>11.9%</u>	<u>15.5%</u>	<u>15.2%</u>	<u>15.6%</u>	<u>15.4%</u>	<u>14.9%</u>	<u>14.0%</u>	<u>14.4%</u>	<u>13.4%</u>	<u>14.6%</u>

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Schedule 5

Fiscal Year Ended	(1) Tax Year Ended	Real Property	Personal Property	Registered Vehicles	Corporate Excess	Total	(2) Ratio of Assessed Value to Estimated Actual Value	(3) Total Direct Tax Rate
<u>June 30</u>	<u>December 31</u>							
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
2019	2018	28,896,922,657	3,691,746,250	3,338,057,975	721,340,710	36,648,067,592	100%	0.7235
2020	2019	29,439,875,290	3,757,915,292	3,403,069,908	754,389,347	37,355,249,837	100%	0.7535

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

Schedule 6

Last Ten Fiscal Years

Page 1 of 2

		Tax Rates per \$100 Valuation, Year Ended June 30,									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Forsyth County	\$	0.7535	0.7235	0.7235	0.7310	0.7310	0.7168	0.7168	0.6740	0.6740	0.6740
Municipalities: (1)											
City of Winston-Salem		0.6374	0.5974	0.5974	0.5850	0.5650	0.5400	0.5300	0.4910	0.4750	0.4750
Combined Rate		1.3909	1.3209	1.3209	1.3160	1.2960	1.2568	1.2468	1.1650	1.1490	1.1490
Town of Bethania		0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3200	0.3200	0.3500
Combined Rate		1.0535	1.0235	1.0235	1.0310	1.0310	1.0168	1.0168	0.9940	0.9940	1.0240
Village of Clemmons		0.1150	0.1150	0.1150	0.1150	0.1150	0.1150	0.1150	0.1150	0.1150	0.1150
Combined Rate		0.8685	0.8385	0.8385	0.8460	0.8460	0.8318	0.8318	0.7890	0.7890	0.7890
City of High Point		0.6475	0.6475	0.6475	0.6475	0.6500	0.6640	0.6750	0.6750	0.6620	0.6330
Combined Rate		1.4010	1.3710	1.3710	1.3785	1.3810	1.3808	1.3918	1.3490	1.3360	1.3070
Town of Kernersville		0.5700	0.5700	0.5545	0.5700	0.5425	0.5425	0.5275	0.4975	0.4975	0.4975
Combined Rate		1.3235	1.2935	1.2780	1.3010	1.2735	1.2593	1.2443	1.1715	1.1715	1.1715
City of King		0.4220	0.4220	0.4220	0.4220	0.4220	0.4220	0.4220	0.3999	0.3999	0.3799
Combined Rate		1.1755	1.1455	1.1455	1.1530	1.1530	1.1388	1.1388	1.0739	1.0739	1.0539
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		0.9305	0.9005	0.9005	0.9080	0.9080	0.8938	0.8938	0.8510	0.8510	0.8510
Town of Rural Hall		0.3100	0.3100	0.3100	0.3100	0.3100	0.3000	0.2800	0.2500	0.2500	0.2400
Combined Rate		1.0635	1.0335	1.0335	1.0410	1.0410	1.0168	0.9968	0.9240	0.9240	0.9140
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		0.8035	0.7735	0.7735	0.7810	0.7810	0.7668	0.7668	0.7240	0.7240	0.7240
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		0.9535	0.9235	0.9235	0.9310	0.9310	0.9168	0.9168	0.8740	0.8740	0.8740
Fire Tax Districts: (2)											
Countywide Fire Service District		0.0073									
Beesons Crossroads		0.0950	0.0986	0.0880	0.0880	0.0880	0.0880	0.0800	0.0800	0.0700	0.0700
Combined Direct Rate		0.8558	0.8221	0.8190	0.8190	0.8190	0.8048	0.7968	0.7540	0.7440	0.7440
Beesons Crossroads Service		0.0950	0.0986	0.0880	0.0880	0.0880	0.0880				
Combined Direct Rate		0.8558	0.8221	0.8190	0.8190	0.8190	0.8048				
Belews Creek		0.1100	0.1136	0.1100	0.0750	0.0750	0.0750	0.0700	0.0700	0.0700	0.0700
Combined Direct Rate		0.8708	0.8371	0.8410	0.8060	0.8060	0.7918	0.7868	0.7440	0.7440	0.7440
City View		0.1050	0.1086	0.1050	0.0900	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
Combined Direct Rate		0.8658	0.8321	0.8360	0.8210	0.8110	0.7968	0.7968	0.7540	0.7540	0.7540
Clemmons		0.0600	0.0636	0.0600	0.0600	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Combined Direct Rate		0.8208	0.7871	0.7910	0.7910	0.7810	0.7668	0.7668	0.7240	0.7240	0.7240
Forest Hill		0.1150	0.1086	0.1050	0.0900	0.0850	0.0850	0.0750	0.0750	0.0650	0.0650
Combined Direct Rate		0.8758	0.8321	0.8360	0.8210	0.8160	0.8018	0.7918	0.7490	0.7390	0.7390
Griffith		0.0650	0.0586	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550
Combined Direct Rate		0.8258	0.7821	0.7860	0.7860	0.7860	0.7718	0.7718	0.7290	0.7290	0.7290
Gumtree		0.1000	0.1036	0.1000	0.1000	0.1000	0.1000	0.0950	0.0850	0.0850	0.0850
Combined Direct Rate		0.8608	0.8271	0.8310	0.8310	0.8310	0.8168	0.8118	0.7590	0.7590	0.7590

