

Annual Comprehensive Financial Report

Year Ended June 30, 2021

Forsyth County, North Carolina



Forsyth County,
North Carolina

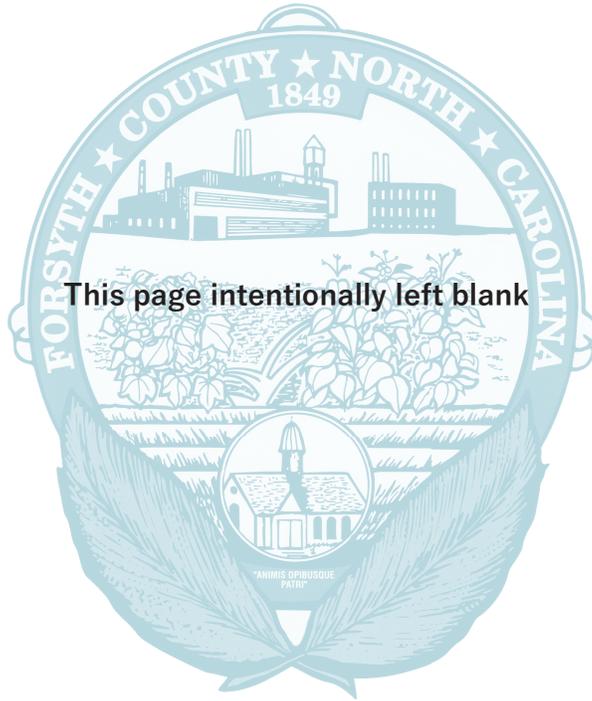
Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

Prepared by the Forsyth County Finance Department:

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

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



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Forsyth County, North Carolina

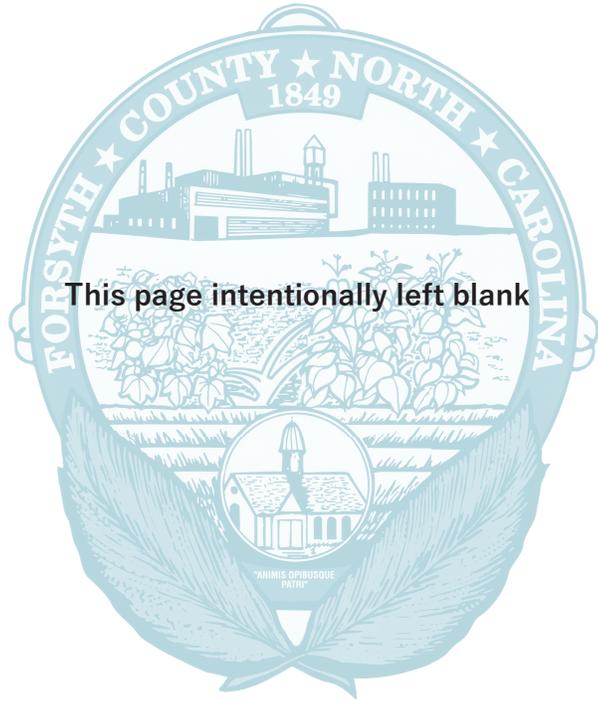
Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2021

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Terri L. Goodman, CPA
CHIEF FINANCIAL OFFICER

Michael J. Phelps, CPA
DEPUTY CHIEF FINANCIAL OFFICER



Lee H. Plunkett
ASSISTANT CHIEF FINANCIAL OFFICER

Teresa G. Everhart, CISR
RISK MANAGER

FINANCE DEPARTMENT

December 21, 2021

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, 2021.

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

Forsyth County's financial statements have been audited by Elliott Davis, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Forsyth County for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Forsyth County's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the compliance section of this report.

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

Profile of the Government

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

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

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

The annual budget serves as the foundation for Forsyth County's financial planning and control. Each year all County departments are required to submit requests for appropriations to the County Manager, who then compiles a proposed budget and presents it to the Board of Commissioners for review. The Board is required to hold public hearings on the proposed budget and to adopt a final budget by July 1 of the fiscal year, or the Board must adopt an interim budget that covers that time

until the annual ordinance can be adopted. The annual ordinance includes appropriations for the General Fund, the Capital Reserve Fund, the Debt Service Fund, and four annually budgeted special revenue funds. Note 1c provides additional information on budgetary data. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 18 as part of the basic financial statements for the governmental funds and, in greater detail, on pages 62 - 64 in the subsection for major fund budgetary comparison schedules. For annually budgeted special revenue funds, this comparison is presented in the nonmajor governmental fund subsection of this report, which starts on page 69. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each nonmajor governmental fund for which a project-length budget has been adopted (i.e., grant project special revenue funds and capital project funds).

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

Factors Affecting Financial Condition

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

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

Forsyth County, with an estimated population of 383,274 and a workforce of more than 185,000, plays a vital role in the Triad's economy. With a strong and well diversified core of manufacturing companies, health care, biotechnology, financial services, and tourism sectors, the County serves as the major employment center for the counties which comprise northwest North Carolina and portions of southwest Virginia. The County's average unemployment rate for the year ended June 30, 2021 is 6.2 percent, which is lower than the national rate of 6.9 percent and higher than the state rate of 6.0 percent. The impact of the COVID-19 pandemic is still evident as a higher than normal unemployment rate still lingers.

Economic resilience and employment stability have formed the foundation for strong local consumer and commercial markets. The most recent per capita personal income levels from 2019 remain consistently higher than state figures. The County's per capita income is \$49,247, the thirteenth highest among counties in the state, and higher than the State's \$47,766. Capital investment, as measured by the value of new residential and commercial building permits issued during the year, totaled \$768.9 million during the year ended June 30, 2021, a significant increase of 42.3 percent over the prior year.

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

As of June 30, 2021, the County's CIP through the year 2027 consists of \$141.4 million for proposed projects that are yet to be funded. General obligation bonds will be incurred for public schools (\$99.9 million), community college projects (\$19.4 million), park system development and maintenance (\$6.0 million), and County general capital maintenance (\$6.0 million). A bond referendum, approved in November 2016, provides the \$86.9 million of schools, community college and park system development and maintenance funds with the balance, \$44.4 million, coming from non-voter approved two-thirds bonds. Short term financing such as Pay-Go, current appropriations, and grants will provide the funding for the remaining portion of projects at the Smith Reynolds Airport (\$9.4 million) and Tanglewood Business Park (\$0.7 million).

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

Tax Rate - The Board of Commissioners strives to limit the growth of the annual operating budget to an amount which can be accommodated by growth in the tax base as well as other local, state and federal revenues, without a tax rate increase, whenever possible. The fiscal year 2021 tax rate of \$.7435 is \$.01 lower than the prior year rate.

Education Debt Leveling Plan ("EDLP") – In order to level the effects of issuing \$250 million schools and \$25 million community college bonds authorized in the November 2006 referendum, the County has dedicated proceeds from the state education lottery and from a 3-cent property tax increase first levied in fiscal year 2008 to debt service on these bonds. Similarly, the fiscal year 2010 budget included an additional 1.1-cent tax increase over the revenue-neutral rate to fund the \$62 million educational facilities bond authorization approved in the November 2008 referendum. These EDLP tax rates were adjusted to \$.033 and \$.0121 for the 2006 and 2008 EDLP reserves, respectively, following the fiscal year 2014 revaluation. No additional tax increases are anticipated to pay this debt service. Each year lottery funds will be applied first, and the balance of applicable debt service will be paid from fund balance designated from the 3.3-cent and 1.21-cent levies plus any interest on that designated fund balance. The EDLP currently has a balance of \$13.4 million.

Library Debt Leveling Plan ("LDLP") – In order to level the effects of issuing \$40 million library bonds authorized in the November 2010 referendum, the County has dedicated proceeds from a \$.0057 property tax increase first levied in fiscal year 2016 to debt service on these bonds. No additional tax increases are anticipated to pay this debt service. Each year applicable debt service will be paid from fund balance designated from the \$.0057 levy plus any interest on that designated fund balance. The LDLP currently has a balance of \$1.5 million.

Public Improvement Debt Leveling Plan ("PIDLP") – In order to level the effects of issuing \$163.6 million schools, \$30.4 million community college, and \$7.0 million parks bonds authorized in the November 2016 referendum, the County has dedicated proceeds from annual operating contributions and from a 2.9-cent property tax increase first levied in fiscal year 2018 to debt service on these bonds. No additional tax increases are anticipated to pay this debt service. Each year applicable debt service will be paid from fund balance designated from the 2.9-cent levy plus any interest on that designated fund balance. The PIDLP currently has a balance of \$9.7 million.

Courthouse Debt Leveling Plan ("CHDLP") – In order to level the effects of debt issued for the construction of a new courthouse facility, the County has dedicated proceeds from a \$.02 property tax rate increase first levied in fiscal year 2020 to debt service incurred for this project. No additional tax increases are anticipated to pay this debt service. Each year applicable debt service will be paid from fund balance designated from the 2.0-cent levy plus any interest on that designated fund balance. The CHDLP currently has a balance of \$14.7 million.

Debt Policy - Forsyth County recognizes that a formally adopted debt policy is fundamental to sound financial management. The fiscal year 2021 budget was adopted under the policy goal that the total annual debt service for long-term obligations would not exceed 18% of the appropriations in the

annually adopted budget as shown in the Budget Ordinance. The policy of keeping debt service at less than a specified percent of the budget can greatly influence the timing and/or amount of funding for a project, as well as the method of funding.

