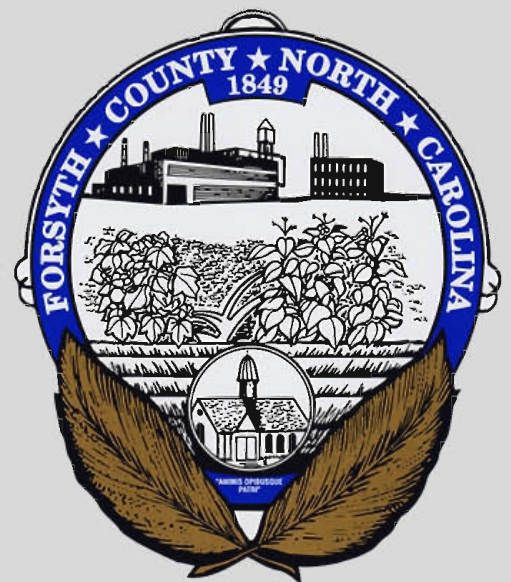


2011

COMPREHENSIVE ANNUAL FINANCIAL REPORT year ended June 30, 2011



Forsyth County, North Carolina

Forsyth County,
North Carolina

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

Prepared by the Forsyth County Finance Department:

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

Lee H. Plunkett, *Treasurer*

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

Teresa G. Everhart, CISR, *Risk Manager*

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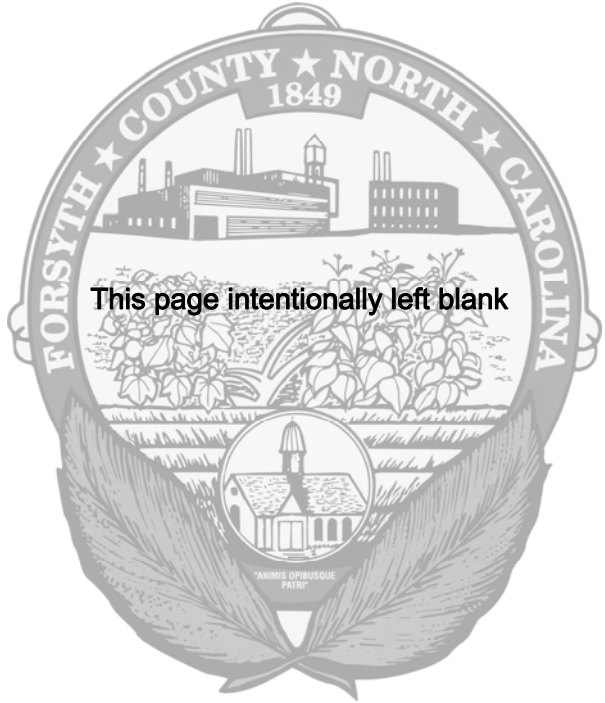
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Forsyth County, North Carolina

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

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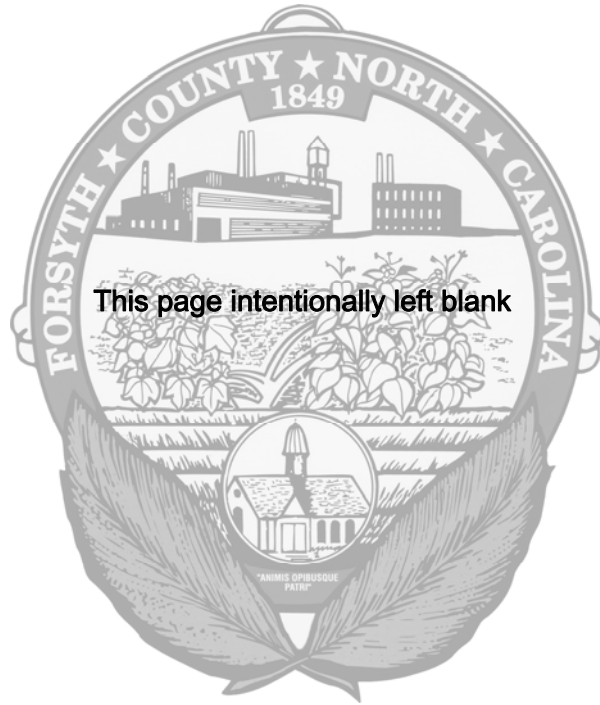
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FINANCE DEPARTMENT

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

Terri L. Goodman, CPA
DEPUTY CHIEF FINANCIAL OFFICER

Lee H. Plunkett
TREASURER



Michael J. Phelps, CPA
CONTROLLER AND SYSTEMS MANAGER

Teresa G. Everhart, CISR
RISK MANAGER

Judy F. Kirk, CIA
INTERNAL AUDIT MANAGER

October 28, 2011

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, 2011.

This report consists of management's representations concerning the finances of Forsyth County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Forsyth County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Forsyth County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Forsyth County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Forsyth County's financial statements have been audited by Cherry, Bekaert & Holland, L.L.P., 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, 2011, 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 unqualified opinion that Forsyth County's financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

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

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

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

The annual budget serves as the foundation for Forsyth County's financial planning and control. Each year all County departments are required to submit requests for appropriations to the County Manager, who then compiles a proposed budget and presents it to the Board of Commissioners for review. The Board is required to hold public hearings on the proposed budget and to adopt a final budget by July 1 of the fiscal year, or the Board must adopt an interim budget that covers that time until the annual ordinance can be adopted. The annual ordinance includes appropriations for the General Fund and four annually budgeted special revenue funds. Note 1c provides additional information on budgetary data. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 18 as part of the basic financial statements for the governmental funds and, in greater detail, on pages 55-57 in the subsection for major fund budgetary comparison schedules. For annually budgeted special revenue funds,

this comparison is presented in the nonmajor governmental fund subsection of this report, which starts on page 59. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each nonmajor governmental fund for which a project-length budget has been adopted (i.e., grant project special revenue funds and capital project funds).

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

Factors Affecting Financial Condition

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

Local economy. Located midway between Washington, D.C. and Atlanta, Georgia, Forsyth County is in the heart of the state's Piedmont Triad region, a 12-county area with more than 1.6 million people. Three cities comprise the Triad: Winston-Salem, Greensboro and High Point. Each city has its own character, its own heritage, and its own industrial base. Yet the area's commercial and cultural growth transcends geographic boundaries with the strengths of each city combining to form a vibrant economic hub.

Forsyth County, with an estimated population of 351,798 and a workforce of more than 172,900, 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, 2011 is 9.5 percent. While lower than the State rate of 9.9 percent, the County's rate is slightly higher than the national rate of 9.3 percent. Continuing high unemployment negatively impacts the sales tax revenue generated from retail sales and prolongs the sluggish housing market with depressed prices. High unemployment also increases the workload in many of our departments, particularly the human services agencies.

Economic resilience and employment stability have formed the foundation for strong local consumer and commercial markets. Personal income levels remain consistently higher than state figures. The County's per capita income is \$36,091, the seventeenth highest among counties in the state, and higher than the State's \$34,879. Capital investment, as measured by the value of new residential and commercial building permits issued during the year, totaled \$342.7 million during the year ended June 30, 2011.

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. The Commissioners favored moving ahead with relatively few projects in fiscal year 2011. These included a bond referendum in November of 2010 for library facilities improvements, as well as the renovation of the Phillips Building for use by Sheriff's Administration, expanded jail space, and possible other emergency services. Lastly, the Commissioners expressed a desire to move forward with replacing the youth detention center and justice system renovations. Final approval of any project is subject to subsequent action by the Board of Commissioners.

As of June 2011, the County's CIP through the year 2021 consists of \$430.7 million for proposed projects funded with long-term financing, \$2.4 million in short-term equipment financings, \$1.9 million in pay-as-you-go funding for capital maintenance and small projects, and \$17 million from the sale of existing assets. The majority of long-term debt will be incurred for public schools (\$222.75 million), community college projects (\$63.5 million), an addition to the Hall of Justice for the court system (\$84.8 million), new administrative space for the sheriff and new jail space (\$45.9 million), park system development (\$10 million), renovations

to the youth detention center (\$1.25 million), renovations at the Fairchild Drive fire facility and outlying stations (\$2.5 million), renovations to the public health building (\$1.9 million), park land long range acquisition (\$15 million), human services campus land acquisitions (\$2 million) and information systems projects (\$2.4 million). An addition to or the replacement of the central library (\$28 million) and two replacement branch libraries and improvements to other branches (\$12 million) is not included in the plan though a bond referendum for \$40 million was passed by the voters in November 2010.

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

Tax Rate - The Board of Commissioners strives to limit the growth of the annual operating budget to an amount which can be accommodated by growth in the tax base as well as other local, state and federal revenues, without a tax rate increase, whenever possible. Through management's careful stewardship of its resources, the County met this goal as the fiscal year 2011 budget was adopted with the County-wide ad valorem tax rate unchanged at 67.4 cents. Except for the portion of the tax rate earmarked for the Education Debt Leveling Plan, currently 4.1 cents, this is the sixth consecutive year with no tax increase to fund increased operational costs. This is reflective of the Board of Commissioners' desire to avoid burdening taxpayers with additional taxes and is particularly noteworthy given the concurrent downward pressure on revenue during this period.

Education Debt Leveling Plan ("EDLP") – In order to level the effects of issuing the \$250 million schools and \$25 million community college bonds authorized in the November 2006 referendum, the County has dedicated proceeds from the state education lottery and from a 3-cent property tax increase first levied in fiscal year 2008 to debt service on these bonds. Similarly, the fiscal year 2010 budget included an additional 1.1-cent tax increase over the revenue-neutral rate to fund the \$62 million educational facilities bond authorization approved in the November 2008 referendum. No additional tax increases are anticipated to pay this debt service. Each year lottery funds will be applied first, and the balance of applicable debt service will be paid from fund balance designated from the 3-cent and 1.1-cent levies plus any interest on that designated fund balance. The EDLP currently has a balance of \$36.1 million.

Debt Policy - Forsyth County recognizes that a formally adopted debt policy is fundamental to sound financial management. The total annual debt, less revenues restricted to debt service (including but not limited to, federal payments related to "Build America Bonds" and "Qualified School Construction Bonds" and State lottery proceeds) shall not exceed 15% of the appropriations in the annually adopted budget as shown in the Budget Ordinance. The policy of keeping debt service at less than a specified percent of the budget can greatly influence the timing and/or amount of funding for a project, as well as the method of funding.

Economic Development – Revenue generated in November 2009 by the repayment of \$7.9 million in economic development incentives by Dell Corporation was committed by the Board of County Commissioners for future economic development purposes. In July 2010, the County utilized \$3.8 million from this fund when it joined with the City of Winston-Salem, State of North Carolina, and Golden Leaf Foundation to offer Caterpillar, Inc. an economic development incentive package totaling \$53 million. Caterpillar accepted the incentive offer and in exchange, has chosen Forsyth County as the site to build a new \$426 million facility which is expected to bring 400 new jobs to the County.

Capital – In the General Fund, unassigned fund balance in excess of 16% of the subsequent year's budget is assigned for capital maintenance and capital outlay in the subsequent year. Of the total assigned, the first \$2.1 million is designated for planned capital maintenance, and the remainder is for pay-as-you-go capital expenditures. This policy allowed the County to establish its 2011 Pay-Go Capital Project Fund which provides funds for the County's contribution to a new firearm's training facility being jointly constructed with the City of Winston-Salem.

Fund Balance Policy – Available fund balance in the General Fund should be at least 16% of the subsequent year's budget. The County exceeded this policy target ending the 2011 fiscal year with an

available fund balance, net of committed fund balance, of 20.1% of its 2012 budget. \$14.2 million, or 3.7 percent, of fund balance was appropriated to balance the fiscal 2012 budget leaving 16.4 percent available fund balance of which 16% was set aside in accordance with the County's fund balance policy, and .4%, or \$1.5 million was available for fiscal 2012 capital maintenance projects. One of the County's goals for future budgets is to reduce the amount of appropriated fund balance needed to balance the budget.

Major Initiatives. This is the third year of extreme fiscal stress for businesses, citizens and local governments. Although both national and state economists officially declared the end of the "Great Recession" in late-summer 2009 and forecasters predict continuing recovery, the growth predictions are modest, at best. Current national economic forecasts point to a limited expansion during 2011 that may gain momentum in 2012, however, North Carolina has lagged behind the national economy. Given the County government's interconnectedness with State and Federal agencies, the short and medium term growth prospects for Forsyth County government are modest.

The County has been successful in responding to this crisis. Two years ago forty-three positions were eliminated and across-the-board reductions were made to balance the County's budget without a tax increase. Last year, efforts to balance the budget included a retirement incentive program and a vacancy review process that ultimately eliminated eleven positions and will spread cost savings across future years. Reorganizations were required in numerous departments to re-assign duties in the wake of the reductions. Thirty-five employees took advantage of the retirement incentive; however many of those employees worked in Social Services and Public Health and the positions were retained. For the current year, more than half of the County departmental expenditure budgets were reduced due to reorganizations, re-engineering work processes, efficiency improvements and other efforts to control costs.

Through careful planning and diligent oversight, the County has accomplished the following goals which it established for itself in the fiscal year 2011 budget:

- Avoid shifting the increased costs of County government on taxpayers already struggling with the economic recession, changing credit markets, uncertain employment prospects, and the static income streams.
- Carefully analyze the savings from reduced service levels and present the efforts to balance the budget in this context.
- Conservatively estimate revenues and expenditures to avoid expectations of performance that are not realistic.
- Reduce the amount of appropriated fund balance to pre-recessionary levels. The appropriated fund balance as recommended by the County Manager is the goal for expenditure reversions.
- Continue to improve efficiency & effectiveness of all County programs.
- Present a budget that maintains an acceptable level of service, but allows for policy review and potential service changes providing for full disclosure of needs to all Board members and the citizenry.

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, 2010. This was the twenty-seventh 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 2011 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 2012 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 and report preparation was effectively managed by Terri L. Goodman, Deputy Chief Financial Officer. Also providing substantial support in report preparation and related accounting activities were: Lee H. Plunkett, Treasurer; Michael J. Phelps, Controller and Systems Manager; Teresa Everhart, Risk Manager; and, Gloria Turowski and Brandon Branscome, Fiscal Analysts.

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 in front: Richard V. Linville, Chairman and Debra Conrad, Vice-Chair
Standing/seated in back (left to right): Walter Marshall, David R. Plyler, Gloria D. Whisenhunt,
Bill Whiteheart, Everette Witherspoon

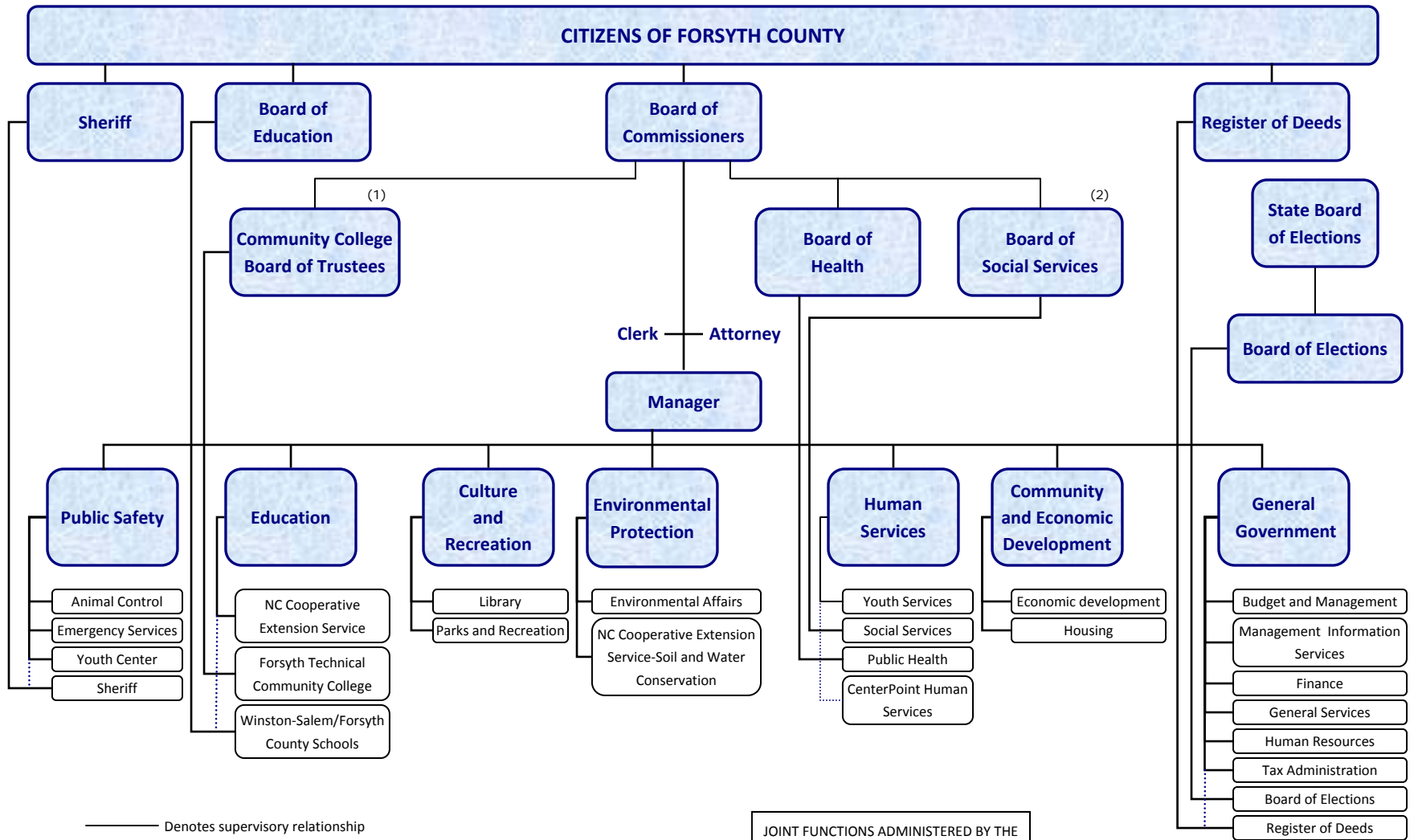
County Officials



J. Dudley Watts, Jr.
County Manager



Paul L. Fulton, Jr.
Chief Financial Officer



———— Denotes supervisory relationship

..... Denotes funding relationship

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

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Forsyth County
North Carolina**

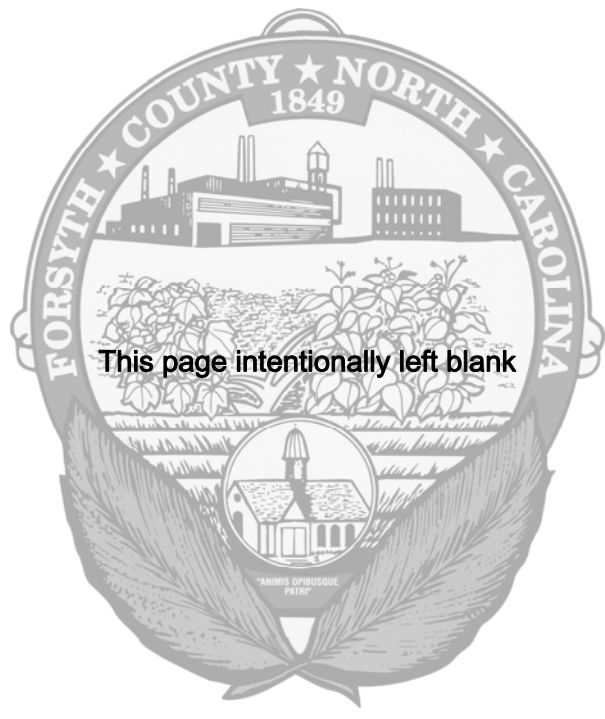
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



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Independent Auditors' Report

To the Board of County Commissioners
Forsyth County, North Carolina

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, 2011, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

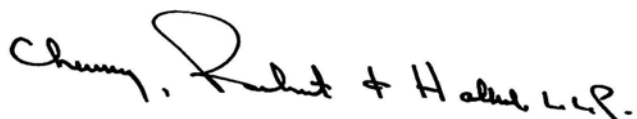
In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2011, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison of the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2011 on our consideration of the County's internal control over financial reporting and 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 and on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information as listed in the Table of Contents be presented to supplementary information to 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements as a whole. The introductory section, budgetary comparison schedules – major governmental funds, combining and individual fund financial statements and schedules, other schedules, and the statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal and State awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act, and is also not a required part of the basic financial statements. The budgetary comparison schedules – major governmental funds, combining and individual fund financial statements and schedules, other schedules, and the accompanying schedule of expenditures of federal and State awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

CHERRY, BEKAERT & HOLLAND, L.L.P.

A handwritten signature in black ink that reads "Cherry, Bekaert & Holland L.L.P." in a cursive, flowing script.

Raleigh, North Carolina
October 28, 2011

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, 2011. 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.

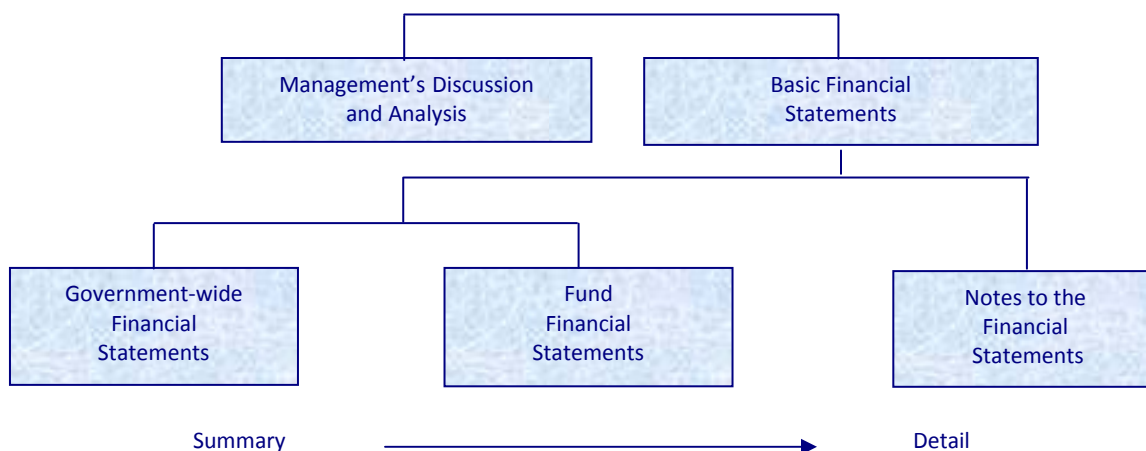
FINANCIAL HIGHLIGHTS

- The assets of Forsyth County were lower than its liabilities at the close of the fiscal year by \$195.6 million (*net deficit*). The deficit in total net assets 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 Assets. Had this school and community college related debt (net of unspent proceeds) not been reported as a reduction of net assets, total net assets would be \$222.3 million.
- The County's total net assets decreased by \$50.4 million from net assets of the prior period resulting from the expenditure of \$80.2 million for public school and community college facilities that are not reported as assets of the County. Unspent proceeds on new debt provided assets to offset some of the increase in long-term liabilities related to these new issues, allowing the reduction (exclusive of refunded debt) of \$32.2 million in previously issued debt to have a positive impact on net assets.
- 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 16th consecutive year. New debt issued during the year included general obligation bonds of \$207.9 million. \$50.4 million general obligation bonds were refunded which will reduce total debt service on the refunded bonds by \$4 million.
- As of the close of the current fiscal year, Forsyth County's governmental funds reported combined ending fund balances of \$283.1 million, an increase of \$81.3 million in comparison with the prior year. This increase is largely attributed to increases in restricted fund balances for debt funded capital project funds.
- The balance in the Education Debt Leveling Plan grew by a net \$5.9 million for the year bringing the total available to pay for future education-related debt service to \$36.1 million.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$62.1 million, or 17.1% of total general fund expenditures for the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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 assets** presents information on all of Forsyth County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 assets and the statement of activities present only governmental activities, which include all of the County's basic services such as public safety, environmental protection, health and social services, culture and recreation, community and economic development, education, and general administration. Property taxes, sales taxes and state and federal grant funds finance most of these activities. Additionally, these statements report only the activities of the primary government, Forsyth County, because the County's component unit, the Forsyth County Industrial Facilities and Pollution Control Financing Authority, has no financial transactions or account balances to report.

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

Fund Financial Statements

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

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

All of the County's basic services were accounted for in 29 governmental funds for the year ended June 30, 2011. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and two capital project funds, the 2007 School Facilities fund and the 2009 Educational Facilities fund, which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements elsewhere in this report.

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

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

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

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 23 - 48 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Forsyth County’s progress in funding its obligation to provide pension benefits and other post-employment benefits (“OPEB”) to certain employees. Required supplementary information can be found on pages 49 - 52 of this report.

Budgetary comparison schedules for major funds are presented following the required supplementary information on pensions and OPEB. The combining statements referred to earlier in connection with nonmajor governmental funds and individual fund statements and schedules can be found on pages 59 – 90 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as one useful indicator of a government’s financial condition. The liabilities of Forsyth County exceed assets by \$195.6 million as of June 30, 2011. The deficit in total net assets 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 \$417.9 million at year-end and is reported as a reduction of unrestricted net assets for governmental activities, resulting in a deficit balance of \$311.3 million for this category of net assets. Had the education-related debt not been reported as a reduction of unrestricted net assets, the balance of unrestricted net assets for governmental activities would be \$106.5 million and total net assets would be \$222.3 million, an increase in total net assets of \$3.5 million over the prior year.

The following summarizes Net Assets (Deficit) at June 30, 2011 and 2010:

Forsyth County’s Net Assets		
	Governmental Activities	
	2011	2010
Current and other assets	\$ 310,088,753	\$ 229,165,815
Capital assets	153,362,182	151,248,147
Total assets	463,450,935	380,413,962
Long-term liabilities outstanding	639,688,362	506,227,708
Other liabilities	19,353,361	19,400,392
Total liabilities	659,041,723	525,628,100
Net assets:		
Invested in capital assets, net of related debt	84,541,770	78,662,765
Restricted	31,191,934	3,704,815
Unrestricted deficit	(311,324,492)	(227,581,718)
Total net deficit	\$ (195,590,788)	\$ (145,214,138)

A major portion of net assets reflects the County’s \$84.5 million investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt still outstanding that was issued to acquire those items. Forsyth County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Forsyth County’s investment in its

capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional \$31.2 million of Forsyth County's net assets are subject to external restrictions on how they may be used.

The deficit in unrestricted net assets grew by \$83.7 million. The change in unrestricted net assets 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 assets is a result of governmental activities. The County's net assets decreased by \$50.4 million for the fiscal year ended June 30, 2011.

The following summarizes the changes in net assets for the years ended June 30, 2011 and 2010:

Forsyth County's Changes in Net Assets		
	Governmental Activities	
	2011	2010
Revenues:		
Program revenues:		
Charges for services	\$ 31,348,482	\$ 31,837,016
Operating grants and contributions	56,698,608	58,373,506
Capital grants and contributions	-	-
General revenues:		
Property taxes	234,598,651	234,161,047
Other taxes	51,591,722	51,906,951
Grants and contributions not restricted to specific programs	5,840,620	3,224,786
Other	1,018,405	9,836,049
Total revenues	381,096,488	389,339,355
Expenses:		
General government	40,444,367	40,075,708
Public safety	71,590,553	71,544,414
Environmental protection	2,653,528	2,682,028
Human services	75,228,239	76,826,616
Culture and recreation	15,995,428	15,936,872
Community and economic development	4,541,117	4,231,621
Education	199,596,063	217,912,687
Interest on long-term debt	21,423,843	17,800,372
Total expenses	431,473,138	447,010,318
Increase (decrease) in net assets	(50,376,650)	(57,670,963)
Net assets, July 1	(145,214,138)	(87,543,175)
Net assets, June 30	\$ (195,590,788)	\$ (145,214,138)

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

- During a period of national and local economic difficulty program and general revenues from recurring sources remained stable. Although showing a decline of \$8.2 million in total revenues, \$8.0 million of this decline was the result of a one-time reimbursement received in the prior year which was not anticipated to recur in the current year.
- Management diligence in cost control resulted in total program expenses, excluding debt-funded education expenses, declining \$799,000 for the year.
- Education expenses of \$80.2 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 Assets.

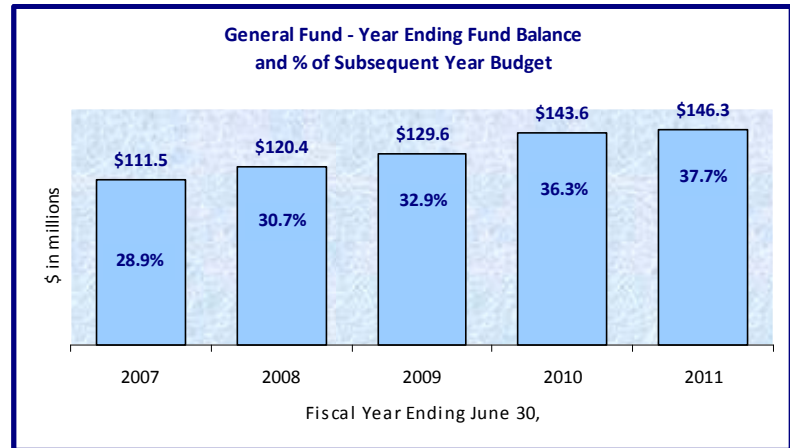
FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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, 2011, the County's three major funds, as defined by GAAP, were the General Fund, and two capital projects funds, the 2007 School Facilities Fund, and the 2009 Educational Facilities Fund.

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

The General Fund is the primary operating fund of the County. At the end of the current fiscal year, the fund balance in the General Fund was \$146.3 million, an increase of \$2.7 million, with \$118.4 million available for appropriation and \$62.1 million considered unassigned. To meet the cash flow needs of the County and to provide for unforeseen needs or opportunities, the governing body of Forsyth County has determined that the County should maintain a minimum available fund balance (net of committed fund balance) of 16% of its subsequent year's general fund expenditures. The County exceeded this policy target ending the 2011 fiscal year with an available fund balance, net of committed fund balance, of \$78.1 million, 20.1% of its 2012 budget. \$14.2

million, or 3.7%, of fund balance was appropriated to balance the fiscal 2012 budget leaving 16.4% available fund balance of which 16% was set aside in accordance with the County's fund balance policy, and .4%, or \$1.5 million, was available for fiscal 2012 capital maintenance projects.



Key factors that resulted in growth of \$2.7 million in the General Fund fund balance include:

- Continued diligence in the collection of property taxes resulted in a 97.8% collection percentage keeping property tax revenue even with the prior year.
- Although total General fund revenue declined by \$7.7 million, \$8 million of this decline is attributed to a one-time reimbursement received in the prior year which did not recur in the current year. Increased intergovernmental revenue of \$1.5 million offset a similar decline in charges for services resulting from a reduction in Medicaid fees (\$608,000), pharmacy services (\$661,000) and golf course fees (\$234,000).
- Across the board expenditure cuts totaling \$6.1 million more than offset increased debt service (\$3.9 million) and public safety (\$940,000) expenditures resulting in a \$1.2 million decline in year over year expenditures.
- While General fund expenditures exceeded revenues by \$1.9 million, transfers to the General Fund of \$9.0 million in lottery proceeds to pay debt service and \$1.2 million from the Fire Tax Districts Funds provided a \$4.5 million surplus over transfers out of the General Fund to the 2007 Schools Facilities fund (\$3.4 million) and to the 2011 Pay-Go fund (\$3.0 million) for County public safety and energy projects.
- The balance in the Education Debt Leveling Plan grew by a net \$5.9 million.