DIRECT AND OVERLAPPING PROPERTY TAX RATES
FORSYTH COUNTY, NORTH CAROLINA

Schedule 6

Last Ten Fiscal Years

Page 2 of 2

		Tax Rates per \$100 Valuation, Year Ended June 30,									
		<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Fire Tax Districts (cont.): (2)											
Hornetown	\$	0.1500	0.1336	0.1220	0.1100	0.1100	0.1100	0.1100	0.1000	0.1000	0.1000
Combined Direct Rate		0.9108	0.8571	0.8455	0.8410	0.8410	0.8268	0.8268	0.7740	0.7740	0.7740
King		0.0750	0.0786	0.0750	0.0750	0.0650	0.0650	0.0650	0.0650	0.0650	0.0550
Combined Direct Rate		0.8358	0.8021	0.7985	0.8060	0.7960	0.7818	0.7818	0.7390	0.7390	0.7290
Lewisville		0.0800	0.0836	0.0800	0.0800	0.0800	0.0780	0.0740	0.0600	0.0600	0.0600
Combined Direct Rate		0.8408	0.8071	0.8035	0.8110	0.8110	0.7948	0.7908	0.7340	0.7340	0.7340
Mineral Springs		0.1150	0.1086	0.1050	0.1050	0.0900	0.0850	0.0850	0.0750	0.0750	0.0650
Combined Direct Rate		0.8758	0.8321	0.8285	0.8360	0.8210	0.8018	0.8018	0.7490	0.7490	0.7390
Mineral Springs Service		0.1150	0.1086	0.1050	0.1050	0.0900	0.0850	0.0850	0.0750	0.0750	0.0650
Combined Direct Rate		0.8758	0.8321	0.8285	0.8360	0.8210	0.8018	0.8018	0.7490	0.7490	0.7390
Mount Tabor		0.0850	0.0786	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750
Combined Direct Rate		0.8458	0.8021	0.7985	0.8060	0.8060	0.7918	0.7918	0.7490	0.7490	0.7490
Old Richmond		0.0950	0.0986	0.0950	0.0950	0.0950	0.0900	0.0900	0.0850	0.0850	0.0800
Combined Direct Rate		0.8558	0.8221	0.8185	0.8260	0.8260	0.8068	0.8068	0.7590	0.7590	0.7540
Piney Grove		0.1400	0.1436	0.1300	0.1300	0.1300	0.1150	0.1150	0.1070	0.1070	0.0900
Combined Direct Rate		0.9008	0.8671	0.8535	0.8610	0.8610	0.8318	0.8318	0.7810	0.7810	0.7640
Salem Chapel		0.1200	0.1236	0.1200	0.1200	0.1200	0.0900	0.0900	0.0900	0.0900	0.0900
Combined Direct Rate		0.8808	0.8471	0.8435	0.8510	0.8510	0.8068	0.8068	0.7640	0.7640	0.7640
South Fork		0.0600	0.0636	0.0600	0.0600	0.0600	0.0500	0.0500	0.0500	0.0500	0.0500
Combined Direct Rate		0.8208	0.7871	0.7835	0.7910	0.7910	0.7668	0.7668	0.7240	0.7240	0.7240
Suburban (Rural Hall)		0.1050	0.1086	0.1050	0.1050	0.1050	0.0960	0.0860	0.0750	0.0750	0.0650
Combined Direct Rate		0.8658	0.8321	0.8285	0.8360	0.8360	0.8128	0.8028	0.7490	0.7490	0.7390
Talley's Crossing		0.1050	0.1086	0.1050	0.1050	0.0900	0.0800	0.0800	0.0800	0.0800	0.0800
Combined Direct Rate		0.8658	0.8321	0.8285	0.8360	0.8210	0.7968	0.7968	0.7540	0.7540	0.7540
Triangle		0.0920	0.0956	0.0920	0.0920	0.0920	0.0920	0.0920	0.0800	0.0800	0.0800
Combined Direct Rate		0.8528	0.8191	0.8155	0.8230	0.8230	0.8088	0.8088	0.7540	0.7540	0.7540
Union Cross		0.1200	0.1236	0.1200	0.1200	0.1000	0.1000	0.1000	0.1000	0.1000	0.0800
Combined Direct Rate		0.8808	0.8471	0.8435	0.8510	0.8310	0.8168	0.8168	0.7740	0.7740	0.7540
Vienna		0.0850	0.0786	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750
Combined Direct Rate		0.8458	0.8021	0.7985	0.8060	0.8060	0.7918	0.7918	0.7490	0.7490	0.7490
Walkertown (Northeast)		0.1000	0.1036	0.1000	0.1000	0.0950	0.0950	0.0870	0.0800	0.0800	0.0800
Combined Direct Rate		0.8608	0.8271	0.8235	0.8310	0.8260	0.8118	0.8038	0.7540	0.7540	0.7540
West Bend		0.0800	0.0836	0.0800	0.0800	0.0800	0.0780	0.0740	0.0600	0.0600	0.0500
Combined Direct Rate		0.8408	0.8071	0.8035	0.8110	0.8110	0.7948	0.7908	0.7340	0.7340	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

Current Year and Nine Years Ago

Schedule 7

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2019 Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>2010 Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
R. J. Reynolds Industries, Inc	Tobacco, Foods, Petroleum and Transportation	\$ 1,037,330,325	1	2.78%	\$ 896,447,570	1	2.65%
Duke Energy Corporation	Electric Utility	415,713,736	2	1.11%	288,365,180	3	0.85%
Wells Fargo Bank NA	Banking	304,210,883	3	0.81%	292,816,580	2	0.87%
Wexford Science & Technology, LLC	Real Estate Development	242,657,465	4	0.65%			
Caterpillar Inc	Manufacturer	228,629,728	5	0.61%			
JG Winston-Salem	Real Estate Management	176,324,751	6	0.47%	203,206,800	5	0.60%
American Homes 4 Rent	Real Estate Management	114,152,488	7	0.31%			
Branch Banking & Trust	Banking	106,017,120	8	0.28%			
Wake Forest University Health	Medical	103,670,604	9	0.28%	149,143,550	7	0.44%
Novant Health Inc	Medical	102,254,678	10	0.27%			
Wal-Mart	Retail				124,471,330	9	0.37%
Lowes Home Center	Retail				251,484,010	4	0.74%
Hanesbrands Inc.	Textiles				147,579,350	8	0.44%
Highwoods/Forsyth Partners	Real Estate Management				114,981,900	10	0.34%
Time Warner Entertainment	Television Utilities				189,945,680	6	0.56%
		<u>\$ 2,830,961,778</u>		<u>7.57%</u>	<u>\$ 2,658,441,950</u>		<u>7.86%</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 June 30	Total Tax Levy for Fiscal Year	Collected within the		Collections in Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy	Percentage		Amount	Percentage
		Amount	of Levy		Amount	of Levy
2011	229,126,449	224,104,050	97.81%	4,426,367	228,530,417	99.74%
2012	228,728,259	223,947,380	97.91%	4,139,136	228,086,516	99.72%
2013	232,910,975	228,359,406	98.05%	3,743,196	232,102,602	99.65%
2014	234,215,900	230,760,638	98.52%	2,116,442	232,877,080	99.43%
2015	230,986,702	228,618,034	98.97%	1,583,303	230,201,337	99.66%
2016	241,192,603	239,063,497	99.12%	1,308,573	240,372,070	99.66%
2017	246,544,840	244,417,516	99.14%	1,140,739	245,558,255	99.60%
2018	259,184,864	257,172,253	99.22%	1,189,843	258,362,096	99.68%
2019	266,203,284	264,297,009	99.28%	1,358,760	265,655,769	99.79%
2020	281,867,417	279,198,788	99.05%		279,198,788	99.05%

RATIOS OF OUTSTANDING DEBT BY TYPE FORSYTH COUNTY, NORTH CAROLINA

Schedule 9

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Bonded Debt as a Percentage of Actual Taxable Value of Property ^a	Total Bonded Debt Per Capita ^b
2011	552,547,783	1.63%	1,572.45
2012	517,690,727	1.53%	1,460.82
2013	506,841,054	1.47%	1,417.78
2014	467,559,237	1.42%	1,299.17
2015	492,044,964	1.53%	1,354.70
2016	452,707,749	1.38%	1,239.01
2017	543,957,057	1.62%	1,474.02
2018	503,677,229	1.41%	1,350.90
2019	595,792,576	1.63%	1,583.25
2020	550,875,637	1.47%	1,450.84