Fund Balance Policy – Available fund balance in the General Fund should be at least 14% of the subsequent year’s budget. The County exceeded this policy target ending the 2021 fiscal year with an available fund balance, net of committed fund balance, of 19.3% of its 2022 budget. \$8.9 million of available fund balance was appropriated to balance the fiscal 2022 budget leaving 17.5% available fund balance of which 14% was set aside in accordance with the County’s fund balance policy. The remaining 3.5%, or \$17.6 million, was assigned for fiscal 2022 economic development and management special projects. One of the County’s goals for future budgets is to reduce the amount of appropriated fund balance needed to balance the budget.

Major Initiatives. While fiscal stress remains for businesses, citizens and local governments due to the ongoing pandemic, the two major revenue sources for the County (property and sales tax) remain stronger than expected. This relative strength plus another influx of federal CARES Act funding resulted in another strong balance sheet. Additionally, continued efforts at reorganization, re-engineering of work processes, efficiency improvements and other efforts to control costs have provided some easing of budgetary pressures. The County expects to have a strong focus on these types of efforts as it seeks to find and implement innovative strategies and systems throughout the organization.

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

The focus of the fiscal year 2021 budget is on maintaining the policies which form the financial foundation of the County; the 18% debt ceiling, the 14% fund balance target, the school, library and public improvement debt leveling plans, and the use of a multi-year approach to mitigate effects of revaluations. Also, capital maintenance plans for the County, schools and community college which utilize two-thirds bonds for funding every other year provide resources to keep facilities safe, sound and usable and allow for maintenance planning over the life of facilities.

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

Awards and Acknowledgements

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Forsyth County for its comprehensive annual financial report for the fiscal year ended June 30, 2020. This was the 37th 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 2021 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 2022 budget continues to conform to program requirements, and we are submitting it to GFOA to determine eligibility for another award.

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

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

Sincerely,

J. Dudley Watts, Jr.

Forsyth County Manager

Forsyth County Board of Commissioners



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

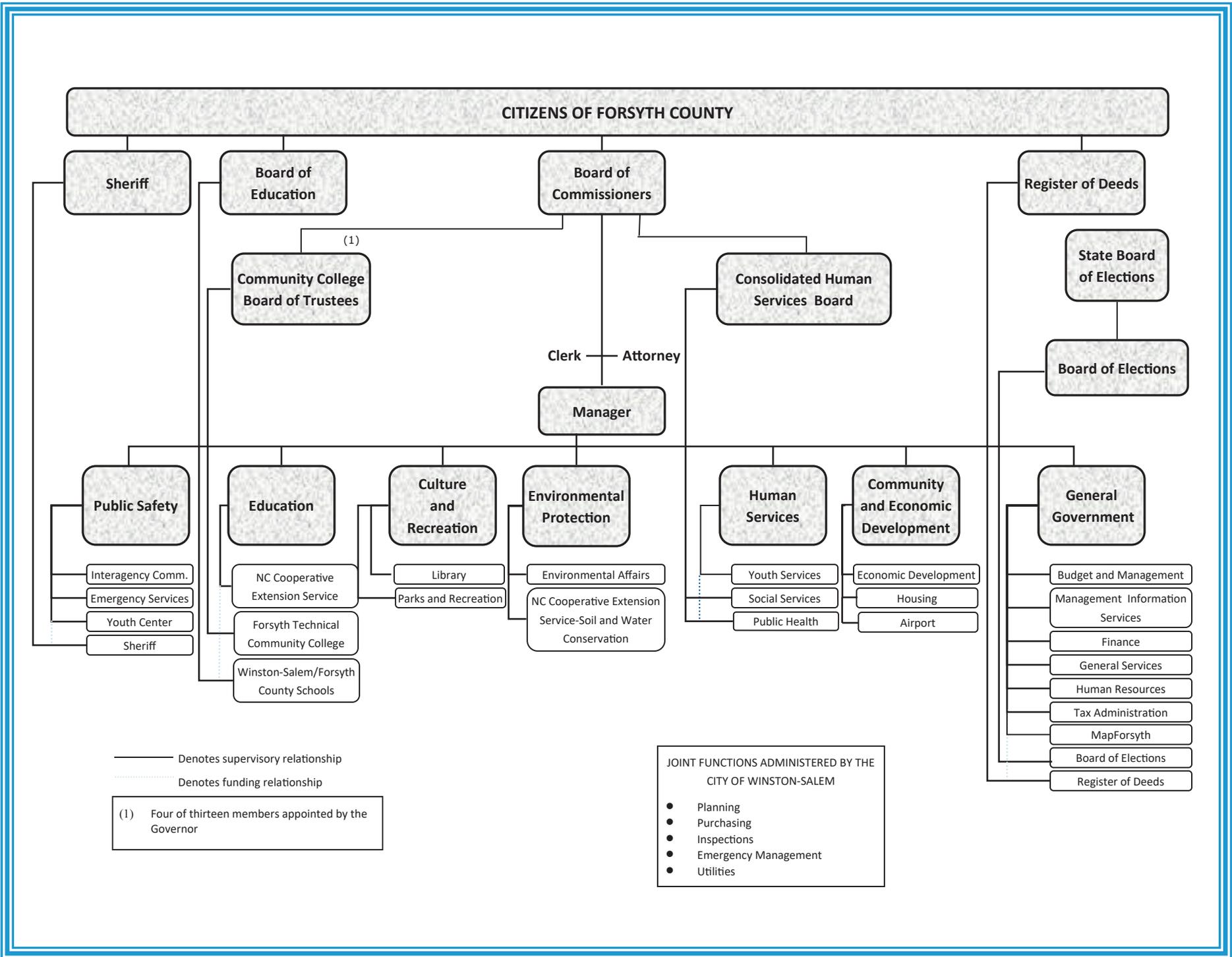
County Officials



J. Dudley Watts, Jr.
County Manager



Paul L. Fulton, Jr.
Chief Financial Officer





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

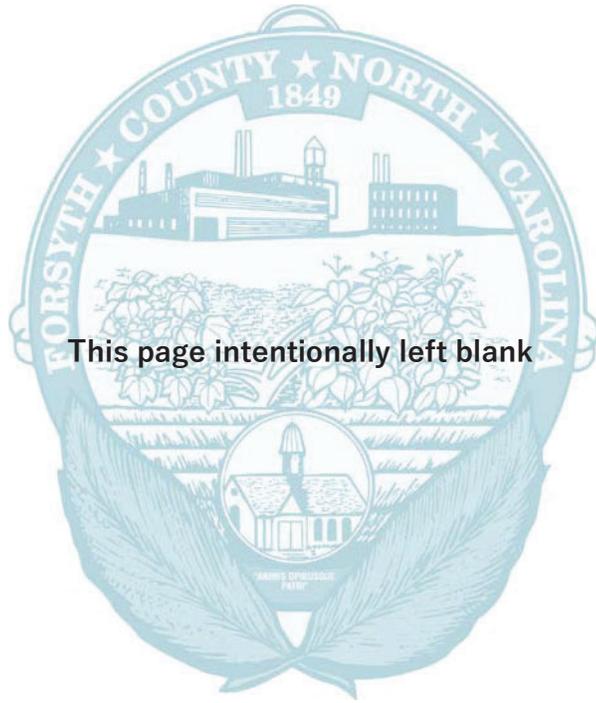
**County of Forsyth
North Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO



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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Forsyth County, North Carolina (the "County") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2021, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 5h to the financial statements, effective July 1, 2020, the entity adopted new accounting guidance promulgated in GASB Statement No. 84, Fiduciary Activities. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Local Government Employee's Retirement System's Schedules of Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions, the Law Enforcement Officers' Special Separation Allowance Schedules of Changes in the Total Pension Liability (Asset) and Total Pension Liability (Asset) as a Percentage of Covered Payroll, the Register of Deeds' Schedules of Proportionate Share of Net Pension Asset and Employer Contributions, and the Healthcare Plan Schedules of Changes in Net OPEB Liability and Related Ratios, Employer Contributions and Investment Returns, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Other Information, Continued

The combining and individual fund financial statements, budget and actual comparisons, statement of changes in assets and liabilities – custodial funds, schedule of ad valorem taxes receivable, analysis of current tax levy, schedule of ten largest taxpayers, the schedule of expenditures of federal and state awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budget and actual comparisons, statement of changes in assets and liabilities – custodial funds, schedule of ad valorem taxes receivable, analysis of current tax levy, schedule of ten largest taxpayers, the schedule of expenditures of federal and state awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

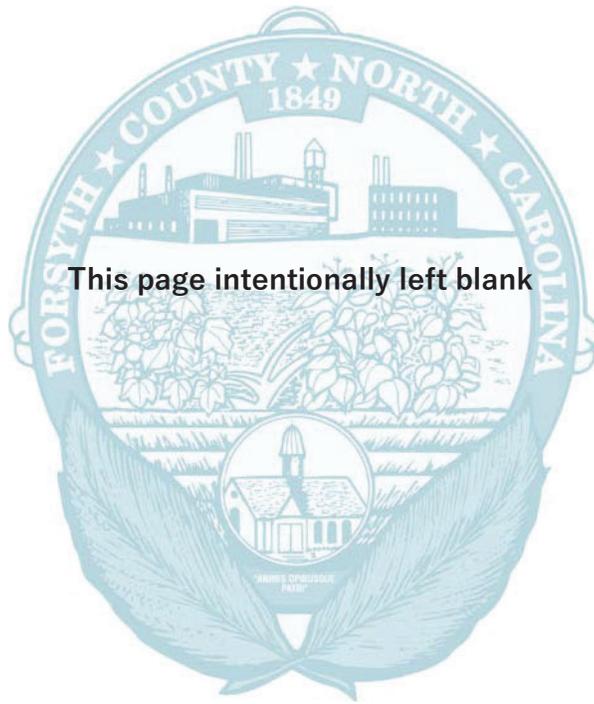
The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Raleigh, North Carolina
December 21, 2021



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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Forsyth County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2021. This narrative complements the data presented in the basic financial statements and we encourage readers to read the information presented here in conjunction with the transmittal letter at the front of this report and the County's financial statements, which follow this narrative.