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

- The unspent balance of proceeds from 4.1 cents on the ad valorem tax rate and interest earned thereon totaled \$36.1 million and has been committed for the retirement of education debt authorized in the November 2006 and 2008 referendums. This commitment is a key component of the Education Debt Leveling Plan.
- The unspent balance of the Dell incentives reimbursement totaled \$4.2 million and has been committed for economic development activities.
- The unspent balance of the proceeds from the sale of timber on Idols Road totaled \$50,000 and has been committed for timber management at Tanglewood Park.
- The amount by which available fund balance net of committed fund balance and fund balance appropriated for fiscal year 2012 budget exceeds 16% of the subsequent year's budgeted expenditures totaled \$1.5 million which has been assigned for capital maintenance projects in the subsequent year.
- The unspent balance of the proceeds from the consolidation of Triangle and Forest Hills volunteer fire departments totaled \$292,000 and has been assigned for fire and rescue protection activities.

As of the end of the fiscal year, the County's governmental funds reported combined fund balances of \$283.1 million, an increase of \$81.3 million from the prior year. The primary reason for this increase is the \$65.4 million increase in fund balance in the 2007 Schools Facilities fund, the \$4.0 million increase in the 2009 Educational Facilities fund and the \$9.2 million increase in the aggregate nonmajor fund balances. These increases resulted primarily from unspent bond proceeds which increased by \$81.5 million during the year. Approximately 56%, or \$159.6 million, of total combined fund balance, is restricted or non-spendable. \$123.4 million of this restricted total is restricted for debt funded capital expenditures. \$45.8 million is committed for future debt service, economic development projects, timber management or capital projects. \$16 million is assigned for subsequent fiscal year 2012 expenditures, capital maintenance projects or fire and rescue purposes. The remainder of the fund balance is unassigned.

General Fund Budgetary Highlights.

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

Amendments to the General Fund budget totaled \$13.2 million. Unanticipated state and federal grants totaling \$1.9 million were appropriated for public safety equipment including the purchase and installation of security cameras at the Winston-Salem/Forsyth County Schools, two full-time firefighter positions for Vienna fire department, delinquency and gang prevention initiatives, and crisis intervention and low income energy assistance programs. Additional appropriations of \$10.9 million were made from fund balance, including \$732,000 to cover encumbrances related to purchase orders and contracts outstanding at the prior year end that were honored by the County in the current fiscal year, \$3.0 million for the 2011 Pay-Go Fund, \$3.8 million for Caterpillar economic development incentives, and \$3.4 million for increased appropriation in the 2007 Schools Facilities fund.

Although \$28.3 million of fund balance was appropriated in the final budget, as discussed above the net change in fund balance for the year was an increase of \$2.7 million. Total revenues fell short of estimates by \$5.2 million primarily due to under-realization of intergovernmental revenues and charges for services. Intergovernmental revenues were \$3.0 million under-budget due to under spending which resulted in reduced reimbursement for human services grants. Under-realized charges for services of \$2.6 million resulted from emergency medical services fees (\$350,000), jail fees (\$158,000), Medicaid fees (\$976,000), pharmacy services (\$545,800), and golf course fees (\$503,000) all falling short of budgeted estimates.

Expenditure appropriations were under-spent by \$38.2 million. In General Government, \$13.6 million was appropriated as a contingency for the Education Debt Leveling Plan (estimated to equal revenue generated by 4.1 cents of the ad valorem tax rate), however, no expenditures were made against this appropriation. Appropriations for interest on variable rate debt were under-spent by \$760,000 as a result of continued low short-term interest rates. Other significant under-expenditures were in Public Safety, Human Services, Culture and Recreation and Community and Economic Development. In Public Safety, the outlays for interagency communications were \$4.0 million under-budget. In Human Services, savings were in public health (\$3.3 million) and social services (\$4.4 million). The Parks and Recreation Department and the libraries were \$223,000 and \$793,000 under budget, respectively. Economic development expenditures were under budget as the \$3.8 million Caterpillar commitment remained encumbered at year-end and will be re-appropriated in fiscal year 2012.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. Forsyth County's investment in capital assets for its governmental activities as of June 30, 2011, totals \$153.4 million (net of accumulated depreciation), a \$2.1 million increase from the prior year. These assets include land, buildings, construction-in-progress, park facilities, equipment, vehicles and software.

Forsyth County's Capital Assets (net of depreciation)		
	Governmental Activities	
	2011	2010
Land	\$ 12,873,346	\$ 12,788,832
Art collections	517,907	517,907
Construction-in-progress	12,226,301	5,076,170
Buildings	109,695,561	112,134,421
Improvements other than buildings	7,197,043	7,480,871
Equipment	5,645,548	6,901,039
Vehicles	4,393,476	4,533,393
Software	813,000	1,815,514
Total Capital Assets	<u>\$ 153,362,182</u>	<u>\$ 151,248,147</u>

Major capital asset transactions during the year include:

- Jail technology expenditures totaling \$1.6 million.
- Continued renovation of the Phillips Building for sheriff administrative offices totaling \$3.6 million.
- Defibrillators for emergency services totaling \$735,000.
- Vehicle and computer replacement totaling \$307,000.
- Tanglewood Park maintenance facility totaling \$418,000.
- \$2.5 million initial payment toward a new firearms training center to be jointly owned with the City of Winston-Salem.

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

Long-term Debt. At June 30, 2011, Forsyth County had total bonded debt outstanding of \$530.9 million, all of which is backed by the full faith and credit of the County. Other long-term debt represents obligations secured solely by specified property. The County’s total liability for bonded debt, certificates of participation, limited obligation bonds and other installment financing agreements was \$605.6 million, an increase of \$127.5 million. New debt included \$14.2 million in general obligation two-thirds bonds to fund the new firearms training center and various energy projects, and a capital maintenance fund for both the Winston-Salem/Forsyth County Schools and Forsyth Technical Community College; \$36.6 million general obligation public improvement bonds and \$80.4 million taxable general obligation bonds designated as “Build America Bonds” under The American Recovery and Reinvestment Act (“ARRA”) for school and community college capital projects; and, \$26.4 million taxable general obligation bonds designated as “Qualified School Construction Bonds” under ARRA. Both the Build America and Qualified School Construction Bonds are eligible to receive a federal interest payment subsidy of 35% and 96.5%, respectively.

At June 30, 2011 and 2010, the County’s bonded and non-bonded debt consisted of:

Forsyth County’s Outstanding Debt		
	Governmental Activities	
	2011	2010
General obligation bonds	\$ 530,850,000	\$ 396,345,000
Certificates of Participation and Limited Obligation Bonds	73,910,000	80,120,000
Installment purchase obligations	812,088	1,582,207
Total Outstanding Debt	\$ 605,572,088	\$ 478,047,207

As mentioned in the financial highlights section of this document, Forsyth County maintained for the 16th consecutive year its Aaa bond rating from Moody’s Investors Service and AAA rating from Standard and Poor’s Corporation and Fitch Ratings. This bond rating is a clear indication of the sound financial condition of Forsyth County. Forsyth County is one of the few counties in the country that maintains the highest financial rating from all three major rating agencies. This achievement is a primary factor in keeping interest costs on the County’s outstanding debt low.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government’s boundaries. The current debt limitation for Forsyth County is \$2.7 billion. The County’s total bonded debt is 1.57% 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, 2012 in the amount of \$388.2 million, a decrease of \$13 million or 3.2% from the final 2011 budget of \$401.2 million. The property tax rate of \$0.6740 per hundred dollars assessed value is unchanged from the prior year rate. \$16 million of the County’s \$78.1 million available fund balance net of committed fund balance was appropriated, of which \$1.8 million was for the reappropriation of prior year encumbrances. Fund balance available net of committed fund balance and fund balance appropriated for fiscal year 2012 budget remains 16.4% of 2012 expenditures.

Significant factors considered in the preparation of the fiscal year 2012 County budget include:

- Continued stagnant growth in tax base resulting in a \$911,000 drop in estimated property tax revenue.
- Sales tax revenue will continue to reflect a very slow rebound and while modest growth is forecast it will produce only \$1.2 million, or 2.5%, in additional revenue.
- Reduced borrowing cost as a result of federal interest payment subsidies has reduced estimated debt service cost on education-related debt making funds from the Education Debt Leveling Plan potentially available to cover additional debt service costs.

- The Local Government Retirement System approved a .53% increase in employer contributions to the retirement system. Indications are that this contribution will continue to increase for several years.

REQUESTS FOR INFORMATION

This report is designed to provide an overview of Forsyth County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Chief Financial Officer, Forsyth County Government Center, 201 N. Chestnut Street, Winston-Salem, NC 27101- 4120.

Basic Financial Statements

FORSYTH COUNTY, NORTH CAROLINA**Exhibit 1****Statement of Net Assets**

June 30, 2011

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 273,472,388
Cash and investments held by fiscal agent	16,083
Taxes receivable (net)	4,962,374
Accounts receivable (net)	4,092,718
Accrued interest on investments	98,437
Due from other governments	22,923,862
Prepaid items	534,432
Deferred charges	3,988,459
Capital assets:	
Land, collections, and construction-in-progress	25,617,554
Other capital assets, net of depreciation	127,744,628
Total capital assets	<u>153,362,182</u>
Total assets	<u>463,450,935</u>
LIABILITIES	
Accounts payable and accrued liabilities	8,032,546
Unearned revenue	1,181,817
Accrued interest payable	7,609,600
Due to other governments	2,529,398
Long-term liabilities:	
Due within one year	46,366,416
Due in more than one year	593,321,946
Total liabilities	<u>659,041,723</u>
NET ASSETS	
Invested in capital assets, net of related debt	84,541,770
Restricted for:	
Stabilization by state statute	27,285,497
Public safety	2,570,651
Human services	306,171
Community and economic development	159,406
Other purposes	870,209
Unrestricted deficit	<u>(311,324,492)</u>
Total net deficit	<u>\$ (195,590,788)</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, 2011

Exhibit 2

Functions	<u>Expenses</u>	<u>Program Revenues</u>		<u>Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental:				
General government	\$ 40,444,367	3,060,197	605,190	(36,778,980)
Public safety	71,590,553	15,617,608	4,525,900	(51,447,045)
Environmental protection	2,653,528	292,471	748,827	(1,612,230)
Human services	75,228,239	8,481,786	38,387,457	(28,358,996)
Culture and recreation	15,995,428	3,792,170	694,216	(11,509,042)
Community and economic development	4,541,117	60,793	2,618,897	(1,861,427)
Education	199,596,063	43,457	9,118,121	(190,434,485)
Interest on long-term debt	21,423,843	-	-	(21,423,843)
Total governmental activities	\$ <u>431,473,138</u>	<u>31,348,482</u>	<u>56,698,608</u>	<u>(343,426,048)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				234,598,651
Local option sales tax				49,565,057
Occupancy taxes, levied for economic development				483,945
Other taxes and licenses				1,542,720
Grants and contributions not restricted to specific programs				5,840,620
Investment earnings, unrestricted				741,526
Miscellaneous, unrestricted				276,879
Total general revenues				<u>293,049,398</u>
Change in net assets				(50,376,650)
Net deficit - beginning				<u>(145,214,138)</u>
Net deficit - ending				<u>(195,590,788)</u>

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

FORSYTH COUNTY, NORTH CAROLINA

Exhibit 3

Balance Sheet

Governmental Funds

Page 1 of 2

June 30, 2011

	<u>General Fund</u>	<u>Capital Projects Funds</u>		<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
		<u>2007 School Facilities</u>	<u>2009 Educational Facilities</u>		
ASSETS					
Cash and cash equivalents	\$ 134,987,908	65,845,907	27,205,442	41,517,646	269,556,903
Cash and investments held by fiscal agent	16,083	-	-	-	16,083
Receivables (net):					
Property taxes	4,261,359	-	-	94,095	4,355,454
Occupancy taxes	39,582	-	-	-	39,582
Other taxes	35,180	-	-	-	35,180
Accounts	4,083,027	-	-	-	4,083,027
Accrued interest	89,874	-	-	8,563	98,437
Due from other governments	19,709,983	1,864,733	634,021	715,125	22,923,862
Due from other funds	80,142	-	-	-	80,142
Prepaid items	180,133	-	-	-	180,133
Total assets	\$ 163,483,271	67,710,640	27,839,463	42,335,429	301,368,803
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 7,770,512	-	-	262,034	8,032,546
Due to other governments	2,529,398	-	-	-	2,529,398
Due to other funds	-	-	-	80,142	80,142
Unearned revenue	391,577	-	-	639,195	1,030,772
Deferred revenue	6,520,699	-	-	94,197	6,614,896
Total liabilities	17,212,186	-	-	1,075,568	18,287,754
Fund balances:					
Nonspendable - Prepaid items	180,133	-	-	-	180,133
Restricted for:					
Stabilization by state statute	26,793,164	1,864,733	634,021	3,407,298	32,699,216
Register of Deeds	832,831	-	-	-	832,831
Capital projects	-	65,845,907	27,205,442	-	93,051,349
Other	37,378	-	-	-	37,378
Restricted, reported in nonmajor:					
Special revenue funds	-	-	-	2,482,185	2,482,185
Capital project funds	-	-	-	30,340,229	30,340,229
Committed					
Education Debt Leveling Plan	36,119,464	-	-	-	36,119,464
Economic Development	4,189,305	-	-	-	4,189,305
Timber Management - Tanglewood Park	50,000	-	-	-	50,000
Committed, reported in nonmajor:					
Capital project funds	-	-	-	5,487,886	5,487,886
Assigned					
Subsequent Year Budget	14,196,439	-	-	-	14,196,439
Capital maintenance projects	1,461,707	-	-	-	1,461,707
Fire and rescue protection	292,397	-	-	-	292,397
Unassigned	62,118,267	-	-	(457,737)	61,660,530
Total fund balances	146,271,085	67,710,640	27,839,463	41,259,861	283,081,049
Total liabilities and fund balances	\$ 163,483,271	67,710,640	27,839,463	42,335,429	301,368,803

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

(continued)

FORSYTH COUNTY, NORTH CAROLINA

Exhibit 3

Balance Sheet

Governmental Funds

Page 2 of 2

June 30, 2011

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

Fund balances - total governmental funds	\$	283,081,049
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		153,362,182
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		354,299
Earned revenue that is not available to pay current period expenditures is deferred in the funds.		7,147,054
An internal service fund is used by management to charge the costs of health and dental benefits to individual funds. Assets and liabilities of the internal service fund are included in governmental activities of the statement of net assets.		1,734,526
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(641,269,898)
Net assets of governmental activities	\$	<u>(195,590,788)</u>

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

FORSYTH COUNTY, NORTH CAROLINA

Exhibit 4

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2011

	<u>General Fund</u>	<u>Capital Projects Funds</u>		<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
		<u>2007 School Facilities</u>	<u>2009 Educational Facilities</u>		
Revenues:					
Property taxes	\$ 228,288,003	-	-	5,965,065	234,253,068
Occupancy taxes	483,945	-	-	-	483,945
Local option sales taxes	48,333,547	-	-	1,231,510	49,565,057
Other taxes	271,131	-	-	-	271,131
Licenses and permits	902,447	-	-	-	902,447
Intergovernmental	50,525,874	-	-	12,699,454	63,225,328
Charges for services	22,884,593	-	-	-	22,884,593
Investment earnings	545,288	79,979	41,134	92,384	758,785
Other	8,883,423	-	-	60,793	8,944,216
Total revenues	361,118,251	79,979	41,134	20,049,206	381,288,570
Expenditures:					
Current:					
General government	36,208,234	-	-	-	36,208,234
Public safety	61,541,449	-	-	6,870,573	68,412,022
Environmental protection	2,613,354	-	-	-	2,613,354
Human services	68,481,046	-	-	-	68,481,046
Culture and recreation	14,657,631	-	-	-	14,657,631
Community and economic development	1,834,001	-	-	2,700,971	4,534,972
Education	1,391,488	-	-	-	1,391,488
Intergovernmental:					
Human services	5,679,583	-	-	-	5,679,583
Education	118,032,212	49,952,641	17,757,599	12,463,638	198,206,090
Debt service:					
Principal retirement	29,909,022	-	-	-	29,909,022
Interest and other charges	22,645,641	829,688	155,813	189,771	23,820,913
Capital outlay	-	-	-	10,677,148	10,677,148
Total expenditures	362,993,661	50,782,329	17,913,412	32,902,101	464,591,503
Excess (deficiency) of revenues over expenditures	(1,875,410)	(50,702,350)	(17,872,278)	(12,852,895)	(83,302,933)
Other financing sources (uses):					
General obligation bonds proceeds	-	110,000,000	20,900,000	26,725,000	157,625,000
Premium on general obligation bonds	-	3,918,000	982,244	1,648,092	6,548,336
Refunding bonds issued	50,295,000	-	-	-	50,295,000
Premium on refunding bonds	7,503,955	-	-	-	7,503,955
Transfers in	10,557,558	3,400,000	-	4,238,601	18,196,159
Transfers out	(6,414,201)	(1,197,818)	-	(10,584,140)	(18,196,159)
Payment to refunded bond escrow agent	(57,398,372)	-	-	-	(57,398,372)
Total other financing sources (uses)	4,543,940	116,120,182	21,882,244	22,027,553	164,573,919
Net change in fund balances	2,668,530	65,417,832	4,009,966	9,174,658	81,270,986
Fund balance - June 30, 2010	143,602,555	2,292,808	23,829,497	32,085,203	201,810,063
Fund balance - June 30, 2011	\$ 146,271,085	67,710,640	27,839,463	41,259,861	283,081,049

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

(continued)

FORSYTH COUNTY, NORTH CAROLINA

Exhibit 4.1

**Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities**

For the Fiscal Year Ended June 30, 2011

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

Net change in fund balances - total governmental funds	\$	81,270,986
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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		2,176,690
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		(62,655)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(278,560)
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 assets. 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.		(133,020,188)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(689,640)
Internal service funds are used by management to charge the costs of health and dental benefits to individual funds. The profit or loss generated by the internal service fund is eliminated on the statement of activities.		<u>226,717</u>
Change in net assets of governmental activities	\$	<u><u>(50,376,650)</u></u>

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

FORSYTH COUNTY, NORTH CAROLINA

Exhibit 5

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

General Fund

For the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues:				
Property taxes	\$ 226,622,548	226,622,548	228,288,003	1,665,455
Occupancy taxes	450,000	450,000	483,945	33,945
Local option sales taxes	49,132,541	49,132,541	48,333,547	(798,994)
Other taxes	190,900	190,900	271,131	80,231
Total taxes	<u>276,395,989</u>	<u>276,395,989</u>	<u>277,376,626</u>	<u>980,637</u>
Licenses and permits	937,708	937,708	902,447	(35,261)
Intergovernmental	51,731,366	53,534,559	50,525,874	(3,008,685)
Charges for services	25,299,902	25,483,484	22,884,593	(2,598,891)
Investment earnings	928,722	928,722	545,288	(383,434)
Other	8,823,590	8,994,746	8,883,423	(111,323)
Total revenues	<u>364,117,277</u>	<u>366,275,208</u>	<u>361,118,251</u>	<u>(5,156,957)</u>
Expenditures:				
Current:				
General government	53,840,650	54,115,324	36,208,234	17,907,090
Public safety	65,428,407	67,255,319	61,541,449	5,713,870
Environmental protection	2,643,448	2,654,227	2,613,354	40,873
Human services	74,551,564	76,304,770	68,481,046	7,823,724
Culture and recreation	15,780,023	15,665,316	14,657,631	1,007,685
Community and economic development	1,959,860	5,693,901	1,834,001	3,859,900
Education	1,651,635	1,714,828	1,391,488	323,340
Intergovernmental:				
Human services	6,258,706	6,258,706	5,679,583	579,123
Education	118,033,212	118,033,212	118,032,212	1,000
Debt service:				
Principal retirement	29,615,118	29,995,118	29,909,022	86,096
Interest and other charges	23,794,430	23,540,681	22,645,641	895,040
Total expenditures	<u>393,557,053</u>	<u>401,231,402</u>	<u>362,993,661</u>	<u>38,237,741</u>
Excess (deficiency) of revenues over expenditures	<u>(29,439,776)</u>	<u>(34,956,194)</u>	<u>(1,875,410)</u>	<u>33,080,784</u>
Other financing sources (uses):				
Refunding bonds issued	-	126,252	50,295,000	50,168,748
Premium on refunding bonds	-	-	7,503,955	7,503,955
Transfers in	13,722,335	12,896,665	10,557,558	(2,339,107)
Transfers out	(1,779,925)	(6,414,201)	(6,414,201)	-
Payment to refunded bond escrow agent	-	-	(57,398,372)	(57,398,372)
Total other financing sources (uses)	<u>11,942,410</u>	<u>6,608,716</u>	<u>4,543,940</u>	<u>(2,064,776)</u>
Net change in fund balance	<u>\$ (17,497,366)</u>	<u>(28,347,478)</u>	<u>2,668,530</u>	<u>31,016,008</u>
Fund balance - June 30, 2010			143,602,555	
Fund balance - June 30, 2011			<u>\$ 146,271,085</u>	

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

FORSYTH COUNTY, NORTH CAROLINA
Statement of Net Assets
Proprietary Fund - Internal Service Fund
June 30, 2011

Exhibit 6

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 3,915,485
Accounts receivable (net)	6,836
Accrued interest	2,855
Total assets	<u>3,925,176</u>
LIABILITIES	
Current liabilities:	
Accounts payable	-
Claims liability	2,039,605
Unearned revenue	151,045
Total liabilities	<u>2,190,650</u>
NET ASSETS	
Unrestricted	\$ <u><u>1,734,526</u></u>

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

FORSYTH COUNTY, NORTH CAROLINA
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund - Internal Service Fund
For the Fiscal Year Ended June 30, 2011

Exhibit 7

	Governmental Activities
Operating revenues:	
Charges for services	\$ 22,458,951
Interest earnings	14,616
Total operating revenues	<u>22,473,567</u>
Operating expenses:	
Professional services	2,029,025
Claims	20,217,825
Total operating expenses	<u>22,246,850</u>
Change in net assets	226,717
Total net assets at beginning of year	<u>1,507,809</u>
Total net assets at end of year	\$ <u><u>1,734,526</u></u>

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

FORSYTH COUNTY, NORTH CAROLINA

Exhibit 8

Statement of Cash Flows

Proprietary Fund - Internal Service Fund

For the Fiscal Year Ended June 30, 2011

	Governmental Activities
Cash flows from operating activities:	
Cash received from user departments and participants	\$ 22,502,845
Cash paid to suppliers, participants and others	(21,783,082)
Net cash provided (used) by operating activities	<u>719,763</u>
Cash and cash equivalents at beginning of year	<u>3,195,722</u>
Cash and cash equivalents at end of year	<u>\$ 3,915,485</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ <u>226,717</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Decrease in accounts receivable	16,968
Increase in accrued interest	(153)
Decrease in accounts payable	(221)
Increase in claims payable	477,833
Decrease in unearned revenue	(1,381)
Total adjustments	<u>493,046</u>
Net cash provided (used) by operating activities	<u>\$ 719,763</u>

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

FORSYTH COUNTY, NORTH CAROLINA

Exhibit 9

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2011

	Pension / Other Post-employment Benefit <u>Trust Funds</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 156,817	1,114,593
Cash and investments held by fiscal agent	5,767,861	-
Receivables:		
Property taxes	-	6,718,666
Accrued interest	106	65
Due from other governments	131	-
Total assets	<u>5,924,915</u>	<u>7,833,324</u>
LIABILITIES		
Due to other governments	-	7,760,139
Other liabilities	-	73,185
Total liabilities	<u>-</u>	<u>7,833,324</u>
NET ASSETS		
Held in trust for pension/other post-employment benefits	\$ <u>5,924,915</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 Assets
 Fiduciary Funds
 For the Fiscal Year Ended June 30, 2011

Exhibit 10

	Pension / Other Post-employment Benefit <u>Trust Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 4,613,938
Plan members	342,469
Total contributions	<u>4,956,407</u>
Net investment income	<u>801,530</u>
Total additions	5,757,937
DEDUCTIONS	
Benefits	<u>3,323,048</u>
Change in net assets	2,434,889
Net assets - beginning	<u>3,490,026</u>
Net assets - ending	<u><u>\$ 5,924,915</u></u>

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

Notes to the Financial Statements

Forsyth County, North Carolina
June 30, 2011

1. Summary of Significant Accounting Policies

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

a. Reporting Entity

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

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

b. Basis of Presentation, Basis of Accounting

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

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

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

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

The County reports the following major governmental funds:

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

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

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

Additionally, the County reports the following fund types:

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

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

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

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

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

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

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

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

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

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

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

c. **Budgetary Data**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and for four special revenue funds: the Fire Tax Districts Fund, Law Enforcement Equitable Distribution Fund, Emergency Telephone System Fund, and Moser Bequest for Care of Elderly Fund. All annual appropriations lapse at fiscal year end. The State Public School Building Capital Fund, the 2007, 2008, 2009, 2010, and 2011 Housing Funds, and the 2007, 2008, 2009 and 2009 Recovery Act Justice Assistance Funds, which are special revenue funds, and all capital projects funds are budgeted under project ordinances. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for the General Fund, except for Nondepartmental and intergovernmental education expenditures. Certain Nondepartmental appropriations are not expended until they are transferred to a specific department, so they are set apart from other Nondepartmental appropriations. Budgetary control for intergovernmental education expenditures is for current expense and capital outlay for each entity. The legal level of control varies for annually budgeted special revenue funds. Appropriations in the Fire Tax Districts Fund are controlled at the fire tax district level. The Law Enforcement Equitable Distribution Fund is controlled by an appropriation for a transfer to the General Fund. The Emergency Telephone System Fund and the Moser Bequest for Care of Elderly Fund have legal appropriation control at the program level. Amendments are required for revisions to appropriations at the legal level of control in annually budgeted funds, and these amendments may be approved by the County Manager and reported to the Board of Commissioners as long as they do not alter total expenditures of the fund. Amendments that alter total expenditures of any fund must be approved by the Board of Commissioners. During the year, Board amendments to the original budget totaling \$13.2 million included several for unanticipated intergovernmental and private grant funding that totaled \$1.9 million and appropriations of fund balance totaling \$10.9 million. The latter included \$3 million to increase the appropriation for the 2011 Pay-Go Fund, \$3.8 million for Caterpillar economic development incentives, and \$3.4 million to increase the appropriation for the 2007 Schools Capital Project Fund. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers the period until the annual ordinance can be adopted.

d. **Assets, Liabilities, and Fund Equity**

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

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

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

General Statute 159-30.1 allows the County to establish an Other Postemployment Benefit (OPEB) Trust under the management of the State Treasurer and G.S. 159-30(g) allows the County to make contributions to the Fund. The State Treasurer in her discretion may invest the proceeds in equities of certain publicly held companies and long or short term fixed income investments as detailed in G.S. 147-69.2(1-6) and (8). Funds submitted are managed in three different sub-funds, the State Treasurer's Short Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by G.S. 147-69.1, the long-term investment fund (LTIF) consisting of investment grade corporate securities, treasuries, and agencies, and BlackRock's Global Ex-US Alpha Tilts Fund B and BlackRock's Russell 3000 Alpha Tilts Fund B authorized under G.S. 147-69.2(8). The STIF securities are reported at cost and maintain a constant \$1 per share value. Under the authority of G.S. 147.69.3, no

unrealized gains or losses of the STIF are distributed to participants of the fund. The LTIF is also valued at \$1 per share. The Global Ex-US Alpha Tilts Fund B is priced at \$17.941 per share and the Russell 3000 Alpha Tilts Fund B is priced at \$29.136 per share at June 30, 2011.

Cash and Cash Equivalents The County pools moneys from all funds 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.

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, 2010.

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

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

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

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

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

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

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

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

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 assets. Bond premiums and discounts, as well as issuance costs, 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 reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during 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.

Net Assets Net assets in the government-wide and proprietary fund financial statements are classified as follows:

Invested in Capital assets, Net of Related Debt. This category of net assets quantifies the County's investment in capital assets, net of related debt.

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

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

Restricted for Public Safety. This portion of net assets represents the aggregate of net assets for five special revenue funds: the Fire Tax Districts Fund; the Law Enforcement Equitable Distribution Fund; the Emergency Telephone System Fund; and the 2009 and 2010 Recovery Act Justice Assistance Funds.

Restricted for Human Services. The Moser Bequest for Care of the Elderly net assets comprise this portion of net assets.

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

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

Unrestricted. The difference in total net assets and the two categories above invested in capital assets, net of related debt and restricted net assets, is unrestricted net assets.

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Assigned. This classification includes amounts that the County has budgeted for specific purposes.

Assigned for Subsequent Year Budget. This represents the portion of fund balance appropriated in the adopted 2011-2012 Budget Ordinance that is not already classified in restricted or committed.

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

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

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

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

The County has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that available fund balance is at least equal to or greater than 16% of budgeted expenditures. Any portion of the General Fund balance in excess of 16% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the County in a future budget.

2. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. The net adjustment of \$(478,671,837) consists of several elements detailed in the following table.