Governmental Activities								
Fiscal Year	General Obligation Bonds	Certificates of Participation	Limited Obligation Bonds	Installment Purchase Obligations	Other Long Term Borrowing	Total Primary Government	Percentage of Personal Income ^b	Total Debt Per Capita ^b
2011	552,547,783	61,641,500	15,139,749	812,088	-	630,141,120	4.55%	1,793.27
2012	517,690,727	55,731,450	32,676,028	2,835,543	-	608,933,748	4.36%	1,718.29
2013	506,841,054	49,976,539	31,680,167	2,141,649	-	590,639,409	4.03%	1,652.18
2014	467,559,237	37,650,582	29,874,372	9,620,166	-	544,704,357	3.74%	1,513.52
2015	492,044,964	33,730,604	28,076,784	8,335,996	-	562,188,348	3.56%	1,547.82
2016	452,707,749	-	26,287,402	36,475,000	-	515,470,151	3.12%	1,410.79
2017	543,957,057	-	24,506,733	31,195,000	-	599,658,790	3.58%	1,624.96
2018	503,677,229	-	22,736,295	25,830,000	-	552,243,524	3.12%	1,481.16
2019	595,792,576	-	20,976,088	20,390,000	-	637,158,664	3.44%	1,693.18
2020	550,875,637	-	19,226,747	18,555,477	2,247,974	590,905,835	n/a	1,556.27

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

FORSYTH COUNTY, NORTH CAROLINA

As of June 30, 2020

<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	\$ 166,963,731	100.0%	\$ 166,963,731
Town of Kernersville	24,026,287	95.0%	22,824,973
Town of Lewisville	466,672	100.0%	466,672
Town of King	1,878,762	9.8%	183,809
Other debt			
City of Winston-Salem	153,312,291	100.0%	<u>153,312,291</u>
Subtotal, overlapping debt			343,751,476
County direct debt			<u>590,905,835</u>
Total direct and overlapping debt			\$ <u>934,657,311</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

Last Ten Fiscal Years
(dollars in thousands)

Schedule 11

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed Value of Taxable Property	\$ 37,355,250
Debt Limit - Eight percent (8%) of assessed value	2,988,420
Debt applicable to limit:	
General obligation bonds	550,876
Limited obligation bonds	19,227
Installment purchase obligations	18,555
Other long term borrowing	2,248
Total debt applicable to legal debt limit	590,906
Legal debt margin	\$ 2,397,514

		Fiscal Year									
		<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt Limit	\$	2,707,095	2,712,709	2,749,014	2,639,184	2,575,929	2,626,091	2,686,948	2,859,226	2,931,845	2,988,420
Total net debt applicable to limit		605,572	586,266	590,639	544,704	562,188	515,470	599,659	552,244	637,159	590,906
Legal debt margin	\$	<u>2,101,523</u>	<u>2,126,443</u>	<u>2,158,375</u>	<u>2,094,479</u>	<u>2,013,741</u>	<u>2,110,621</u>	<u>2,087,289</u>	<u>2,306,982</u>	<u>2,294,687</u>	<u>2,397,514</u>
Total net debt applicable to the limit as a percentage of debt limit		22.4%	21.6%	21.5%	20.6%	21.8%	19.6%	22.3%	19.3%	21.7%	19.8%

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

DEMOGRAPHIC AND ECONOMIC STATISTICS

FORSYTH COUNTY, NORTH CAROLINA

Schedule 12

Last Ten Calendar Years

Calendar Year ^a	Population ¹	Personal Income (000's) ²	Per Capita Personal Income ²	Median Age ³	Dropout Rates for Grades 9-12 ⁴	Public School Enrollment ⁴	Private School Enrollment ^{5, b}	Unemployment Rate ⁶
2010	351,393	13,862,145	39,449	37.2	4.1%	52,050	5,056	10.1%
2011	354,384	13,973,768	39,417	37.2	3.8%	52,277	4,834	9.8%
2012	357,490	14,657,816	40,986	37.3	3.4%	52,860	4,691	8.9%
2013	359,892	14,546,686	40,334	37.5	2.7%	53,107	4,579	7.5%
2014	363,212	15,787,324	43,308	37.6	2.3%	53,693	4,494	6.0%
2015	365,378	16,535,730	45,014	37.7	2.8%	53,908	4,458	5.5%
2016	369,029	16,764,457	45,168	38.0	2.4%	54,162	4,505	4.9%
2017	372,845	17,682,171	47,062	38.2	2.5%	54,094	4,511	4.9%
2018	376,309	18,501,670	48,804	38.3	2.5%	53,438	4,255	3.8%
2019	379,693	n/a	n/a	n/a	3.1%	53,277	4,461	3.8%

Sources: ¹ Office of State Budget and Management. Subject to annual updates. 2019 is a projection.

² U.S. Department of Commerce: Bureau of Economic Analysis. Subject to annual updates.

³ U.S. Census Bureau. Subject to annual updates.

⁴ North Carolina Department of Public Instruction

⁵ State of North Carolina Division of Non-Public Education

⁶ North Carolina Department of Commerce

Notes:

^a Personal Income, Per Capital Personal Income, and Median Age for 2019 had not been released by the Bureau of Economic Analysis or Census Bureau at the time of this schedule.

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

PRINCIPAL EMPLOYERS

FORSYTH COUNTY, NORTH CAROLINA

Schedule 13

Current Year and Ten Years Ago

<u>Employer</u>	2020 ¹			2010		
	<u>Number of</u> <u>Employees</u>	<u>Rank</u>	<u>Percentage of</u> <u>Total County</u> <u>Employment</u>	<u>Number of</u> <u>Employees</u>	<u>Rank</u>	<u>Percentage of</u> <u>Total County</u> <u>Employment</u>
Wake Forest University Baptist Medical Center	10,194	1	6.2%	13,000	1	8.3%
Novant Health	9,896	2	6.0%	8,145	2	5.2%
Winston-Salem/Forsyth County School System	8,302	3	5.1%	6,692	3	4.3%
Reynolds American ^b	3,000	4	1.8%	4,100	5	2.6%
Wake Forest University	2,800	5	1.7%	1,680	10	1.1%
City of Winston-Salem	2,593	6	1.6%	2,660	7	1.7%
Hanesbrands, Inc.	2,400	7	1.5%	5,200	4	3.3%
Truist Bank ^c	2,134	8	1.3%	2,259	8	1.4%
Forsyth County	2,098	9	1.3%	2,029	9	1.3%
Wells Fargo Bank ^a	1,985	10	1.2%	2,800	6	1.8%
Total	<u>45,402</u>		<u>27.7%</u>	<u>48,565</u>		<u>31.1%</u>

¹ Most current estimates are as of June 2020

^a Formerly Wachovia Corporation

^b Formerly R.J. Reynolds Tobacco Company

^c Formerly BB&T

Sources: Direct from companies and institutions. Also 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
Last Ten Fiscal Years