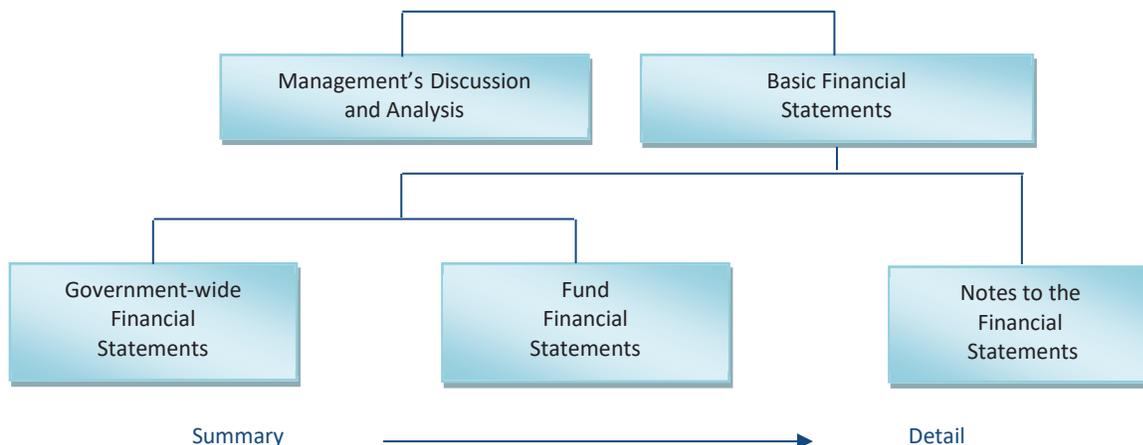
FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Forsyth County were lower than its liabilities and deferred inflows of resources at the close of the fiscal year by \$73.6 million (*net deficit*). The deficit in total net position reflects the County's issuance of debt as provided by State law for public school and community college facilities. The assets acquired with such debt are not owned by the County, and therefore, are not included in the County's Statement of Net Position. Had this school and community college related debt (net of unspent proceeds) not been reported as a reduction of net position, total net position would be \$330.1 million.
- The County's total net position increased by \$42.1 million from net position of the prior period despite the payment of \$64.1 million for public school and community college facilities that are not reported as assets of the County.
- Forsyth County maintained its Aaa bond rating from Moody's Investors Service and AAA rating from Fitch Ratings and Standard & Poor's Corporation for the 26th consecutive year.
- As of the close of the current fiscal year, Forsyth County's governmental funds reported combined ending fund balances of \$572.6 million, an increase of \$261.3 million in comparison with the prior year. This increase is largely attributed to the issuance of additional long-term debt to fund schools and community college capital project expenditures.
- The balance in the Education Debt Leveling Plans increased by a net \$1.7 million for the year bringing the total available to pay for future education-related debt service to \$13.4 million. The balance in the Library Debt Leveling Plan increased by a net \$38,000 for the year bringing the total available to pay for future library-related debt service to \$1.5 million. The balance in the Public Improvement Debt Leveling Plan decreased by a net \$2.3 million for the year bringing the total available to pay for future public improvement-related debt service to \$9.7 million. The balance in the Courthouse Debt Leveling Plan increased by a net \$7.3 million for the year bringing the total available to pay for future courthouse-related debt service to \$14.7 million.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$70.0 million or 19.5% of total general fund expenditures for the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Required Components of Annual Financial Report



BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

All of the County's basic services were accounted for in 40 governmental funds for the year ended June 30, 2021. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the 2016 Schools Facilities Fund, the 2017 Court Facilities Fund, the Capital Reserve Fund, the Debt Service Fund, and the Pandemic Response Fund which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements are [Exhibits 3](#), [4](#), and [5](#) of this report.

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

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Forsyth County’s own programs. One trust fund, the other post-employment benefit trust, and two custodial 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 - 54 of this report.

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

Budgetary comparison schedules for major funds are presented following the required supplementary information on pensions and OPEB. The combining statements referred to earlier in connection with nonmajor governmental funds and individual fund statements and schedules can be found on pages 72 – 112 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as one useful indicator of a government’s financial condition. The liabilities and deferred inflows of resources of Forsyth County exceed assets and deferred outflows of resources by \$73.6 million as of June 30, 2021. The deficit in total net position is a result of the County issuing debt for the construction, renovation, or acquisition of public school and community college facilities that are not reported as assets of the County. These facilities are necessary to provide for the education of the citizens of the County. North Carolina statutes do not permit public schools and community colleges to issue debt; responsibility for providing these facilities lies with the County. The titles to these assets are held by the Winston-Salem/Forsyth County Board of Education or Forsyth Technical Community College, and the assets are reported on their financial statements, as applicable. The outstanding amount of education-related debt, net of unspent proceeds, is \$403.7 million at year-end and is reported as a reduction of unrestricted net position for governmental activities, resulting in a deficit balance of \$390.5 million for this category of net position. Had the education-related debt not been reported as a reduction of unrestricted net position, the balance of unrestricted net position for governmental activities would be \$13.2 million and total net position would be \$330.1 million, an increase in adjusted total net position of \$69.9 million over the prior year.

The following summarizes Net Position at June 30, 2021 and 2020:

| Forsyth County’s Net Position | | |
|--------------------------------------|--------------------------------|-------------------------|
| | Governmental Activities | |
| | 2021 | 2020 |
| Current and other assets | \$ 635,864,239 | \$ 353,813,653 |
| Capital assets | 248,683,695 | 238,933,363 |
| Total assets | <u>884,547,934</u> | <u>592,747,016</u> |
| Deferred outflows of resources | <u>44,516,754</u> | <u>41,323,190</u> |
| Long-term liabilities outstanding | 915,172,371 | 716,244,838 |
| Other liabilities | 47,098,552 | 24,480,915 |
| Total liabilities | <u>962,270,923</u> | <u>740,725,753</u> |
| Deferred inflows of resources | <u>40,429,531</u> | <u>9,046,322</u> |
| Net position: | | |
| Net investment in capital assets | 151,261,560 | 141,204,543 |
| Restricted | 165,624,698 | 62,092,255 |
| Unrestricted deficit | <u>(390,522,024)</u> | <u>(318,998,667)</u> |
| Total net position | <u>\$ (73,635,766)</u> | <u>\$ (115,701,869)</u> |

A major portion of net position reflects the County's \$151.3 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 \$165.6 million of Forsyth County's net position are subject to external restrictions on how they may be used.

The deficit in unrestricted net position was increased by \$71.5 million. The change in unrestricted net position resulting from governmental activities is discussed in the following section.

Governmental activities. Since the County has no business-type activities, the total change in net position is a result of governmental activities. The County's net position increased by \$42.1 million for the fiscal year ended June 30, 2021.

The following summarizes the changes in net position for the years ended June 30, 2021 and 2020:

| Forsyth County's Changes in Net Position | | |
|--|--------------------------------|--------------------------------|
| | Governmental Activities | |
| | <u>2021</u> | <u>2020</u> |
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 34,685,119 | \$ 35,048,354 |
| Operating grants and contributions | 77,620,849 | 51,111,206 |
| Capital grants and contributions | 489,052 | 408,031 |
| General revenues: | | |
| Property taxes | 297,343,536 | 291,511,563 |
| Other taxes | 101,426,330 | 74,311,751 |
| Grants and contributions not restricted to specific programs | 6,556,826 | 5,372,214 |
| Other | 769,955 | 6,475,218 |
| Total revenues | <u>518,891,667</u> | <u>464,238,337</u> |
| Expenses: | | |
| General government | 44,665,735 | 46,726,526 |
| Public safety | 93,280,119 | 91,710,314 |
| Environmental protection | 3,017,914 | 3,169,444 |
| Human services | 77,789,756 | 75,044,951 |
| Culture and recreation | 17,985,372 | 18,744,724 |
| Community and economic development | 7,907,657 | 9,569,704 |
| Education | 215,467,699 | 190,237,126 |
| Interest on long-term debt | 16,711,312 | 20,159,476 |
| Total expenses | <u>476,825,564</u> | <u>455,362,265</u> |
| Increase in net position | <u>42,066,103</u> | <u>8,876,072</u> |
| Net position, July 1 | <u>(115,701,869)</u> | <u>(124,577,941)</u> |
| Net position, June 30 | <u>\$ (73,635,766)</u> | <u>\$ (115,701,869)</u> |

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

- Program and general revenues increased \$54.7 million from the prior year.
- Education expenses of \$64.1 million represent debt-funded outlays for which the resulting capital assets are not reported as assets of the County; however, liability for the applicable debt is reported on the County's Statement of Net Position.

FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS

As noted earlier, Forsyth County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. For the fiscal year ended June 30, 2021, the County’s six major funds were the General Fund, the 2016 Schools Facilities Fund, the 2017 Court Facilities Fund, the Capital Reserve Fund, the Debt Service Fund, and the Pandemic Response Fund.