Description	Detail	Net Adjustment
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds. Total capital assets on the government-wide statement of net assets comprise this adjustment.		\$ 153,362,182
Pension assets resulting from contributions in excess of the annual required contribution are not financial resources and therefore are not reported in the funds.		354,299
Some of the County's revenue will be collected after year-end, but is not available soon enough to pay for the current period's expenditures, so it is reported as deferred revenue in the funds.		
Property taxes and accrued interest on property taxes	\$ 4,887,612	
Grants	27,221	
Interest earnings	16,672	
Fees and miscellaneous	2,215,549	7,147,054
An internal service fund is used by management to charge the costs of health and dental benefits to individual funds. The assets and liabilities of the Employee Health Benefits Fund are included in governmental activities in the statement of net assets.		
Cash and cash equivalents	3,915,485	
Accounts receivable	9,691	
Claims and judgments – health and dental	(2,039,605)	
Unearned revenue	(151,045)	1,734,526
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period. Thus, they do not require current resources to pay and, accordingly, are not reported in the fund statements.		
Accrued interest payable	(7,609,600)	
Bonds, installment purchases, limited obligation bonds and certificates of participation	(605,572,088)	
Compensated absences	(7,417,351)	
Claims and judgments – excluding health and dental	(1,962,441)	
Net OPEB obligation	(9,711,026)	
Deferred charge on refundings	11,583,181	
Deferred charge for issuance costs	3,988,459	
Unamortized issuance premiums	(24,569,032)	(641,269,898)
Total adjustment		\$ (478,671,837)

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 assets of governmental activities* as reported in the government-wide statement of activities. Additional detail on the elements that comprise the total adjustment of \$(131,647,636) 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.	\$ 12,492,856	
Depreciation expense, the allocation of capital assets over their useful lives, is recorded on the statement of activities but not in the fund statements.	(10,316,166)	\$ 2,176,690
The statement of activities reports <i>gains</i> and <i>losses</i> arising from the trade-in, sale, or disposal of existing capital assets. Conversely, governmental funds do not report any gain or loss on such transactions, but report the sale proceeds. The change in net assets differs from the change in fund balance by the net cost of capital assets sold and donated assets received.		(62,655)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Reverse deferred revenue recorded at July 1, 2010:		
Property taxes and accrued interest on property taxes	(4,542,029)	
Grants	(208,269)	
Interest earnings	(30,825)	
Fees and miscellaneous	(2,644,491)	
Record revenue deferred in the fund statements at June 30, 2011:		
Property taxes and accrued interest on property taxes	4,887,612	
Grants	27,221	
Interest earnings	16,672	
Fees and miscellaneous	2,215,549	(278,560)
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. Also, the governmental funds report the effect of other debt-related transactions when debt is first issued, but these amounts are deferred and amortized in the statement of activities.		
New debt issued	(221,972,291)	
Principal payments on debt	29,995,119	
Payment to refunded bond escrow agent	57,398,372	
Issuance and other costs	1,558,612	(133,020,188)
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	(178,165)	
Reductions in claims and judgments – excluding health and dental	335,865	
Prepaid pension benefit obligation	68,610	
Net OPEB obligation	(771,964)	
Accrued interest	(1,538,483)	
Amortized deferred charge on refundings	(1,877,813)	
Amortized deferred charge for issuance costs	(815,746)	
Amortized debt premiums	4,088,056	(689,640)
Internal service fund profit or loss generated by customers within the primary government is eliminated from the statement of activities.		226,717
Total adjustments		\$ (131,647,636)

3. Stewardship, Compliance, and Accountability

Excess of Expenditures over Appropriations

The following budget variances are not in compliance with legal budgetary control. Expenditures for the Inspections Department exceeded budget by \$29,459. Inspections is a consolidated City - County department administered by the City of Winston-Salem. Appropriations for the Inspections department are based on historical costs, and the fourth quarter review indicated the budget was adequate; however, final costs invoiced after the end of the budget year exceeded the appropriation. The County's current year cost of retiree, health, life and death benefits was budgeted in general government nondepartmental other services and adjustments. Final costs were, however, allocated to the program areas and exceeded appropriation for the following areas: public safety by \$ 90,893, environmental protection by \$ 1,996, human services by \$ 67,409, culture and recreation by \$ 11,144, and education by \$ 4,010. Refinement of fourth quarter estimated costs may preclude future budget overages.

Transfer of residual fund equity from the 2007 and 2008 Housing funds that were closed during the fiscal year exceeded appropriations in those funds. This budget variance is not in noncompliance with legal budgetary control.

4. Detailed Notes on All Funds

a. Deposits

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

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

At June 30, 2011, the demand deposit portion of the County's cash and investment pool was \$60,582,888. The bank balances totaled \$60,868,214, of which \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2011, the County's petty cash funds totaled \$20,571.

b. Investments

As of June 30, 2011, the County had the following investments:

Investment Type	Reported		Less than		More than	WAM (Years)
	Value	Fair Value	1 year	1-2 years	2 years	
NCCMT	\$ 113,699,485	113,699,485	113,699,485	-	-	.0015
Commercial Paper	68,862,276	68,867,458	68,867,458	-	-	.0364
Agency Securities	31,594,661	31,594,661	66,667	3,006,417	28,521,577	.5241
Total Portfolio	\$ 214,156,422	214,161,604	182,633,610	3,006,417	28,521,577	

Portfolio weighted
average maturity 0.5620 years

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County’s investment policy gives consideration to shortening maturities during periods of rising interest rates. The County manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. To further reduce its exposure to interest rate risk, the County invests in multi-step coupon securities for some of its longer term maturities. As of June 30, 2011, \$20,531,234 of the County’s \$28,521,577 in investments with maturities beyond two years are step or multi-step securities. Information about the sensitivity of the fair values of the County’s investments to market interest rate fluctuations is provided by the above table that shows the distribution by maturity and the weighted average maturity of the County’s investment holdings as of June 30, 2011.

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, 2011, the County’s investments in the bonds of U.S. Agencies were rated with one or more of the following ratings: AAA by Standard & Poor’s, AAA by Fitch Ratings, Aaa by Moody’s Investors Service. The County’s investment in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor’s as of June 30, 2011.

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 Citigroup Funding (5.0%), Dealers Capital (6.0%), HSBC (6.0%), FCAR II (6.9%), FCAR I (7.9%) and bonds issued by the Federal Home Loan Bank (7.5%).

Other Post-Employment Benefits Trust

At June 30, 2011, the Healthcare Plan had \$5,767,861 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), 25.4%; State Treasurer’s Long Term Investment Fund (LTIF), 10.3%; and, BlackRock’s Global Ex-US Alpha Tilts Fund B and BlackRock’s Russell 3000 Alpha Tilts Fund B 64.3% (the equities were split with 75% in domestic securities and 25% in international securities).

Interest Rate Risk: The County does not have a formal investment interest rate policy that manages its exposure to fair value losses arising from increasing interest rates for the Healthcare Plan Fund. The State Treasurer’s Short Term Investment Fund (STIF) is unrated and had a weighted average maturity of 1.9 years at June 30, 2011. The State Treasurer’s Long Term Investment Fund (LTIF) is unrated and had a weighted average maturity of 16.1 years at June 30, 2011.

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 treasuries, agencies, and money market instruments. The LTIF is unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The State Treasurer’s LTIF is invested in treasuries, agencies and corporate bonds with longer term maturities.

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

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

Year Levied	Tax	Interest	Total
2008	\$ 2,302,837	754,179	3,057,016
2009	2,302,837	546,924	2,849,761
2010	2,230,046	328,932	2,558,978
2011	2,230,046	128,228	2,358,274
Totals	\$ 9,065,766	1,758,263	10,824,029

d. Receivables

Receivables at June 30, 2011 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	\$ 10,279,895	(6,018,536)	4,261,359
Other governmental funds	197,340	(103,245)	94,095
Occupancy taxes			
General fund	39,582	-	39,582
Other taxes			
General fund	35,180	-	35,180
Accounts			
General fund	23,682,887	(19,599,860)	4,083,027
Accrued interest			
General fund	89,874	-	89,874
Other governmental funds	8,563	-	8,563
Total receivables	\$34,333,321	(25,721,641)	8,611,680

Governmental funds report deferred revenue 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, 2011, the various components of *deferred revenue* and *unearned revenue* were as follows:

Description	Deferred (Unavailable)	Unearned
Delinquent property taxes receivable		
General fund	\$ 4,261,359	-
Other governmental funds	94,095	-
Intergovernmental and private grants		
General fund	27,119	99,129
Other governmental funds	102	639,195
Fees and other – General fund	2,215,549	292,448
Investment earnings – General fund	16,672	-
Total deferred / unearned revenue for governmental funds	\$ 6,614,896	1,030,772

e. Capital Assets

Capital asset activity for the year ended June 30, 2011, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 12,788,832	124,514	(40,000)	12,873,346
Art collections	517,907	--	--	517,907
Construction-in-progress	5,076,170	8,320,954	(1,170,823)	12,226,301
Total capital assets not being depreciated	18,382,909	8,445,468	(1,210,823)	25,617,554
Capital assets being depreciated:				
Buildings	176,260,283	1,882,538	(72,574)	178,070,247
Improvements other than buildings	15,021,569	299,680	(11,750)	15,309,499
Equipment	33,410,181	1,335,903	(1,330,823)	33,415,261
Vehicles	17,077,832	1,758,197	(1,280,555)	17,555,474
Software	7,641,967	103,381	--	7,745,348
Total capital assets being depreciated	249,411,832	5,379,699	(2,695,702)	252,095,829
Less accumulated depreciation for:				
Buildings	64,125,862	4,321,398	(72,574)	68,374,686
Improvements other than buildings	7,540,698	582,194	(10,436)	8,112,456
Equipment	26,509,142	2,541,684	(1,281,113)	27,769,713
Vehicles	12,544,439	1,764,995	(1,147,436)	13,161,998
Software	5,826,453	1,105,895	--	6,932,348
Total accumulated depreciation	116,546,594	10,316,166	(2,511,559)	124,351,201
Total capital assets being depreciated, net	132,865,238	(4,936,467)	(184,143)	127,744,628
Capital assets, net	\$151,248,147	3,509,001	(1,394,966)	153,362,182

Depreciation expense charged to functions for the year ended June 30, 2011, was as follows:

Function	Depreciation Expense
General government	\$ 5,019,389
Public safety	3,382,014
Environmental protection	26,015
Human services	708,420
Culture and recreation	1,153,521
Community and economic development	5,587
Education	21,220
Total	\$ 10,316,166

Construction Commitments

Active construction projects as of June 30, 2011 include: up fit of office space on the fifth floor of the Government Center for the Environmental Affairs department; upgrade of elevators at the Hall of Justice building; project to upgrade technology at the Detention Center; renovation of the Phillips Building for Sheriff administrative offices and minimum security inmate housing; maintenance facility and pool renovation at Tanglewood Park; and, continued development of Triad Park. At June 30, 2011, commitments with contractors on these projects are as follows:

Project	Spent-to-Date	Remaining Commitment
Government Center 5 th floor upfit	\$ 269,341	62,090
Hall of Justice elevator upgrade	535,366	16,200
Jail technology project	2,389,105	343,161
Phillips Building renovation	7,625,321	1,302,559
Tanglewood Park maintenance facility	2,398,641	130,280
Tanglewood Park pool renovation	124,650	22,010
Triad Park development	93,794	41,599
Totals	\$ 13,436,218	1,917,899

f. Interfund Receivables, Payables, and Transfers

Certain special revenue funds account for revenues that are used to reimburse eligible expenditures in the General Fund. Accrual of these revenues at year-end results in interfund receivables and payables at June 30. Amounts advanced from the cash and investment pool are also included in due to and due from other funds. Sales tax paid on certain State Public School Building Capital Fund projects will be refunded by the State, so the cash and investment pool advances funds for these payments. At June 30, 2011, interfund receivables and payables are as follows:

Payable Fund	Receivable Fund - General Fund
Nonmajor governmental funds:	
State Public School Building Capital Fund – lottery proceeds for debt service	\$ 34,721
2010 Housing Fund – advance from cash and investment pool	45,421
Total	\$ 80,142

The following is a summary of interfund transfers for the year ended June 30, 2011:

Transfers out:	Transfers in:			Total
	General Fund	2007 School Facilities	Nonmajor Governmental Funds	
General Fund	\$ --	3,400,000	3,014,201	6,414,201
2007 School Facilities	--	--	1,197,818	1,197,818
Nonmajor governmental funds	10,557,558	--	26,582	10,584,140
Totals	\$ 10,557,558	3,400,000	4,238,601	18,196,159

The General Fund transferred \$3,400,000 to the 2007 School Facilities fund for Schools capital outlay, \$2,969,276 to the 2011 Pay-Go fund for County capital projects, and \$44,925 to the 2011 Housing grant project fund to provide local matching funds for a grant. Transfers from the 2007 School Facilities fund were for Schools capital outlay in the 2010 Winston-Salem/Forsyth County Schools Capital Maintenance fund.

Transfers of \$9,073,688 to the General Fund from nonmajor governmental funds were for debt service, including \$92,000 from capital projects funds, as permitted in the applicable financings, and \$8,981,688 in lottery proceeds from the Public School Building Capital fund. Other transfers to the General Fund from nonmajor governmental funds included \$25,317 residual equity from two funds that was closed; \$1,219,845 from the Fire Tax Districts special revenue fund to support the County fire department; and \$114,708 from the Law Enforcement Equitable Distribution special revenue fund for law enforcement programs.

g. Payables

Payables at June 30, 2011, were as follows:

Description	General Fund	Nonmajor Governmental Funds	Total
Vendors	\$ 3,353,663	262,034	3,615,697
Salaries and benefits	4,416,849	--	4,416,849
Totals	\$ 7,770,512	262,034	8,032,546

h. Leases

Operating Leases The County leases buildings, office facilities, and equipment under non-cancelable operating leases. Total costs for such leases were \$984,724 for the year ended June 30, 2011. 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
2012	\$ 740,660
2013	454,030
2014	148,881
2015	148,136
2016	59,059
2017 – 2021	323,496
2022 – 2026	374,532
2027 – 2031	433,625
2032 – 2036	181,554
Total minimum lease payments	\$ 2,863,973

The total rental expenditures for all operating leases were \$1,608,572 for the year ended June 30, 2011.

i. Long-term obligations

Long-term obligation activity

Changes in long-term obligations during the year ended June 30, 2011, were as follows:

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
Governmental activities:					
Compensated absences	\$ 7,239,186	8,660,406	8,482,241	7,417,351	5,047,864
General obligation bonds	396,345,000	207,920,000	73,415,000	530,850,000	31,250,000
Deferred loss on refunding	(4,637,265)	(6,998,372)	(1,643,964)	(9,991,673)	--
Unamortized premiums	11,352,994	14,052,291	3,707,502	21,697,783	--
Installment purchase obligations	1,582,207	--	770,119	812,088	376,545
Certificates of participation and limited obligation bonds	80,120,000	--	6,210,000	73,910,000	6,370,000
Deferred loss on refunding	(1,825,357)	--	(233,849)	(1,591,508)	--
Unamortized premiums	3,251,803	--	380,554	2,871,249	--
Net OPEB obligation	8,939,062	5,848,799	5,076,835	9,711,026	--
Claims and judgments	3,860,078	19,991,353	19,849,385	4,002,046	3,322,007
Total general long-term obligations	\$ 506,227,708	249,474,477	116,013,823	639,688,362	46,366,416

Compensated absences and claims and judgments typically are liquidated in the General Fund. Of the latter, health and dental claims are paid from the Employee Health Benefits internal service fund.

Arbitrage In accordance with Section 148 of the Internal Revenue Code of 1986, as amended, and Sections 1.103-13 to 1.103-15 of the related Treasury Regulations, the County must rebate to the federal government “arbitrage profits” earned on governmental bonds issued after August 31, 1986. Arbitrage profits are the excess of the amount earned on investments over the interest paid on the borrowings. At June 30, 2011, a liability for \$367,568 is included in claims and judgments and reported in long-term liabilities on the Statement of Net Assets.

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

On September 1, 2010, the County issued \$14,225,000 general obligation public improvement bonds, Series 2010A. Interest rates range from 2.0 to 4.0 percent, with a final maturity of April 1, 2021. On September 2, 2010, the County issued the following: \$36,615,000 general obligation public improvement bonds, Series 2010B with interest rates ranging from 4.0 to 5.0 percent and a final maturity of April 1, 2019; \$80,380,000 taxable general obligation public improvement bonds (Build America Bonds), Series 2010C with interest rates ranging from 3.548 to 5.166 percent and a final maturity of April 1, 2030; and \$26,405,000 taxable general obligation public improvement bonds (Qualified School Construction Bonds), Series 2010D with an interest rate of 4.986 percent and a final maturity of April 1, 2027. These bonds were issued to fund the cost of acquiring, constructing and equipping improvements to certain school, community college, parks and recreation and other facilities in the County.

The American Recovery and Reinvestment Act of 2009 (the “Recovery Act”) authorizes the County to issue taxable bonds known as “Build America Bonds” to finance capital expenditures for which the County could issue tax-exempt bonds and to elect to receive a subsidy payment from the federal government equal to 35% of the amount of each interest payment on such taxable bonds. The County has designated the 2010C Bonds as “Build America Bonds” for purposes of the Recovery Act and expects to receive such subsidy payments from the federal government. The County received \$781,344 in such federal subsidy during the year ended June 30, 2011, and if unchanged, expects to receive \$22,156,434 in such subsidies over the life of the bonds. The Recovery Act also authorizes the County to issue taxable bonds known as “Qualified School Construction Bonds” to finance construction, rehabilitation or repair of public school facilities or for the acquisition of land on which a public school facility is to be constructed. Under the Act, the County may elect to receive a subsidy payment from the United States Treasury in an amount calculated as provided in the Recovery Act. The County has designated the 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 \$737,352, or 96.5% of the interest paid on the 2010D Bonds, in such federal subsidy during the year ended June 30, 2011, and if unchanged, expects to receive \$20,226,030 in such subsidies over the life of the bonds. Such cash subsidy payments are not pledged to the repayment of the 2010C or 2010D Bonds, but are expected to be a source of payment of debt service on the bonds. Such cash subsidy payments do not constitute a full faith and credit guarantee of the federal government, but are required to be paid by the United States Treasury under the Recovery Act. If such cash subsidy payments from the United States Treasury are reduced or eliminated as a result of the change in the law, the 2010C and 2010D Bonds are subject to extraordinary optional redemption.

On September 2, 2010, the County issued \$50,295,000 general obligation refunding bonds, Series 2010E, to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of \$350,000 general obligation Public Improvement bonds, Series 2003A, \$31,250,000 general obligation Public Improvement bonds, Series 2003B, \$8,200,000 general obligation School bonds, Series 2007A, \$3,600,000 general obligation Community College bonds, Series 2007 and \$7,000,000 general obligation School bonds, Series 2008. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$6,998,372. This amount is being netted against the new debt and amortized over the life of the new debt, which is the same as the life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 13 years by \$4,004,620 and resulted in an economic gain of \$2,876,650.

In prior years, the County defeased certain general obligation bonds by placing the proceeds of refunding bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County’s financial statements. On June 30, 2011, \$92,250,000 of outstanding general obligation bonds are considered defeased.

On June 24, 2004, the County sold two \$15,000,000 issues of general obligation School bonds that initially bear interest at a weekly variable rate. The County has the option to convert to a flexible term rate, a medium-term rate, or a fixed rate by written notice at least 25 days in advance of the proposed conversion date. The current variable rate is determined weekly based on the lowest interest rate necessary to enable the remarketing of the bonds at par plus accrued interest, as determined by the remarketing agent, and shall not exceed an annual rate of 12%. At June 30, 2011, the rate of interest for both issues was 0.08%.

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, 2011, the rate of interest was 0.08%.

A summary of outstanding general obligation bonds follows:

Purpose of Issue	Date of Issue	Effective Interest Rate	Amount Issued	Principal Outstanding June 30, 2011	
Governmental Activities					
School Building	06-24-04	Var Rate %	\$ 15,000,000	12,000,000	
	06-24-04	Var Rate	15,000,000	12,000,000	
	02-21-06	4.0735	22,500,000	19,700,000	
	04-19-07	3.9543	30,000,000	19,250,000	
	04-19-07	Var Rate	30,000,000	27,450,000	
	09-17-08	4.1701	80,000,000	67,700,000	
	09-02-10	4.9860	26,405,000	26,405,000	
	Community College	04-01-07	3.9543	12,500,000	8,000,000
	Educational Facilities	06-23-09	3.7680	36,250,000	36,250,000
	Public Improvement	03-01-02	4.4913	6,420,000	350,000
03-01-02		4.4913	51,900,000	1,700,000	
09-01-03		4.1925	3,950,000	100,000	
09-01-03		4.1925	48,850,000	5,800,000	
02-21-06		4.0735	10,185,000	8,785,000	
09-16-08		4.1175	11,120,000	10,420,000	
09-01-10		2.0350	14,225,000	14,225,000	
09-02-10		2.0350	36,615,000	36,615,000	
09-02-10		3.1682	80,380,000	80,380,000	
Public Improvement Refunding		09-01-03	4.1925	8,785,000	1,395,000
	12-01-03	2.3916	16,105,000	1,315,000	
	02-01-04	3.0633	30,855,000	23,715,000	
	09-17-08	2.8798	28,885,000	24,510,000	
	09-16-09	2.5103	42,870,000	42,870,000	
	09-02-10	2.0350	50,295,000	49,915,000	
Totals			\$709,095,000	530,850,000	

Of the \$263,645,000 public improvement bonds issued, \$28,193,750 funded County facilities and capital projects, \$216,642,420 funded School facilities, and \$18,808,830 funded Community College facilities.

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

June 30	Principal	Interest	Total
2012	\$ 31,250,000	20,535,483	51,785,483
2013	32,195,000	19,324,736	51,519,736
2014	34,325,000	18,073,181	52,398,181
2015	31,755,000	16,784,176	48,539,176
2016	30,575,000	15,775,138	46,350,138
2017 – 2021	145,050,000	61,736,806	206,786,806
2022 - 2026	140,605,000	36,281,191	176,886,191
2027 - 2030	85,095,000	9,055,454	94,150,454
Totals	\$ 530,850,000	197,566,165	728,416,165

There are \$36,705,000 in authorized but unissued general obligation bonds at June 30, 2011.

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, 2011, there were four series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$30,122,232.

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

Purpose of Issue	Principal Outstanding June 30, 2011
Governmental Activities	
Issued December 22, 2009 to finance County facility renovation and construction; interest varies from 3.00% to 5.00%	\$ 14,250,000
Issued August 9, 2005 to finance renovation of an elementary school and a middle school; interest varies from 4.00% to 5.00%	9,750,000
Issued May 5, 2005 to advance refund portions of three previous issues; interest varies from 3.50% to 5.00%	40,800,000
Issued December 1, 2002 to provide funds for County facility renovation and construction; interest varies from 4.000% to 4.125%	790,000
Issued October 8, 2002 to finance a telephone system and emergency communications system for the County; variable rate for which the rate at June 30, 2011 was 0.10%	2,940,000
Issued April 1, 2001 to finance County facility renovation and construction and for a current refunding of previously issued certificates of participation; interest is 5.00%	4,370,000
Issued September 1, 1998 to provide funds for site acquisition, equipment, facility renovation and park improvements for the County; interest ranges from 4.60% to 5.00%	1,010,000
Total	\$ 73,910,000

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

Year Ending June 30	Principal	Interest	Total
2012	\$ 6,370,000	3,305,210	9,675,210
2013	6,220,000	3,096,409	9,316,409
2014	4,920,000	2,870,438	7,790,738
2015	5,095,000	2,629,438	7,724,438
2016	5,285,000	2,383,938	7,668,938
2017 - 2021	27,555,000	7,944,440	35,499,440
2022 - 2026	15,465,000	2,191,125	17,656,125
2027 - 2030	3,000,000	374,996	3,374,996
Total	\$ 73,910,000	24,795,994	98,705,994

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

In prior years, the County defeased certain certificates of participation by placing the proceeds of new certificates in an irrevocable trust to provide for all future debt service payments on the old certificates. Accordingly, the trust account assets and the liability for the defeased certificates are not included in the County's financial statements. On June 30, 2011, \$35,225,000 of outstanding certificates of participation are considered defeased.

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

Purpose of Issue	Date of Issue	Interest Rate	Amount Issued	Principal Outstanding June 30, 2011
<u>Governmental Activities</u>				
Computer equipment and software	06-28-07	4.34 %	\$ 788,500	171,754
	01-06-09	4.49	276,000	172,930
	06-01-09	3.91	750,000	467,404
Totals			\$ 1,814,500	812,088

Annual maturities are as follows:

Year Ending June 30	Principal	Interest	Total
2012	\$ 376,545	29,300	405,845
2013	213,203	15,567	228,770
2014	222,340	6,430	228,770
Total	\$ 812,088	51,297	863,385

As of June 30, 2011, the County's legal debt limit was \$2,707,095,096, computed at 8% of the total appraised property valuation of \$33,838,688,700. With \$530,850,000 in County, School, and Community College bonds outstanding at June 30, 2011 and \$74,722,088 committed under certificates of participation, limited obligation bonds and installment purchases, the County could issue additional bonds up to \$2,101,523,008 if authorized.

j. Fund Balances

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

	General Fund	2007 School Facilities	2009 Educational Facilities	Nonmajor Governmental Funds	Total Governmental Funds
Restricted by state statute	\$ 21,958,581	1,864,733	634,021	723,586	25,180,921
Encumbrances	5,014,716	--	--	2,683,712	7,698,428
Less: Prepaid items	(180,133)	--	--	--	(180,133)
Totals	\$ 26,793,164	1,864,733	634,021	3,407,298	32,699,216

Restricted for Other. The amounts reported in the general fund balance sheet identified as Restricted for Other is comprised of \$27,238 for soil and water conservation activities, \$5,623 for library expenditures and \$4,517 for social services purposes.

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

Total fund balance – General Fund	\$ 146,271,085
Less:	
Nonspendable	180,133
Restricted	27,663,373
Committed	40,358,769
Assigned	15,950,543
Minimum fund balance reserve	\$ 62,118,267

5. Other Information

a. Pension Costs

North Carolina Local Governmental Employees' Retirement System

Plan Description. Forsyth County contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G. S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, visiting their website at www.ncosc.net or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute 6.0% of their annual covered salary. The County is required to contribute at an actuarially determined rate. The current rate for employees not engaged in law enforcement and for law enforcement officers is 6.35% and 6.41%, respectively, of annual covered payroll. The contribution requirements of members and of Forsyth County are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2011, 2010, and 2009 were \$5,312,862, \$4,063,912, and \$3,991,132, respectively. The contributions made by the County equaled the required contributions for each year.

Law Enforcement Officers' Special Separation Allowance

Plan Description. Forsyth County administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Separation Allowance is reported in the County's report as a pension trust fund, and no stand-alone financial report is issued for the plan.

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

At December 31, 2010, the Separation Allowance's membership consisted of:

Retirees currently receiving benefits	42
Active plan members	226
Total	268

Summary of Significant Accounting Policies

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

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

Funding Policy. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the current year, the County contributed \$636,749, or 6.43% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

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

Annual required contribution	\$ 567,128
Interest on net pension obligation	(14,284)
Adjustment to annual required contribution	15,295
Annual pension cost	568,139
Contributions made	(636,749)
Increase in net pension asset	(68,610)
Net pension asset, beginning of year	(285,689)
Net pension asset, end of year	\$ (354,299)

The annual required contribution for the fiscal year ended June 30, 2011 was determined as part of the December 31, 2009 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return and (b) projected salary increases of 4.5% to 12.3% per year. Item (b) included an inflation component of 3.75%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was market value. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2009 was 21 years.

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension (Asset) Obligation
6/30/2009	\$ 434,697	102.81%	\$(174,045)
6/30/2010	473,336	123.59%	(285,689)
6/30/2011	568,139	112.08%	(354,299)

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the plan was .78% funded. The actuarial accrued liability for benefits was \$5,644,750, and the actuarial value of assets was \$43,969, resulting in an unfunded actuarial accrued liability (UAAL) of \$5,600,781. The covered payroll (annual payroll of active employees covered by the plan) was \$9,905,749, and the ratio of the UAAL to the covered payroll was 56.54%. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The following are financial statements for the Law Enforcement Officers' Special Separation Allowance Trust Fund included in Exhibits 9 and 10 of the Basic Financial Statements at June 30, 2011.

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE TRUST FUND

STATEMENT OF NET ASSETS

June 30, 2011

ASSETS

Cash and cash equivalents	\$ 156,817
Cash and investments held by fiscal agent	-
Receivables:	
Accrued interest	106
Due from other governments	131
	<u>131</u>

NET ASSETS

Held in trust for pension benefits	\$ <u>157,054</u>
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LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE TRUST FUND

STATEMENT OF CHANGES IN NET ASSETS

For the Fiscal Year Ended June 30, 2011

ADDITIONS

Contributions:

Employer	\$	636,749
Plan members		-
Total contributions		<u>636,749</u>
Net investment income		391
Total additions		637,140

DEDUCTIONS

Benefits		603,390
Change in net assets		33,750
Net assets - beginning		<u>123,304</u>
Net assets - ending	\$	<u><u>157,054</u></u>

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, visiting their website at www.ncosc.net 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, 2011 were \$491,237, exclusive of voluntary employee contributions.

Register of Deeds' Supplemental Pension Fund

Plan Description. The County contributes to the Register of Deeds' Supplemental Pension Fund (Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Governmental Employees' Retirement System (LERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Register of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, visiting their website at www.ncosc.net or by calling (919) 981-5454.

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to 1.5% of the monthly receipts collected pursuant to Article 1 of G.S. Chapter 161. Immediately following January 1 of each year, the Department of State Treasurer divides 93% of the amount in the Fund at the end of the preceding calendar year into equal shares, up to the statutory maximum, to be disbursed as monthly benefits. The remaining 7% of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2011, the County's required and actual contributions were \$30,539.

b. Other Post-employment Benefits (OPEB)

Healthcare, Life Insurance, and Death Benefits

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

As of July 1, 2007, the Plan provides postemployment healthcare benefits to retirees of the County until they reach age 65 or are

eligible for Medicare, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and (1) have at least 5 years of creditable service with the County if employed prior to July 1, 2007; (2) have at least twenty years of creditable service with the County if employed on or after July 1, 2007. Coverage on eligible dependents that are on the retiree's policy the day before retirement may be continued until eligibility ceases. Based on level of coverage, the County pays between 68.2% and 90.2% of the established premium cost, and the retiree pays the same premium as active employees.

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

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

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

Membership of the Plan consisted of the following at December 31, 2010, the date of the latest actuarial valuation:

Retirees currently receiving benefits	730
Active plan members:	
General employees	1,878
Law enforcement officers	226
Total	2,834

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

The County pays the full costs of retiree death benefits and life insurance for disability retirees, which were \$6,000 and \$7,421, respectively, for fiscal year 2011. The monthly cost of healthcare benefits is shared by the County and covered retirees, respectively, as follows: retiree-only coverage, \$551 and \$60; retiree and one dependent, \$685 and \$169; and retiree and more than one dependent, \$958 and \$446. For fiscal year 2011, the County contributed \$ 2,377,189 for healthcare benefits, and retiree Plan members contributed \$ 342,469. Additionally, the County contributed \$1,600,000 to prefund benefits.

The current ARC rate is 6.81% of annual covered payroll. For the current year, the County contributed \$5,076,835 or 6.1% of annual covered payroll. The County self-funds its healthcare benefits, and premiums are set at a level to cover current costs and fund actuarially computed reserves. The County obtains life insurance coverage through a private insurer. The County's required contribution, set by the Board of County Commissioners, is the same for all employees.

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

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

Annual required contribution	\$5,760,165
Interest on net OPEB obligation	536,344
Adjustment to annual required contribution	(447,710)
Annual OPEB cost (expense)	5,848,799
Contributions made	(5,076,835)
Increase in net OPEB obligation	771,964
Net OPEB obligation, beginning of year	8,939,062
Net OPEB obligation, end of year	\$9,711,026

The annual required contribution for the fiscal year ended June 30, 2011 was determined as part of the December 31, 2009 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return and (b) projected medical cost increases of 5.0% to 10.5% per year. Item (b) included an inflation

component of 3.75%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was market value. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on an open basis. The remaining amortization period at December 31, 2009 was 30 years.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the preceding three years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2008	\$ 5,840,379	29.3%	\$ 4,128,973
6/30/2009	5,863,049	61.6%	6,382,081
6/30/2010	6,345,621	59.7%	8,939,062
6/30/2011	5,848,799	86.8%	9,711,026

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the plan was 6.6% funded. The actuarial accrued liability for benefits was \$59,077,600, and the actuarial value of assets was \$3,897,349, resulting in an unfunded actuarial accrued liability (UAAL) of \$55,180,251. The covered payroll (annual payroll of active employees covered by the plan) was \$83,435,173, and the ratio of the UAAL to the covered payroll was 66.1%.

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

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

The following are financial statements for the Other Post-Employment Benefit Trust Fund included in Exhibits 9 and 10 of the Basic Financial Statements at June 30, 2011.