Schedule 14

<u>Function</u>	Full-time Equivalent Employees as of June 30,									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General government	354	346	336	320	314	314	325	308	305	311
Public safety	800	774	771	781	784	782	786	774	790	813
Human services	667	660	667	662	661	661	710	693	688	688
Environmental protection	22	22	22	22	23	24	23	23	22	22
Community and economic development	5	6	5	5	5	4	5	5	11	17
Education	9	4	4	4	5	5	6	6	5	4
Culture and recreation	204	203	205	198	191	184	192	192	198	196
Total	<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>2,047</u>	<u>2,001</u>	<u>2,019</u>	<u>2,051</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

Schedule 15

Page 1 of 2

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government										
General services										
Number of facilities ¹	72	49	46	47	47	47	41	42	44	42
Square footage - active	1,864,494	1,853,678	1,827,073	2,257,302	2,277,389	2,150,982	2,099,727	2,158,870	2,229,705	2,212,809
Assigned fleet vehicles	631	622	585	577	577	577	562	583	572	617
Register of deeds										
Deeds recorded	10,150	9,215	9,651	10,875	11,399	11,335	12,108	12,753	13,131	13,954
Real estate copies	23,427	21,648	21,542	24,193	18,413	15,795	17,735	18,138	17,483	16,759
Birth certificates	7,825	7,314	8,140	8,499	5,575	8,134	9,691	9,328	8,308	8,291
Marriage certificates	1,937	2,001	2,083	2,038	2,092	2,329	2,483	2,444	2,341	2,313
Vital records copies	54,685	58,043	59,439	62,319	60,826	65,744	65,740	67,406	63,206	64,357
Tax administration										
Current year levy collection percentage	98.43%	97.81%	97.91%	98.05%	98.43%	98.89%	99.04%	99.08%	99.17%	99.25%
Public safety										
Emergency management										
Responders receiving specialized training	480	211	474	125	125	125	75	390	212	254
Emergency services										
Emergency dispatches	27,057	27,854	30,912	31,349	29,348	29,364	30,311	31,512	32,298	34,051
Non-emergency dispatches	7,151	6,668	5,560	2,968	8,095	9,484	10,236	12,273	13,743	13,700
Fire										
Fire alarms (total dispatches)	3,897	3,907	3,738	4,058	7,518	7,241	7,711	8,110	8,506	9,453
Volunteer rescue squad response	25,670	27,007	28,846	10,478	19,744	20,060	20,942	19,850	18,371	19,027
911 calls received	85,614	88,635	89,006	44,444	89,695	93,542	98,333	102,769	98,170	99,959
Telephone calls processed	176,043	177,527	188,363	97,758	204,839	209,199	215,479	216,701	209,031	193,765
Sheriff										
Patrol service calls	48,284	45,791	47,669	74,125	66,409	80,851	83,851	76,016	81,189	88,782
Detention - avg. daily inmate population	824	675	775	695	761	731	684	766	797	835
Detention - avg. length of stay (in days)	24	20	21	20	22	21	22	23	25	28
Calls received (Animal Services)	14,055	14,562	14,902	14,650	12,583	11,077	10,671	11,007	10,547	10,899
Economic development										
Housing										
Homes rehabilitated	18	38	35	24	23	16	16	24	16	22
First time home buyers	64	37	24	15	33	39	36	35	29	22

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.

(continued)

OPERATING INDICATORS BY FUNCTION
FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Schedule 15

Page 2 of 2

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Human services										
Public health										
Wait time on improvement permits (in days)	14.0	11.0	8.0	7.0	9.0	5.0	9.0	9.0	17.0	23.0
Children Immunized by 24 months of age	90%	90%	88%	82%	87%	91%	91%	92%	89%	85%
Social services										
Adult guardianships	207	221	227	229	278	338	328	306	311	224
Adoptions finalized	53	37	34	22	24	25	29	45	31	31
Child protective services investigations	2,621	2,688	2,893	2,724	2,952	2,819	3,514	3,686	3,292	3,556
Child day care clients served	40,621	37,190	37,639	36,994	34,941	33,423	32,505	n/a	n/a	n/a
Environmental protection										
Environmental assistance & protection										
Permits processed within prescribed timeframe	99%	97%	91%	91%	100%	100%	85%	85%	85%	90%
Correct air quality forecasting	80%	80%	78%	81%	78%	76%	77%	79%	80%	80%
Culture and recreation										
NC cooperative extension service										
Educational meetings attendance	7,950	9,103	5,493	4,145	2,824	4,522	5,423	6,581	2,965	2,807
Economic value of volunteer service	\$305,169	\$592,880	\$565,117	\$523,119	\$613,391	\$663,391	\$1,093,246	\$903,533	\$504,961	\$1,287,522
Library										
Number of libraries	10	10	10	10	10	10	10	10	10	10
Program Attendance	95,791	101,284	96,108	104,377	81,141	102,577	108,526	117,978	120,882	132,098
Materials Circulated	1,956,849	1,933,496	1,915,971	1,887,526	1,819,410	1,613,189	1,560,638	1,478,637	1,525,622	1,499,950
Recreation and parks										
Number of parks	11	11	11	11	11	11	11	11	11	11
Park visitors	2,914,185	2,889,969	2,854,524	3,192,212	3,716,992	4,256,936	4,376,870	4,114,472	4,714,586	5,139,851
Golf rounds played	59,193	49,642	56,553	52,038	51,370	52,513	51,950	52,090	47,584	41,863
Festival of lights - visitors	223,236	217,362	263,100	262,818	245,808	280,842	281,016	294,942	294,894	266,292
Education										
Winston-Salem/Forsyth County Schools										
Number of schools	80	80	80	79	81	81	81	80	80	79
Number of teachers	3,938	3,768	3,778	3,878	3,749	3,826	3,758	3,763	3,782	3,837
Forsyth Technical Community College										
Enrollment	9,922	10,616	9,941	9,881	12,968	13,036	12,238	11,477	11,306	11,450

Sources: Forsyth County Departments. North Carolina Department of Public Instruction. Forsyth Technical Community College. Fiscal Year 2019 is the most recent actual data available.