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

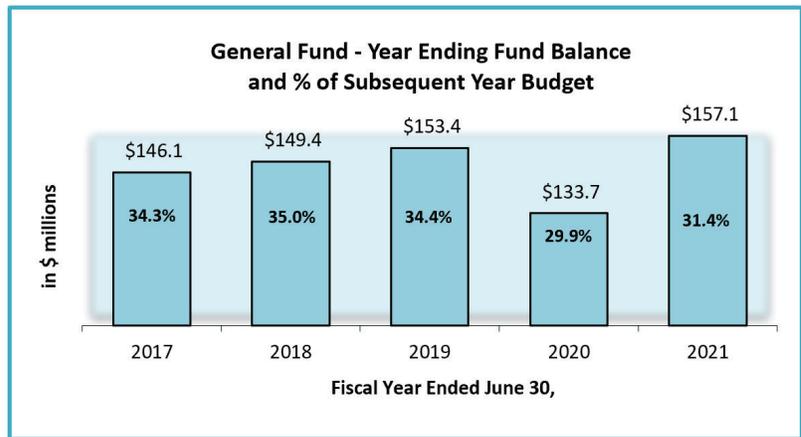
As of the end of the fiscal year, the County’s governmental funds reported combined fund balances of \$572.6 million, an increase of \$261.3 million from the prior year. This increase is primarily the result of the issuance of additional long-term debt to fund schools and community college capital project spending. Approximately 67.7%, or \$387.9 million of total combined fund balance, is restricted or non-spendable. \$222.5 million of this restricted total is restricted for debt funded capital expenditures. \$88.4 million is committed for future debt service, economic development projects, or capital projects. \$26.6 million is assigned for subsequent fiscal year 2022 expenditures and capital projects. The remainder of the fund balance is unassigned.

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

Amendments to the General Fund budget during the year totaled \$40.9 million. Unanticipated sales tax revenue of \$7.8 million was appropriated to restore merit-based salary adjustments. Unanticipated state and federal grants totaling \$9.4 million were appropriated for public health and social services. Appropriations of \$20.8 million were made from fund balance, including \$1.4 million for public safety salary adjustments and youth detention purposes, \$493,000 for human services initiatives, and \$18.1 million to establish the 2020 Pay-Go project fund.

Although \$33.8 million of fund balance was appropriated in the final budget, the net change in fund balance for the year was an increase of \$23.4 million.

General Fund At the end of the current fiscal year, the fund balance in the General Fund was \$157.1 million, an increase of \$23.4 million, with \$118.4 million available for appropriation and \$70.0 million considered unassigned. To meet the cash flow needs of the County and to provide for unforeseen needs or opportunities, the governing body of Forsyth County has determined that the County should maintain a minimum available fund balance (net of committed fund balance) of 14% of its subsequent year’s general fund expenditures. The County exceeded this policy target ending the 2021 fiscal year with an available fund balance, net of committed fund balance, of \$96.6 million, 19.3% of its 2022 budget. \$8.9 million of fund balance was appropriated to balance the fiscal 2022 budget leaving 17.5% available fund balance of which 14% was set aside in accordance with the County’s fund balance policy.



Key factors that resulted in the \$23.4 million increase in the General Fund fund balance include:

- General Fund revenues increased \$32.3 million over the prior year attributed primarily to a \$26.7 million increase in sales tax revenue and \$6.0 million increase in property tax revenue arising from a \$1.05 billion increase in the County’s fiscal year 2021 assessed property valuation.
- Continued diligence in the collection of property taxes which resulted in a 99.37% collection percentage allows the County to realize nearly full benefit of its property tax levy.

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

- \$1.2 million is committed for capital improvements at the Smith Reynolds Airport.

- \$2.0 million is committed for the future payment of Law Enforcement Special Separation Allowance benefits.
- \$1.3 million is committed for COVID response.
- \$1.0 million is committed for economic development agreements.
- \$9.8 million is committed for Article 46 and non-Article 46 sales tax for the Winston-Salem/Forsyth County Schools.
- \$14.8 million is assigned for management special projects. This amount represents the amount by which available fund balance net of all committed and assigned balances exceeded 14% of the fiscal year 2022 budgeted expenditures.

2016 Schools Fund The 2016 Schools capital project fund accounts for the construction of and renovation to school facilities and the related acquisition of land, furnishings and equipment financed by proceeds of school facilities bonds approved by voters in a 2016 referendum. Through June 30, 2021, \$276.0 million of the \$350 million in voter approved bonds have been issued and \$162.6 million has been reimbursed to the Winston-Salem/Forsyth County School system for expenditure on approved projects. Project spending during fiscal year 2021 included: \$24.0 million for the new Lewisville Middle School; \$7.9 million for Easton Elementary addition and renovation; \$6.0 million for the Wiley Middle School addition and gym replacement; \$5.3 million for technology upgrades; \$3.7 million for various maintenance and repair projects; \$2.1 million for the Lowrance-Paisley replacement; 1.0 million for the Konnoak Elementary School replacement; \$830,000 for the North Forsyth High School renovation; 645,000 for safety and camera updates; \$428,000 for Philo-Hill Middle renovation; and, \$400,000 for the new Ashley Elementary School. The fund balance in the 2016 Schools Fund at June 30, 2021 is \$116.1 million. The County anticipates issuing the remaining authorized general obligation school bonds in 2023. Expenditure of the remaining proceeds is expected to extend out through 2026.

2017 Court Facilities Fund The 2017 Court Facilities capital project fund accounts for proceeds of general obligation two-thirds bonds and limited obligation bonds issued to finance the acquisition, construction, expansion, improvement, renovation and equipment for courthouse buildings and facilities. Through June 30, 2021, \$107.2 million in general and limited obligation bonds have been issued and \$16.0 million has been expended on the County's new 250,000-square-foot, 18-courtroom courthouse facility. The project is expected to be complete in 2024.

Capital Reserve Fund Effective July 1, 2020, the County established a Capital Reserve Fund to account for reserves accumulated under the County's four debt leveling plans and for future capital projects. During the year, the Capital Reserve Fund received \$66.6 million in transfers from the General Fund. These transfers included \$40.1 million for property tax revenue collected under the debt leveling plans; and, \$26.6 million in funding required to meet all current year non-debt leveling debt service requirements. The Capital Reserve Fund transferred \$59.8 million to the Debt Service Fund to provide funds for the payment of all current year debt service. The fund balance in the Capital Reserve Fund at June 30, 2021 is \$39.3 million and is comprised of the following designations:

- The unspent balance of proceeds from 4.51 cents on the ad valorem tax rate and interest earned thereon totaling \$13.4 million and has been committed for the retirement of education debt authorized in the November 2006 and 2008 referendums. This commitment is a key component of the Education Debt Leveling Plan.
- The unspent balance of proceeds from .57 cents on the ad valorem tax rate and interest earned thereon totaled \$1.5 million and has been committed for the retirement of library debt authorized in the November 2010 referendum. This commitment is a key component of the Library Debt Leveling Plan.
- The unspent balance of proceeds from 2.9 cents on the ad valorem tax rate and annual operating contributions, and interest earned thereon, totaled \$9.7 million. These funds have been committed for the retirement of schools, community college, and parks and recreation debt authorized in the November 2016 referendum. This commitment is a key component of the Public Improvement Debt Leveling Plan.
- The unspent balance of proceeds from 2.0 cents on the ad valorem tax rate and interest earned thereon totaled \$14.7 million and has been committed for the retirement of debt issued for the design and construction of a new courthouse facility. This commitment is a key component of the Courthouse Debt Leveling Plan.

Debt Service Fund Effective July 1, 2020, the County established a Debt Service Fund to account for the annual payment of debt service and related revenues and expenditures. During the year, the Debt Service Fund received \$59.8 million in transfers from the Capital Reserve Fund, \$4.2 million in transfers of lottery proceeds from the State Public School Building Capital Fund, and \$1.5 million in federal interest payment subsidies to provide funding for the payment of \$83.5 million in current year debt service. The fund balance in the Debt Service Fund at June 30, 2021 is \$37,000. This balance represents amounts due from the City of Winston-Salem at yearend.

Pandemic Response Fund The Pandemic Response special revenue fund accounts for federal grant funds received from the Emergency Rental Assistance Program and Local Fiscal Recovery Fund under the American Rescue Plan Act for expenditures incurred in response to and in recovery from the Coronavirus Disease 2019 public health emergency. During the year, the Pandemic Response Fund received \$6.8 million in Emergency Rental Assistance Program revenue and distributed \$1.8 million in benefits to eligible recipients. The Fund also received \$37.1 million in Local Fiscal Recovery Fund revenue under the American Rescue Plan Act of which \$18.2 million was recognized as revenue in the current year. The remaining \$18.9 million is considered not yet earned and reported as a liability at year end.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. Forsyth County's investment in capital assets for its governmental activities as of June 30, 2021, totals \$248.7 million (net of accumulated depreciation), a \$9.8 million increase from the prior year. These assets include land, buildings, construction-in-progress, park facilities, equipment, vehicles and software.

Major capital asset transactions during the year include:

- Library projects totaling \$4.5 million.
- General government and parks maintenance projects totaling \$3.4 million.
- Design and construction costs for the New Family Museum totaling \$1.7 million.
- Court facility project costs totaling \$9.5 million.
- Tanglewood Business Park costs totaling \$1.6 million.
- Smith Reynolds Airport maintenance and improvement costs totaling \$431,000.
- Public safety equipment and vehicle costs totaling \$815,000.

| | Governmental Activities | |
|-----------------------------------|--------------------------------|-----------------------|
| | 2021 | 2020 |
| Land | \$ 19,474,531 | \$ 19,522,309 |
| Art collections | 626,888 | 577,907 |
| Construction-in-progress | 21,538,354 | 13,184,660 |
| Buildings | 166,340,492 | 165,507,627 |
| Improvements other than buildings | 31,667,573 | 30,165,238 |
| Equipment and software | 5,063,466 | 5,458,690 |
| Vehicles | 3,972,391 | 4,516,932 |
| Total Capital Assets | <u>\$ 248,683,695</u> | <u>\$ 238,933,363</u> |

Additional information on the County's capital assets can be found in Note 4e on pages 35 - 36 of the Basic Financial Statements.