OTHER POST-EMPLOYMENT BENEFIT TRUST - HEALTHCARE PLAN

STATEMENT OF NET ASSETS

June 30, 2011

ASSETS

Cash and cash equivalents	\$	-
Cash and investments held by fiscal agent		5,767,861
Receivables:		
Accrued interest		-
Due from other governments		-
		<hr/>

NET ASSETS

Held in trust for other post-employment benefits	\$	<u><u>5,767,861</u></u>
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OTHER POST-EMPLOYMENT BENEFIT TRUST - HEALTHCARE PLAN

STATEMENT OF CHANGES IN NET ASSETS

For the Fiscal Year Ended June 30, 2011

ADDITIONS

Contributions:

Employer	\$	3,977,189
Plan members		342,469
Total contributions		<u>4,319,658</u>
Net investment income		801,139
Total additions		<u>5,120,797</u>

DEDUCTIONS

Benefits		<u>2,719,658</u>
Change in net assets		2,401,139
Net assets - beginning		<u>3,366,722</u>
Net assets - ending	\$	<u><u>5,767,861</u></u>

c. Risk Management

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

The County's risk retention program provides coverage for a maximum of \$400,000 for each workers' compensation claim, \$175,000 for each health care claim, \$75,000 for each auto liability and general liability claim, \$250,000 each public officials and law enforcement claim, and \$100,000 for each property damage claim. The County purchases commercial insurance for claims in excess of coverage provided by this program. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The County carries commercial flood insurance with maximum coverage of \$10,000,000 per year for property in areas that have been mapped and designated "X" (an area with moderate to minimal flood hazard) by the Federal Emergency Management Agency (FEMA.) Most of the County's property is located in areas designated "X." The County has some property of lower value located in areas designated "A" (an area close to a river, lake, or stream) by FEMA, and the County has purchased flood insurance with maximum coverage of \$1,000,000 per year for this property.

In accordance with G.S. 159-29, the County's employees that have access at any given time to \$100 or more of the County's funds are performance bonded through a commercial surety bond. The chief financial officer and tax collector are individually bonded for \$100,000 and \$150,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$500,000.

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 \$ 1,594,873 at June 30, 2011. It is reported in the Statement of Net Assets as a long-term liability, and \$ 920,371 is considered due within one year.

The County's actuarially determined claims liability for employee, dependent, and retiree health care costs is \$ 2,039,605 at June 30, 2011. It is reported as a current liability in the proprietary fund Statement of Net Assets and as a long-term liability, due in one year, in the government-wide Statement of Net Assets.

Fiscal year 2011 was the third year of the County's risk retention program for employee, dependent, and retiree health care costs, and premiums were established at a level to cover future catastrophic losses as well as the actuarially determined claims liability, and also to enable matching revenues and expenses over a reasonable period of time without significant year-to-year increases. The net assets of \$ 1,734,526 in the Employee Benefits Fund are designated for these purposes.

Changes in the claims liability amount in fiscal 2009 through fiscal 2011 were as follows:

	Beginning Balance	Current-Year Claims and Changes in Estimates	Claims Payments	Ending Balance
2008-2009	\$2,561,135	17,619,071	(16,745,389)	3,434,817
2009-2010	3,434,817	20,578,472	(20,687,477)	3,325,812
2010-2011	3,325,812	19,991,353	(19,682,687)	3,634,478

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

d. Contingent Liabilities

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

The County is involved in several other claims and lawsuits, which it intends to defend vigorously. The County’s legal counsel estimates that any possible liability to the County resulting from such litigation and not covered by insurance would not have a material adverse effect on the financial position of the County at June 30, 2011.

e. Related Organization

The County’s governing board is responsible for a majority of the board appointments of the Airport Commission of Forsyth County, but the County’s accountability for this organization does not extend beyond making these appointments. The Airport Commission was established by state statute for the purpose of operating an airport on land owned by the County, and it is funded primarily by airport revenue and federal grants. In fiscal year 2011, Forsyth County provided risk management services totaling \$5,500 to the Airport Commission, and \$1,375 of this amount comprised a receivable at year-end.

f. Joint Ventures

The County, in conjunction with the State of North Carolina and the Winston-Salem/Forsyth County Board of Education, participates in a joint venture to operate Forsyth Technical Community College. Each of the three participants appoints four members of the thirteen-member board of trustees of the community college. The president of the community college’s student government serves as an ex officio nonvoting member of the community college’s board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college’s operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds or certificates of participation to provide financing for new facilities. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college’s facilities. The County contributed \$6,818,876 and \$9,339,271 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2011. In addition, the County made debt service payments of \$2,814,662 during the fiscal year on general obligation bonds and certificates of participation issued for community college capital facilities. The participating governments do not have an equity interest in the joint venture; therefore, no equity interest has been reflected in the County’s financial statements at June 30, 2011. Complete financial statements for the community college may be obtained from the community college’s administrative offices at 2100 Silas Creek Parkway, Winston-Salem, North Carolina, 27103.

The County participates with Stokes County, Davie County and Rockingham County, North Carolina in CenterPoint Human Services to provide services for general mental health, mental disorder, developmental disabilities, substance abuse and mental health education in Forsyth, Stokes, Davie, and Rockingham Counties. CenterPoint’s board is composed of nineteen members. Forsyth, Stokes and Rockingham Boards of Commissioners each appoint one Commissioner as an ex-officio member of the Board. The Davie County Commissioners appoint one Commissioner, the County Manager or the Assistant County Manager as its ex-officio member of the Board. The fifteen additional members are appointed by the four ex-officio members of the board. The County has an ongoing financial responsibility for CenterPoint because it provides funding for a substantial portion of its annual budget. The County contributed \$5,679,583 for CenterPoint operations for the fiscal year ended June 30, 2011. Additionally, the County provided services to CenterPoint during the year for which it invoiced \$1,663,706, of which \$165,144 was outstanding at year-end. The participating governments do not have an equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2011. Complete financial statements for CenterPoint may be obtained from its administrative

offices at 4045 University Parkway, Winston-Salem, North Carolina, 27106.

In conjunction with the City of Winston-Salem and the Greater Winston-Salem Chamber of Commerce, Inc., the County takes part in a joint venture to operate the Forsyth County Tourism Development Authority, which was established pursuant to state statute for the purpose of furthering the development of travel, tourism, and conventions in the County. The Authority board is comprised of nine members of which the County and the City of Winston-Salem each appoint four, and the Chamber appoints one. The Authority receives approximately 61.0% of room occupancy taxes which are levied and collected by the County. For the year ended June 30, 2011, occupancy taxes totaling \$2,150,866 were distributed to the Authority. The County also provided \$12,546 in financial services to the Authority during fiscal year 2011. 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, 2011. Complete financial statements for the Authority can be obtained from the Authority's finance officer at Forsyth County Government Center, 201 N. Chestnut Street, Winston-Salem, North Carolina 27101.

g. Jointly Governed Organizations

The County, in conjunction with eleven other counties and 61 municipalities, is a member of the Piedmont Triad Regional Council (PTRC). The PTRC is a voluntary association of municipal and county governments, enabled by state law to promote regional issues and cooperation among members and to coordinate funding from federal and state agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$106,548 to the Council during the fiscal year ended June 30, 2011.

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, 2011.

Required Supplementary Schedules

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

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

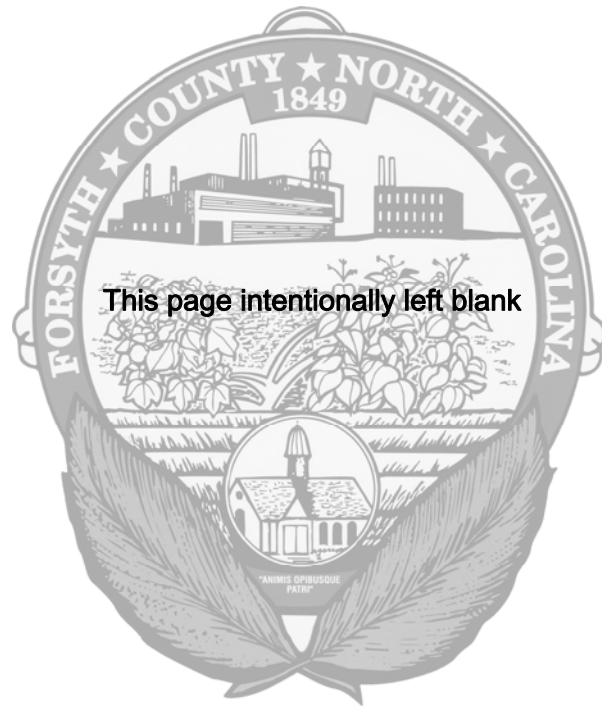
Law Enforcement Officers' Special Separation Allowance – Schedule of Employer Contributions

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

Healthcare Plan – Schedule of Funding Progress

Healthcare Plan – Schedule of Employer Contributions

Healthcare Plan – Notes to the Required Schedules



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LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

FORSYTH COUNTY, NORTH CAROLINA

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)		Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
		Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)				
12/31/2003	\$ 1,223,836	\$ 4,514,489	\$ 3,290,653	27.11 %	\$ 7,997,734	41.14 %	
12/31/2004	1,048,797	4,783,417	3,734,620	21.93	8,498,129	43.95	
12/31/2005	924,989	4,438,017	3,513,028	20.84	9,092,712	38.64	
12/31/2006	742,951	4,414,409	3,671,458	16.83	8,980,782	40.88	
12/31/2007	494,627	4,942,272	4,447,645	10.01	9,481,989	46.91	
12/31/2008	263,693	5,101,499	4,837,806	5.17	9,585,542	50.47	
12/31/2009	65,952	6,215,412	6,149,460	1.06	10,007,668	61.45	
12/31/2010	43,969	5,644,750	5,600,781	0.78	9,905,749	56.54	

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

FORSYTH COUNTY, NORTH CAROLINA

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2004	\$ 329,094	109.98 %
2005	347,907	106.21
2006	386,989	104.93
2007	365,576	97.74
2008	379,512	104.65
2009	436,202	102.46
2010	474,990	123.16
2011	567,128	112.28

Notes to the Required Schedules:

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

Valuation date	12/31/2010
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, closed
Remaining amortization period	20 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.0%
Projected salary increases*	4.25% to 7.85%
*Includes inflation at	3.0%
Cost-of-living adjustments	None

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

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

HEALTHCARE PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
 FORSYTH COUNTY, NORTH CAROLINA

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2008	\$ 5,840,379	29.3 %
2009	5,840,379	61.8
2010	6,278,243	60.3
2011	5,760,165	88.1

Notes to the Required Schedules:

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

Valuation date	12/31/2010
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, closed
Remaining amortization period	29 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	6.00%
Medical cost trend rate	10.50% - 5.00%
Year of ultimate trend rate	2018
*Includes inflation at	3.00%

Major Governmental Funds

Budgetary Comparison Schedules

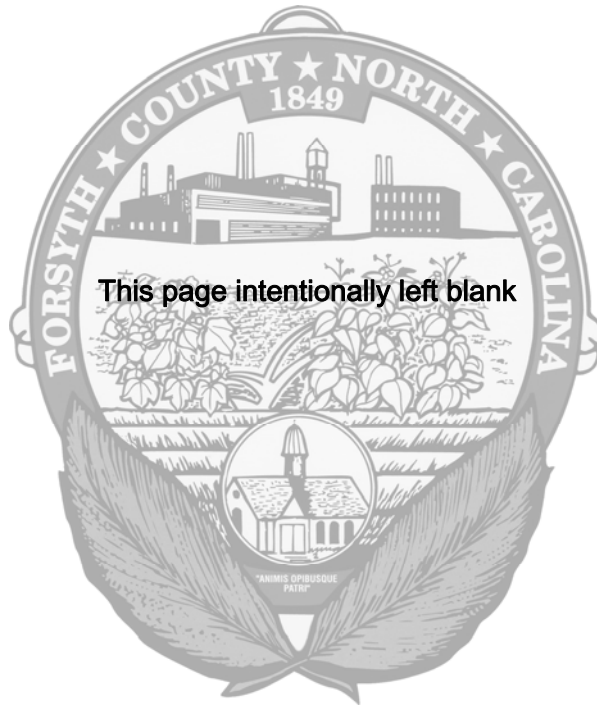
General Fund

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

Major Capital Projects Fund

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

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



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GENERAL FUND

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property:				
Current year	\$ 222,772,548	222,772,548	223,654,343	881,795
Prior years	3,000,000	3,000,000	3,484,432	484,432
Interest and fees	850,000	850,000	1,149,228	299,228
Total property	<u>226,622,548</u>	<u>226,622,548</u>	<u>228,288,003</u>	<u>1,665,455</u>
Occupancy taxes	<u>450,000</u>	<u>450,000</u>	<u>483,945</u>	<u>33,945</u>
Local option sales:				
Article 39 one cent	23,652,717	23,652,717	23,042,215	(610,502)
Article 40 one-half cent	11,653,735	11,653,735	11,854,646	200,911
Article 42 one-half cent	13,826,089	13,826,089	13,415,073	(411,016)
Article 44 one-half cent	-	-	21,613	21,613
Total sales	<u>49,132,541</u>	<u>49,132,541</u>	<u>48,333,547</u>	<u>(798,994)</u>
Other taxes	<u>190,900</u>	<u>190,900</u>	<u>271,131</u>	<u>80,231</u>
Total taxes	<u>276,395,989</u>	<u>276,395,989</u>	<u>277,376,626</u>	<u>980,637</u>
Licenses and permits	937,708	937,708	902,447	(35,261)
Intergovernmental	51,731,366	53,534,559	50,525,874	(3,008,685)
Charges for services	25,299,902	25,483,484	22,884,593	(2,598,891)
Investment earnings	928,722	928,722	545,288	(383,434)
Other	<u>8,823,590</u>	<u>8,994,746</u>	<u>8,883,423</u>	<u>(111,323)</u>
Total revenues	<u>364,117,277</u>	<u>366,275,208</u>	<u>361,118,251</u>	<u>(5,156,957)</u>
Expenditures:				
Current:				
General government:				
Budget and management	529,686	534,487	524,339	10,148
Management information services	7,916,789	7,909,770	7,576,501	333,269
Finance	2,092,422	2,245,054	1,956,101	288,953
General services	12,919,161	13,593,293	12,897,629	695,664
Human resources	1,101,301	1,114,649	1,037,866	76,783
Planning	1,585,430	1,585,430	1,403,057	182,373
Purchasing	90,900	90,900	86,730	4,170
Attorney	1,227,798	1,275,320	1,263,106	12,214
Board of elections	905,930	920,353	772,502	147,851
County commissioners and manager	1,007,192	1,056,549	1,009,540	47,009
Register of deeds	1,425,473	1,497,655	1,396,122	101,533
Tax administration	5,305,988	5,345,621	4,892,612	453,009
Non-departmental:				
Contingency	750,000	3,334,553	-	3,334,553
County-wide salary savings	(2,400,000)	(2,400,000)	-	(2,400,000)
Other services and adjustments	3,200,205	1,629,315	1,361,470	267,845
Designated for Education Debt Leveling Plan	13,551,446	13,551,446	-	13,551,446
Merit adjustment	800,270	800,270	-	800,270
Prior year encumbrances	1,800,000	-	-	-
Special appropriations	<u>30,659</u>	<u>30,659</u>	<u>30,659</u>	<u>-</u>
Total general government	<u>53,840,650</u>	<u>54,115,324</u>	<u>36,208,234</u>	<u>17,907,090</u>

GENERAL FUND

A-1

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2011

Page 2 of 3

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Public safety:				
Animal control	\$ 1,977,925	1,969,860	1,776,373	193,487
Emergency management	326,860	326,860	296,193	30,667
Interagency communications	1,459,873	1,471,191	1,413,375	57,816
Sheriff	41,763,365	44,001,599	40,018,945	3,982,654
Emergency services	16,849,943	15,975,126	14,976,939	998,187
Court services	500,721	550,482	391,023	159,459
Medical examiner	190,000	190,000	153,000	37,000
Youth center	1,325,808	1,736,289	1,390,796	345,493
Nondepartmental other services and adjustments	1,033,912	1,033,912	1,124,805	(90,893)
Total public safety	<u>65,428,407</u>	<u>67,255,319</u>	<u>61,541,449</u>	<u>5,713,870</u>
Environmental protection:				
NC cooperative extension service - conservation of natural resources	175,605	177,406	140,787	36,619
Environmental affairs	1,902,032	1,911,010	1,875,301	35,709
Inspections	543,140	543,140	572,599	(29,459)
Nondepartmental other services and adjustments	22,671	22,671	24,667	(1,996)
Total environmental protection	<u>2,643,448</u>	<u>2,654,227</u>	<u>2,613,354</u>	<u>40,873</u>
Human services:				
Public health	23,420,487	23,833,676	20,500,866	3,332,810
Social services	48,926,535	50,417,802	45,981,775	4,436,027
Special appropriations	1,465,289	1,314,039	1,191,743	122,296
Nondepartmental other services and adjustments	739,253	739,253	806,662	(67,409)
Total human services	<u>74,551,564</u>	<u>76,304,770</u>	<u>68,481,046</u>	<u>7,823,724</u>
Culture and recreation:				
Library	7,225,023	7,365,078	7,142,328	222,750
Parks and recreation	8,010,869	7,958,647	7,166,065	792,582
Special appropriations	411,813	209,273	205,776	3,497
Nondepartmental other services and adjustments	132,318	132,318	143,462	(11,144)
Total culture and recreation	<u>15,780,023</u>	<u>15,665,316</u>	<u>14,657,631</u>	<u>1,007,685</u>
Community and economic development:				
Economic development	1,576,275	5,304,363	1,495,737	3,808,626
Housing	383,585	389,538	338,264	51,274
Total community and economic development	<u>1,959,860</u>	<u>5,693,901</u>	<u>1,834,001</u>	<u>3,859,900</u>
Education:				
NC cooperative extension service	704,443	767,636	607,863	159,773
Special appropriations	898,750	898,750	731,173	167,577
Nondepartmental other services and adjustments	48,442	48,442	52,452	(4,010)
Total education	<u>1,651,635</u>	<u>1,714,828</u>	<u>1,391,488</u>	<u>323,340</u>
Intergovernmental:				
Human services - CenterPoint Human Services	6,258,706	6,258,706	5,679,583	579,123
Education:				
Forsyth Technical Community College:				
Current expense	6,819,876	6,819,876	6,818,876	1,000
Capital outlay	613,948	613,948	613,948	-
Total Forsyth Technical Community College	<u>7,433,824</u>	<u>7,433,824</u>	<u>7,432,824</u>	<u>1,000</u>

GENERAL FUND

A-1

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2011

Page 3 of 3

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Winston-Salem/Forsyth County Schools:				
Instructional programs	\$ 70,776,029	70,776,029	70,776,029	-
Support services	35,204,124	35,204,124	35,204,124	-
Community services	178,006	178,006	178,006	-
Charter schools	3,740,288	3,740,288	3,740,288	-
Capital outlay	700,941	700,941	700,941	-
Total Winston-Salem/Forsyth County Schools	<u>110,599,388</u>	<u>110,599,388</u>	<u>110,599,388</u>	<u>-</u>
Total intergovernmental education	<u>118,033,212</u>	<u>118,033,212</u>	<u>118,032,212</u>	<u>1,000</u>
Debt service:				
General obligation bonds:				
Principal	22,635,000	23,015,000	23,015,000	-
Interest and other charges	19,899,041	19,645,292	18,870,509	774,783
Limited obligation bonds, installment purchases and certificates of participation:				
Principal	6,980,118	6,980,118	6,894,022	86,096
Interest and other charges	3,895,389	3,895,389	3,775,132	120,257
Total debt service	<u>53,409,548</u>	<u>53,535,799</u>	<u>52,554,663</u>	<u>981,136</u>
Total expenditures	<u>393,557,053</u>	<u>401,231,402</u>	<u>362,993,661</u>	<u>38,237,741</u>
Excess (deficiency) of revenues over expenditures	<u>(29,439,776)</u>	<u>(34,956,194)</u>	<u>(1,875,410)</u>	<u>33,080,784</u>
Other financing sources (uses):				
Refunding bonds issued	-	126,252	50,295,000	50,168,748
Premium on refunding bonds	-	-	7,503,955	7,503,955
Transfers in:				
Fire Tax Districts Fund	1,239,135	1,239,135	1,219,845	(19,290)
Law Enforcement Equitable Distribution Fund	429,919	498,249	114,708	(383,541)
Emergency Telephone System Fund	894,000	-	-	-
State Public School Building Capital Fund	10,943,281	10,943,281	8,981,688	(1,961,593)
2006 2/3rds Bonds Fund	22,000	22,000	22,000	-
2007 Housing Fund	-	-	22,677	22,677
2008 Housing Fund	-	-	2,640	2,640
2008 Pay-Go Fund	124,000	124,000	124,000	-
2008 School Facilities Fund	35,000	35,000	35,000	-
2009 2/3rds Bonds Fund	35,000	35,000	35,000	-
Total transfers in	<u>13,722,335</u>	<u>12,896,665</u>	<u>10,557,558</u>	<u>(2,339,107)</u>
Transfers out:				
2007 Schools Fund	-	(3,400,000)	(3,400,000)	-
2010 Schools Capital Maintenance Fund	(1,735,000)	-	-	-
2011 Pay-Go Fund	-	(2,969,276)	(2,969,276)	-
2011 Housing Fund	(44,925)	(44,925)	(44,925)	-
Total transfers out	<u>(1,779,925)</u>	<u>(6,414,201)</u>	<u>(6,414,201)</u>	<u>-</u>
Payment to refunded bond escrow agent	-	-	(57,398,372)	(57,398,372)
Total other financing sources (uses)	<u>11,942,410</u>	<u>6,608,716</u>	<u>4,543,940</u>	<u>(2,064,776)</u>
Net change in fund balance	<u>\$ (17,497,366)</u>	<u>(28,347,478)</u>	<u>2,668,530</u>	<u>31,016,008</u>
Fund balances - June 30, 2010			143,602,555	
Fund balances - June 30, 2011			\$ 146,271,085	

2007 SCHOOL FACILITIES FUND

A-2

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues - investment earnings	\$ 4,429,705	4,808,393	79,979	4,728,414
Expenditures:				
Current - intergovernmental - education	255,034,762	190,787,681	49,952,641	140,835,040
Debt service - interest and other charges	1,969,600	1,963,868	829,688	1,134,180
Total expenditures	<u>257,004,362</u>	<u>192,751,549</u>	<u>50,782,329</u>	<u>141,969,220</u>
Deficiency of revenues over expenditures	<u>(252,574,657)</u>	<u>(187,943,156)</u>	<u>(50,702,350)</u>	<u>(137,240,806)</u>
Other financing sources (uses):				
General obligation bonds issued	250,000,000	250,000,000	110,000,000	140,000,000
Premium on general obligation bonds	4,522,475	7,601,614	3,918,000	3,683,614
Transfers from (to) General Fund	(500,000)	(500,000)	3,400,000	(3,900,000)
Transfers to 2010 Schools Capital Maintenance Fund	(1,197,818)	(1,197,818)	(1,197,818)	-
Transfers to State Public School Building Capital Fund	(250,000)	(250,000)	-	(250,000)
Total other financing sources (uses)	<u>252,574,657</u>	<u>255,653,796</u>	<u>116,120,182</u>	<u>139,533,614</u>
Net change in fund balance	\$ <u>-</u>	<u>67,710,640</u>	65,417,832	<u>2,292,808</u>
Fund balance - June 30, 2010			2,292,808	
Fund balance - June 30, 2011			<u>\$ 67,710,640</u>	

2009 EDUCATIONAL FACILITIES FUND

A-3

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues - investment earnings	\$ 300,000	99,086	41,134	57,952
Expenditures:				
Current - intergovernmental - education:				
School Career Center	26,150,745	17,610,858	14,964,617	2,646,241
School administrative offices	13,450,000	13,449,850	2,456,120	10,993,730
FTCC expansion	23,500,000	521,372	246,209	275,163
Technology projects	826,034	90,653	90,653	-
Unallocated	582,715	-	-	-
Debt service - interest and other charges	456,210	436,606	155,813	280,793
Total expenditures	<u>64,965,704</u>	<u>32,109,339</u>	<u>17,913,412</u>	<u>14,195,927</u>
Deficiency of revenues over expenditures	<u>(64,665,704)</u>	<u>(32,010,253)</u>	<u>(17,872,278)</u>	<u>(14,137,975)</u>
Other financing sources:				
General obligation bonds issued	62,150,000	57,150,000	20,900,000	36,250,000
Premium on general obligation bonds	2,515,704	2,699,716	982,244	1,717,472
Total other financing sources	<u>64,665,704</u>	<u>59,849,716</u>	<u>21,882,244</u>	<u>37,967,472</u>
Net change in fund balance	\$ <u>-</u>	<u>27,839,463</u>	4,009,966	<u>23,829,497</u>
Fund balance - June 30, 2010			23,829,497	
Fund balance - June 30, 2011			<u>\$ 27,839,463</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.

2007 Housing Fund – This fund accounts for the use of state and federal grants initiated in fiscal year 2007 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.

2008 Housing Fund – This fund accounts for the use of state and federal grants initiated in fiscal year 2008 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.

2007 Justice Assistance Fund – This fund accounts for the 2007 Edward Byrne Memorial Justice Assistance grant.

2009 Housing Fund – This fund accounts for the use of state and federal grants initiated in fiscal year 2009 for rehabilitation and reconstruction of substandard dwellings in Forsyth County, down-payment assistance for Forsyth County citizens who meet eligibility requirements, and other housing rehabilitation and first-time home buyer related purposes.

2008 Edward Byrne Memorial Justice Assistance Fund – This fund accounts for the 2008 Edward Byrne Memorial Justice Assistance grant.

2010 Housing Fund – This fund accounts for the use of state and federal grants initiated in fiscal year 2010 for rehabilitation and reconstruction of substandard dwellings in Forsyth County, down-payment assistance for Forsyth County citizens who meet eligibility requirements, and other housing rehabilitation and first-time home buyer related purposes.

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

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

2011 Housing Fund – This fund accounts for the use of state and federal grants initiated in fiscal year 2010 for rehabilitation and reconstruction of substandard dwellings in Forsyth County, down-payment assistance for Forsyth County citizens who meet eligibility requirements, and other housing rehabilitation and first-time home buyer related purposes.

Capital Project Funds

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

2002 Schools Fund - This fund is used to account for the construction of and renovation to school facilities financed by proceeds of school facilities bonds authorized by a 2001 referendum.

2006 2/3rds Bonds Fund – Proceeds of general obligation two-thirds bonds will finance construction or repair work and equipment and land acquisition for Government Center renovations; Emergency Medical Services facility renovations; Tanglewood maintenance center; Lewisville Branch Library; and Public Health facility renovations.