CAPITAL ASSET STATISTICS BY FUNCTION
FORSYTH COUNTY, NORTH CAROLINA

Schedule 16

Last Ten Fiscal Years

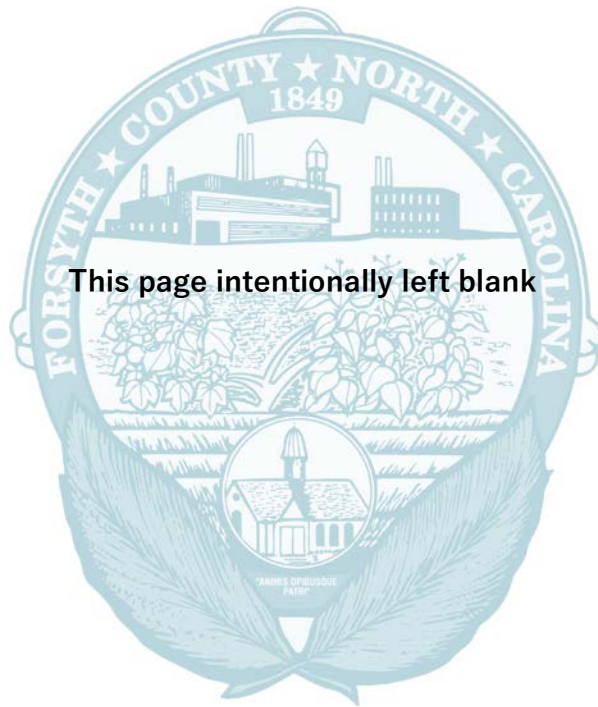
Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
General services										
Number of facilities ¹	72	53	47	48	44	41	41	43	44	43
Square footage - active ²	1,853,678	1,827,073	2,257,302	2,277,389	2,150,982	2,099,727	2,146,032	2,264,658	2,229,705	2,212,809
Fleet vehicles ³	615	585	575	569	562	577	571	574	617	632
Public safety ³										
Emergency medical services										
Assigned vehicles	31	34	34	34	34	35	38	38	39	41
Fire										
Assigned vehicles	13	17	17	16	14	15	14	14	14	14
Sheriff										
Assigned vehicles	260	237	237	227	229	238	234	237	265	282

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.



**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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 17, 2020.

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

Compliance and Other Matters

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

Purpose of This Report

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

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

Raleigh, North Carolina
December 17, 2020

**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, 2020. 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 Federal and State Statutes, regulations, and terms and conditions 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, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with Uniform Guidance and which are described in the accompanying *Schedule of Findings and Questioned Costs* as item 2020-001. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, 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.

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying *Schedule of Findings and Questioned Costs* as items 2020-001 and 2020-002 to be significant deficiencies.

The County's response to the internal control over compliance findings identified in our audit are described in the accompanying *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.

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

Raleigh, North Carolina
December 17, 2020

**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, 2020. 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 State Statutes, regulations, and terms and conditions 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, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with applicable sections of section the Uniform Guidance as described in the *Audit Manual for Governmental Auditors in North Carolina* and which are described in the accompanying *Schedule of Findings and Questioned Costs* as item 2020-001. Our opinion on each major state program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Cost*. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, 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 and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying *Schedule of Findings and Questioned Costs* as items 2020-001 and 2020-002 to be significant deficiencies.

The County's response to the internal control over compliance findings identified in our audit are described in the accompanying *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. Accordingly, this report 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
December 17, 2020

Forsyth County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2020

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	-	\$ 234,543	\$ -	\$ -
TANF Services/Domestic Violence	93.558	-	1,414,999	-	-
TANF Child Protective Services/Foster Care/Adoption	93.558	-	142,423	-	-
TANF Incentives	93.558	-	-	1,476	-
Total TANF Cluster			<u>1,791,965</u>	<u>1,476</u>	<u>-</u>
Child Support Enforcement Administration	93.563	-	2,967,499	-	-
Child Support Incentive	93.563	-	637,567	-	-
Child Support Reimbursement	93.563	-	27,210	-	-
Child Support Enforcement Fees	93.563	-	48,960	-	-
Low Income Home Energy Assistance:					
Low Income Home Energy Assistance Administration	93.568	-	272,663	-	-
Low Income Home Energy Assistance Crisis Intervention	93.568	-	1,017,116	-	-
Low Income Home Energy Assistance Payments	93.568	-	1,662,664	-	-
Child Welfare Services - State Grants:					
Child Welfare Services Permanency Special/Regular	93.645	-	97,368	-	-
Child Welfare Services Adoption Assistance	-	-	-	4,017	-
Family Reunification	93.556	-	89,346	-	-
Foster Care Caseworker Visit	93.556	-	14,180	-	-
<u>Foster Care and Adoption Cluster: (Note 3)</u>					
Title IV-E Foster Care Administration	93.658	-	852,554	-	-
Title IV-E Foster Care	93.658	-	521,836	116,238	-
Title IV-E Foster Care Child Protective Services	93.658	-	147,816	-	-
Title IV-E Maximization	93.658	-	559,421	647,547	-
State Foster Care/HIV	-	-	-	159,042	-
Special Children's Adoption Fund	93.658	-	-	54,258	-
CPS State	93.658	-	134,398	189,756	-
Adoption Assistance Vendor	93.658	-	2,279	1,140	-
Adoption Assistance	93.659	-	118,501	-	-
Total Foster Care and Adoption Cluster (Note 3)			<u>2,336,805</u>	<u>1,167,981</u>	<u>-</u>
Social Services Block Grant:					
Social Services Block Grant Administration	93.667	-	1,772,437	50,400	-
Social Services Block Grant In Home Services	93.667	-	59,753	-	-
Social Services Block Grant Adult Day Care	93.667	-	71,260	64,984	-
Social Services Block Grant Adult Protective Services	93.667	-	30,123	-	-
Chafee Foster Care - Independent Living	93.674	-	23,524	5,881	-
<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	-	643,910	-	-
<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	-	259,821	(1,743)	-
<u>Medicaid Cluster</u>					
Medical Assistance Program:					
Medical Assistance Administration	93.778	-	5,772,389	-	-
Adult Home Specialist	93.778	-	68,686	29,628	-
MAC CORD Transp	93.778	-	212,277	-	-
Medical Assistance Transportation Administration	93.778	-	277,263	-	-
State/County Special Assistance	93.778	-	279,188	-	-