Long-term Debt. At June 30, 2021, Forsyth County had total bonded debt outstanding of \$601.3 million, all of which is backed by the full faith and credit of the County, total limited obligation and installment financing debt of \$139.0 million secured solely by specified property, and unsecured long-term debt of \$3.6 million. The County's total liability for bonded debt, limited obligation bonds, installment financing agreements, and unsecured debt is \$744.0 million, an increase of \$192.0 million from the previous year. New debt issued during the year included \$19.9 million general obligation refunding bonds which produced an economic gain of \$229,000 over the next 6 years.

At June 30, 2021 and 2020, the County's bonded and non-bonded debt consisted of:

| | Governmental Activities | |
|----------------------------------|--------------------------------|-----------------------|
| | 2021 | 2020 |
| General obligation bonds | \$ 601,330,000 | \$ 513,090,000 |
| Limited Obligation Bonds | 127,755,000 | 18,085,000 |
| Installment purchase obligations | 11,270,000 | 18,555,477 |
| Other long-term borrowing | 3,646,099 | 2,247,974 |
| Total Outstanding Debt | <u>\$ 744,001,099</u> | <u>\$ 551,978,451</u> |

As mentioned in the financial highlights section of this document, Forsyth County maintained for the 26th 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 \$3.07 billion. The County's total bonded debt is 1.69% 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 37 - 42 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, 2022 in the amount of \$500.1 million, an increase of \$12.3 million or 2.5% from the final 2021 budget of \$446.9 million. The property tax rate of \$0.6778 per hundred dollars assessed value is \$.0657 lower than the prior year rate. \$12.3 million of the County's \$118.4 million available fund balance was appropriated, of which \$1.8 million was for the reappropriation of prior year encumbrances and \$1.6 million was from restricted fund balances. Fund balance available net of committed fund balance and fund balance appropriated for the fiscal year 2022 budget is 17.5% of 2022 budgeted expenditures.

Significant factors considered in the preparation of the fiscal year 2022 County budget include:

- The County strives to limit the growth of the annual operating budget to an amount which can be accommodated by growth in the tax base as well as other local, state and federal revenues, without a tax rate increase, whenever possible.
- Despite the forecasted negative economic impact of the pandemic, sales taxes have been surprisingly strong throughout the pandemic. Management projects sales taxes growth will remain strong throughout the coming year.
- The three overarching themes that drive expenditures are: support for the Winston-Salem/Forsyth County Schools, debt service, and competition in the job market.
- Reduced lottery proceeds will continue to cause acceleration in the use of funds from the Education Debt Leveling Plan to cover education related debt costs.

REQUESTS FOR INFORMATION

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

Basic Financial Statements

FORSYTH COUNTY, NORTH CAROLINA
Statement of Net Position

Exhibit 1

June 30, 2021

| | Governmental Activities |
|---|------------------------------------|
| ASSETS | |
| Cash and cash equivalents / investments | \$ 237,455,583 |
| Investments - restricted | 344,907,982 |
| Net pension asset - restricted | 816,749 |
| Taxes receivable (net) | 2,695,274 |
| Accounts receivable (net) | 10,761,927 |
| Accrued interest on investments | 2,991 |
| Due from other governments | 39,090,553 |
| Prepaid items | 133,180 |
| Capital assets: | |
| Land, collections, and construction-in-progress | 41,639,773 |
| Other capital assets, net of depreciation | 207,043,922 |
| Total capital assets | <u>248,683,695</u> |
| Total assets | <u>884,547,934</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pension related deferrals | 31,232,498 |
| OPEB related deferrals | 8,566,654 |
| Deferred charge on refunding | 4,717,602 |
| Total deferred outflows of resources | <u>44,516,754</u> |
| LIABILITIES | |
| Accounts payable and accrued liabilities | 14,699,951 |
| Unearned revenue | 2,414,295 |
| Accrued interest payable | 6,853,531 |
| Due to other governments | 23,130,775 |
| Current portion of long-term liabilities | 67,034,520 |
| Noncurrent liabilities due in more than one year: | |
| Pension liabilities | 61,468,343 |
| Other post-employment benefits liability | 27,597,749 |
| Other long-term liabilities | 759,071,759 |
| Total liabilities | <u>962,270,923</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Pension related deferrals | 470,091 |
| OPEB related deferrals | 39,959,440 |
| Total deferred inflows of resources | <u>40,429,531</u> |
| NET POSITION | |
| Net investment in capital assets | 151,261,560 |
| Restricted for: | |
| Stabilization by state statute | 133,104,204 |
| Pension asset - Register of Deeds | 816,749 |
| Public safety | 3,723,891 |
| Human services | 24,634,583 |
| Community and economic development | 1,482,404 |
| Other purposes | 1,862,867 |
| Unrestricted deficit | <u>(390,522,024)</u> |
| Total net position | <u>\$ (73,635,766)</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, 2021

Exhibit 2

| Functions | Expenses | Program Revenues | | | Governmental Activities |
|------------------------------------|-----------------------|----------------------|------------------------------------|----------------------------------|-------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Governmental: | | | | | |
| General government | \$ 44,665,735 | 4,415,907 | 1,878,315 | - | (38,371,513) |
| Public safety | 93,280,119 | 15,645,791 | 5,215,441 | - | (72,418,887) |
| Environmental protection | 3,017,914 | 840,614 | 716,128 | - | (1,461,172) |
| Human services | 77,789,756 | 4,697,688 | 63,973,564 | - | (9,118,504) |
| Culture and recreation | 17,985,372 | 4,310,019 | 1,246,620 | - | (12,428,733) |
| Community and economic development | 7,907,657 | 4,739,263 | 348,318 | 489,052 | (2,331,024) |
| Education | 215,467,699 | 35,837 | 4,242,463 | - | (211,189,399) |
| Interest on long-term debt | 16,711,312 | - | - | - | (16,711,312) |
| Total governmental activities | \$ <u>476,825,564</u> | <u>34,685,119</u> | <u>77,620,849</u> | <u>489,052</u> | <u>(364,030,544)</u> |
| General revenues: | | | | | |
| Taxes: | | | | | |
| | | | | | 297,343,536 |
| | | | | | 97,253,545 |
| | | | | | 586,773 |
| | | | | | 483,922 |
| | | | | | 3,102,090 |
| | | | | | 6,556,826 |
| | | | | | 349,866 |
| | | | | | 420,089 |
| | | | | | <u>406,096,647</u> |
| | | | | | 42,066,103 |
| | | | | | (115,701,869) |
| | | | | | <u>\$ (73,635,766)</u> |

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

FORSYTH COUNTY, NORTH CAROLINA
Balance Sheet

Governmental Funds
 June 30, 2021

Exhibit 3

Page 1 of 2

| | <u>General Fund</u> | <u>2016 Schools Facilities</u> | <u>2017 Court Facilities</u> | <u>Capital Reserve</u> | <u>Debt Service</u> | <u>Pandemic Response</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|-----------------------|------------------------------------|--------------------------------------|----------------------------|-------------------------|------------------------------|--|---|
| ASSETS | | | | | | | | |
| Cash and investments | \$ 138,700,470 | - | - | 39,341,575 | 382,959 | - | 49,701,407 | 228,126,411 |
| Cash and investments - restricted | - | 114,803,041 | 93,524,136 | - | - | 40,903,097 | 95,677,708 | 344,907,982 |
| Receivables (net): | | | | | | | | |
| Property taxes | 1,895,505 | - | - | - | - | - | 64,517 | 1,960,022 |
| Occupancy taxes | 87,388 | - | - | - | - | - | - | 87,388 |
| Other taxes | 66,908 | - | - | - | - | - | - | 66,908 |
| Accounts | 10,077,938 | - | - | - | - | - | - | 10,077,938 |
| Accrued interest | (14,562) | - | - | - | - | 5,018 | 10,500 | 956 |
| Due from other governments | 34,432,695 | 1,303,957 | - | - | 43,203 | 1,444,421 | 1,866,277 | 39,090,553 |
| Due from other funds | 68,099 | - | - | - | - | - | - | 68,099 |
| Prepaid items | 122,250 | - | - | - | - | - | - | 122,250 |
| Total assets | \$ 185,436,691 | 116,106,998 | 93,524,136 | 39,341,575 | 426,162 | 42,352,536 | 147,320,409 | 624,508,507 |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable and accrued liabilities | \$ 10,699,346 | - | 2,165,830 | - | 382,959 | 264,475 | 1,123,217 | 14,635,827 |
| Due to other governments | 4,187,648 | - | - | - | 6,234 | 18,936,893 | - | 23,130,775 |
| Due to other funds | - | - | - | - | - | - | 68,099 | 68,099 |
| Unearned revenue | 2,119,926 | - | - | - | - | - | 125,271 | 2,245,197 |
| Total liabilities | 17,006,920 | - | 2,165,830 | - | 389,193 | 19,201,368 | 1,316,587 | 40,079,898 |
| Deferred Inflows of Resources: | | | | | | | | |
| Unavailable taxes | 1,895,505 | - | - | - | - | - | 64,517 | 1,960,022 |
| Unavailable other revenue | 9,385,602 | - | - | - | - | - | 446,182 | 9,831,784 |
| Total deferred inflows of resources | 11,281,107 | - | - | - | - | - | 510,699 | 11,791,806 |

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

(continued)