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

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

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

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

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

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

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

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

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

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

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

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

B-1

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2011

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 3,150,171	38,367,475	41,517,646
Receivables (net):			
Property taxes	94,095	-	94,095
Accrued interest	2,955	5,608	8,563
Due from other governments	526,591	188,534	715,125
Total assets	<u>\$ 3,773,812</u>	<u>38,561,617</u>	<u>42,335,429</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 18,247	243,787	262,034
Due to other funds	80,142	-	80,142
Unearned revenue	639,195	-	639,195
Deferred revenue	94,197	-	94,197
Total liabilities	<u>831,781</u>	<u>243,787</u>	<u>1,075,568</u>
 Fund balances:			
Restricted for:			
Stabilization by state statute	917,583	2,489,715	3,407,298
Fire protection	693,767	-	693,767
Law enforcement	1,163,294	-	1,163,294
Emergency telephone system	236,669	-	236,669
Human services	305,895	-	305,895
Housing and community redevelopment	82,560	-	82,560
Capital projects	-	30,340,229	30,340,229
Committed for capital projects	-	5,487,886	5,487,886
Unassigned	(457,737)	-	(457,737)
Total fund balances	<u>2,942,031</u>	<u>38,317,830</u>	<u>41,259,861</u>
 Total liabilities and fund balances	 <u>\$ 3,773,812</u>	 <u>38,561,617</u>	 <u>42,335,429</u>

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

B-2

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2011

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues:			
Taxes:			
Property	\$ 5,965,065	-	5,965,065
Local option sales taxes	1,231,510	-	1,231,510
Total taxes	7,196,575	-	7,196,575
Intergovernmental	12,697,013	2,441	12,699,454
Investment earnings	16,804	75,580	92,384
Other	60,793	-	60,793
Total revenues	<u>19,971,185</u>	<u>78,021</u>	<u>20,049,206</u>
Expenditures:			
Current:			
Public safety	6,870,573	-	6,870,573
Community and economic development	2,700,971	-	2,700,971
Intergovernmental - education	-	12,463,638	12,463,638
Debt service - interest and other charges	-	189,771	189,771
Capital outlay	-	10,677,148	10,677,148
Total expenditures	<u>9,571,544</u>	<u>23,330,557</u>	<u>32,902,101</u>
Excess (deficiency) of revenues over expenditures	<u>10,399,641</u>	<u>(23,252,536)</u>	<u>(12,852,895)</u>
Other financing sources (uses):			
General obligation bonds issued	-	26,725,000	26,725,000
Premium on general obligation bonds	-	1,648,092	1,648,092
Transfers in	71,507	4,167,094	4,238,601
Transfers out	(10,368,140)	(216,000)	(10,584,140)
Total other financing sources (uses)	<u>(10,296,633)</u>	<u>32,324,186</u>	<u>22,027,553</u>
Net change in fund balances	103,008	9,071,650	9,174,658
Fund balance - June 30, 2010	<u>2,839,023</u>	<u>29,246,180</u>	<u>32,085,203</u>
Fund balance - June 30, 2011	<u>\$ 2,942,031</u>	<u>38,317,830</u>	<u>41,259,861</u>

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

C-1

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2011

Page 1 of 2

	<u>Fire Tax Districts</u>	<u>Law Enforcement Equitable Distribution</u>	<u>Emergency Telephone System</u>	<u>Moser Bequest for Care of Elderly</u>	<u>State Public School Building Capital</u>
ASSETS					
Cash and cash equivalents	\$ 695,395	1,156,951	236,669	305,895	-
Receivables (net):					
Property taxes	94,095	-	-	-	-
Accrued interest	546	1,073	425	276	-
Due from other governments	307,165	-	71,454	-	34,721
Total assets	<u>\$ 1,097,201</u>	<u>1,158,024</u>	<u>308,548</u>	<u>306,171</u>	<u>34,721</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 1,628	-	-	-	-
Due to other funds - General Fund	-	-	-	-	34,721
Unearned revenue	-	-	-	-	-
Deferred revenue	94,095	-	-	-	-
Total liabilities	<u>95,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,721</u>
Fund balances:					
Restricted for:					
Stabilization by state statute	307,711	1,073	71,879	276	34,721
Fire protection	693,767	-	-	-	-
Law enforcement	-	1,156,951	-	-	-
Emergency telephone system	-	-	236,669	-	-
Human services	-	-	-	305,895	-
Housing and community redevelopment	-	-	-	-	-
Unassigned	-	-	-	-	(34,721)
Total fund balances	<u>1,001,478</u>	<u>1,158,024</u>	<u>308,548</u>	<u>306,171</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,097,201</u>	<u>1,158,024</u>	<u>308,548</u>	<u>306,171</u>	<u>34,721</u>

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2011

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Page 2 of 2

2009 <u>Housing</u>	2010 <u>Housing</u>	2009		2011 <u>Housing</u>	<u>Total</u>
		Recovery Act Justice <u>Assistance</u>	2009 Justice <u>Assistance</u>		
33,744	-	498,486	140,471	82,560	3,150,171
-	-	-	-	-	94,095
21	5	450	126	33	2,955
11,586	93,497	297	7,871	-	526,591
<u>45,351</u>	<u>93,502</u>	<u>499,233</u>	<u>148,468</u>	<u>82,593</u>	<u>3,773,812</u>
306	16,313	-	-	-	18,247
-	45,421	-	-	-	80,142
-	-	492,143	147,052	-	639,195
-	102	-	-	-	94,197
<u>306</u>	<u>61,836</u>	<u>492,143</u>	<u>147,052</u>	<u>-</u>	<u>831,781</u>
177,772	182,328	747	141,043	33	917,583
-	-	-	-	-	693,767
-	-	6,343	-	-	1,163,294
-	-	-	-	-	236,669
-	-	-	-	-	305,895
-	-	-	-	82,560	82,560
(132,727)	(150,662)	-	(139,627)	-	(457,737)
<u>45,045</u>	<u>31,666</u>	<u>7,090</u>	<u>1,416</u>	<u>82,593</u>	<u>2,942,031</u>
<u>45,351</u>	<u>93,502</u>	<u>499,233</u>	<u>148,468</u>	<u>82,593</u>	<u>3,773,812</u>

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

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FORSYTH COUNTY, NORTH CAROLINA
For the Fiscal Year Ended June 30, 2011

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	<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>2007 Housing</u>
Revenues:						
Taxes:						
Property	\$ 5,965,065	-	-	-	-	-
Local option sales taxes	1,231,510	-	-	-	-	-
Intergovernmental	-	65,065	857,446	-	8,981,687	-
Investment earnings	3,972	5,928	1,413	1,512	-	64
Other	-	-	-	-	-	-
Total revenues	<u>7,200,547</u>	<u>70,993</u>	<u>858,859</u>	<u>1,512</u>	<u>8,981,687</u>	<u>64</u>
Expenditures:						
Current:						
Public safety	6,023,030	-	688,306	-	-	-
Community and economic development	-	-	-	-	-	1,000
Total expenditures	<u>6,023,030</u>	<u>-</u>	<u>688,306</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
Excess (deficiency) of revenues over expenditures	<u>1,177,517</u>	<u>70,993</u>	<u>170,553</u>	<u>1,512</u>	<u>8,981,687</u>	<u>(936)</u>
Other financing sources (uses):						
Transfers in:						
General Fund	-	-	-	-	-	-
2007 Housing Fund	-	-	-	-	-	-
Transfers out:						
General Fund	(1,219,845)	(114,709)	-	-	(8,981,687)	(22,677)
2011 Housing Fund	-	-	-	-	-	(26,582)
Total other financing sources (uses)	<u>(1,219,845)</u>	<u>(114,709)</u>	<u>-</u>	<u>-</u>	<u>(8,981,687)</u>	<u>(49,259)</u>
Net change in fund balances	(42,328)	(43,716)	170,553	1,512	-	(50,195)
Fund balance - June 30, 2010	1,043,806	1,201,740	137,995	304,659	-	50,195
Fund balance - June 30, 2011	<u><u>\$ 1,001,478</u></u>	<u><u>1,158,024</u></u>	<u><u>308,548</u></u>	<u><u>306,171</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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

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FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2011

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	2007	2008 Edward	2009	2009	2009	2009	2011	
	Justice	Byrne Memorial	Justice	Recovery Act	Justice	Justice	Housing	Total
2008	Assistance	Justice	Assistance	Justice	Assistance	Assistance		
Housing		Assistance		Assistance			Housing	
-	-	-	-	-	-	-	-	5,965,065
-	-	-	-	-	-	-	-	1,231,510
9,022	15,357	2,352,995	1,208	267,392	5,920	128,921	12,000	12,697,013
8	43	48	5	127	2,477	1,121	86	16,804
-	-	60,793	-	-	-	-	-	60,793
<u>9,030</u>	<u>15,400</u>	<u>2,413,836</u>	<u>1,213</u>	<u>267,519</u>	<u>8,397</u>	<u>130,042</u>	<u>12,086</u>	<u>19,971,185</u>
-	22,514	-	1,881	-	5,921	128,921	-	6,870,573
3,960	-	2,404,575	-	290,436	-	-	1,000	2,700,971
<u>3,960</u>	<u>22,514</u>	<u>2,404,575</u>	<u>1,881</u>	<u>290,436</u>	<u>5,921</u>	<u>128,921</u>	<u>1,000</u>	<u>9,571,544</u>
<u>5,070</u>	<u>(7,114)</u>	<u>9,261</u>	<u>(668)</u>	<u>(22,917)</u>	<u>2,476</u>	<u>1,121</u>	<u>11,086</u>	<u>10,399,641</u>
-	-	-	-	-	-	-	44,925	44,925
-	-	-	-	-	-	-	26,582	26,582
(2,640)	-	-	-	-	-	-	-	(10,341,558)
-	-	-	-	-	-	-	-	(26,582)
<u>(2,640)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,507</u>	<u>(10,296,633)</u>
2,430	(7,114)	9,261	(668)	(22,917)	2,476	1,121	82,593	103,008
(2,430)	7,114	35,784	668	54,583	4,614	295	-	2,839,023
<u>-</u>	<u>-</u>	<u>45,045</u>	<u>-</u>	<u>31,666</u>	<u>7,090</u>	<u>1,416</u>	<u>82,593</u>	<u>2,942,031</u>

FIRE TAX DISTRICTS FUND

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property	\$ 5,808,700	5,808,700	5,965,065	156,365
Local option sales taxes	1,239,135	1,239,135	1,231,510	(7,625)
Total taxes	<u>7,047,835</u>	<u>7,047,835</u>	<u>7,196,575</u>	<u>148,740</u>
Investment earnings	-	-	3,972	3,972
Total revenues	<u>7,047,835</u>	<u>7,047,835</u>	<u>7,200,547</u>	<u>152,712</u>
Expenditures - current - public safety:				
Beeson Cross Roads	229,980	229,980	229,980	-
Belews Creek	233,890	233,890	233,890	-
City View	31,920	31,920	31,920	-
Clemmons	1,180,260	1,180,260	1,180,260	-
Forest Hill	9,550	9,550	9,550	-
Griffith	120,010	120,010	120,010	-
Gumtree	68,880	68,880	68,880	-
Horneytown	212,350	212,350	212,350	-
King of Forsyth County	270,190	270,190	270,190	-
Lewisville	982,960	982,960	982,960	-
Mineral Springs	127,990	127,990	127,990	-
Mineral Springs Service	5,360	5,360	5,360	-
Mt. Tabor	55,490	55,490	55,490	-
Old Richmond	349,190	349,190	349,190	-
Piney Grove	510,990	510,990	510,990	-
Rural Hall	306,900	306,900	306,900	-
Salem Chapel	75,850	75,850	75,850	-
South Fork	5,000	5,000	5,000	-
Talley's Crossing	143,310	143,310	143,310	-
Triangle	86,320	86,320	86,320	-
Union Cross	189,480	189,480	189,480	-
Vienna	512,810	512,810	512,810	-
Walkertown	283,000	283,000	283,000	-
West Bend	31,350	31,350	31,350	-
Total expenditures	<u>6,023,030</u>	<u>6,023,030</u>	<u>6,023,030</u>	<u>-</u>
Excess of revenues over expenditures	<u>1,024,805</u>	<u>1,024,805</u>	<u>1,177,517</u>	<u>152,712</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, 2011

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	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Other financing uses - transfers out -				
General Fund:				
Beeson Cross Roads	(46,482)	(46,482)	(45,644)	838
Belews Creek	(48,467)	(48,467)	(47,341)	1,126
City View	(6,849)	(6,849)	(6,716)	133
Clemmons	(249,228)	(248,999)	(245,772)	3,227
Forest Hill	(1,914)	(1,914)	(1,905)	9
Griffith	(23,866)	(23,866)	(23,837)	29
Gumtree	(14,407)	(14,407)	(14,336)	71
Horneytown	(44,720)	(44,720)	(44,120)	600
King of Forsyth County	(53,984)	(54,213)	(54,213)	-
Lewisville	(207,526)	(207,526)	(202,909)	4,617
Mineral Springs	(27,182)	(27,182)	(26,828)	354
Mineral Springs Service	(1,068)	(1,068)	(1,054)	14
Mt. Tabor	(11,438)	(11,438)	(11,238)	200
Old Richmond	(66,190)	(66,190)	(65,194)	996
Piney Grove	(105,107)	(105,107)	(103,791)	1,316
Rural Hall	(60,446)	(60,446)	(59,744)	702
Salem Chapel	(10,771)	(10,771)	(10,537)	234
South Fork	(1,052)	(1,052)	(1,034)	18
Talley's Crossing	(30,966)	(30,966)	(30,698)	268
Triangle	(16,663)	(16,663)	(16,305)	358
Union Cross	(37,527)	(37,527)	(36,774)	753
Vienna	(106,569)	(106,569)	(103,823)	2,746
Walkertown	(60,215)	(60,215)	(59,730)	485
West Bend	(6,498)	(6,498)	(6,302)	196
Total other financing uses	<u>(1,239,135)</u>	<u>(1,239,135)</u>	<u>(1,219,845)</u>	<u>19,290</u>
Net change in fund balance	\$ <u>(214,330)</u>	<u>(214,330)</u>	(42,328)	<u>172,002</u>
Fund balance - June 30, 2010			<u>1,043,806</u>	
Fund balance - June 30, 2011			\$ <u>1,001,478</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	-	65,065	65,065
Investment earnings	-	-	5,928	5,928
Total revenues	<u>-</u>	<u>-</u>	<u>70,993</u>	<u>70,993</u>
Other financing uses - transfers out:				
General Fund	<u>(429,919)</u>	<u>(498,249)</u>	<u>(114,709)</u>	<u>383,540</u>
Net change in fund balance	<u><u>\$ (429,919)</u></u>	<u><u>(498,249)</u></u>	<u>(43,716)</u>	<u><u>454,533</u></u>
Fund balance - June 30, 2010			1,201,740	
Fund balance - June 30, 2011			<u><u>\$ 1,158,024</u></u>	

EMERGENCY TELEPHONE SYSTEM FUND

C-5

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 857,446	857,446	857,446	-
Investment earnings	<u>-</u>	<u>-</u>	<u>1,413</u>	<u>1,413</u>
Total revenues	<u>857,446</u>	<u>857,446</u>	<u>858,859</u>	<u>1,413</u>
Expenditures - Public Safety				
	<u>894,000</u>	<u>894,000</u>	<u>688,306</u>	<u>205,694</u>
Net change in fund balance	<u><u>\$ (36,554)</u></u>	<u><u>(36,554)</u></u>	<u>170,553</u>	<u><u>207,107</u></u>
Fund balance - June 30, 2010			137,995	
Fund balance - June 30, 2011			<u><u>\$ 308,548</u></u>	

MOSER BEQUEST FOR CARE OF ELDERLY FUND

C-6

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues - investment earnings	\$ 2,000	2,000	1,512	(488)
Expenditures - Human Services	10,000	10,000	-	10,000
Net change in fund balance	\$ (8,000)	(8,000)	1,512	9,512
Fund balance - June 30, 2010			304,659	
Fund balance - June 30, 2011			\$ 306,171	

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, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues:				
Intergovernmental	\$ 67,432,430	62,804,719	8,981,687	53,823,032
Investment earnings	162,074	162,074	-	162,074
Total revenues	67,594,504	62,966,793	8,981,687	53,985,106
Expenditures - current - intergovernmental - education	51,340,382	48,538,317	-	48,538,317
Excess (deficiency) of revenues over expenditures	16,254,122	14,428,476	8,981,687	5,446,789
Other financing sources (uses):				
Transfers in:				
Schools Fund	-	1,330,321	-	1,330,321
1990 Schools Facilities Fund	4,170,049	4,169,875	-	4,169,875
1995 School Facilities Fund	65,288	65,288	-	65,288
1996 Schools Facilities Fund	1,933,499	1,933,499	-	1,933,499
2002 Schools Fund	4,161,834	4,161,834	-	4,161,834
2007 School Facilities Fund	250,000	250,000	-	250,000
Transfers out - General Fund	(28,164,942)	(26,339,293)	(8,981,687)	(17,357,606)
Total other financing sources (uses)	(17,584,272)	(14,428,476)	(8,981,687)	(5,446,789)
Net change in fund balance	\$ (1,330,150)	-	-	-
Fund balance - June 30, 2010			-	
Fund balance - June 30, 2011			\$ -	

2007 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, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues:				
Intergovernmental:				
CDBG - Scattered Site 06-C-1526	\$ 400,000	390,702	-	390,702
2006 WSFC HOME Consortium	350,590	350,590	-	350,590
NCHFA New Home	250,000	36,000	-	36,000
Local government grants	12,000	12,000	-	12,000
Total intergovernmental	<u>1,012,590</u>	<u>789,292</u>	-	<u>789,292</u>
Investment earnings	-	10,308	64	10,244
Other	100,000	100,075	-	100,075
Total revenues	<u>1,112,590</u>	<u>899,675</u>	<u>64</u>	<u>899,611</u>
Expenditures - current - community and economic development:				
CDBG - Scattered Site 06-C-1526	400,000	390,702	-	390,702
2006 WSFC HOME Consortium	402,858	402,856	-	402,856
Forsyth County IDA	66,582	40,000	1,000	39,000
NCHFA New Home	250,000	23,708	-	23,708
HOME mortgage repayments program	100,000	100,000	-	100,000
Total expenditures	<u>1,219,440</u>	<u>957,266</u>	<u>1,000</u>	<u>956,266</u>
Deficiency of revenues over expenditures	(106,850)	(57,591)	(936)	(56,655)
Other financing sources (uses):				
Transfers in - General Fund	106,850	106,850	-	106,850
Transfers out:				
2011 Housing Fund	-	(26,582)	(26,582)	-
General Fund	-	(22,677)	(22,677)	-
Total other financing sources (uses)	<u>106,850</u>	<u>57,591</u>	<u>(49,259)</u>	<u>106,850</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>(50,195)</u>	<u>50,195</u>
Fund balance - June 30, 2010			50,195	
Fund balance - June 30, 2011			<u>\$ -</u>	

2008 HOUSING FUND

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues:				
Intergovernmental:				
2007 WSFC HOME Consortium	\$ 231,200	231,180	4,022	227,158
2007 WSFC HOME ADDI	5,365	5,365	5,000	365
2007 NCHFA Urgent Repair Program	75,000	42,025	-	42,025
Local government grants	12,000	12,000	-	12,000
Total intergovernmental	<u>323,565</u>	<u>290,570</u>	<u>9,022</u>	<u>281,548</u>
Investment earnings	-	2,615	8	2,607
Other	150,000	63,838	-	63,838
Total revenues	<u>473,565</u>	<u>357,023</u>	<u>9,030</u>	<u>347,993</u>
Expenditures - current - community and economic development:				
2007 WSFC HOME Consortium	231,200	231,180	-	231,180
2007 WSFC HOME Consortium - local match	52,020	52,020	3,960	48,060
2007 WSFC HOME ADDI	5,365	5,365	-	5,365
2007 NCHFA Urgent Repair Program	75,000	42,000	-	42,000
CDBG mortgage repayments program	50,000	-	-	-
HOME mortgage repayments program	100,000	63,838	-	63,838
Total expenditures	<u>513,585</u>	<u>394,403</u>	<u>3,960</u>	<u>390,443</u>
Excess (deficiency) of revenues over expenditures	(40,020)	(37,380)	5,070	(42,450)
Other financing sources - transfers from				
Transfers from (to) General Fund	<u>40,020</u>	<u>37,380</u>	<u>(2,640)</u>	<u>40,020</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>2,430</u>	<u>(2,430)</u>
Fund balance - June 30, 2010			<u>(2,430)</u>	
Fund balance - June 30, 2011			<u>\$ -</u>	

2007 JUSTICE ASSISTANCE FUND

C-10

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues:				
Intergovernmental - Edward Byrne Memorial Justice Assistance	\$ 230,764	230,764	15,357	215,407
Investment earnings	7,168	7,157	43	7,114
Total revenues	<u>237,932</u>	<u>237,921</u>	<u>15,400</u>	<u>222,521</u>
Expenditures - current -				
public safety:				
Sheriff and City of Winston-Salem police - storage area network expansion	59,234	59,234	-	59,234
Sheriff:				
Interview/interrogation DVR equipment	60,000	60,000	-	60,000
Prosecutor case management software	-	-	-	-
Other	29,987	29,977	22,514	7,463
City of Winston-Salem police:				
Network infrastructure equipment upgrades	10,000	15,606	-	15,606
In-car digital camera equipment	75,000	73,104	-	73,104
Other	3,711	-	-	-
Total expenditures	<u>237,932</u>	<u>237,921</u>	<u>22,514</u>	<u>215,407</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>(7,114)</u>	<u>7,114</u>
Fund balance - June 30, 2010			<u>7,114</u>	
Fund balance - June 30, 2011			<u>\$ -</u>	

2009 HOUSING FUND

C-11

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues:				
Intergovernmental:				
CDBG IDA	\$ 70,000	23,919	11,899	12,020
CDBG Neighborhood Stabilization Program	3,625,000	3,436,562	2,261,290	1,175,272
2008 WSFC HOME Consortium	231,000	230,988	58,252	172,736
2008 WSFC HOME ADDI	2,175	2,175	-	2,175
2009 NCHFA Urgent Repair Program	75,000	43,061	21,554	21,507
Local government grants	12,000	12,000	-	12,000
Total intergovernmental	<u>4,015,175</u>	<u>3,748,705</u>	<u>2,352,995</u>	<u>1,395,710</u>
Investment earnings	-	1,854	48	1,806
Other	117,500	92,078	60,793	31,285
Total revenues	<u>4,132,675</u>	<u>3,842,637</u>	<u>2,413,836</u>	<u>1,428,801</u>
Expenditures - current - community and economic development:				
CDBG IDA	70,000	23,919	11,899	12,020
CDBG Neighborhood Stabilization Program	3,625,000	3,436,693	2,261,421	1,175,272
2008 WSFC HOME Consortium	231,000	230,988	32,672	198,316
2008 WSFC HOME Consortium - local match	52,000	52,000	15,524	36,476
2008 WSFC HOME ADDI	2,175	2,175	-	2,175
2009 NCHFA Urgent Repair Program	75,000	43,567	22,059	21,508
CDBG mortgage repayments program	50,000	-	-	-
HOME mortgage repayments program	107,710	88,326	61,000	27,326
Total expenditures	<u>4,212,885</u>	<u>3,877,668</u>	<u>2,404,575</u>	<u>1,473,093</u>
Excess (deficiency) of revenues over expenditures	(80,210)	(35,031)	9,261	(44,292)
Other financing sources - transfers in:				
General Fund	40,000	40,000	-	40,000
2004 Housing Fund	3,710	3,710	-	3,710
2005 Housing Fund	36,500	36,366	-	36,366
Total other financing sources	<u>80,210</u>	<u>80,076</u>	<u>-</u>	<u>80,076</u>
Net change in fund balance	\$ -	45,045	9,261	35,784
Fund balance - June 30, 2010			35,784	
Fund balance - June 30, 2011			\$ 45,045	

2008 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE 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, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues:				
Intergovernmental - 2008 Edward Byrne Memorial Justice Assistance	\$ 66,393	66,393	1,208	65,185
Investment earnings	708	673	5	668
Total revenues	<u>67,101</u>	<u>67,066</u>	<u>1,213</u>	<u>65,853</u>
Expenditures - current - public safety:				
Sheriff	33,449	33,414	1,881	31,533
City of Winston-Salem police	33,652	33,652	-	33,652
Total expenditures	<u>67,101</u>	<u>67,066</u>	<u>1,881</u>	<u>65,185</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	(668)	<u>668</u>
Fund balance - June 30, 2010			668	
Fund balance - June 30, 2011			<u>\$ -</u>	

2010 HOUSING FUND

C-13

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues:				
Intergovernmental:				
CDBG Scattered Site	\$ 400,000	57,185	57,185	-
2009 WSFC HOME Consortium	254,700	128,019	128,019	-
2009 HOME Single Family Rehabilitation	400,000	50,405	50,405	-
NCHFA Duke Power HELP	150,000	39,594	31,783	7,811
Local government grants	12,000	10,000	-	10,000
Total intergovernmental	<u>1,216,700</u>	<u>285,203</u>	<u>267,392</u>	<u>17,811</u>
Investment earnings	-	413	127	286
Total revenues	<u>1,216,700</u>	<u>285,616</u>	<u>267,519</u>	<u>18,097</u>
Expenditures - current - community and economic development:				
CDBG Scattered Site	400,000	57,185	57,185	-
2009 WSFC HOME Consortium	312,008	151,972	151,972	-
2009 HOME Single Family Rehabilitation	400,000	50,405	50,405	-
NCHFA Duke Power HELP	150,000	39,696	30,874	8,822
Total expenditures	<u>1,262,008</u>	<u>299,258</u>	<u>290,436</u>	<u>8,822</u>
Excess (deficiency) of revenues over expenditures	(45,308)	(13,642)	(22,917)	9,275
Other financing sources - transfers in General Fund	<u>45,308</u>	<u>45,308</u>	-	<u>45,308</u>
Net change in fund balance	<u>\$ -</u>	<u>31,666</u>	(22,917)	<u>54,583</u>
Fund balance - June 30, 2010			54,583	
Fund balance - June 30, 2011			<u>\$ 31,666</u>	

2009 RECOVERY ACT JUSTICE ASSISTANCE FUND

C-14

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues:				
Intergovernmental - Recovery Act JAG	\$ 1,135,565	643,422	5,920	637,502
Investment earnings	6,998	7,090	2,477	4,613
Total revenues	<u>1,142,563</u>	<u>650,512</u>	<u>8,397</u>	<u>642,115</u>
Expenditures - current - public safety:				
Sheriff	543,456	44,315	5,921	38,394
City of Winston-Salem police	537,879	537,879	-	537,879
Town of Kernersville police	61,228	61,228	-	61,228
Total expenditures	<u>1,142,563</u>	<u>643,422</u>	<u>5,921</u>	<u>637,501</u>
Net change in fund balance	<u>\$ -</u>	<u>7,090</u>	<u>2,476</u>	<u>4,614</u>
Fund balance - June 30, 2010			4,614	
Fund balance - June 30, 2011			<u>\$ 7,090</u>	

2009 JUSTICE ASSISTANCE FUND

C-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, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues:				
Intergovernmental - Justice Assistance	\$ 275,973	128,921	128,921	-
Investment earnings	1,448	1,416	1,121	295
Total revenues	<u>277,421</u>	<u>130,337</u>	<u>130,042</u>	<u>295</u>
Expenditures - current - public safety:				
Sheriff	130,897	113,513	113,513	-
City of Winston-Salem police	131,114	-	-	-
Town of Kernersville police	15,410	15,408	15,408	-
Total expenditures	<u>277,421</u>	<u>128,921</u>	<u>128,921</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>1,416</u>	<u>1,121</u>	<u>295</u>
Fund balance - June 30, 2010			295	
Fund balance - June 30, 2011			<u>\$ 1,416</u>	

2011 HOUSING FUND

C-16

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues:				
Intergovernmental:				
2010 WSFC HOME Consortium	\$ 253,000	-	-	-
Forsyth County IDA	27,582	-	-	-
Local government grants	12,000	12,000	12,000	-
Total intergovernmental	292,582	12,000	12,000	-
Investment earnings	-	86	86	-
Total revenues	292,582	12,086	12,086	-
Expenditures - current - community and economic development:				
2010 WSFC HOME Consortium	253,000	-	-	-
2010 WSFC HOME Consortium - local match	56,925	-	-	-
Forsyth County IDA	27,582	1,000	1,000	-
Total expenditures	337,507	1,000	1,000	-
Excess (deficiency) of revenues over expenditures	(44,925)	11,086	11,086	-
Other financing sources - transfers in:				
General Fund	44,925	44,925	44,925	-
2007 Housing Fund	-	26,582	26,582	-
Total other financing sources	44,925	71,507	71,507	-
Net change in fund balance	\$ -	82,593	82,593	-
Fund balance - June 30, 2010			-	
Fund balance - June 30, 2011			\$ 82,593	

COMBINING BALANCE SHEET

D-1

NONMAJOR CAPITAL PROJECTS FUNDS

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2011

Page 1 of 2

	2002	2006	2007 Forsyth	2008	2009
	<u>Schools</u>	<u>2/3rds</u>	<u>Technical</u>	<u>Pay-Go</u>	<u>2/3rds</u>
		<u>Bonds</u>	<u>Community</u>		<u>Bonds</u>
			<u>College</u>		
ASSETS					
Cash and cash equivalents	\$ 343,360	1,452,800	6,868,650	1,677,698	1,587,752
Receivables - accrued interest	-	-	-	1,786	-
Due from other governments	-	1,223	-	53,074	24,078
Total assets	\$ 343,360	1,454,023	6,868,650	1,732,558	1,611,830
LIABILITIES AND FUND BALANCES					
Liabilities - accounts payable and accrued liabilities	\$ -	27,971	-	130,184	25,700
Fund balances:					
Restricted for:					
Stabilization by state statute	-	129,891	-	267,837	56,177
Capital projects	343,360	1,296,161	6,868,650	-	1,529,953
Committed for capital projects	-	-	-	1,334,537	-
Total fund balances	343,360	1,426,052	6,868,650	1,602,374	1,586,130
Total liabilities and fund balances	\$ 343,360	1,454,023	6,868,650	1,732,558	1,611,830

COMBINING BALANCE SHEET

D-1

NONMAJOR CAPITAL PROJECTS FUNDS

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2011

Page 2 of 2

2008 School Facilities	2009 Phillips Building Phases 1A and 1B	2010 Pay-Go	2010 2/3rds Bonds	2010 WSFCS Capital Maintenance	2010 FTCC Capital Maintenance	2011 Pay-Go	Total
1,597,459	8,370,853	2,247,673	4,200,092	8,184,414	1,367,448	469,276	38,367,475
1,444	-	2,206	-	-	-	172	5,608
-	-	63,953	13,523	32,683	-	-	188,534
1,598,903	8,370,853	2,313,832	4,213,615	8,217,097	1,367,448	469,448	38,561,617
-	-	4,338	55,594	-	-	-	243,787
1,444	1,294,409	222,880	484,222	32,683	-	172	2,489,715
-	7,076,444	-	3,673,799	8,184,414	1,367,448	-	30,340,229
1,597,459	-	2,086,614	-	-	-	469,276	5,487,886
1,598,903	8,370,853	2,309,494	4,158,021	8,217,097	1,367,448	469,448	38,317,830
1,598,903	8,370,853	2,313,832	4,213,615	8,217,097	1,367,448	469,448	38,561,617

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

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FORSYTH COUNTY, NORTH CAROLINA
For the Fiscal Year Ended June 30, 2011

Page 1 of 2

	2002	2006	2007 Forsyth	2008	2009
	<u>Schools</u>	<u>2/3rds</u>	Technical	<u>Pay-Go</u>	<u>2/3rds</u>
		<u>Bonds</u>	Community		<u>Bonds</u>
			<u>College</u>		
Revenues:					
Intergovernmental	\$ -	-	-	-	2,441
Investment earnings	865	2,454	12,742	13,934	2,627
Total revenues	<u>865</u>	<u>2,454</u>	<u>12,742</u>	<u>13,934</u>	<u>5,068</u>
Expenditures:					
Current:					
Intergovernmental - education	1,176,639	-	7,975,484	-	1,111,179
Debt service - interest and other charges	-	-	93,152	-	-
Capital outlay:					
General government	-	-	-	-	64,792
Public safety	-	-	-	1,645,790	-
Human services	-	-	-	-	-
Culture and recreation	-	624,090	-	10,996	33,829
Total expenditures	<u>1,176,639</u>	<u>624,090</u>	<u>8,068,636</u>	<u>1,656,786</u>	<u>1,209,800</u>
Excess (deficiency) of revenues					
over expenditures	<u>(1,175,774)</u>	<u>(621,636)</u>	<u>(8,055,894)</u>	<u>(1,642,852)</u>	<u>(1,204,732)</u>
Other financing sources (uses):					
General obligation bonds issued	-	-	12,500,000	-	-
Premium on general obligation bonds	-	-	587,151	-	-
Transfers in:					
General Fund	-	-	-	-	-
2007 School Facilities Fund	-	-	-	-	-
Transfers out - General Fund	-	(22,000)	-	(124,000)	(35,000)
Total other financing sources (uses)	<u>-</u>	<u>(22,000)</u>	<u>13,087,151</u>	<u>(124,000)</u>	<u>(35,000)</u>
Net change in fund balances	<u>(1,175,774)</u>	<u>(643,636)</u>	<u>5,031,257</u>	<u>(1,766,852)</u>	<u>(1,239,732)</u>
Fund balance - June 30, 2010	<u>1,519,134</u>	<u>2,069,688</u>	<u>1,837,393</u>	<u>3,369,226</u>	<u>2,825,862</u>
Fund balance - June 30, 2011	<u><u>\$ 343,360</u></u>	<u><u>1,426,052</u></u>	<u><u>6,868,650</u></u>	<u><u>1,602,374</u></u>	<u><u>1,586,130</u></u>

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

D-2

FORSYTH COUNTY, NORTH CAROLINA
For the Fiscal Year Ended June 30, 2011

Page 2 of 2

2008 School Facilities	2009 Phillips Building Phases 1A and 1B	2010 Pay-Go	2010 2/3rds Bonds	2010 WSFCS Capital Maintenance	2010 FTCC Capital Maintenance	2011 Pay-Go	Total
-	-	-	-	-	-	-	2,441
8,031	13,383	8,073	4,037	7,534	1,728	172	75,580
<u>8,031</u>	<u>13,383</u>	<u>8,073</u>	<u>4,037</u>	<u>7,534</u>	<u>1,728</u>	<u>172</u>	<u>78,021</u>
-	-	-	-	1,450,496	749,840	-	12,463,638
-	-	-	29,334	53,828	13,457	-	189,771
-	-	703,850	39,802	-	-	-	808,444
-	3,625,247	735,330	-	-	-	2,500,000	8,506,367
-	-	216,337	-	-	-	-	216,337
-	-	59,350	417,735	-	-	-	1,146,000
<u>-</u>	<u>3,625,247</u>	<u>1,714,867</u>	<u>486,871</u>	<u>1,504,324</u>	<u>763,297</u>	<u>2,500,000</u>	<u>23,330,557</u>
<u>8,031</u>	<u>(3,611,864)</u>	<u>(1,706,794)</u>	<u>(482,834)</u>	<u>(1,496,790)</u>	<u>(761,569)</u>	<u>(2,499,828)</u>	<u>(23,252,536)</u>
-	-	-	4,318,750	7,925,000	1,981,250	-	26,725,000
-	-	-	322,105	591,069	147,767	-	1,648,092
-	-	-	-	-	-	2,969,276	2,969,276
-	-	-	-	1,197,818	-	-	1,197,818
(35,000)	-	-	-	-	-	-	(216,000)
<u>(35,000)</u>	<u>-</u>	<u>-</u>	<u>4,640,855</u>	<u>9,713,887</u>	<u>2,129,017</u>	<u>2,969,276</u>	<u>32,324,186</u>
(26,969)	(3,611,864)	(1,706,794)	4,158,021	8,217,097	1,367,448	469,448	9,071,650
1,625,872	11,982,717	4,016,288	-	-	-	-	29,246,180
<u>1,598,903</u>	<u>8,370,853</u>	<u>2,309,494</u>	<u>4,158,021</u>	<u>8,217,097</u>	<u>1,367,448</u>	<u>469,448</u>	<u>38,317,830</u>