Forsyth County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2020

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
Division of Medical Assistance:					
Passed-through Northwest Community Care Network:					
CCNC Pregnancy Prevention (Note 4)	93.778	-	\$ 849,482	\$ -	\$ -
Pregnancy Care Management (Note 4)	93.778	-	974,884	-	-
Medical Assistance Program:					
Medical Assistance Transportation Vendor Payments		-	28,318	17,357	-
Total Medicaid Cluster			8,462,487	46,985	-
<u>Administration on Aging</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Aging:					
Family Caregiver Support	93.052	-	78,089	5,206	83,295
Social Services Block Grant	93.667	-	84,742	1,331	86,073
<u>Aging Cluster:</u>					
Passed-through Piedmont Regional Council of Government					
Access	93.044	-	256,307	153,870	666,484
HCCBG	93.044	-	411,466	13,312	633,196
Nutrition					
Congregate Nutrition	93.045	-	66,021	3,884	135,926
Home Delivery Nutrition	93.045	-	408,306	115,496	932,108
NSIP Supplement	93.053	-	164,594	-	329,188
Total Aging Cluster			1,306,694	286,562	2,696,902
Total Administration of Aging			1,469,525	293,099	2,866,270
<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	-	90,922	-	-
Healthy Communities	93.217	-	27,045	-	-
Immunization Outreach	93.268	-	99,512	-	-
Cooperative Agreements for State-Based Comprehensive:					
Comp Breast Cancer Screen	93.283	-	60,211	45,164	-
BCCP Wisewoman Project	93.283	-	1,745	-	-
Emergency Overdose	93.354	-	36,723	-	-
Jail Screening Program	93.940	-	113,120	-	-
Child Svc Coordinator	93.994	-	8,664	6,499	-
Preparedness and Response Team	93.283	-	54,694	-	-
<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	-	125,635	-	-
Minority Infant Mortality Rate	93.994	-	45,242	33,935	-
Maternal and Child Health/Women's Preventive Health	93.994	-	177,171	132,894	-
STD Drugs	93.977	-	2,035	1,527	-
Family Planning/TANF	93.558	-	49,737	-	-
Family Planning Title X (Note 4)	93.217	-	180,360	20,718	-
Women's Health Services	10.557	-	15,862	-	-
Total U.S. Dept. of Health and Human Services			24,844,861	1,873,817	2,866,270
<u>National Foundation on the Arts and the Humanities</u>					
Passed-through N.C. Department of Cultural Resources:					
Division of State Library:					
State Library Program	45.310	-	61,427	-	-
<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:					
Passed-through N.C. Housing Finance Agency:					
NCHFA Single Family Rehabilitation	14.239	-	74,900	-	-
NCHFA URP		-	-	91,237	-

Forsyth County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2020

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 (cont)</u>					
<u>Community Planning and Development</u>					
Passed through N. C. Department of Commerce:					
Passed through City of Winston-Salem:					
HOME Investment Partnerships Program:					
2016 Winston-Salem/Forsyth County HOME Consortium	14.239	M16-DC-37-0204	\$ 10,160	\$ -	\$ -
2017 Winston-Salem/Forsyth County HOME Consortium	14.239	M17-DC-37-0204	115,281	-	-
2018 Winston-Salem/Forsyth County HOME Consortium	14.239	M18-DC-37-0204	73,319	-	-
2019 Winston-Salem/Forsyth County HOME Consortium	14.239	M19-DC-37-0204	46,021	-	-
Total U. S. Dept. of Housing and Urban Development			<u>319,681</u>	<u>91,237</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	-	2,742,503	-	-
SNAP Incentives	10.561	-	75,834	-	-
SNAP Fraud Administration	10.561	-	254,600	-	-
Total SNAP Cluster			<u>3,072,937</u>	<u>-</u>	<u>-</u>
Division of Public Health:					
Special Supplemental Nutrition Program for					
Women, Infants, & Children:					
Administration	10.557	-	1,676,890	-	-
Total U. S. Dept. of Agriculture			<u>4,749,827</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Treasury</u>					
Direct Programs:					
Passed-through the Office of State Budget and Management:					
Coronavirus Relief Fund	21.019	02-34	5,494,025	-	-
Total U.S. Dept. of Treasury			<u>5,494,025</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Transportation</u>					
Federal Aviation Administration					
Passed-through N.C. Dept. of Transportation:					
CARES Act Airport	20.106	3-37-SBGP-060-2020	157,000	-	-
Total U.S. Dept. of Transportation			<u>157,000</u>	<u>-</u>	<u>-</u>
<u>Environmental Protection Agency</u>					
Direct Programs:					
Surveys, Studies, Investigations and Special Purpose Grants					
<u>Office of Air and Radiation</u>	66.034	-	48,863	-	-
Air Pollution Control Program Support	66.001	-	325,646	-	-
Total Environmental Protection Agency			<u>374,509</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Justice</u>					
Direct programs:					
<u>Office of Justice Programs</u>					
Bureau Of Justice Assistance					
2015 Justice Assistance Grant Program	16.738	2016-DJ-BX-1069	16,619	-	-
2016 Justice Assistance Grant Program	16.738	2017-DJ-BX-0815	39,251	-	-
2017 Justice Assistance Grant Program	16.738	2018-DJ-BX-0076	88,285	-	-
<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	96,084	-	96,084
Total U.S. Dept. of Justice			<u>240,239</u>	<u>-</u>	<u>96,084</u>
<u>Department of Homeland Security</u>					
Federal Emergency Mangemnt Agency					
Passed-through N.C. Dept. of Crime Control and Public Safety:					
Disaster Grant Hurrican Michael	97.036	4412-DR-NC	115,871	-	-
Disaster Grant Hurrican Florence	97.036	4393-DR-NC	19,699	-	-
Total Department of Homeland Security			<u>135,570</u>	<u>-</u>	<u>-</u>
Total federal awards			<u>36,377,139</u>	<u>1,965,054</u>	<u>2,962,354</u>

Forsyth County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2020

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:					
<u>N.C. Dept. of Health and Human Services</u>					
Division of Social Services:					
State Adoption Fund		-	\$ -	\$ 1,700	\$ -
Share the Warmth		-	-	7,836	-
Child WLFR STNHM SVC		-	-	133,993	-
ST COS Caseload Reduction		-	-	106,372	-
General Health Administration		-	-	325,901	-
AIDS		-	-	55,789	-
Offsite HIV CTS		-	-	49,826	-
Division of Child Development:					
Passed-through Forsyth Early Childhood Partnership:					
Communicable Disease		-	-	33,760	-
High Risk Maternity Unit		-	-	101,615	-
School Nurse Funding		-	-	93,122	-
Zika		-	-	15,876	-
Refugee Accessment		-	-	1,140	-
Minority Diabetes Prevention		-	-	178,547	-
HIV/STD Substance Abuse		-	-	6,735	-
Targeted IMR		-	-	99,489	-
Nursing NFP		-	-	499,107	-
Covid 19		-	-	24,429	-
Division of Aging:					
In-Home Services:					
State Funds		-	-	620,343	440,257
HCCBG		-	-	5,446	-
State Appropriation		-	-	2,554	1,813
Senior Services General Purpose		-	-	22,587	22,587
Social Services Block Grant		-	-	545	-
Total N.C. Dept. of Health and Human Services			-	2,386,712	464,657
<u>N.C. Dept. of Natural and Cultural Resources</u>					
Division of State Library:					
State Aid to Libraries		-	-	307,432	-
Total N.C. Dept. of Cultural and Natural Resources			-	307,432	-
<u>N.C. Dept. of Environmental Quality</u>					
Air Quality Mobile Source Program		-	-	231,186	-
Food and Lodging Permit Distribution		-	-	50,132	-
NC A&T University Position Reimbursement		-	-	16,050	-
SWC - Agricultural Cost Share Program		-	-	26,285	-
SWC - Administration and Technical Assistance		-	-	4,550	-
Total N.C. Dept. of Environmental Quality			-	328,203	-
<u>N.C. Department of Information Technology</u>					
NC 911 Board					
911 Fund Grant		-	-	343,059	-
Total N.C. Dept. of Information Technology			-	343,059	-
<u>N.C. Department of Public Safety</u>					
Juvenile Justice and Delinquency Prevention		-	-	831,001	831,001
Total N.C. Dept. of Public Safety			-	831,001	831,001
<u>N.C. Dept. of Public Instruction</u>					
Public School Building Capital Fund		0-002-933	-	3,852,737	-
<u>N.C. Dept. of Transportation</u>					
Rural Operating Assistance Program:					
Work First Transitional/Employment Transportation Assistance		9.9051570	-	10,000	10,000
Elderly and Disabled Transportation Assistance		9.9050716	-	189,768	189,767
State Aid to Airports:					
Taxiway Q		36244.37.7.4	-	131,711	-
Terminal Ramp		36237.26.13.4	-	86,242	-
Runway		36237-26.15.1	-	7,581	-
Total N.C. Dept. of Transportation			-	425,302	199,767
Total state awards			-	8,474,446	1,495,425
Total federal and state awards			\$ 36,377,139	\$ 10,439,500	\$ 4,457,779