FORSYTH COUNTY, NORTH CAROLINA
Balance Sheet

Governmental Funds
 June 30, 2021

Exhibit 3

Page 2 of 2

| | <u>General Fund</u> | <u>2016 Schools Facilities</u> | <u>2017 Court Facilities</u> | <u>Capital Reserve</u> | <u>Debt Service</u> | <u>Pandemic Response</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|------------------------------|------------------------------------|--------------------------------------|----------------------------|-------------------------|------------------------------|--|---|
| Fund balances: | | | | | | | | |
| Nonspendable | 122,250 | - | - | - | - | - | - | 122,250 |
| Restricted | 44,963,186 | 116,106,998 | 91,358,306 | - | 43,203 | 23,151,168 | 112,106,383 | 387,729,244 |
| Committed | 15,471,626 | - | - | 39,341,575 | - | - | 33,591,092 | 88,404,293 |
| Assigned | 26,581,728 | - | - | - | - | - | - | 26,581,728 |
| Unassigned | 70,009,874 | - | - | - | (6,234) | - | (204,352) | 69,799,288 |
| Total fund balances | <u>157,148,664</u> | <u>116,106,998</u> | <u>91,358,306</u> | <u>39,341,575</u> | <u>36,969</u> | <u>23,151,168</u> | <u>145,493,123</u> | <u>572,636,803</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 185,436,691</u> | <u>116,106,998</u> | <u>93,524,136</u> | <u>39,341,575</u> | <u>426,162</u> | <u>42,352,536</u> | <u>147,320,409</u> | <u>624,508,507</u> |

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

FORSYTH COUNTY, NORTH CAROLINA

Exhibit 3.1

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2021

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

| | |
|---|------------------------|
| Fund balances - total governmental funds | \$ 572,636,803 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 248,683,695 |
| Other long-term assets used in governmental activities are not a current financial resource and, therefore, are not reported in the funds. | 1,408,635 |
| Deferred outflows of resources used in governmental activities represent a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then, and therefore, are not reported in the funds. | 44,516,754 |
| Earned revenue that is not available to pay current period expenditures is deferred in the funds. | 11,791,806 |
| Deferred inflows of resources used in governmental activities represent an acquisition of net position that applies to a future period and so will not be recognized as a revenue until then, and therefore, are not reported in the funds. | (40,429,531) |
| An internal service fund is used by management to charge the costs of health and dental benefits to individual funds. Assets and liabilities of the internal service fund are included in governmental activities of the statement of net position. | 6,164,794 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. | (918,408,722) |
| Net position of governmental activities | \$ (73,635,766) |

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

FORSYTH COUNTY, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balances

Exhibit 4

Governmental Funds

Page 1 of 2

For the Fiscal Year Ended June 30, 2021

| | <u>General Fund</u> | <u>2016 Schools Facilities</u> | <u>2017 Court Facilities</u> | <u>Capital Reserve</u> | <u>Debt Service</u> | <u>Pandemic Response</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|--|--------------------------------------|----------------------------|-------------------------|------------------------------|--|---|
| Revenues: | | | | | | | | |
| Property taxes | \$ 287,346,844 | - | - | - | - | - | 10,201,664 | 297,548,508 |
| Occupancy taxes | 586,773 | - | - | - | - | - | - | 586,773 |
| Local option sales taxes | 94,565,636 | - | - | - | - | - | 2,687,909 | 97,253,545 |
| Other taxes | 483,922 | - | - | - | - | - | - | 483,922 |
| Licenses and permits | 1,101,224 | - | - | - | - | - | - | 1,101,224 |
| Intergovernmental | 44,354,589 | - | - | - | 1,544,002 | 24,969,946 | 13,522,713 | 84,391,250 |
| Charges for services | 26,376,464 | - | - | - | - | - | - | 26,376,464 |
| Investment earnings | 251,052 | 11,500 | 416 | 6,235 | - | 5,055 | 100,238 | 374,496 |
| Other | 8,829,951 | - | - | - | - | - | 1,900,231 | 10,730,182 |
| Total revenues | <u>463,896,455</u> | <u>11,500</u> | <u>416</u> | <u>6,235</u> | <u>1,544,002</u> | <u>24,975,001</u> | <u>28,412,755</u> | <u>518,846,364</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | 41,709,536 | - | - | - | - | - | 285 | 41,709,821 |
| Public safety | 76,918,106 | - | - | - | - | - | 9,623,577 | 86,541,683 |
| Environmental protection | 2,893,124 | - | - | - | - | - | - | 2,893,124 |
| Human services | 65,699,633 | - | - | - | - | 1,823,833 | 8,398,014 | 75,921,480 |
| Culture and recreation | 15,105,354 | - | - | - | - | - | - | 15,105,354 |
| Community and economic development | 4,856,703 | - | - | - | - | - | 517,610 | 5,374,313 |
| Education | 665,601 | - | - | - | - | - | - | 665,601 |
| Intergovernmental: Education | 150,697,112 | 52,430,471 | - | - | - | - | 11,677,151 | 214,804,734 |
| Debt service: | | | | | | | | |
| Principal retirement | - | - | - | - | 61,701,068 | - | - | 61,701,068 |
| Interest and other charges | - | - | 99,794 | - | 21,817,601 | - | - | 21,917,395 |
| Capital outlay | - | - | 9,514,356 | - | - | - | 12,387,693 | 21,902,049 |
| Total expenditures | <u>358,545,169</u> | <u>52,430,471</u> | <u>9,614,150</u> | <u>-</u> | <u>83,518,669</u> | <u>1,823,833</u> | <u>42,604,330</u> | <u>548,536,622</u> |
| Excess (deficiency) of revenues over expenditures | <u>105,351,286</u> | <u>(52,418,971)</u> | <u>(9,613,734)</u> | <u>6,235</u> | <u>(81,974,667)</u> | <u>23,151,168</u> | <u>(14,191,575)</u> | <u>(29,690,258)</u> |

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

(continued)

FORSYTH COUNTY, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balances

Exhibit 4

Governmental Funds

Page 2 of 2

For the Fiscal Year Ended June 30, 2021

| | <u>General Fund</u> | <u>2016 Schools Facilities</u> | <u>2017 Court Facilities</u> | <u>Capital Reserve</u> | <u>Debt Service</u> | <u>Pandemic Response</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|------------------------------|--|--------------------------------------|----------------------------|-------------------------|------------------------------|--|---|
| Other financing sources (uses): | | | | | | | | |
| General obligation bonds issued | - | 91,081,056 | - | - | - | - | 37,958,944 | 129,040,000 |
| Premium on general obligation bonds | - | 9,535,619 | - | - | - | - | 4,345,577 | 13,881,196 |
| Limited obligation bonds issued | - | - | 78,881,710 | - | 40,000 | - | 27,430,000 | 106,351,710 |
| Premium on limited obligation bonds | - | - | 15,493,737 | - | - | - | 2,120,152 | 17,613,889 |
| Installment purchase borrowing | - | - | 5,086,464 | - | - | - | - | 5,086,464 |
| Other long-term borrowing | - | - | - | - | - | - | 1,621,775 | 1,621,775 |
| Refunding general obligation bond issuance | - | - | - | - | 19,850,000 | - | - | 19,850,000 |
| Premium on refunding bonds | - | - | - | 23 | 2,710,391 | - | - | 2,710,414 |
| Refunding limited obligation bonds issuance | - | - | - | - | 23,278,767 | - | - | 23,278,767 |
| Premium on limited obligation refunding bonds | - | - | - | - | 3,481,327 | - | - | 3,481,327 |
| Transfers in | 3,712,769 | - | - | 66,613,516 | 64,037,155 | - | 31,454,065 | 165,817,505 |
| Transfers out | (85,652,740) | - | - | (59,826,471) | - | - | (20,338,294) | (165,817,505) |
| Payment to refunded bond escrow agent | - | - | - | - | (31,941,116) | - | - | (31,941,116) |
| Total other financing sources (uses) | <u>(81,939,971)</u> | <u>100,616,675</u> | <u>99,461,911</u> | <u>6,787,068</u> | <u>81,456,524</u> | <u>-</u> | <u>84,592,219</u> | <u>290,974,426</u> |
| Net change in fund balances | 23,411,315 | 48,197,704 | 89,848,177 | 6,793,303 | (518,143) | 23,151,168 | 70,400,644 | 261,284,168 |
| Fund balance - June 30, 2020 | <u>133,737,349</u> | <u>67,909,294</u> | <u>1,510,129</u> | <u>32,548,272</u> | <u>555,112</u> | <u>-</u> | <u>75,092,479</u> | <u>311,352,635</u> |
| Fund balance - June 30, 2021 | \$ <u>157,148,664</u> | <u>116,106,998</u> | <u>91,358,306</u> | <u>39,341,575</u> | <u>36,969</u> | <u>23,151,168</u> | <u>145,493,123</u> | <u>572,636,803</u> |

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

FORSYTH COUNTY, NORTH CAROLINA**Exhibit 4.1****Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities**

For the Fiscal Year Ended June 30, 2021

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

| | |
|---|----------------------|
| Net change in fund balances - total governmental funds | \$ 261,284,168 |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. | 9,492,638 |
| Contributions in the current fiscal year to the pension and OPEB plans are not included on the Statement of Activities. | 15,676,757 |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. | 257,694 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. | (288,462) |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | (229,273,358) |
| Expenses in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds. Expenditures reported in the governmental funds for prepaid items using the purchases method are not reported as expenses in the statement of activities. | (13,606,524) |
| Internal service funds are used by management to charge the costs of health and dental benefits to individual funds. The profit or loss generated by the internal service fund is eliminated on the statement of activities. | (1,476,810) |
| Change in net position of governmental activities | <u>\$ 42,066,103</u> |