2002 SCHOOLS 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, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues - investment earnings	\$ 4,158,000	4,167,453	865	4,166,588
Expenditures:				
Current - intergovernmental - education	147,038,166	147,022,937	1,176,639	145,846,298
Debt service - interest and other charges	1,231,919	1,231,905	-	1,231,905
Total expenditures	<u>148,270,085</u>	<u>148,254,842</u>	<u>1,176,639</u>	<u>147,078,203</u>
Deficiency of revenues over expenditures	<u>(144,112,085)</u>	<u>(144,087,389)</u>	<u>(1,175,774)</u>	<u>(142,911,615)</u>
Other financing sources (uses):				
General obligation bonds issued	150,171,500	150,000,000	-	150,000,000
Premium on general obligation bonds	660,419	1,150,583	-	1,150,583
Transfers to General Fund	(2,558,000)	(2,558,000)	-	(2,558,000)
Transfers to State Public School Building Capital Fund	<u>(4,161,834)</u>	<u>(4,161,834)</u>	<u>-</u>	<u>(4,161,834)</u>
Total other financing sources (uses)	<u>144,112,085</u>	<u>144,430,749</u>	<u>-</u>	<u>144,430,749</u>
Net change in fund balance	\$ <u>-</u>	<u>343,360</u>	<u>(1,175,774)</u>	<u>1,519,134</u>
Fund balance - June 30, 2010			1,519,134	
Fund balance - June 30, 2011			<u>\$ 343,360</u>	

2006 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, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues - investment earnings	\$ 981,000	984,748	2,454	982,294
Expenditures:				
Debt service - interest and other charges	101,250	101,250	-	101,250
Capital outlay:				
General government	1,020,000	926,684	-	926,684
Public safety	552,000	524,621	-	524,621
Human services	1,252,000	967,885	-	967,885
Culture and recreation - Tanglewood	4,000,000	3,588,409	624,090	2,964,319
Culture and recreation - Library	3,361,000	2,839,628	-	2,839,628
Total expenditures	<u>10,286,250</u>	<u>8,948,477</u>	<u>624,090</u>	<u>8,324,387</u>
Deficiency of revenues over expenditures	<u>(9,305,250)</u>	<u>(7,963,729)</u>	<u>(621,636)</u>	<u>(7,342,093)</u>
Other financing sources (uses):				
General obligation bonds issued	10,185,000	10,185,000	-	10,185,000
Premium on general obligation bonds	-	84,531	-	84,531
Transfers to General Fund	(879,750)	(879,750)	(22,000)	(857,750)
Total other financing sources (uses)	<u>9,305,250</u>	<u>9,389,781</u>	<u>(22,000)</u>	<u>9,411,781</u>
Net change in fund balance	\$ <u>-</u>	<u>1,426,052</u>	<u>(643,636)</u>	<u>2,069,688</u>
Fund balance - June 30, 2010			2,069,688	
Fund balance - June 30, 2011			<u>\$ 1,426,052</u>	

2007 FORSYTH TECHNICAL COMMUNITY COLLEGE FUND

D-5

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues - investment earnings	\$ 677,375	856,354	12,742	843,612
Expenditures:				
Current - intergovernmental - education	25,493,774	19,489,163	7,975,484	11,513,679
Debt service - interest and other charges	180,752	179,671	93,152	86,519
Total expenditures	<u>25,674,526</u>	<u>19,668,834</u>	<u>8,068,636</u>	<u>11,600,198</u>
Deficiency of revenues over expenditures	<u>(24,997,151)</u>	<u>(18,812,480)</u>	<u>(8,055,894)</u>	<u>(10,756,586)</u>
Other financing sources (uses):				
General obligation bonds issued	25,000,000	25,000,000	12,500,000	12,500,000
Premium on general obligation bonds	587,151	1,271,130	587,151	683,979
Transfers to General Fund	(590,000)	(590,000)	-	(590,000)
Total other financing sources (uses)	<u>24,997,151</u>	<u>25,681,130</u>	<u>13,087,151</u>	<u>12,593,979</u>
Net change in fund balance	<u>\$ -</u>	<u>6,868,650</u>	5,031,257	<u>1,837,393</u>
Fund balance - June 30, 2010			<u>1,837,393</u>	
Fund balance - June 30, 2011			<u>\$ 6,868,650</u>	

2008 PAY-GO 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, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues - investment earnings	\$ 124,000	146,740	13,934	132,806
Expenditures:				
Current: Intergovernmental - education	1,700,000	1,700,000	-	1,700,000
Capital outlay:				
General government	825,470	-	-	-
Public safety	3,100,000	2,851,530	1,645,790	1,205,740
Human services	1,674,530	1,169,759	-	1,169,759
Culture and recreation	300,000	299,077	10,996	288,081
Total expenditures	<u>7,600,000</u>	<u>6,020,366</u>	<u>1,656,786</u>	<u>4,363,580</u>
Deficiency of revenues over expenditures	<u>(7,476,000)</u>	<u>(5,873,626)</u>	<u>(1,642,852)</u>	<u>(4,230,774)</u>
Other financing sources - transfers from				
Transfers from (to) General Fund	7,476,000	7,476,000	(124,000)	7,600,000
Net change in fund balance	<u>\$ -</u>	<u>1,602,374</u>	(1,766,852)	<u>3,369,226</u>
Fund balance - June 30, 2010			<u>3,369,226</u>	
Fund balance - June 30, 2011			<u>\$ 1,602,374</u>	

2009 2/3rds BONDS FUND

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues:				
Intergovernmental	\$ 1,200,000	348,761	2,441	346,320
Investment earnings	135,000	139,105	2,627	136,478
Total revenues	<u>1,335,000</u>	<u>487,866</u>	<u>5,068</u>	<u>482,798</u>
Expenditures:				
Intergovernmental - education	7,300,000	6,788,013	1,111,179	5,676,834
Debt service - interest and other charges	100,000	100,000	-	100,000
Capital outlay:				
General government - Hall of Justice renovations	1,200,000	1,131,971	64,792	1,067,179
Human services - pharmacy renovations	220,000	133,524	-	133,524
Culture and recreation:				
Tanglewood Park	1,200,000	1,199,807	18,947	1,180,860
Triad Park development	2,400,000	707,522	14,882	692,640
Total expenditures	<u>12,420,000</u>	<u>10,060,837</u>	<u>1,209,800</u>	<u>8,851,037</u>
Deficiency of revenues over expenditures	(11,085,000)	(9,572,971)	(1,204,732)	(8,368,239)
Other financing sources (uses):				
General obligation bonds issued	11,120,000	11,120,000	-	11,120,000
Premium on general obligation bonds	-	74,101	-	74,101
Transfers to General Fund	(35,000)	(35,000)	(35,000)	-
Total other financing sources	<u>11,085,000</u>	<u>11,159,101</u>	<u>(35,000)</u>	<u>11,194,101</u>
Net change in fund balance	\$ <u>-</u>	<u>1,586,130</u>	(1,239,732)	<u>2,825,862</u>
Fund balance - June 30, 2010			2,825,862	
Fund balance - June 30, 2011			\$ <u>1,586,130</u>	

2008 SCHOOL FACILITIES FUND

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues - investment earnings	\$ 35,000	46,463	8,031	38,432
Expenditures:				
Intergovernmental - education	1,587,441	-	-	-
Unallocated	235,420	-	-	-
Total expenditures	<u>1,822,861</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(1,787,861)	46,463	8,031	38,432
Other financing sources (uses):				
Transfers from (to) General Fund	1,787,861	1,552,440	(35,000)	1,587,440
Net change in fund balance	\$ <u>-</u>	<u>1,598,903</u>	(26,969)	<u>1,625,872</u>
Fund balance - June 30, 2010			1,625,872	
Fund balance - June 30, 2011			\$ <u>1,598,903</u>	

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

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues - investment earnings	\$ -	20,613	13,383	7,230
Expenditures:				
Phase 1A:				
Current - debt service - interest and other charges	200,000	200,000	-	200,000
Capital outlay - public safety:				
Site acquisition	3,480,000	3,483,122	-	3,483,122
Asbestos abatement; re-fireproofing; engineering and architectural services for two floors and parking level	6,720,000	3,948,311	3,625,247	323,064
Professional fees	10,000	10,000	-	10,000
Phase 2A:				
Current - debt service - interest and other charges	200,000	32,032	-	32,032
Capital outlay - public safety - renovation and rehabilitation of two floors and parking level	25,500,000	-	-	-
Total expenditures	<u>36,110,000</u>	<u>7,673,465</u>	<u>3,625,247</u>	<u>4,048,218</u>
Deficiency of revenues over expenditures	<u>(36,110,000)</u>	<u>(7,652,852)</u>	<u>(3,611,864)</u>	<u>(4,040,988)</u>
Other financing sources:				
Limited obligation bonds issued	36,110,000	15,000,000	-	15,000,000
Premium on limited obligation bonds	-	1,023,705	-	1,023,705
Total other financing sources (uses)	<u>36,110,000</u>	<u>16,023,705</u>	<u>-</u>	<u>16,023,705</u>
Net change in fund balance	\$ -	<u>8,370,853</u>	(3,611,864)	<u>11,982,717</u>
Fund balance - June 30, 2010			11,982,717	
Fund balance - June 30, 2011			<u>\$ 8,370,853</u>	

2010 PAY-GO FUND

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues - investment earnings	\$ -	8,073	8,073	-
Expenditures:				
Capital outlay:				
General government:				
Government Center renovations	\$ 400,000	321,409	321,409	-
Technology upgrades	544,000	371,330	371,330	-
Vehicles	50,000	50,000	11,111	38,889
Public safety - Emergency Services	975,000	833,853	735,330	98,523
Human services - DSS Technology	500,000	216,337	216,337	-
Culture and recreation:				
Tanglewood Park pool enhancements	1,750,000	124,650	59,350	65,300
Total expenditures	<u>4,219,000</u>	<u>1,917,579</u>	<u>1,714,867</u>	<u>202,712</u>
Deficiency of revenues over expenditures	<u>(4,219,000)</u>	<u>(1,909,506)</u>	<u>(1,706,794)</u>	<u>(202,712)</u>
Other financing sources - transfers from General Fund	<u>4,219,000</u>	<u>4,219,000</u>	<u>-</u>	<u>4,219,000</u>
Net change in fund balance	\$ -	<u>2,309,494</u>	(1,706,794)	<u>4,016,288</u>
Fund balance - June 30, 2010			4,016,288	
Fund balance - June 30, 2011			<u>\$ 2,309,494</u>	

2010 2/3rds BONDS FUND

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues - investment earnings	\$ -	4,037	4,037	-
Expenditures:				
Debt service - interest and other charges	182,616	29,334	29,334	-
Capital outlay:				
General Government - Energy projects	227,148	39,802	39,802	-
Culture and recreation - Park maintenance projects	4,231,091	417,735	417,735	-
Total expenditures	<u>4,640,855</u>	<u>486,871</u>	<u>486,871</u>	<u>-</u>
Deficiency of revenues over expenditures	<u>(4,640,855)</u>	<u>(482,834)</u>	<u>(482,834)</u>	<u>-</u>
Other financing sources:				
General obligation bonds issued	4,318,750	4,318,750	4,318,750	-
Premium on general obligation bonds	322,105	322,105	322,105	-
Total other financing sources (uses)	<u>4,640,855</u>	<u>4,640,855</u>	<u>4,640,855</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>4,158,021</u>	<u>4,158,021</u>	<u>-</u>
Fund balance - June 30, 2010			-	
Fund balance - June 30, 2011			<u>\$ 4,158,021</u>	

2010 WINSTON-SALEM/FORSYTH COUNTY SCHOOLS CAPITAL MAINTENANCE FUND

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues - investment earnings	\$ -	7,534	7,534	-
Expenditures:				
Debt service - interest and other charges	53,888	53,828	53,828	-
Current - intergovernmental - education	9,660,000	1,450,496	1,450,496	-
Total expenditures	<u>9,713,888</u>	<u>1,504,324</u>	<u>1,504,324</u>	<u>-</u>
Deficiency of revenues over expenditures	<u>(9,713,888)</u>	<u>(1,496,790)</u>	<u>(1,496,790)</u>	<u>-</u>
Other financing sources:				
General obligation bonds issued	7,925,000	7,925,000	7,925,000	-
Premium on general obligation bonds	591,069	591,069	591,069	-
Transfer from 2007 School fund	1,197,819	1,197,818	1,197,818	-
Total other financing sources (uses)	<u>9,713,888</u>	<u>9,713,887</u>	<u>9,713,887</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>8,217,097</u>	<u>8,217,097</u>	<u>-</u>
Fund balance - June 30, 2010			-	
Fund balance - June 30, 2011			<u>\$ 8,217,097</u>	

2010 FORSYTH TECHNICAL COMMUNITY COLLEGE CAPITAL MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

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FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues - investment earnings	\$ -	1,728	1,728	-
Expenditures:				
Debt service - interest and other charges	13,472	13,457	13,457	-
Current - intergovernmental - education	2,115,545	749,840	749,840	-
Total expenditures	<u>2,129,017</u>	<u>763,297</u>	<u>763,297</u>	-
Deficiency of revenues over expenditures	<u>(2,129,017)</u>	<u>(761,569)</u>	<u>(761,569)</u>	-
Other financing sources:				
General obligation bonds issued	1,981,250	1,981,250	1,981,250	-
Premium on general obligation bonds	147,767	147,767	147,767	-
Total other financing sources (uses)	<u>2,129,017</u>	<u>2,129,017</u>	<u>2,129,017</u>	-
Net change in fund balance	\$ -	<u>1,367,448</u>	1,367,448	-
Fund balance - June 30, 2010			-	
Fund balance - June 30, 2011			<u>\$ 1,367,448</u>	

2011 PAY-GO FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

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FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues - investment earnings	\$ -	172	172	-
Expenditures:				
Capital outlay:				
General government - Hall of Justice project	469,276	-	-	-
Public safety - Firearms Training Facility	2,500,000	2,500,000	2,500,000	-
Total expenditures	<u>2,969,276</u>	<u>2,500,000</u>	<u>2,500,000</u>	-
Deficiency of revenues over expenditures	<u>(2,969,276)</u>	<u>(2,499,828)</u>	<u>(2,499,828)</u>	-
Other financing sources - transfers from General Fund	<u>2,969,276</u>	<u>2,969,276</u>	<u>2,969,276</u>	-
Net change in fund balance	\$ -	<u>469,448</u>	469,448	-
Fund balance - June 30, 2010			-	
Fund balance - June 30, 2011			<u>\$ 469,448</u>	

2011 INFORMATION SYSTEMS FUND

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2011

	<u>Budget</u>	<u>Cumulative Total to June 30, 2011</u>	<u>Activity Year Ended June 30, 2011</u>	<u>Cumulative Total to June 30, 2010</u>
Revenues - investment earnings	\$ -	-	-	-
Expenditures:				
Capital outlay - general government:				
Edge connectivity equipment	1,240,000	-	-	-
Data protection and deduplication	860,000	-	-	-
Voice equipment and software	300,000	-	-	-
Total expenditures	<u>2,400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deficiency of revenues over expenditures	<u>(2,400,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:				
Installment purchase proceeds	2,400,000	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - June 30, 2010			<u>-</u>	
Fund balance - June 30, 2011			<u>\$ -</u>	

Fiduciary Funds

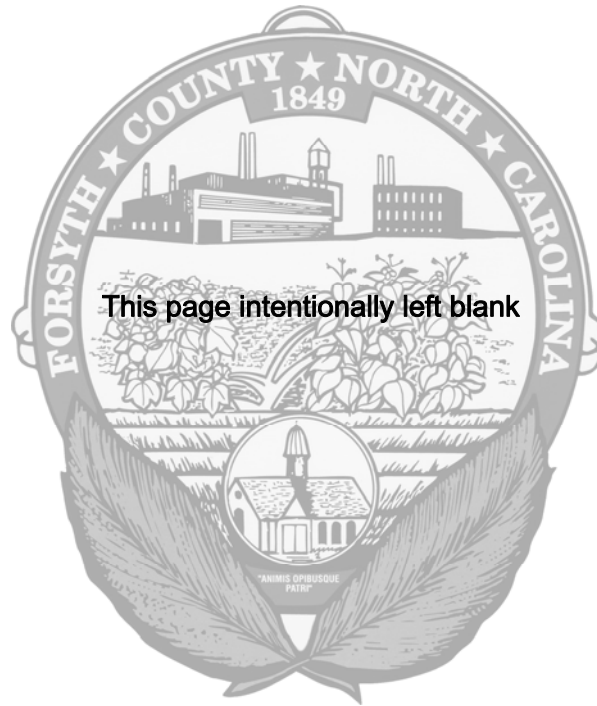
Agency Funds

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

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

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

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



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COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS

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FORSYTH COUNTY, NORTH CAROLINA

June 30, 2011

	<u>Tax</u>	<u>Fines and Forfeitures</u>	<u>Protective Payee</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 961,603	79,870	73,120	1,114,593
Receivables:				
Property taxes	6,718,666	-	-	6,718,666
Accrued interest	-	-	65	65
Total assets	<u>7,680,269</u>	<u>79,870</u>	<u>73,185</u>	<u>7,833,324</u>
LIABILITIES				
Due to NC Division of Motor Vehicles	5,190	-	-	5,190
Due to other governments	7,675,079	79,870	-	7,754,949
Other liabilities	-	-	73,185	73,185
Total liabilities	<u>7,680,269</u>	<u>79,870</u>	<u>73,185</u>	<u>7,833,324</u>
NET ASSETS	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

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AGENCY FUNDS

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2011

	<u>June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2011</u>
<u>TAX AGENCY</u>				
ASSETS				
Cash and cash equivalents	\$ 1,077,419	728,780,611	728,896,427	961,603
Receivables - property taxes	6,406,278	359,079,798	358,767,410	6,718,666
Total assets	\$ 7,483,697	1,087,860,409	1,087,663,837	7,680,269
LIABILITIES				
Due to NC Division of Motor Vehicles	\$ 25,178	190,634	210,622	5,190
Due to other governments	7,458,519	856,625,539	856,408,979	7,675,079
Total liabilities	\$ 7,483,697	856,816,173	856,619,601	7,680,269
<u>FINES AND FORFEITURES</u>				
ASSETS				
Cash and cash equivalents	\$ 10,882	2,517,601	2,448,613	79,870
LIABILITIES				
Due to other governments	\$ 10,882	2,517,601	2,448,613	79,870
<u>PROTECTIVE PAYEE</u>				
ASSETS				
Cash and cash equivalents	\$ 70,571	263,528	260,979	73,120
Receivables - accrued interest	71	364	370	65
Total assets	\$ 70,642	263,892	261,349	73,185
LIABILITIES				
Other liabilities	\$ 70,642	263,522	260,979	73,185
Total liabilities	\$ 70,642	263,522	260,979	73,185
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	\$ 1,158,872	731,561,740	731,606,019	1,114,593
Receivables:				
Property taxes	6,406,278	359,079,798	358,767,410	6,718,666
Accrued interest	71	364	370	65
Total assets	\$ 7,565,221	1,090,641,902	1,090,373,799	7,833,324
LIABILITIES				
Due to other governments	\$ 7,494,579	859,333,774	859,068,214	7,760,139
Other liabilities	70,642	263,522	260,979	73,185
Total liabilities	\$ 7,565,221	859,597,296	859,329,193	7,833,324

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
GENERAL FUND**

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FORSYTH COUNTY, NORTH CAROLINA
June 30, 2011

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2010</u>	<u>Additions Net of Releases</u>	<u>Collections And Credits</u>	<u>Writeoffs</u>	<u>Uncollected Balance June 30, 2011</u>
2010 - 2011	\$ -	229,126,449	224,104,049	-	5,022,400
2009 - 2010	5,004,776	(48,431)	3,057,506	-	1,898,839
2008 - 2009	2,351,467	(9,379)	615,940	-	1,726,148
2007 - 2008	862,703	(4,525)	135,663	391,124	331,391
2006 - 2007	281,854	(2,076)	44,274	-	235,504
2005 - 2006	231,015	(5,343)	22,648	-	203,024
2004 - 2005	364,444	(1,222)	9,399	-	353,823
2003 - 2004	202,814	(345)	6,724	-	195,745
2002 - 2003	314,202	(498)	5,422	-	308,282
2001 - 2002	214,768	(326)	5,282	209,160	-
	<u>\$ 9,828,043</u>	<u>229,054,304</u>	<u>228,006,907</u>	<u>600,284</u>	<u>10,275,156</u>

Plus: dog taxes included in taxes receivable: General Fund	4,739
Less: allowance for uncollectible accounts: General Fund	<u>(6,018,536)</u>
Ad valorem taxes receivable - net: General Fund	<u>\$ 4,261,359</u>

Reconcilement with revenues:

Property taxes - General Fund	\$ 228,288,003
Penalties collected on ad valorem taxes - Fines and Forfeitures Fund	258,248
Reconciling items:	
Interest and fees collected	\$ (1,149,228)
Back years collection of dog taxes	(293)
Refunds	636,783
Collection of taxes previously written off	<u>(26,606)</u>
Total reconciling items	<u>(539,344)</u>
Total collections and credits	<u>\$ 228,006,907</u>

**ANALYSIS OF CURRENT TAX LEVY
COUNTYWIDE LEVY**

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FORSYTH COUNTY, NORTH CAROLINA
For the Fiscal Year Ended June 30, 2011

	Countywide			Total levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Gross levy:					
Property taxed at current year's rate	\$ 33,020,625,600	\$.6740	\$ 224,194,141	\$ 214,669,118	\$ 9,525,023
Motor vehicles taxed at prior year's rate: FY 08-09	434,830	.6960	3,142	-	3,142
FY 09-10	817,628,270	.6740	5,508,835	-	5,508,835
Penalties	-		224,368	224,368	-
Total	<u>33,838,688,700</u>		<u>229,930,486</u>	<u>214,893,486</u>	<u>15,037,000</u>
Releases	<u>(119,293,323)</u>		<u>(804,037)</u>	<u>(665,349)</u>	<u>(138,688)</u>
Total property valuation	<u>\$ 33,719,395,377</u>				
Net levy			229,126,449	214,228,137	14,898,312
Uncollected taxes at June 30, 2010			5,022,400	3,322,816	1,699,584
Current year's taxes collected			<u>\$ 224,104,049</u>	<u>\$ 210,905,321</u>	<u>\$ 13,198,728</u>
Current levy collection percentage			<u>97.81%</u>	<u>98.45%</u>	<u>88.59%</u>

Secondary Market Disclosures:

Assessed Valuation:	
Assessment Ratio (1)	100%
Real Property	\$ 27,971,609,000
Personal Property	5,260,833,800
Public Service Companies (2)	606,245,900
Total Assessed Valuation (3)	<u>33,838,688,700</u>
Tax Rate per \$100	<u>0.674</u>
Levy (includes discoveries, releases and abatements)	<u>\$ 229,126,449</u>

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

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

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

TEN LARGEST TAXPAYERS

FORSYTH COUNTY, NORTH CAROLINA
 For the Fiscal Year Ended June 30, 2011

<u>Taxpayer</u>	<u>Type of Business</u>		<u>2011 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
R. J. Reynolds Industries, Inc.	Tobacco, Foods, Petroleum and Transportation	\$	896,447,570	2.65%
Wells Fargo Bank NA *	Banking		292,816,580	0.87%
Duke Energy Corporation	Electric Utility		288,365,180	0.85%
Lowes Home Center	Retail		251,484,010	0.74%
JG Winston-Salem	Real Estate Management		203,206,800	0.60%
Time Warner Entertainment	Television Utilities		189,945,680	0.56%
Wake Forest University	Education / Health Care		149,143,550	0.44%
Hanesbrands Inc.	Textiles		147,579,350	0.44%
Wal-Mart Real Estate Bus Trust	Retail		124,471,330	0.37%
Highwoods/Forsyth Partners	Real Estate Management		114,981,900	0.34%
		\$	<u>2,658,441,950</u>	<u>7.86%</u>

* Formerly Wachovia Bank & Trust

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.	100
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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.	109
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.	112
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in fiscal year 2002; schedules presenting government-wide information include information beginning in that year.

NET ASSETS BY COMPONENT

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

(accrual basis of accounting)

Schedule 1

	Fiscal Year									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities:										
Invested in capital assets, net of related debt	\$ 50,832,801	53,327,610	54,929,158	58,050,620	62,126,511	65,335,272	66,426,734	72,988,514	78,662,765	84,541,770
Restricted	1,811,767	1,905,959	2,153,517	2,477,719	3,877,017	4,328,645	3,980,229	3,860,233	3,704,815	31,191,934
Unrestricted	(69,838,879)	(66,742,250)	(89,720,953)	(120,973,768)	(133,416,466)	(132,368,899)	(120,384,798)	(164,391,922)	(227,581,718)	(311,324,492)
Total governmental activities net deficit	\$ <u>(17,194,311)</u>	<u>(11,508,681)</u>	<u>(32,638,278)</u>	<u>(60,445,429)</u>	<u>(67,412,938)</u>	<u>(62,704,982)</u>	<u>(49,977,835)</u>	<u>(87,543,175)</u>	<u>(145,214,138)</u>	<u>(195,590,788)</u>

CHANGES IN NET ASSETS

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

(accrual basis of accounting)

Schedule 2

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Governmental activities:										
General government	\$ 33,504,313	32,511,954	37,176,344	38,054,338	40,702,218	40,954,886	42,473,984	38,189,282	40,075,708	40,444,367
Public safety	43,226,614	44,319,571	50,956,682	53,265,074	56,416,719	60,563,286	67,092,138	68,384,497	71,544,414	71,590,553
Environmental protection	2,110,570	2,124,756	2,287,496	2,171,643	2,160,200	2,220,009	2,521,035	2,713,093	2,682,028	2,653,528
Human services	72,919,088	75,664,303	79,377,848	81,602,908	83,026,669	83,325,627	85,670,069	81,156,032	76,826,616	75,228,239
Culture and recreation	14,694,632	14,489,189	15,056,770	15,209,100	16,913,156	17,214,387	17,401,634	16,540,703	15,936,872	15,995,428
Community and economic development	1,312,589	1,254,450	1,523,798	5,175,040	4,622,179	1,722,356	2,998,916	2,777,002	4,231,621	4,541,117
Education	102,127,242	106,056,362	138,342,793	145,267,123	139,943,619	137,732,790	140,624,177	185,747,060	217,912,687	199,596,063
Interest on long-term debt	12,149,584	13,664,297	14,426,316	14,567,408	14,846,094	15,995,831	18,501,304	17,734,361	17,800,372	21,423,843
Total expenses	<u>282,044,632</u>	<u>290,084,882</u>	<u>339,148,047</u>	<u>355,312,634</u>	<u>358,630,854</u>	<u>359,729,172</u>	<u>377,283,257</u>	<u>413,242,030</u>	<u>447,010,318</u>	<u>431,473,138</u>
Program revenues										
Governmental activities:										
Charges for services										
General government	4,907,678	4,903,787	4,698,238	4,444,744	4,335,314	4,320,684	4,163,440	3,766,905	3,211,221	3,060,197
Public safety	6,707,367	7,246,355	8,457,575	8,993,671	10,668,381	13,569,309	17,465,407	16,039,769	15,296,859	15,617,608
Environmental protection	805,406	963,314	1,103,027	933,971	785,380	348,683	266,457	222,569	251,076	292,471
Human services	4,207,333	5,456,001	6,322,469	7,227,474	6,686,842	6,781,195	7,752,966	8,631,222	9,140,340	8,481,786
Culture and recreation	4,480,311	3,961,475	4,262,167	4,648,633	5,291,419	5,265,639	5,098,137	4,403,575	3,872,609	3,792,170
Community and economic development	137,239	27,493	52,681	118,587	77,862	115,432	55,552	16,988	23,587	60,793
Education	29,330	29,410	29,410	33,469	33,332	33,332	33,372	42,907	41,324	43,457
Operating grants and contributions										
General government	336,313	759,242	489,337	648,613	2,048,882	1,116,784	753,817	1,142,633	944,665	605,190
Public safety	2,759,794	2,027,799	3,063,893	3,800,634	3,989,961	3,390,604	3,698,500	4,409,705	4,870,901	4,525,900
Environmental protection	723,770	743,973	888,024	661,559	747,313	843,363	880,434	1,025,921	767,359	748,827
Human services	32,996,444	34,681,881	35,011,146	34,162,314	35,684,538	35,702,370	36,224,878	38,460,763	39,533,989	38,387,457
Culture and recreation	797,131	860,806	985,400	896,886	1,617,563	856,098	822,806	979,233	1,112,728	694,216
Community and economic development	560,069	594,285	623,320	873,626	716,889	391,429	959,624	321,981	1,666,607	2,618,897
Education	4,163,828	3,202,900	1,405,681	1,090,700	2,393,376	3,459,671	5,790,588	7,098,274	9,477,257	9,118,121
Capital grants and contributions										
General government	-	-	-	-	-	-	25,975	-	-	-
Culture and recreation	15,107	8,381	226,512	-	-	-	-	-	-	-
Total program revenues	<u>63,627,120</u>	<u>65,467,102</u>	<u>67,618,880</u>	<u>68,534,881</u>	<u>75,077,052</u>	<u>76,194,593</u>	<u>83,991,953</u>	<u>86,562,445</u>	<u>90,210,522</u>	<u>88,047,090</u>
Net expense	<u>(218,417,512)</u>	<u>(224,617,780)</u>	<u>(271,529,167)</u>	<u>(286,777,753)</u>	<u>(283,553,802)</u>	<u>(283,534,579)</u>	<u>(293,291,304)</u>	<u>(326,679,585)</u>	<u>(356,799,796)</u>	<u>(343,426,048)</u>
General revenues and other changes in net assets										
Governmental activities:										
Taxes:										
Property taxes	157,969,588	172,788,517	177,109,769	184,460,184	196,540,693	203,698,340	218,253,781	223,660,085	234,161,047	234,598,651
Local option sales taxes	45,621,446	50,456,088	62,472,610	62,106,774	67,056,056	71,068,173	73,496,042	56,381,820	49,733,084	49,565,057
Occupancy taxes	431,537	451,374	449,042	441,234	493,107	539,027	562,018	466,198	436,578	483,945
Other taxes and licenses	2,652,281	2,930,050	3,427,625	3,656,571	3,752,002	3,261,547	2,587,667	1,749,344	1,737,289	1,542,720
Grants and contributions not restricted to specific programs	11,168,242	997,904	4,422,507	3,603,013	2,672,986	1,635,293	1,630,835	1,644,749	3,224,786	5,840,620
Investment earnings	3,453,547	2,352,281	2,161,094	3,939,095	5,473,968	7,680,796	9,025,373	4,150,368	966,309	741,526
Miscellaneous	562,996	291,949	392,170	763,732	597,480	359,359	462,735	1,061,681	8,869,740	276,879
Total general revenues	<u>221,859,637</u>	<u>230,268,163</u>	<u>250,434,817</u>	<u>258,970,603</u>	<u>276,586,292</u>	<u>288,242,535</u>	<u>306,018,451</u>	<u>289,114,245</u>	<u>299,128,833</u>	<u>293,049,398</u>
Change in net assets - governmental activities	\$ <u>3,442,125</u>	<u>5,650,383</u>	<u>(21,094,350)</u>	<u>(27,807,150)</u>	<u>(6,967,510)</u>	<u>4,707,956</u>	<u>12,727,147</u>	<u>(37,565,340)</u>	<u>(57,670,963)</u>	<u>(50,376,650)</u>