Forsyth County, North Carolina
Notes to the Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2020

(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, 2020. 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

(5) Coronavirus Relief Funds

The County received \$5,651,025.00 in funding from the Coronavirus Relief Fund (21.019). At least twenty-five percent (25%) of the funds are to go to municipalities within the County, at the discretion of the County. Municipalities are to have a plan to spend these funds by September or any funds received are to be returned to the County. Counties and municipalities are liable to the State for funds not spent in accordance with US Dept. of Treasury, the granting agency, guidelines. According to the Office of State Budget and Management, the State's pass-through agreements municipalities are considered subrecipients of the Counties; however, municipalities are not liable to the County for any misused or misspent funds. CRF must be spent during the period March 1, 2020 to December 30, 2020.

Forsyth County, North Carolina
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: 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 with 2 CFR 200.516(a): ☒ Yes ☐ No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
10.561	SNAP Cluster
21.019	Coronavirus Relief Fund
93.563	Child Support Enforcement
93.778	Medicaid Cluster

Dollar threshold used to distinguish between type A and type B programs: \$ 1,091,314

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:

Public School Building Capital Fund
Juvenile Justice and Delinquency Program

Forsyth County, North Carolina

Schedule of Findings and Questioned Costs

For the year ended June 30, 2020

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

II. FINANCIAL STATEMENT FINDINGS

None Reported

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2020-001, Significant Deficiency over Special Tests and Provisions and Non-Material Noncompliance

Information on the federal program: DSS Crosscutting, U.S. Department of Social Services, passed through the N.C Department of Health and Human Services, Division of Social Services, Supplemental Nutrition Assistance Program, CFDA 10.551, Child Support Enforcement, CFDA 93.563 and Medicaid Cluster, CFDA 93.778.

Criteria or specific requirement: Per North Carolina DSS Crosscutting compliance supplement: "Counties must maintain adequate case documentation to substantiate the claim entry into EPI. This information includes but is not limited to the dates of the overpayment period, documentary evidence to substantiate that an overpayment occurred, such as wage stubs or verification from an employer, other income verification and household composition verification, and the budgets used to compute the amount of the overpayment."

Condition: We noted 5 instances where adequate case documentation to substantiate claims entered into the NCFAS Enterprise Program Integrity (EPI) was not maintained.

Context: We sampled 40 claim files that were entered into the EPI system. We noted the above condition in 5 of the 40 files tested.

Effect: The County does not have supporting documentation for claims entered into EPI. There is a risk claims may not be valid.

Cause: Internal Controls surrounding the submittal of cases to EPI are not in place.

Recommendation: County DSS staff need to ensure that all documentation is maintained and matches what is entered into EPI.

Finding 2020-002, Significant Deficiency over Eligibility

Information on the federal program: Medicaid Cluster (Medicaid), CFDA 93.778, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Medical Assistance.

Forsyth County, North Carolina

Schedule of Findings and Questioned Costs

For the year ended June 30, 2020

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, Continued

Finding 2020-002, Significant Deficiency over Eligibility, continued

Criteria or specific requirement: Per the North Carolina Medicaid Assistance Program (Medicaid; Title XIX) Compliance Supplement and the DSS manuals (Aged, Blind and Disabled manual, Family and Children Medicaid manual and the Integrated Policy manual), case files for individuals or families receiving assistance are required to retain documentation to evidence appropriate eligibility determination, including:

- verifications of North Carolina State Residency
- accurate record of household members and relationships
- verification of social security number
- verification of real property ownership
- accurate computation of countable income and resources
- verification of earned income
- verification of unearned income

Conditions: We noted that in four instances the case record did not contain documentation evidencing that tax and Register of Deeds' records were checked to verify whether the individual owns property. In eight instances, the total countable income was not recorded accurately into NC FAST based upon documentation in the case record. In one instance, the case record did not contain two acceptable verifications of state residency or applicant's statement the applicant was unable to obtain two sources of state residency. In one instance, casefile did not contain a completed DMV OVS. In six instances, the case record did not contain evidence that the household and relationship information to verify household composition. In eleven instances, SOLQ OVS/ OLV, Bendex OVS/OLV, SDX OVS, ESC OVS, and ACTS OVS were not completed to verify the individual's unearned income. In one instance, the case record did not contain evidence that the State Online Query OVS (SOLQ) was completed to verify the individual's Social Security Number (SSN). In one instance, the case record did not contain an appropriate income conversion and computation in accordance with policy manuals. In six instances, the Employment Security Commission (ESC) OVS was not completed to verify the individual's earned income.

Context: We sampled 93 payments from a total population of 6,682,282 payments. We noted the above conditions in 23 of the 93 case files inspected.

Effect: Case files not containing all required documentation result in a risk that the County could provide services to individuals not eligible to receive such services or that such services could be denied to eligible individuals. Subsequent to being notified that required documentation had not been retained in case files, the County was able obtain documentation to substantiate that the applicants tested were eligible to receive benefits.

Cause: The County did not retain required documentation in case files at the time eligibility was determined.

Recommendation: We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policy and procedures in place to ensure that all eligibility determination documentation is completed and retained by the County.

Forsyth County, North Carolina***Schedule of Findings and Questioned Costs******For the year ended June 30, 2020***

IV. STATE AWARD FINDINGS AND QUESTIONED COSTS

Findings 2020-001 and 2020-002 as listed in Section III *Federal Award Findings and Questioned Costs* are also considered to be state award findings.



Department of Social Services

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Section II. Financial Statement Findings

None reported.

Section III. Federal Award Findings and Questioned Costs

Finding 2020-001, Significant Deficiency over Special Tests and Provisions and Non-Material Noncompliance

Name of Contact Person: Mia Stockton

Summary of Finding: Supporting documentation/and or case record not located for 5 of the 40 files entered into EPICS system.