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

FORSYTH COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|---------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Property taxes | \$ 281,339,025 | 281,339,025 | 287,346,844 | 6,007,819 |
| Occupancy taxes | 655,000 | 655,000 | 586,773 | (68,227) |
| Local option sales taxes | 69,430,699 | 77,224,111 | 94,565,636 | 17,341,525 |
| Other taxes | 375,000 | 375,000 | 483,922 | 108,922 |
| Total taxes | <u>351,799,724</u> | <u>359,593,136</u> | <u>382,983,175</u> | <u>23,390,039</u> |
| Licenses and permits | 825,100 | 825,100 | 1,101,224 | 276,124 |
| Intergovernmental | 42,743,004 | 52,150,494 | 44,354,589 | (7,795,905) |
| Charges for services | 24,397,097 | 24,480,395 | 26,376,464 | 1,896,069 |
| Investment earnings | 350,000 | 350,000 | 251,052 | (98,948) |
| Other | 10,659,282 | 10,824,115 | 8,829,951 | (1,994,164) |
| Total revenues | <u>430,774,207</u> | <u>448,223,240</u> | <u>463,896,455</u> | <u>15,673,215</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 41,311,709 | 44,443,941 | 41,709,536 | 2,734,405 |
| Public safety | 85,664,962 | 89,097,648 | 76,918,106 | 12,179,542 |
| Environmental protection | 3,274,294 | 3,564,626 | 2,893,124 | 671,502 |
| Human services | 75,383,266 | 85,398,214 | 65,699,633 | 19,698,581 |
| Culture and recreation | 17,017,638 | 18,381,934 | 15,105,354 | 3,276,580 |
| Community and economic development | 6,140,102 | 7,077,724 | 4,856,703 | 2,221,021 |
| Education | 833,846 | 878,148 | 665,601 | 212,547 |
| Intergovernmental: | | | | |
| Education | 147,424,694 | 150,698,112 | 150,697,112 | 1,000 |
| Total expenditures | <u>377,050,511</u> | <u>399,540,347</u> | <u>358,545,169</u> | <u>40,995,178</u> |
| Excess (deficiency) of revenues over expenditures | <u>53,723,696</u> | <u>48,682,893</u> | <u>105,351,286</u> | <u>56,668,393</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 2,986,564 | 3,106,204 | 3,712,769 | 606,565 |
| Transfers out | <u>(69,815,033)</u> | <u>(85,621,699)</u> | <u>(85,652,740)</u> | <u>(31,041)</u> |
| Total other financing sources (uses) | <u>(66,828,469)</u> | <u>(82,515,495)</u> | <u>(81,939,971)</u> | <u>575,524</u> |
| Net change in fund balance | <u>\$ (13,104,773)</u> | <u>(33,832,602)</u> | <u>23,411,315</u> | <u>57,243,917</u> |
| Fund balance - June 30, 2020 | | | <u>133,737,349</u> | |
| Fund balance - June 30, 2021 | | | <u>\$ 157,148,664</u> | |

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

FORSYTH COUNTY, NORTH CAROLINA
Statement of Net Position
Proprietary Fund - Internal Service Fund
June 30, 2021

Exhibit 6

| | Governmental Activities |
|---|------------------------------------|
| ASSETS | |
| Current assets: | |
| Cash and cash equivalents / investments | \$ 9,329,172 |
| Accounts receivable | 683,989 |
| Accrued interest | 2,035 |
| Total assets | <u>10,015,196</u> |
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable | 64,124 |
| Claims liability | 3,617,180 |
| Unearned revenue | 169,098 |
| Total liabilities | <u>3,850,402</u> |
| NET POSITION | |
| Unrestricted | \$ <u>6,164,794</u> |

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

FORSYTH COUNTY, NORTH CAROLINA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund - Internal Service Fund
For the Fiscal Year Ended June 30, 2021

Exhibit 7

| | Governmental Activities |
|-----------------------------------|------------------------------------|
| Operating revenues: | |
| Charges for services | \$ 27,474,846 |
| Other revenue | 1,992,766 |
| Total operating revenues | <u>29,467,612</u> |
| Operating expenses: | |
| Professional services | 591,449 |
| Claims | 28,830,330 |
| Insurance premiums | 1,545,244 |
| Total operating expenses | <u>30,967,023</u> |
| Operating loss | (1,499,411) |
| Nonoperating revenues: | |
| Interest earnings | 22,601 |
| Change in net position | <u>(1,476,810)</u> |
| Net position at beginning of year | <u>7,641,604</u> |
| Net position at end of year | \$ <u>6,164,794</u> |

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

FORSYTH COUNTY, NORTH CAROLINA
Statement of Cash Flows
Proprietary Fund - Internal Service Fund
For the Fiscal Year Ended June 30, 2021

Exhibit 8

| | Governmental Activities |
|---|------------------------------------|
| Cash flows from operating activities: | |
| Cash received from user departments and participants | \$ 29,079,840 |
| Cash paid to suppliers, participants and others | <u>(30,265,676)</u> |
| Net cash used by operating activities | <u>(1,185,836)</u> |
| Cash flows from investing activities: | |
| Interest and dividends on investments | <u>41,951</u> |
| Net decrease in cash and cash equivalents | (1,143,885) |
| Cash/cash equivalents at beginning of year | <u>10,473,057</u> |
| Cash/cash equivalents at end of year | \$ <u><u>9,329,172</u></u> |
| Reconciliation of operating income to net cash provided by operating activities: | |
| Operating loss | \$ <u>(1,499,411)</u> |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | |
| Increase in accounts receivable | (380,498) |
| Decrease in accounts payable | (269) |
| Increase in claims payable | 701,616 |
| Decrease in unearned revenue | <u>(7,274)</u> |
| Total adjustments | <u>313,575</u> |
| Net cash used by operating activities | \$ <u><u>(1,185,836)</u></u> |

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

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

Exhibit 9

June 30, 2021

| | Other Post-employment Benefit Trust Fund | Custodial Funds |
|---|---|----------------------------|
| ASSETS | | |
| Cash and cash equivalents / investments | \$ - | 908,036 |
| Cash and investments held by fiscal agent: | | |
| Cash and equivalents | 42 | - |
| Short-Term OPEB Fund | 3,655,062 | - |
| Long-Term OPEB Fund | 8,654,773 | - |
| OPEB Equity Funds | 28,402,271 | - |
| Receivables - Property taxes | - | 3,042,037 |
| Total assets | <u>40,712,148</u> | <u>3,950,073</u> |
| LIABILITIES | | |
| Due to other governments | - | 488,604 |
| Accounts payable and accrued liabilities | - | 87,777 |
| Total liabilities | <u>-</u> | <u>576,381</u> |
| NET POSITION | | |
| Restricted for: | | |
| Post-employment benefits other than pensions | 40,712,148 | - |
| Individuals, organizations, and other governments | - | 3,373,692 |
| | <u>\$ 40,712,148</u> | <u>3,373,692</u> |

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

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

Exhibit 10

For the Fiscal Year Ended June 30, 2021

| | Other Post-employment Benefit Trust Fund | Custodial Funds |
|--|---|----------------------------|
| ADDITIONS | | |
| Contributions: | | |
| Employer | \$ 4,293,371 | - |
| Plan members | 418,587 | - |
| Total contributions | <u>4,711,958</u> | <u>-</u> |
| Investment income: | | |
| Net appreciation in fair value of investments | 7,781,868 | - |
| Investment income | 205,758 | - |
| Less: investment expense | (1,750) | - |
| Net investment earnings | <u>7,985,876</u> | <u>-</u> |
| Ad valorem taxes collected for other governments | - | 167,126,893 |
| Collections pursuant to court orders | - | 296,071 |
| Total additions | <u>12,697,834</u> | <u>167,422,964</u> |
| DEDUCTIONS | | |
| Benefits | 3,111,958 | - |
| Tax distributions to other governments | - | 167,577,147 |
| Payments pursuant to court orders | - | 239,793 |
| Total deductions | <u>3,111,958</u> | <u>167,816,940</u> |
| Change in net position | 9,585,876 | (393,976) |
| Net position - beginning, as previously reported | 31,126,272 | - |
| Prior period restatement | - | 3,767,668 |
| Net position - beginning, as restated | <u>31,126,272</u> | <u>3,767,668</u> |
| Net position, ending | <u>\$ 40,712,148</u> | <u>3,373,692</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, 2021

1. Summary of Significant Accounting Policies

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

1a. Reporting Entity

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

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

1b. Basis of Presentation, Basis of Accounting

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

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

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

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

The County reports the following major governmental funds:

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

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

2017 Court Facilities Fund. This fund is used to account for proceeds of general obligation two-thirds bonds and limited

obligation bonds issued to finance acquisition, construction, expansion, improvement, renovation and equipment for courthouse buildings and facilities.

Pandemic Response Fund. This fund accounts for federal grant funds received from the Emergency Rental Assistance Program and Local Fiscal Recovery Fund under the American Rescue Plan Act for expenditures incurred in response to and in recovery from the Coronavirus Disease 2019 public health emergency.

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

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

Additionally, the County reports the following fund types:

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

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

Fiduciary - Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. These funds account for assets held by the County on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Municipal Tax Fund, which accounts for property taxes and occupancy taxes collected on behalf of the County and other governments; and the Sheriff Fund, which accounts for monies held by the Sheriff's Office as a result of gathering evidence or executing court orders.