FUND BALANCES OF GOVERNMENTAL FUNDS

Schedule 3

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

(modified accrual basis of accounting)

		Fiscal Year									
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund											
Reserved	\$	20,920,273	25,862,905	28,663,332	30,421,518	31,829,460	31,724,371	33,727,232	27,865,589	29,731,129	
Unreserved		48,841,807	52,712,200	62,744,745	63,826,353	69,572,571	79,799,313	86,715,440	101,701,080	113,871,426	
Nonspendable											180,133
Restricted											27,663,373
Committed											40,358,769
Assigned											15,950,543
Unassigned											62,118,267
Total General Fund	\$	<u>69,762,080</u>	<u>78,575,105</u>	<u>91,408,077</u>	<u>94,247,871</u>	<u>101,402,031</u>	<u>111,523,684</u>	<u>120,442,672</u>	<u>129,566,669</u>	<u>143,602,555</u>	<u>146,271,085</u>
All other governmental funds											
Reserved	\$	19,786,503	14,474,673	5,717,155	7,461,248	6,378,241	3,931,316	2,054,017	11,659,953	10,483,574	
Unreserved, reported in:											
Special revenue funds		1,219,277	1,097,229	1,096,217	1,047,406	2,633,267	2,649,533	2,103,908	884,635	(194,420)	
Capital projects funds		58,209,778	47,329,968	82,857,433	29,421,813	37,964,525	90,092,438	80,459,522	132,424,595	47,918,354	
Nonspendable											-
Restricted											131,779,815
Committed											5,487,886
Assigned											-
Unassigned											(457,737)
Total all other governmental funds	\$	<u>79,215,558</u>	<u>62,901,870</u>	<u>89,670,805</u>	<u>37,930,467</u>	<u>46,976,033</u>	<u>96,673,287</u>	<u>84,617,447</u>	<u>144,969,183</u>	<u>58,207,508</u>	<u>136,809,964</u>

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

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Schedule 4

FORSYTH COUNTY, NORTH CAROLINA
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Property taxes	\$ 157,643,248	172,522,283	176,937,963	184,168,720	196,470,273	202,802,113	217,978,822	222,931,993	234,067,805	234,253,068
Occupancy taxes	431,537	451,374	449,042	441,234	493,107	539,027	562,018	466,198	436,578	483,945
Local option sales tax	45,621,446	50,456,088	62,472,610	62,106,774	67,056,056	71,068,173	73,496,042	56,381,820	49,733,084	49,565,057
Other taxes	188,583	474,123	656,801	600,303	667,463	506,037	377,837	202,959	242,411	271,131
Licenses and permits	2,163,592	2,099,216	2,091,175	1,867,850	1,704,474	1,215,187	922,548	940,488	857,450	902,447
Intergovernmental	52,583,805	43,867,904	47,470,956	46,013,245	50,024,208	47,933,136	51,239,274	55,768,601	61,855,315	63,225,328
Charges for services	15,411,300	18,047,774	20,436,933	20,869,798	21,707,464	23,207,853	24,621,408	25,129,543	24,332,511	22,884,593
Investment earnings	3,468,009	2,365,499	2,171,427	3,964,492	5,530,265	7,774,158	9,122,280	4,251,484	984,702	758,785
Other	5,824,459	5,812,209	6,095,875	7,168,741	7,633,841	8,011,182	8,904,354	9,379,996	16,408,473	8,944,216
Total revenues	283,335,979	296,096,470	318,782,782	327,201,157	351,287,151	363,056,866	387,224,583	375,453,082	388,918,329	381,288,570
Expenditures										
Current:										
General government	30,237,478	29,708,735	33,831,181	33,521,119	36,363,475	36,184,725	36,965,763	33,038,710	36,672,233	36,208,234
Public safety	40,394,553	41,457,874	47,162,153	49,355,750	52,911,994	56,417,332	61,360,693	64,633,076	67,313,048	68,412,022
Environmental protection	2,077,701	2,090,623	2,246,042	2,147,781	2,122,814	2,188,457	2,414,429	2,686,706	2,633,641	2,613,354
Human services	66,890,595	69,649,946	72,759,964	74,294,247	76,279,429	76,741,426	77,348,513	74,142,024	68,825,351	68,481,046
Culture and recreation	13,877,845	13,608,497	14,215,329	14,274,677	16,291,544	15,888,248	16,004,016	15,459,452	15,034,842	14,657,631
Community and economic development	1,310,043	1,252,937	1,520,985	5,175,387	4,618,272	1,715,501	2,977,892	2,766,353	4,236,714	4,534,972
Education	580,424	598,136	635,088	578,341	620,556	635,338	895,261	2,243,594	1,580,098	1,391,488
Intergovernmental:										
Human services	5,546,049	5,631,153	6,026,136	6,418,360	6,013,611	5,898,652	6,181,990	6,167,610	6,379,039	5,679,583
Education	101,524,083	105,735,273	137,687,638	144,663,575	139,301,345	137,070,648	139,681,424	183,475,254	216,316,478	198,206,090
Debt service:										
Principal retirement	13,335,000	15,075,000	18,700,000	21,345,000	22,545,420	21,746,497	23,924,516	26,200,993	29,693,677	29,909,022
Interest and other charges	11,840,153	13,770,153	15,271,861	15,821,967	15,066,260	16,551,824	17,246,714	19,490,528	19,189,422	23,820,913
Capital outlay	20,833,361	28,689,406	17,007,430	9,112,386	9,263,608	8,875,245	5,360,224	8,097,429	10,192,815	10,677,148
Total expenditures	308,447,285	327,267,733	367,063,807	376,708,590	381,398,328	379,913,893	390,361,435	438,401,729	478,067,358	464,591,543
Deficiency of revenues over expenditures	(25,111,306)	(31,171,263)	(48,281,025)	(49,507,433)	(30,111,177)	(16,857,027)	(3,136,852)	(62,948,647)	(89,149,029)	(83,302,933)
Other financing sources (uses):										
Installment purchases	505,000	-	363,810	-	-	1,913,500	-	1,026,000	-	-
Refunding bonds issued	12,135,830	-	55,745,000	15,630,000	-	-	-	-	42,870,000	50,295,000
Premium on refunding bonds	-	-	3,675,841	621,449	-	-	-	-	5,025,171	7,503,955
General obligation bonds issued	58,752,659	-	86,550,000	-	32,685,000	72,500,000	-	156,255,000	-	157,625,000
Premium on general obligation bonds	-	-	563,580	-	362,985	2,262,434	-	4,407,759	-	6,548,336
Certificates of participation issued	-	23,495,000	-	40,985,000	13,000,000	-	-	-	-	-
Premium on certificates of participation	-	175,600	-	3,499,599	262,918	-	-	-	-	-
Limited obligation bonds issued	-	-	-	-	-	-	-	-	15,000,000	-
Premium on limited obligation bonds	-	-	-	-	-	-	-	-	1,023,705	-
Transfers in	5,550,213	3,443,367	3,574,026	3,411,778	4,549,889	2,918,502	18,308,651	13,141,259	17,572,682	18,196,159
Transfers out	(5,550,213)	(3,443,367)	(3,574,026)	(3,411,778)	(4,549,889)	(2,918,502)	(18,308,651)	(13,141,259)	(17,572,682)	(18,196,159)
Payment to refunded bond escrow agent	(12,068,925)	-	(59,015,299)	(16,080,775)	-	-	-	(29,264,379)	(47,495,636)	(57,398,372)
Payment to refunded certificates of participation escrow agent	-	-	-	(44,048,384)	-	-	-	-	-	-
Total other financing sources (uses)	59,324,564	23,670,600	87,882,932	606,889	46,310,903	76,675,934	-	132,424,380	16,423,240	164,573,919
Net change in fund balances	\$ 34,213,258	(7,500,663)	39,601,907	(48,900,544)	16,199,726	59,818,907	(3,136,852)	69,475,733	(72,725,789)	81,270,986
Debt service as a percentage of noncapital expenditures	8.8%	9.7%	9.7%	10.1%	10.1%	10.3%	10.7%	10.6%	10.5%	11.9%

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Schedule 5

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Fiscal Year Ended	(1) Tax Year Ended	Real Property	Personal Property	Registered Vehicles	Corporate Excess	Total	(2) Ratio of	(3) Total
							Assessed Value to Estimated Actual Value	Direct Tax Rate
2002	2001	18,442,926,970	2,660,635,120	2,392,973,460	598,062,441	24,094,597,991	100%	0.6400
2003	2002	18,896,765,850	2,618,193,840	2,398,999,140	587,847,270	24,501,806,100	100%	0.6920
2004	2003	19,337,891,860	2,559,667,220	2,419,787,980	565,630,120	24,882,977,180	100%	0.6920
2005	2004	19,804,667,720	2,641,658,675	2,409,184,030	560,644,886	25,416,155,311	100%	0.7080
2006	2005	22,750,577,790	2,680,281,760	2,461,340,630	569,872,978	28,462,073,158	100%	0.6660
2007	2006	23,565,365,700	2,957,709,010	2,479,743,740	587,375,097	29,590,193,547	100%	0.6660
2008	2007	24,382,286,380	3,109,875,910	2,543,653,630	608,722,150	30,644,538,070	100%	0.6960
2009	2008	25,059,661,800	3,273,855,900	2,437,710,820	612,718,250	31,383,946,770	100%	0.6960
2010	2009	27,808,315,600	3,160,949,200	2,258,490,180	628,610,220	33,856,365,200	100%	0.6740
2011	2010	27,971,609,000	3,036,245,900	2,224,587,900	606,245,900	33,838,688,700	100%	0.6740

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

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

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

DIRECT AND OVERLAPPING PROPERTY TAX RATES

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

		Tax Rates per \$100 Valuation, Year Ended June 30,									
		2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Forsyth County	\$	0.674	0.674	0.696	0.696	\$ 0.666	\$ 0.666	\$ 0.708	\$ 0.692	\$ 0.6920	\$ 0.6400
Municipalities: (1)											
City of Winston-Salem		0.475	0.468	0.490	0.490	0.485	0.485	0.525	0.495	0.4950	0.460
Combined Rate		1.149	1.142	1.186	1.186	1.151	1.151	1.233	1.187	1.187	1.100
Town of Bethania		0.350	0.350	0.350	0.350	0.300	0.300	0.250	0.250	0.250	0.180
Combined Rate		1.024	1.024	1.046	1.046	0.966	0.966	0.958	0.942	0.942	0.820
Village of Clemmons		0.1150	0.0985	0.0985	0.0985	0.0985	0.0900	0.0900	0.0900	0.0900	0.0900
Combined Rate		0.789	0.773	0.795	0.795	0.765	0.756	0.798	0.782	0.782	0.730
Town of Kernersville		0.498	0.498	0.550	0.550	0.550	0.525	0.525	0.495	0.495	0.470
Combined Rate		1.172	1.172	1.246	1.246	1.216	1.191	1.233	1.187	1.187	1.110
Town of Lewisville		0.177	0.177	0.177	0.177	0.177	0.177	0.195	0.195	0.195	0.110
Combined Rate		0.851	0.851	0.873	0.873	0.843	0.843	0.903	0.887	0.887	0.750
Town of Rural Hall		0.240	0.240	0.240	0.230	0.230	0.230	0.240	0.220	0.220	0.220
Combined Rate		0.914	0.914	0.936	0.926	0.896	0.896	0.948	0.912	0.912	0.860
Village of Tobaccoville		0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Combined Rate		0.724	0.724	0.746	0.746	0.716	0.716	0.758	0.742	0.742	0.690
Town of Walkertown		0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200
Combined Rate		0.874	0.874	0.896	0.896	0.866	0.866	0.908	0.892	0.892	0.840
Fire Tax Districts: (2)											
Beesons Crossroads		0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070
Combined Direct Rate		0.744	0.744	0.766	0.766	0.736	0.736	0.778	0.762	0.762	0.710
Belews Creek		0.070	0.070	0.070	0.055	0.055	0.045	0.045	0.045	0.045	0.045
Combined Direct Rate		0.744	0.744	0.766	0.751	0.721	0.711	0.753	0.737	0.737	0.685
City View		0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080
Combined Direct Rate		0.754	0.754	0.776	0.776	0.746	0.746	0.788	0.772	0.772	0.720
Clemmons		0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Combined Direct Rate		0.724	0.724	0.746	0.746	0.716	0.716	0.758	0.742	0.742	0.690
Forest Hill		0.065	0.065	0.065	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Combined Direct Rate		0.739	0.739	0.761	0.746	0.716	0.716	0.758	0.742	0.742	0.690
Griffith		0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.045
Combined Direct Rate		0.729	0.729	0.751	0.751	0.721	0.721	0.763	0.747	0.747	0.685
Gumtree		0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.070	0.070
Combined Direct Rate		0.759	0.759	0.781	0.781	0.751	0.751	0.793	0.777	0.762	0.710
Horneytown		0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.070
Combined Direct Rate		0.774	0.774	0.796	0.796	0.766	0.766	0.808	0.792	0.792	0.710

DIRECT AND OVERLAPPING PROPERTY TAX RATES

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Fire Tax Districts (cont.): (2)										
King	\$ 0.055	0.055	0.055	0.055	\$ 0.055	\$ 0.055	\$ 0.055	\$ 0.045	\$ 0.045	\$ 0.040
Combined Direct Rate	0.729	0.729	0.751	0.751	0.721	0.721	0.763	0.737	0.737	0.680
Lewisville	0.060	0.060	0.060	0.060	0.060	0.050	0.050	0.050	0.050	0.050
Combined Direct Rate	0.734	0.734	0.756	0.756	0.726	0.716	0.758	0.742	0.742	0.690
Mineral Springs	0.065	0.065	0.065	0.050	0.050	0.040	0.040	0.040	0.040	0.040
Combined Direct Rate	0.739	0.739	0.761	0.746	0.716	0.706	0.748	0.732	0.732	0.680
Mineral Springs Service	0.065	0.065	0.065	0.050	0.050	0.040	0.040	-	-	-
Combined Direct Rate	0.739	0.739	0.761	0.746	0.716	0.706	0.748	-	-	-
Mount Tabor	0.075	0.075	0.075	0.075	0.075	0.065	0.065	0.065	0.065	0.065
Combined Direct Rate	0.749	0.749	0.771	0.771	0.741	0.731	0.773	0.757	0.757	0.705
Old Richmond	0.080	0.070	0.070	0.060	0.060	0.060	0.060	0.060	0.060	0.060
Combined Direct Rate	0.754	0.744	0.766	0.756	0.726	0.726	0.768	0.752	0.752	0.700
Piney Grove	0.090	0.090	0.090	0.090	0.080	0.080	0.080	0.075	0.070	0.070
Combined Direct Rate	0.764	0.764	0.786	0.786	0.746	0.746	0.788	0.767	0.762	0.710
Salem Chapel	0.090	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060
Combined Direct Rate	0.764	0.734	0.756	0.756	0.726	0.726	0.768	0.752	0.752	0.700
South Fork	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Combined Direct Rate	0.724	0.724	0.746	0.746	0.716	0.716	0.758	0.742	0.742	0.690
Suburban (Rural Hall)	0.065	0.065	0.065	0.055	0.055	0.055	0.055	0.035	0.035	0.035
Combined Direct Rate	0.739	0.739	0.761	0.751	0.721	0.721	0.763	0.727	0.727	0.675
Talley's Crossing	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.065	0.065	0.065
Combined Direct Rate	0.754	0.754	0.776	0.776	0.746	0.746	0.788	0.757	0.757	0.705
Triangle	0.080	0.080	0.080	0.070	0.070	0.050	0.035	0.035	0.035	0.035
Combined Direct Rate	0.754	0.754	0.776	0.766	0.736	0.716	0.743	0.727	0.727	0.675
Union Cross	0.080	0.080	0.080	0.070	0.070	0.070	0.070	0.070	0.070	0.070
Combined Direct Rate	0.754	0.754	0.776	0.766	0.736	0.736	0.778	0.762	0.762	0.710
Vienna	0.075	0.075	0.075	0.075	0.075	0.065	0.065	0.065	0.065	0.065
Combined Direct Rate	0.749	0.749	0.771	0.771	0.741	0.731	0.773	0.757	0.757	0.705
Walkertown (Northeast)	0.080	0.080	0.080	0.070	0.070	0.060	0.060	0.060	0.060	0.060
Combined Direct Rate	0.754	0.754	0.776	0.766	0.736	0.726	0.768	0.752	0.752	0.700
West Bend	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Combined Direct Rate	0.724	0.724	0.746	0.746	0.716	0.716	0.758	0.742	0.742	0.690

- Notes: (1) (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) (2) The Forsyth County Board of Commissioners sets each Fire Tax District Rate.

PRINCIPAL PROPERTY TAX PAYERS

FORSYTH COUNTY, NORTH CAROLINA

Current Year and Ten Years Ago

Schedule 7

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<u>Taxpayer</u>	<u>Type of Business</u>	<u>2011 Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>2002 Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
R. J. Reynolds Industries, Inc.	Tobacco, Foods, Petroleum and Transportation	\$ 896,447,570	1	2.65%	\$ 974,827,727	1	4.05%
Wells Fargo Bank NA	Banking	292,816,580	2	0.87%	287,357,832	2	1.19%
Duke Energy Corporation	Electric Utility	288,365,180	3	0.85%	226,956,336	3	0.94%
Lowes Home Center	Retail	251,484,010	4	0.74%	-	-	-
JG Winston-Salem	Real Estate Management	203,206,800	5	0.60%	-	-	-
Time Warner Entertainment	Television Utilities	189,945,680	6	0.56%	-	-	-
Wake Forest University	Education / Health Care	149,143,550	7	0.44%	68,468,000	9	0.28%
Hanesbrands Inc.	Textiles	147,579,350	8	0.44%	-	-	-
Wal-Mart Real Estate Bus Trust	Retail	124,471,330	9	0.37%	-	-	-
Highwoods/Forsyth Partners	Real Estate Management	114,981,900	10	0.34%	225,369,200	4	0.94%
Winston-Salem Joint Ventures	Real Estate Management	-	-	-	164,638,000	5	0.68%
Sara Lee Corporation	Food and Textiles	-	-	-	162,366,795	6	0.67%
BellSouth Corporation	Communications Utility	-	-	-	151,651,820	7	0.63%
Piedmont Natural Gas	Utility	-	-	-	78,809,464	8	0.33%
Hubbard/Mareli realty	Real Estate Management	-	-	-	65,410,481	10	0.27%
		<u>\$ 2,658,441,950</u>		<u>7.86%</u>	<u>\$ 2,405,855,655</u>		<u>9.98%</u>

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

PROPERTY TAX LEVIES AND COLLECTIONS

Schedule 8

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Fiscal Year Ended <u>June 30</u>	Total Tax Levy for <u>Fiscal Year</u>	Collected within the		Collections in Subsequent <u>Years</u>	<u>Total Collections to Date</u>	
		<u>Fiscal Year of the Levy</u>	Percentage		<u>Amount</u>	Percentage <u>of Levy</u>
		<u>Amount</u>	<u>of Levy</u>		<u>Amount</u>	<u>of Levy</u>
2002	\$ 154,336,281	151,228,987	97.99%	2,514,245	153,743,232	99.62%
2003	169,219,186	165,481,873	97.79%	3,082,891	168,564,764	99.61%
2004	172,272,301	169,019,917	98.11%	2,664,554	171,684,471	99.66%
2005	179,925,473	176,332,367	98.00%	2,846,051	179,178,418	99.58%
2006	189,902,610	186,602,383	98.26%	2,680,108	189,282,491	99.67%
2007	197,416,909	193,927,020	98.23%	2,736,048	196,663,068	99.62%
2008	213,402,003	209,512,061	98.18%	2,972,713	212,484,774	99.57%
2009	219,385,625	213,993,232	97.54%	3,625,023	217,618,255	99.19%
2010	229,188,797	224,184,021	97.82%	3,057,152	227,241,173	99.15%
2011	229,126,449	224,104,050	97.81%	-	224,104,050	97.81%

RATIOS OF OUTSTANDING DEBT BY TYPE

Schedule 9

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Bonded Debt as a	Total Bonded Debt Per Capita ^b
		Percentage of Actual Taxable Value of Property ^a	
2002	219,515,000	0.91%	706.48
2003	206,615,000	0.84%	658.42
2004	279,050,000	1.12%	882.17
2005	261,620,000	1.03%	819.56
2006	276,360,000	0.97%	851.98
2007	332,090,000	1.12%	1,003.49
2008	313,620,000	1.02%	930.18
2009	420,955,000	1.34%	1,227.36
2010	396,345,000	1.17%	1,141.11
2011	530,850,000	1.57%	1,508.96

Governmental Activities

Fiscal Year	General Obligation Bonds	Certificates of Participation	Limited Obligation Bonds	Installment Purchase Obligations	Total Primary Government	Percentage of Personal Income ^b	Total Debt Per Capita ^b
2002	\$ 219,515,000	63,430,000	-	500,000	283,445,000	2.86%	912.23
2003	206,615,000	84,850,000	-	400,000	291,865,000	2.88%	930.09
2004	279,050,000	80,935,000	-	663,810	360,648,810	3.45%	1,140.13
2005	261,620,000	76,855,000	-	563,810	339,038,810	3.02%	1,062.09
2006	276,360,000	85,525,000	-	293,390	362,178,390	3.09%	1,116.55
2007	332,090,000	80,620,000	-	2,135,393	414,845,393	3.34%	1,253.56
2008	313,620,000	75,595,000	-	1,705,877	390,920,877	3.01%	1,159.46
2009	420,955,000	70,435,000	-	2,185,884	493,575,884	3.67%	1,439.10
2010	396,345,000	65,120,000	15,000,000	1,582,207	478,047,207	3.68%	1,376.34
2011	530,850,000	59,660,000	14,250,000	812,088	605,572,088	n/a	1,721.36

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

^a See Schedule 5 for property value data.

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

**DIRECT AND OVERLAPPING GOVERNMENTAL
ACTIVITIES DEBT**

Schedule 10

FORSYTH COUNTY, NORTH CAROLINA

As of June 30, 2011

<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	\$ 219,526,100	100.0%	\$ 219,526,100
Town of Kernersville	12,508,503	100.0%	12,508,503
Other debt			
City of Winston-Salem	570,949,496	100.0%	570,949,496
Town of Kernersville	74,079	100.0%	<u>74,079</u>
Subtotal, overlapping debt			803,058,178
County direct debt			<u>605,572,088</u>
Total direct and overlapping debt			<u><u>\$ 1,408,630,266</u></u>

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

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

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

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

LEGAL DEBT MARGIN INFORMATION

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

(dollars in thousands)

Schedule 11

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed Value of Taxable Property	\$ 33,838,689
Debt Limit - Eight percent (8%) of assessed value	2,707,095
Debt applicable to limit:	
General obligation bonds	530,850
Certificates of participation	59,660
Limited obligation bonds	14,250
Installment purchase obligations	812
Total debt applicable to legal debt limit	<u>605,572</u>
Legal debt margin	<u>\$ 2,101,523</u>

Fiscal Year

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt Limit	\$ 1,927,568	1,960,144	1,990,638	2,033,292	2,276,966	2,367,215	2,451,563	2,510,716	2,708,509	2,707,095
Total net debt applicable to limit	283,445	291,865	360,649	339,039	362,178	414,845	390,921	493,576	463,047	605,572
Legal debt margin	\$ <u>1,644,123</u>	<u>1,668,279</u>	<u>1,629,989</u>	<u>1,694,254</u>	<u>1,914,788</u>	<u>1,952,370</u>	<u>2,060,642</u>	<u>2,017,140</u>	<u>2,245,462</u>	<u>2,101,523</u>
Total net debt applicable to the limit as a percentage of debt limit	14.7%	14.9%	18.1%	16.7%	15.9%	17.5%	15.9%	19.7%	17.1%	22.4%

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

DEMOGRAPHIC AND ECONOMIC STATISTICS

Schedule 12

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Calendar Years

Calendar Year ^b	Population ¹	Personal Income (000's) ²	Per Capita Personal Income ²	Median Age ³	Dropout Rates for Grades 9-12 ⁴	Public School Enrollment ⁴	Private School Enrollment ^{5, a}	Unemployment Rate ⁶
2001	310,717	9,906,768	31,004	36.3	5.5%	46,351	5,570	4.7%
2002	313,803	10,122,513	31,372	36.6	5.8%	46,502	5,755	5.7%
2003	316,323	10,468,446	31,915	36.8	5.3%	47,478	5,885	5.6%
2004	319,220	11,236,419	34,052	37.0	5.2%	47,801	5,467	5.0%
2005	324,372	11,707,040	35,313	37.2	5.0%	49,279	5,454	4.7%
2006	330,935	12,435,483	36,576	37.4	5.7%	50,305	5,455	4.3%
2007	337,159	13,003,878	37,372	37.6	6.4%	50,974	5,441	4.4%
2008	342,975	13,462,705	37,908	37.8	5.5%	51,422	5,480	5.7%
2009	347,333	12,979,660	36,091	36.7	4.8%	51,488	5,197	9.6%
2010	351,798	n/a	n/a	37.2	4.1%	52,050	5,056	9.9%

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

- Notes:
- ^a Private School Enrollment does not include special schools or home schools.
 - ^b Calendar Year 2010 is the most recent data available.

PRINCIPAL EMPLOYERS

Schedule 13

FORSYTH COUNTY, NORTH CAROLINA
Current Year and Ten Years Ago

<u>Employer</u>	<u>2011</u> ¹			<u>2002</u> ²		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Wake Forest University Baptist Medical Center ^a	11,763	1	7.5%	11,121	1	7.2%
Novant Health and Affiliates	8,100	2	5.2%	6,300	2	4.1%
Winston-Salem/Forsyth County School System	6,692	3	4.3%	4,700	5	3.0%
Reynolds American ^c	3,000	4	1.9%	5,930	4	3.8%
HanesBrands, Inc. ^b	2,800	5	1.8%	6,000	3	3.9%
Wachovia Bank, N.A., a division of Wells Fargo ^d	2,800	6	1.8%	4,379	6	2.8%
City of Winston-Salem	2,660	7	1.7%	2,416	8	1.6%
Forsyth County	2,079	8	1.3%	1,859	10	1.2%
BB&T Corporation	2,000	9	1.3%	N/A		-
Wake Forest University	1,715	10	1.1%	N/A		-
US Airways	N/A		-	2,247	9	1.5%
Budd Services, Inc.	N/A		-	2,800	7	1.8%
Total	43,609		27.9%	47,752		30.9%

¹ estimates as of December 2010

² estimates as of December 2001

^a formerly North Carolina Baptist Hospitals, Inc.

^b formerly Sara Lee Personal Products

^c formerly R.J. Reynolds Tobacco Company

^d formerly Wachovia Corporation

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

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

Schedule 14

FORSYTH COUNTY, NORTH CAROLINA
Last Ten Fiscal Years

<u>Function</u>	<u>Full-time Equivalent Employees as of June 30,</u>									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General government	364	363	372	365	376	366	370	368	361	354
Public safety	655	658	685	703	782	765	786	792	803	800
Human services	596	583	594	585	636	626	633	660	654	667
Environmental protection	27	27	27	25	25	24	23	22	22	22
Community and economic development	4	4	4	5	5	5	5	5	5	5
Education	17	18	17	15	17	18	19	16	14	9
Culture and recreation	224	224	219	211	227	225	219	216	200	204
Total	<u>1,887</u>	<u>1,877</u>	<u>1,918</u>	<u>1,909</u>	<u>2,068</u>	<u>2,029</u>	<u>2,055</u>	<u>2,079</u>	<u>2,059</u>	<u>2,061</u>

Source: Forsyth County Finance Department

Notes: The County has full-time employees scheduled to work 40-hour (2,080 hours per year), 42-hour (2,184 hour per year), 42.75-hour (2,223 hours per year) or 56-hour (2,912 hours per year) work weeks. Full-time-equivalent employment is calculated by dividing total labor hours employed by the standard scheduled hours.