Corrective Action Plan: Staff changes and implemented Internal Controls as of July 1, 2020. Staff changes include reassignment of a Program Manager, to oversee the daily operations in the Program Integrity unit. The assigned program manager has fifteen plus years in the Economic Service Division; with ten years of direct management in the Program Integrity Unit. Program manager will facilitate or arrange classroom training and develop/organize additional in-service training for all staff. Supervisor of the unit will meet with staff on an individual level monthly or bi-monthly to review error findings from internal audits. Internal Controls implemented: Program Integrity case documentation/supporting documentation direct input into NCFAST; paper case records prior to July 2020 stored in one designated file room; and an excel spreadsheet maintained by Supervisor/Program Manager documenting unsubstantiated case files. Economic Services Division (All Service lines) migration to a document management system Laser fiche implementation date 2021.

Proposed completion date: July 2020/continuous

Finding 2020-002, Significant Deficiency over Eligibility

Name of Contact Person: Mia Stockton

Summary of Finding: Caseworkers' failure to complete to submit OVS/OLV, and AVS electronic check resulted in enumeration, income both earned/unearned, social security and DMV unverified within NCFAST. OVS is the required verification match to identify any potential misinformation for all application/reviews in Family and Children's Medicaid and OVS/OLV and AVS supports case actions for all Adult Medicaid as outlined in Medicaid policy. Failure to submit the electronic matches has potential for county responsible charge backs.

ADMINISTRATION
VICTOR ISLER, MSW, CSW
Director

Elizabeth White, MPA
Deputy Director



Department of Social Services

Corrective Action Plan: Supervisors will conduct random checks of applications/reviews to ensure OVS/OLV and AVS verification checks are submitted. Additionally, workers must reconcile the returned data from the electronic systems prior to disposing of an application/review and document matches were completed. Supervisors will meet with staff on an individual level monthly or bi-monthly to review errors/audit findings. Staff will be held accountable initially with a verbal reminder, then proceed through the disciplinary process. Lead workers will continue to monitor and work with staff one-on-one to ensure information gained from training sessions is clear and practiced. Program Managers will facilitate classroom trainings and provide in-service training based on trends identified from the quality audit grade book for economic services and will conduct additional trainings when warranted. Additionally, staff is to reference NCFAST Learning Gateway for trainings and webinars for NCFAST navigation.

Proposed completion date: Adult Medicaid training completion date 8.12.20; Family and Children's Medicaid (Applications) completion date – 3.20.19, 9.13.19, 2.19.20, 7.30.20 & 8.11.20, ; Family and Children's Medicaid (Recerts) completion date – 10.7.19, 1.31.20 & 8.4.20.

IV. State Award Findings and Questioned Costs

Findings 2020-001

Corrective Action Plan: Action to be taken as described in section III *Federal Award Findings and Questioned Costs*.



Department of Social Services

FORSYTH COUNTY, NORTH CAROLINA SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Finding: 2019-001

Condition: In Medicaid Cluster, we noted that in six instances the case record did not contain documentation evidencing that tax and Register of Deeds' records were checked to verify whether the individual owns property. In eight instances, the case record did not contain two acceptable verifications of state residency or applicant's statement the applicant was unable to obtain two sources of state residency. In seven instances, the case record did not contain evidence that the household and relationship information to verify household composition. In four instances, the Employment Security Commission (ESC) OVS was not completed to verify the individual's earned income. In five instances, SOLQ OVS/ OLV, Bendex OVS/OLV, SDX OVS, ESC OVS, and ACTS OVS were not completed to verify the individual's unearned income. In four instances, the case record did not contain evidence that the State Online Query OVS (SOLQ) was completed to verify the individual's Social Security Number (SSN). In nine instances, the case record did not contain an appropriate income conversion and computation in accordance with policy manuals. In eleven instances, the total countable income was not recorded accurately into NC FAST based upon documentation in the case record. In six instances, the casefile did not contain an accurate and complete amount of total resources. In four instances, casefile did not contain a completed DMV OVS. In two instances, Asset Verification System (AVS) was not completed in NC FAST for the recertification period. In three instances, casefile did not contain evidence that the client's citizenship or alien status was verified. In one instance, casefile did not contain evidence that the client's birth date was verified.

Current status: This finding has been repeated as a significant deficiency as current year finding number 2020-002.

Finding: 2019-002

Condition: In Medicaid Cluster, one individual received benefits when his countable income exceeded the MAGI Medicaid income limits.

Current status: This finding was properly addressed in fiscal year 2020.

Finding: 2019-003

Condition: In Medicaid Cluster, we noted in one instance, an individual converted from SSI to regular Medicaid on 1/1/19 and the Ex Parte review was not done until 7/31/19.

Current status: This finding was properly addressed in fiscal year 2020.

Finding: 2019-004

ADMINISTRATION
VICTOR ISLER, MSW, CSW
Director

Elizabeth White, MPA
Deputy Director



Department of Social Services

Condition: In Foster Care and Adoption Cluster, we noted in six instances, the Income Maintenance Case Worker signed the income determination section of form DSS-5120 after the social worker and supervisor had determined eligibility.

Current status: This finding has been resolved.

Finding: 2019-005

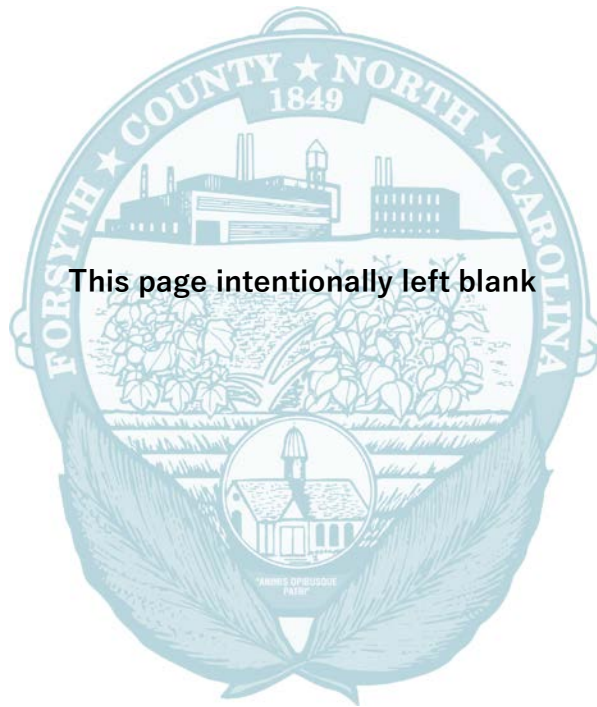
Condition: In Low Income Home Energy Assistance, we noted that in three instances, income verification was not completed during the review or application for the individuals.

Current status: This finding has been resolved.

Finding: 2019-006

Condition: In Low Income Home Energy Assistance, we noted that in five instances the Denial Notice form DSS-8107 was not marked sent in NC Fast. In one instance, the Approval/Denial notice form DSS-8107 was not completed and reviewed by the County's DSS caseworker.

Current status: This finding has been resolved.



This page intentionally left blank

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

[Penny K. Efird](#), Internal Audit Manager

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

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

Cover Design: [Keith Spencer](#)



www.forsyth.cc