OPERATING INDICATORS BY FUNCTION

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government										
General services										
Number of facilities	65	65	65	66	67	68	68	70	70	72
Square footage - active	2,510,000	2,510,000	2,510,000	2,877,698	2,898,258	2,917,181	2,881,478	2,917,478	2,917,478	1,864,494
Assigned fleet vehicles	538	588	570	574	584	589	597	597	597	631
Register of deeds										
Deeds recorded	13,587	13,884	14,873	16,414	17,594	17,737	16,572	13,932	10,346	10,150
Real estate copies	338,669	378,884	446,530	233,882	40,984	39,427	30,056	29,105	26,445	23,427
Birth certificates	5,330	5,008	5,722	7,959	8,247	8,538	8,216	9,325	8,526	7,825
Marriage certificates	2,306	2,222	2,142	2,027	2,193	2,233	2,113	2,097	2,039	1,937
Vital records copies	59,730	54,921	47,927	52,527	55,787	55,967	60,673	59,036	56,729	54,685
Tax administration										
Audits	323	327	328	334	335	343	351	350	N/A	N/A
Current year levy collection percentage	97.99%	97.99%	97.79%	98.11%	98.00%	98.26%	98.93%	98.96%	98.27%	98.43%
Public safety										
Animal control										
Animals sheltered	7,770	7,497	7,773	7,862	7,403	8,471	8,086	8,079	8,833	8,397
Animals adopted	348	430	542	1,024	1,024	1,386	1,326	1,349	1,474	1,311
Emergency management										
Responders receiving specialized training	110	175	475	475	620	612	101	448	477	480
Emergency medical services										
Emergency dispatches	19,558	18,971	20,146	22,052	23,096	23,724	23,533	25,809	25,238	27,057
Non-emergency dispatches	9,626	9,608	8,062	8,894	9,378	8,254	12,480	10,258	8,561	7,151
Fire										
Fire alarms (total dispatches)	4,309	4,294	3,975	3,751	3,953	4,140	4,330	4,164	3,787	3,897
Volunteer rescue squad response	17,739	18,688	20,227	20,194	21,331	22,445	23,719	24,238	24,307	25,670
911 calls received	75,036	79,458	78,250	75,205	77,414	N/A	N/A	N/A	83,669	85,614
Telephone calls processed	N/A	N/A	N/A	N/A	N/A	179,324	172,928	205,592	178,366	176,043
Sheriff										
Patrol service calls	42,000	34,000	51,067	56,427	27,390	38,011	27,837	41,720	44,219	48,284
Detention - avg. daily inmate population	760	788	815	850	847	869	897	881	869	824
Detention - avg. length of stay (in days)	N/A	24	24	25	23	26	26	26	25	24
Court - inmates / defendants processed	N/A	12,638	1,790	10,196	11,721	21,646	14,135	22,144	21,644	20,243
Youth services										
Youth receiving drug assessments	88	85	116	82	82	107	74	81	79	115
Youth receiving individual counseling	149	154	52	113	113	101	133	140	175	205
Avg daily population: in-county / out-of-county	15.4/.30	14.25/.16	11.71/.08	7.33/.12	7.33/.12	13/.26	12.7/0.4	12.7/0.4	12/1	9/2

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OPERATING INDICATORS BY FUNCTION

FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Human services										
Public health										
Wait time on improvement permits	3.5 weeks	3.5 weeks	6 weeks	6 weeks	3 weeks	3 weeks	20 days	3 weeks	1.5 weeks	1.75 weeks
Children Immunized by 23 months of age	41%	60%	64%	71%	91%	91%	83%	82%	82%	90%
Social services										
Average number of public assistance cases	2,340	2,300	2,214	1,950	1,950	1,562	1,250	1,214	1,202	1,195
Children in foster care returned to homes	33%	30%	32%	36%	36%	47%	30%	57%	62%	65%
Environmental protection										
Environmental affairs										
Permits processed within prescribed timeframe	95%	100%	100%	100%	100%	99%	99%	99%	100%	99%
Correct air quality forecasting	75%	78%	78%	78%	75%	80%	80%	90%	89%	80%
Economic development										
Housing										
Homes rehabilitated	22	18	18	22	20	19	12	21	21	18
First time home buyers & IDA	10	17	31	64	126	96	76	48	44	64
Culture and recreation										
NC cooperative extension service										
Educational meetings conducted	2,529	1,872	1,872	2,057	1,743	1,460	2,645	1,778	2,539	7,950
Total client education/services	84,667	73,676	72,665	69,898	63,381	57,172	51,281	53,475	62,827	113,286
Library										
Number of libraries	11	10	10	10	10	10	10	10	10	10
Program Attendance	139,476	146,911	152,973	142,827	143,553	78,815	89,743	90,867	107,468	95,791
Materials Circulated	1,761,480	1,819,344	1,938,191	1,811,398	1,717,875	1,734,473	1,806,564	1,913,042	2,044,856	1,956,849
Recreation and parks										
Number of parks	10	11	11	11	11	11	11	11	11	11
Park visitors	2,231,717	2,674,331	2,504,392	2,823,704	2,742,368	2,267,209	2,317,301	2,826,255	3,188,518	299,480
Golf rounds played	N/A	70,584	53,380	72,461	66,000	66,190	67,400	70,720	65,449	59,193
Festival of lights - visitors	N/A	288,414	237,000	257,784	281,082	244,750	274,530	282,700	250,458	223,236
Education										
Winston-Salem/Forsyth County Schools										
Number of schools	67	67	67	68	70	70	72	75	76	80
Number of classrooms	2,183	2,202	2,231	2,301	2,364	2,364	2,416	2,653	n/a	n/a
Number of teachers	2,756	2,812	46,502	2,914	2,968	2,968	3,020	3,293	3,585	3,938
Forsyth Technical Community College										
Enrollment	6,283	6,246	7,215	6,977	7,001	7,200	7,203	7,895	9,144	9,922

Source: Forsyth County Budget Office. Fiscal Year 2010 is the most recent data available.

CAPITAL ASSET STATISTICS BY FUNCTION

Schedule 16

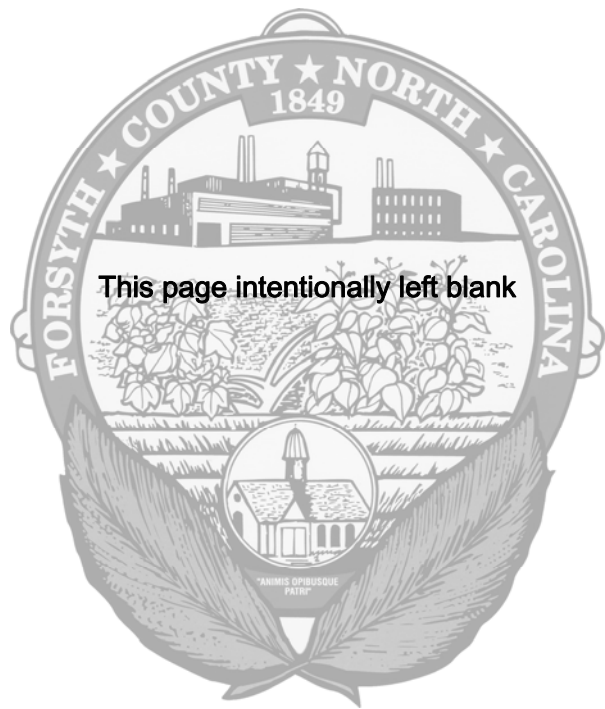
FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 ¹
General government										
General services										
Number of facilities	65	65	66	67	68	68	70	70	72	72
Square footage - active	2,510,000	2,510,000	2,877,698	2,898,258	2,917,181	2,881,478	2,917,478	2,917,478	1,864,494	1,853,678
Fleet vehicles ²	588	570	574	584	589	595	613	590	620	615
Public safety²										
Emergency medical services										
Assigned vehicles	31	30	33	31	30	29	29	30	31	31
Fire										
Assigned vehicles	9	10	10	14	12	13	13	13	13	13
Sheriff										
Assigned vehicles	255	256	247	249	235	233	255	242	244	260

Notes: ¹ Square footage is estimated based on general services building records.

² Public safety vehicles listed are included in the general services fleet vehicles. Source: fleet vehicle records



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Independent Auditors' 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*

To the Board of County Commissioners
Forsyth County, North Carolina

We have audited 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, 2011, which collectively comprises the County's basic financial statements and have issued our report thereon dated October 28, 2011. 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.

Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

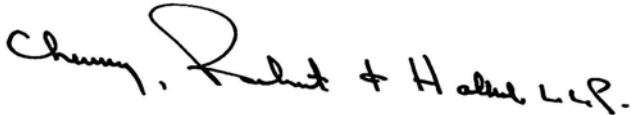
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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*.

We noted certain matters that we reported to management of the County, in a separate letter dated October 28, 2011.

This report is intended solely for the information and use of the County, management, others within the organization, members of the Board, federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

CHERRY, BEKAERT & HOLLAND, L.L.P.

A handwritten signature in black ink that reads "Cherry, Bekaert & Holland L.L.P." in a cursive script.

Raleigh, North Carolina
October 28, 2011



**Independent Auditors' Report on Compliance With Requirements
Applicable to Each Major Federal Program and on Internal Control
Over Compliance in Accordance With OMB Circular A-133
and the State Single Audit Implementation Act**

To the Board of County Commissioners
Forsyth County, North Carolina

Compliance

We have audited Forsyth County, North Carolina (the "County"), compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2011. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133, and the State Single Audit Implementation Act and which are described in the accompanying schedule of findings and questioned costs as items 11-01 and 11-02.

Internal Control Over Compliance

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

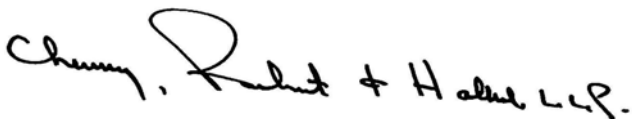
A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of control 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.

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

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the County, management, others within the organization, members of the Board, federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

CHERRY, BEKAERT & HOLLAND, L.L.P.

A handwritten signature in black ink that reads "Cherry, Bekaert & Holland L.L.P." in a cursive, flowing script.

Raleigh, North Carolina
October 28, 2011



**Independent Auditors' Report on Compliance With Requirements
Applicable to Each Major State Program and on Internal Control
Over Compliance in Accordance With Applicable Sections of OMB Circular A-133
and the State Single Audit Implementation Act**

To the Board of County Commissioners
Forsyth County, North Carolina

Compliance

We have audited the compliance of Forsyth County, North Carolina (the "County") 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 its major State programs for the year ended June 30, 2011. The County's major State programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major State programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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; applicable sections of OMB Circular A-133, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the 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, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act and which are described in the accompanying schedule of findings and questioned costs as items 11-02, 11-03 and 11-04.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to State programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

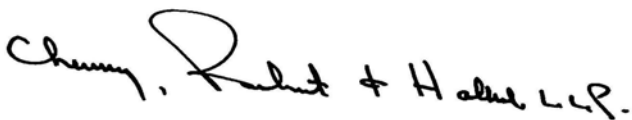
A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a State program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of control 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.

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

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and accordingly we express no opinion on the responses.

This report is intended solely for the information and use of the County, management, others within the organization, members of the Board, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

CHERRY, BEKAERT & HOLLAND, L.L.P.

A handwritten signature in black ink that reads "Cherry, Bekaert & Holland, L.L.P." in a cursive script.

Raleigh, North Carolina
October 28, 2011

**Forsyth County, North Carolina
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2011**

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no

- Significant Deficiency(ies) identified
that are not considered to be
material weaknesses? ___ yes X none reported

Noncompliance material to financial
statements noted? ___ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___ yes X no

- Significant Deficiency(ies) identified
that are not considered to be
material weaknesses? ___ yes X no

Noncompliance material to federal awards noted? ___ yes X no

Type of auditors' report issued on compliance for major federal programs: Unqualified

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

**Forsyth County, North Carolina
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2011**

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
93.778	Medical Assistance Program
	<i>Subsidized Child Care Cluster</i>
93.596	Child Care and Development Fund, Administration
93.575	Child Care and Development Fund, Discretionary
93.596	Child Care and Development Fund, Mandatory, Match
93.667	Social Services Block Grant
93.558	Temporary Assistance for Needy Families
93.713	ARRA - CCDF Discretionary
93.714	ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs
N/A	Smart Start
N/A	State Appropriations
N/A	TANF/MOE
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children – WIC
93.568	Low-Income Energy Assistance
	<i>Temporary Assistance for Needy Families Cluster</i>
93.558	Temporary Assistance for Needy Families – TANF

**Forsyth County, North Carolina
 Schedule of Findings and Questioned Costs
 For The Fiscal Year Ended June 30, 2011**

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

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

Auditee qualified as low-risk auditee X yes no

State Awards

Internal control over major State programs:

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

Type of auditors' report issued on compliance of major State programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act X yes no

Identification of major State programs:

Program Name
 State Aid to Public Libraries

Other major State programs for Forsyth County are Medical Assistance, TANF and Subsidized Child Care, which are State matches on Federal programs. Therefore, these programs have been included in the list of major federal programs above.

**Forsyth County, North Carolina
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2011**

Section II. Financial Statement Findings

None reported.

**Forsyth County, North Carolina
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2011**

Section III. Federal Award Findings and Questioned Costs

**U.S. Department of Agriculture
Passed-through the N.C. Department of Health and Human Services
Division of Public Health
Program Name: Women, Infants & Children
CFDA #: 10.557**

Finding 11-01

NON-MATERIAL NONCOMPLIANCE – Equipment and Real Property Management

Criteria: As specified in the WIC manual, local agencies must receive prior approval from the State Agency for the purchase or lease of equipment with a value of \$500 or more. The Equipment is noted on the NC DHHS Fixed Assets System. The equipment should have a DHHS property tag affixed.

Condition: We noted one instance in which equipment purchased did not contain prior approval from the State Agency or an associated property tag.

Questioned costs: None - Questioned costs are not associated with this finding due to the fact that the equipment was allowable just not approved and tracked appropriately.

Context: CBH sampled eight equipment purchases to determine if they had proper approval from the State Agency and proper fixed asset tags. One purchase applicable to the period being audited did not contain proper approval from the State or proper fixed asset tag.

Effect: Approval from the State is performed to assure that all assets are kept track of in the NC DHHS Fixed Asset System. This approval is required by the State and failure to have proper approval may lead to assets not being kept track of properly.

Cause: One instance in which the asset was not approved by the State due to an oversight of the department.

Recommendation: The County should ensure that all equipment purchases over \$500 or more are properly approved by the State and proper documentation of this approval should be kept on file.

Views of responsible officials: This was an unfortunate oversight. One desk was ordered and the final price was a little bit over \$500. Management believes this was an isolated incident.

**Forsyth County, North Carolina
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2011**

**U.S. Department of Health and Human Services
Passed-through the N.C. Dept. of Health and Human Services
Division of Social Services
Program Name: Temporary Assistance for Needy Families
CFDA #: 93.558**

Finding 11-02

NON-MATERIAL NONCOMPLIANCE - Eligibility

Criteria: As specified in the TANF compliance supplement, work first applicants must provide a social security number, or apply for a social security number if they do not have one. Unless an individual has a social security number or applies for one, that individual is not eligible for Work First.

Condition: Social Security Number was not obtained for an individual that was receiving benefits.

Questioned costs: None. The questioned costs were determined below amount that should be reported, therefore, there are no questioned costs associated with this finding.

Context: A sample of 40 recipients was tested for which one recipient did not have a social security number.

Effect: The County determined one recipient's benefits incorrectly.

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

Recommendation: We recommend that procedures are in place to verify that all required eligibility information is obtained, recorded, and updated appropriately.

Views of responsible officials: The birth certificate for the eligible member was in record, however proof of Social Security number was not. Child was eligible for TANF service because citizenship was verified. However, program rules require that a copy of the Social Security Card or verification through SOLQ in the State On-Line Verification system (OLV).

**Forsyth County, North Carolina
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2011**

Section IV. State Award Findings and Questioned Costs

**Department of Social Services
Program Name: Crosscutting**

Finding 11-03

NON-MATERIAL NONCOMPLIANCE - Reporting

Criteria or specific requirement: As specified in the compliance supplement, purchases of many services require completion of the DSS 5027, Client Entry form, which authorizes the purchase. To determine if the DSS 5027 is required, refer to the SIS Manual, Appendix B, Service Codes and Definitions table.

Condition: We noted one instance in which a required 5027 could not be provided for a recipient.

Questioned costs: None. Recipient was assessed by the provider and DSS for appropriateness of services and eligible to receive benefits.

Context: CBH sampled a total of twelve recipients that required a valid DSS 5027 form.

Effect: If a valid DSS 5027 form is required and not received, a recipient could be receiving unauthorized services.

Cause: Form could not be located.

Recommendation: The County should ensure that current 5027 forms are documented for required recipients and kept onsite until services are closed.

Views of responsible officials: The Adult Day Care recipient was assessed by the provider and DSS for appropriateness prior to beginning services. After 45 days, services were terminated due to client behavioral issues. The provider's monthly billing is reviewed and verified by Adult Day Care Supervisor to verify eligibility and participation before the invoice is paid.

**Forsyth County, North Carolina
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2011**

**Department of Social Services
Division of Social Crosscutting**

Finding 11-04

NON-MATERIAL NONCOMPLIANCE – Allowable Costs

Criteria: As noted in the compliance supplement, costs reported should be allowable in accordance with Section II of the DSS Fiscal Manual.

Condition: During our audit procedures, we noted one expenditure that was not allowable in accordance with the Manual.

Questioned costs: None. The questioned costs were determined below amount that should be reported therefore, there are no questioned costs associated with this finding.

Context: CBH tested a sample of 40 expenditures across all major programs for proper inclusion in the DSS 1571 reporting.

Effect: Expenditure was requested for reimbursement but was not allowable and the County could report other expenditures that are not allowable.

Cause: Oversight by County personnel.

Recommendation: Although these issues will occur from time to time considering the volume of expenditures that the County processes and maintains, it is recommended that policies are reinforced to ensure that expenditures are properly reported.

Views of responsible officials: DSS staff report travel and training expenditures on a travel reimbursement form. The expenditures itemized are those in the performance of their professional responsibilities. On one of the samples selected, an employee included a \$10 membership fee to a professional organization on the Travel Reimbursement Form. Due to an oversight, this expenditure was reported on the 1571 Part II as a reimbursable expenditure, which it was not.

See finding 11-02 described in Section III.

**Forsyth County, North Carolina
Corrective Action Plan
For The Fiscal Year Ended June 30, 2011**

Section II. Financial Statement Findings

None reported.

Section III. Federal Award Findings and Questioned Costs

Finding 11-01

Name of contact person: Mayte Grundseth, WIC Program Director

Corrective Action: I am responsible for all the ordering and approval. I need to be more careful when reviewing the orders. I have also assigned our Senior Office assistant to make sure that before she places the orders she identifies all equipment with a value of \$500 and up so we can immediately request permission to the State office to buy it.

Proposed Completion Date: Immediately 10-1-11

Finding 11-02

Name of contact person: Liz White, Work First/Daycare Program Manager

Corrective Action: To immediately retrain all workers to verify at each application and review, all files contain proof of Social Security numbers for each eligible recipient.

Proposed Completion Date: Immediately and ongoing

Section IV. State Award Findings and Questioned Costs

Finding 11-03

Name of contact person: Sheila Moore

Corrective Action: A copy of each 5027 will be kept in a separate file by the supervisor when services are authorized.

Proposed Completion Date: Immediately and ongoing

Finding 11-04

Name of contact person: Pat Read, Business Officer Forsyth County DSS

Corrective Action: To retrain fiscal staff to review Travel Reimbursement Forms carefully and correctly identify different types of expenditures reported on them, so they are correctly reported in the 1571 process.

Proposed Completion Date: Immediate

See corrective action plan for Findings 11-02 described above.

**Forsyth County, North Carolina
Summary of Prior Year Findings
For The Fiscal Year Ended June 30, 2011**

Findings: 10-01

Status: Corrected

Findings: 10-02

Status: Corrected

Findings: 10-03

Status: Corrected

Findings: 10-04

Status: Corrected

Findings: 10-05

Status: Corrected

Findings: 10-06

Status: Corrected

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FORSYTH COUNTY

For the Fiscal Year Ended June 30, 2011

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Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Federal/State Pass-Through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures
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:				
(a) Temporary Assistance for Needy Families:				
TANF Administration	93.558	-	\$ 294,935	-
TANF Services/Domestic Violence	93.558	-	1,590,539	-
TANF Child Protective Services/Foster Care/Adoption	93.558	-	178,025	77,785
TANF Incentives	-	-	-	3,935
Direct Benefit Payments	93.558	-	1,263,718	9
Child Support Enforcement Administration	93.563	-	2,472,972	-
Child Support Incentive	93.563	-	389,445	-
Child Support Reimbursement	93.563	-	6,144	-
Child Support Enforcement Fees	93.563	-	24,504	-
ARRA CSE Incentive Recovery	93.563	-	15,735	-
Refugee Assistance Direct Benefits Payment	93.566	-	19,665	-
(a) Low Income Home Energy Assistance:				
Low Income Home Energy Assistance Administration	93.568	-	212,818	-
Low Income Home Energy Assistance Crisis Intervention	93.568	-	1,557,632	-
Direct Benefit Payments	93.568	-	2,038,005	-
Child Welfare Services - State Grants:				
Child Welfare Services Permanency Special	93.645	-	73,841	(8,163)
Child Welfare Services Adoption Assistance	-	-	-	58,960
Direct Benefit Payments	-	-	-	809,057
Foster Care Caseworker Visit	93.556	-	12,565	-
<u>Foster Care and Adoption Cluster: (Note 3)</u>				
Title IV-E Foster Care Administration	93.658	-	954,948	-
Title IV-E Foster Care	93.658	-	277,086	60,992
ARRA IV-E Foster Care	93.658	-	14,334	-
Title IV-E Foster Care Child Protective Services	93.658	-	251,436	105,420
Title IV-E Maximization	93.658	-	170,251	-
Maximization of State Funds	-	-	-	161,226
CPS Expansion	93.658	-	4,718	4,718
State Foster Care/HIV	93.658	-	9,984	137,909
Adoption Assistance	93.659	-	6,408	3,204
ARRA Adoption	93.659	-	51,464	-
Adoption Assistance - Direct Benefit Payments	93.659	-	1,689,542	374,420
Total Foster Care and Adoption Cluster (Note 3)			3,430,171	847,889
Social Services Block Grant:				
Social Services Block Grant Administration	93.667	-	1,054,979	132,748
Social Services Block Grant In Home Services	93.667	-	315,165	-
Social Services Block Grant Adult Day Care	93.667	-	79,066	65,300
Chafee Foster Care - Independent Living	93.674	-	29,585	7,396
Independent Living - Direct Benefit Payments	93.674	-	73,352	-
(a) <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	-	691,352	-
Division of Child Development:				
Child Care and Development Fund - Discretionary	93.575	-	5,973,840	-
ARRA CCDF Discretionary	93.713	-	340,873	-
Child Care and Development Fund - Mandatory	93.596	-	2,724,232	-
Child Care and Development Fund - Match	93.596	-	374,964	-
Total Child Care Fund Cluster			10,105,261	-
Social Services Block Grant	93.667	-	28,157	-
Temporary Assistance for Needy Families	93.558	-	2,003,518	-
Temporary Assistance for Needy Families Emergency Contingency	93.714	-	1,121,135	-
CCDF Match	-	-	-	201,136
State Appropriations	-	-	-	427,444
TANF-MOE	-	-	-	378,313
Total Subsidized Child Care (Note 3)			13,258,071	1,006,893

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

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FORSYTH COUNTY

For the Fiscal Year Ended June 30, 2011

Page 2 of 5

Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Federal/State Pass-Through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures
<u>U.S. Dept. of Health and Human Services (continued)</u>				
<u>Centers for Medicare and Medicaid Services</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Social Services:				
			\$	
				9,917
(a)	93.767	-	30,284	
				9,917
				-
	93.778	-	3,738,929	
	93.778	-	(66,862)	(66,862)
	93.778	-	34,096	
	93.778	-	59,228	29,155
	93.778	-	66,618	33,309
	93.778	-	292,055	43,897
(a)				
				283,778
	93.778	-	729,715	
	93.778	-	238,244,853	94,736,152
<u>Administration on Aging</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Aging:				
Passed-through Northwest Piedmont Council of Governments:				
	93.044	-	131,865	
<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				
	93.116	-	30,221	
	93.268	-	48,518	
	10.559	-	15,012	
	10.559	-	21,323	
	93.283	-	75,217	
Cooperative Agreements for State-Based Comprehensive:				
	93.283	-	35,674	
	93.283	-	10,345	
	93.940	-	29,259	
	93.940	-	94,290	
	93.991	-	12,284	
	93.283	-	-	
	93.977	-	50,661	
	93.778	-	20,285	
	93.283	-	77,390	
<u>Health Resources and Services Administration</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Public Health:				
	93.926	-	248,581	
	93.994	-	35,965	
	93.994	-	205,867	
	93.558	-	42,422	
	93.218	-	141,949	
			<u>272,846,976</u>	<u>98,071,155</u>
<u>U. S. Dept. of Housing and Urban Development</u>				
<u>Community Planning and Development</u>				
	14.251	B-06-NC-0595	341	
Passed through N. C. Department of Commerce:				
Division of Community Assistance:				
	14.228	08-C-1851	11,898	
	14.228	08-N-1889	2,261,290	
	14.228	09-C-1991	57,185	

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

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FORSYTH COUNTY

For the Fiscal Year Ended June 30, 2011

Page 3 of 5

Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Federal/State Pass-Through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures
<u>U. S. Dept. of Housing and Urban Development cont.</u>				
Passed-through N.C. Housing Finance Agency:				
NCHFA URP		-	\$ -	21,554
NCHFA Single Family Rehabilitation	14.239	-	50,405	
Passed through City of Winston-Salem:				
HOME Investment Partnerships Program:				
2007 Winston-Salem/Forsyth County HOME ADDI	14.239	-	5,000	-
2007 Winston-Salem/Forsyth County HOME Consortium	14.239	M07-DC-37-0204	4,022	-
2008 Winston-Salem/Forsyth County HOME Consortium	14.239	M08-DC-37-0204	58,252	-
2009 Winston-Salem/Forsyth County HOME Consortium	14.239	M09-DC-37-0204	128,019	-
Total U. S. Dept. of Housing and Urban Development			2,576,412	21,554
<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	-	1,438,259	-
SNAP Incentives	10.561	-	9,216	-
SNAP Employment and Training	10.561	-	3,290	-
FNS Contingency Admin	10.561		281,702	-
Total SNAP Cluster			1,732,467	-
Division of Public Health:				
(a) Special Supplemental Nutrition Program for Women, Infants, & Children:				
Administration	10.557	-	2,000,328	-
Direct Benefits	10.557	-	8,949,563	-
Total U. S. Dept. of Agriculture			12,682,358	-
<u>Environmental Protection Agency</u>				
Direct Programs:				
Surveys, Studies, Investigations and Special Purpose Grants	66.034	-	68,016	-
<u>Office of Air and Radiation</u>				
Air Pollution Control Program Support	66.001	-	336,053	-
Total Environmental Protection Agency			404,069	-
<u>Elections Assistance Commission</u>				
Passed-through NC Dept of Administration:				
State Board of Elections HAVA One Stop Voting	90.401	-	17,747	-
<u>U.S. Dept. of Justice</u>				
Direct programs:				
<u>Office of Justice Programs</u>				
Bureau of Justice Assistance				
2007 Justice Assistance Grant Program	16.738	2007-DJ-BX-0290	15,357	-
2008 Justice Assistance Grant Program	16.738	2008-DJ-BX-0402	1,208	-
ARRA 2009 Justice Assistance Grant Program	16.804	2009-SB-B9-0945	5,920	-
2009 Justice Assistance Grant Program	16.738	2009-DJ-BX-0886	128,921	-
2010 Justice Assistance Grant Program	16.738	2010-DJ-BX-0412	39,486	-
Bulletproof Vest Partnership Program	16.607	-	12,037	-
<u>Office of Juvenile Justice and Delinquency Prevention</u>				
Gang and Delinquency Prevention Initiative	16.554	2010-JL-FX-0590	164,712	-
<u>Office of Violence Against Women</u>				
Forsyth Unified Domestic Violence Center	16.588	2005-WE-AX-0066	107,042	-
Passed-through N.C. Dept. of Crime Control and Public Safety:				
Governor's Crime Commission:				
ARRA Enhanced Victim's Services Grant	16.588	034-1-09-2VA-RW-716	138,194	-
CID Burglary /Robbery Initiative	16.588	034-1-10-001-BH-136	36,102	-
Safe on Seven Domestic Violence Grant	16.588	034-1-07-3VA-AW-833	146,154	-
Total U.S. Dept. of Justice			795,133	-
Total federal awards			289,322,695	98,092,709

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

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FORSYTH COUNTY

For the Fiscal Year Ended June 30, 2011

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Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Federal/State Pass-Through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures
State Awards:				
<u>N.C. Dept. of Health and Human Services</u>				
Division of Social Services:				
Adult Protective Services		-	\$ -	46,791
Adoption/Foster Care		-	-	139,109
Share the Warmth		-	-	24,460
CPS Expansion		-	-	186,015
State/County Special Assistance for Adults - Direct Benefit Payments		-	-	2,672,010
Division of Child Development:				
Passed-through Forsyth Early Childhood Partnership:				
Early Childhood Initiatives - Smart Start		-	-	171,058
General Health Administration		-	-	130,988
Child Health		-	-	44,738
AIDS		-	-	22,230
Offsite HIV CTS		-	-	112,330
Tuberculosis		-	-	57,424
TB Medical Services		-	-	2,968
Comp Breast Cancer Screen		-	-	14,571
Communicable Disease		-	-	1,480
CSHS Speech and Hearing		-	-	15,215
Minority Infant Mortality Reduction		-	-	26,977
Maternal and Child Health Services		-	-	55,252
Women's Preventive Health		-	-	61,493
Child Svc Coordination		-	-	3,520
High Risk Maternity Unit		-	-	90,756
School Nurse Funding		-	-	103,160
AHEC NC Preceptor Payments		-	-	5,650
Healthy Carolinas		-	-	8,238
UNC Weight Wise Program		-	-	1,666
Family Strengthening Initiative		-	-	15,994
Division of Public Health:				
Division of Aging:				
Passed-through Northwest Piedmont Council of Governments:				
Home and Community Care		-	-	182,099
Total N.C. Dept. of Health and Human Services				4,196,192
<u>N.C. Dept. of Cultural Resources</u>				
Division of State Library:				
(a) State Aid to Libraries		-	-	303,844
<u>N.C. Dept. of Environment and Natural Resources</u>				
Triad Air Awareness Ozone Reduction		-	-	60,341
Air Quality Mobile Source Program		-	-	209,129
Food and Lodging Permit Distribution		-	-	18,331
Environmental Health		-	-	4,000
Childhood Lead Poisoning Prevention		-	-	45,321
NC A&T University Position Reimbursement		-	-	38,967
SWC - Agricultural Cost Share Program		-	-	25,352
SWC - Administration and Technical Assistance		-	-	4,820
Total N.C. Dept. of Environment and Natural Resources				406,261
<u>N.C. Dept. of Juvenile Justice and Delinquency Prevention</u>				
Juvenile Crime Prevention		-	-	713,108
ARRA JCPC Winston-Salem State University		-	-	29,454
Total N.C. Dept. of Juvenile Justice and Delinquency Prevention				742,562

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

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FORSYTH COUNTY

For the Fiscal Year Ended June 30, 2011

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<u>Grantor / Pass-through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal/State Pass-Through Grantor's Number</u>	<u>Fed. (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>
<u>N.C. Dept. of Correction</u>				
Criminal Justice Partnership Program		-	\$ -	229,357
<u>Office of the Governor</u>				
Public School Building Capital Fund		0-002-933	-	8,981,688
<u>N.C. Dept. of Transportation</u>				
Rural Operating Assistance Program:				
Work First Transitional/Employment Transportation Assistance		9.9051570	-	88,620
Elderly and Disabled Transportation Assistance		9.9050716	-	202,294
Total N.C. Dept. of Transportation			-	290,914
Total state awards			-	15,150,818
Total awards			\$ 289,322,695	113,243,527

(a) Major federal and / or state award program.

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FORSYTH COUNTY, NORTH CAROLINA
 For the Fiscal Year Ended June 30, 2011

(1) Basis of Presentation

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

(2) Subrecipients

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

<u>Program Title/Subrecipient</u>	<u>Federal CFDA Number</u>	<u>Federal/State Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
U.S. Department of Justice				
N.C. Department of Crime Control and Public Safety				
Governor's Crime Commission - Juvenile Crime Prevention Council:				
Safe on Seven Domestic Violence Grant	16.588	034-1-07-3VA-AW-833	\$ 146,154	\$ -
N.C. Department of Juvenile Justice and Delinquency Prevention - Juvenile Crime Prevention:				
Host Homes	-	-	-	107,260
Teen Court	-	-	-	34,524
Work & Earn it / Monetary Restitution	-	-	-	110,436
Gray Cottage	-	-	-	260,000
Juvenile Psychological Services	-	-	-	84,109
YWCA - Make a Difference	-	-	-	66,919
Adolescent Anger Management	-	-	-	10,860
Strengthening Families	-	-	-	23,500
JCPC Administrative	-	-	-	15,500
ARRA Winston-Salem State University	-	-	-	29,454
Public School Building Capital Fund:				
Winston-Salem/Forsyth County Schools	-	0-002-933	-	8,981,688
Rural Operating Assistance Program:				
City of Winston-Salem - Elderly and Disabled Transportation Assistance	-	9.9050716	-	202,294

(3) Clusters

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

ACKNOWLEDGEMENTS

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

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

[Lee H. Plunkett](#), Treasurer

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

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

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

[M. Brandon Branscome](#), Fiscal Analyst

Cover Design: [Gina Childress](#)



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