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

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

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

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

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

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

were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

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

1c. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Capital Reserve Fund, the Debt Service Fund, and four special revenue funds: the Fire Tax Districts Fund, Law Enforcement Equitable Distribution Fund, Emergency Telephone System Fund, and Moser Bequest for Care of Elderly Fund. All annual appropriations lapse at fiscal year end. The Pandemic Response Fund, State Public School Building Capital Fund, the 2017, 2018, 2019, 2020 and 2021 Housing Funds, the 2017 Justice Assistance Fund, and the Coronavirus Relief Fund which are special revenue funds, and all capital projects funds are budgeted under project ordinances.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for the General Fund, except for Nondepartmental and intergovernmental education expenditures. Certain Nondepartmental appropriations are not expended until they are transferred to a specific department, so they are set apart from other Nondepartmental appropriations. Budgetary control for intergovernmental education expenditures is for current expense and capital outlay for each entity. Expenditures may not legally exceed appropriations at the fund level for the Capital Reserve Fund and Debt Service Fund. The legal level of control varies for annually budgeted special revenue funds. Appropriations in the Fire Tax Districts Fund are controlled at the fire tax district level. The Law Enforcement Equitable Distribution Fund is controlled by an appropriation for a transfer to the General Fund. The Emergency Telephone System Fund and the Moser Bequest for Care of Elderly Fund have legal appropriation control at the program level. Amendments are required for revisions to appropriations at the legal level of control in annually budgeted funds, and these amendments may be approved by the County Manager and reported to the Board of Commissioners as long as they do not alter total expenditures of the fund. Amendments that alter total expenditures of any fund must be approved by the Board of Commissioners. During the year, Board amendments to the original budget totaling \$40.9 million included \$7.8 million for unanticipated sales tax revenue, several for unanticipated intergovernmental and local grant funding that totaled \$9.4 million and appropriations of fund balance totaling \$20.8 million. Appropriations of fund balance included \$18.1 million to fund the 2020 Pay-Go fund, \$1.5 million for public safety services, \$413,000 for community and economic development, and \$493,000 for human services initiatives. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers the period until the annual ordinance can be adopted.

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

Deposits and Investments All deposits of the County are made in board-designated official depositories and are secured as required by North Carolina General Statutes. State statutes authorize the County to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high-quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT). Money market investments and investments that have a remaining maturity at the time of purchase of one year or less are reported at cost or amortized cost. The County's investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. As permitted under State law, from time to time the County invests in securities which are callable and which provide for periodic interest rate increases. These investments are stated at fair value in the County's financial statements.

The NCCMT Government Portfolio is an SEC-registered (2a-7) money market mutual fund which invests in treasuries and government agencies. The Government Portfolio is reported at fair value.

General Statute 159-30.1 allows the County to establish an Other Postemployment Benefit (OPEB) Trust under the management of the State Treasurer and G.S. 159-30(g) allows the County to make contributions to the Fund. The Fund is not registered with the Securities and Exchange Commission. The State Treasurer in his discretion may invest the proceeds in equities of certain publicly held companies and long or short term fixed income investments as detailed in G.S. 147-69.2(1-6) and (8). Funds

submitted are managed in three different sub-funds, the State Treasurer’s Short Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by G.S. 147-69.1, the Bond Index Fund (BIF) consisting of high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6), and BlackRock’s MSCI ACWI EQ Index Non-Lendable Class B Fund authorized under G.S. 147-69.2(b)(8).

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

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

Receivables and Payables The County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year, in accordance with State law. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2020.

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

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

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

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

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

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

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

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

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

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

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

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

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

Fund Balances In the fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent. The governmental fund types classify fund balances as follows:

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

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

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

Restricted for Stabilization by State Statute. This portion of fund balance is not available for appropriation under State law G.S. 159-8. This statute is one of several enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. G.S. 159-8(a) stipulates that appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. The resulting amount of fund balance not available for appropriation is known as Restricted by State statute ("RSS"). RSS is calculated at the end of each fiscal year and is usually comprised of receivable balances that are not offset by deferred inflows and encumbrances related to purchase orders and contracts outstanding at year end that will be honored by the County in the next fiscal year. RSS is further reduced by inventories and prepaids as they are classified as nonspendable. RSS is included as a component of restricted net position in the Statement of Net Position and restricted fund balance in the governmental balance sheet.

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

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

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

Restricted for Environmental Protection. This portion of fund balance is restricted by revenue source for soil and water conservation activities.

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

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

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

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

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

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

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

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

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

Committed for Culture and Recreation - Library. Portion of fund balance generated by special gifts committed for library technology expenditures.

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

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

Committed for General Government. Portion of fund balance committed by action of the governing board for pandemic response expenditures.

Committed for Intergovernmental - Education. Portion of fund balance committed by action of the governing board for certain school expenditures.

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

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

Assigned for Subsequent Year Budget. This represents the portion of fund balance appropriated in the adopted 2021-2022 Budget Ordinance that is not already classified in restricted or committed.

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

Assigned for Special Appropriations. The portion of fund balance assigned for payment of special appropriations pledged but unpaid in the current fiscal year.

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

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

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

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

Defined Benefit Pension Plans The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State: the Local Governmental Employees' Retirement System (LERS) and the Registers of Deeds' Supplemental Pension Fund (ROSPF) (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and

additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

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

2. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. The net adjustment of \$(646,272,569) consists of several elements detailed in the following table.

| Description | Detail | Net Adjustment |
|---|---------------|-------------------------|
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | \$ 248,683,695 |
| Other long-term assets used in governmental activities are not a current financial resource and, therefore, are not reported in the funds. | | |
| Pension asset - ROD | \$ 816,749 | |
| Accrued interest and penalties on property taxes | 580,956 | |
| Prepays | 10,930 | 1,408,635 |
| Deferred outflows of resources used in governmental activities represent a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then, and therefore, are not reported in the funds. | | |
| Pension and OPEB contributions, current year | \$ 15,676,757 | |
| Pension and OPEB related deferred outflows | 24,122,395 | |
| Unamortized bond refunding charges | 4,717,602 | 44,516,754 |
| Earned revenue that is not available to pay current period expenditures is deferred in the funds. | | |
| Property taxes | 1,960,022 | |
| Intergovernmental revenue | 1,249,708 | |
| Interest earnings | 2,855 | |
| Fees and miscellaneous | 8,579,221 | 11,791,806 |
| Deferred inflows of resources reported in the government-wide statements, but not the fund statements – pension and OPEB related deferrals | | (40,429,531) |
| An internal service fund is used by management to charge the costs of health and dental benefits to individual funds. The assets and liabilities of the Employee Health Benefits Fund are included in governmental activities in the statement of net position. | | 6,164,794 |
| 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 | (6,853,531) | |
| Bonds, limited obligation bonds, installment purchases and other borrowing | (744,001,099) | |
| Compensated absences | (8,735,721) | |
| Pension liabilities | (61,468,343) | |
| Claims and judgments – excluding health and dental | (891,357) | |
| Net OPEB obligation | (27,597,749) | |
| Unamortized issuance premiums | (68,860,922) | (918,408,722) |
| Total adjustment | | \$ (646,272,569) |

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. Additional detail on the elements that comprise the total adjustment of \$(219,218,065) 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. | \$ 21,610,954 | |
| Depreciation expense, the allocation of capital assets over their useful lives, is recorded on the statement of activities but not in the fund statements. | (12,118,316) | \$ 9,492,638 |
| Pension and OPEB plan contributions in the current fiscal year are recorded as expenditures in the fund statements but are not included in the statement of activities. | | 15,676,757 |
| The statement of activities reports <i>gains</i> and <i>losses</i> arising from the trade-in, sale, or disposal of existing capital assets. Conversely, governmental funds do not report any gain or loss on such transactions, but report the sale proceeds. The change in net position differs from the change in fund balance by the: | | |
| Net book value of capital assets sold or disposed of | | 257,694 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Reverse deferred inflows recorded at July 1, 2020: | | |
| Property taxes and accrued interest on property taxes | (2,745,950) | |
| Intergovernmental | (875,175) | |
| Interest earnings | (11,972) | |
| Fees and miscellaneous | (9,028,127) | |
| Record deferred inflows in the fund statements at June 30, 2021: | | |
| Property taxes and accrued interest on property taxes | 2,540,978 | |
| Intergovernmental | 1,249,708 | |
| Interest earnings | 2,855 | |
| Fees and miscellaneous | 8,579,221 | (288,462) |
| On the fund statements, new debt issued during the year is recorded as a source of funds, and principal payments on debt are recorded as a use of funds. Neither transaction affects the statement of activities. | | |
| New debt issued | (322,915,542) | |
| Payment to refunded bond escrow agent | 49,158,534 | |
| Principal payments on debt | 44,483,650 | (229,273,358) |
| 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 | (295,971) | |
| Claims and judgments – excluding health and dental | 294,724 | |
| OPEB expense | (624,179) | |
| Pension expense | (18,193,119) | |
| Accrued interest | (931,062) | |
| Prepays | 5,938 | |
| Amortized charge on refundings | (1,616,143) | |
| Amortized debt premiums | 7,753,288 | (13,606,524) |
| Internal service fund profit or loss generated by customers within the primary government is eliminated from the statement of activities. | | (1,476,810) |
| Total adjustments | | \$ (219,218,065) |

3. Stewardship, Compliance, and Accountability

Excess of Expenditures over Appropriations Expenditures for the Medical Examiner exceeded budget by \$58,200.

Appropriations for the Medical Examiner department are based on historical costs. An unanticipated increase in investigative and autopsy fees, all of which were invoiced after June 30, resulted in excess expenditures for the year. Increasing budgeted appropriations for Medical Examiner should preclude future overages for these expenditures.

Deficit Fund Balance of Individual Funds The 2020 Housing Fund has a deficit fund balance of \$15,758. The deficit will be eliminated when reimbursement is received from the grantor agency in the subsequent fiscal year.

4. Detailed Notes on All Funds

4a. Deposits

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

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

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

At June 30, 2021, the deposit portion of the County's cash and investment pool was \$12,617,135. The bank balances totaled \$5,855,653, 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, 2021, the County's petty cash funds totaled \$19,269.

4b. Investments

The table below shows the distribution of the County's investment holdings by maturity as of June 30, 2021. The weighted average maturity of the total portfolio at June 30, 2021 is 48 days.

| | Valuation Measurement Method | Reported Value | Fair Value | Less than | | |
|----------------------------|------------------------------------|-----------------------|--------------------|--------------------|------------------|------------------|
| | | | | 1 year | 1 – 2 years | 2 – 5 years |
| NCCMT Government portfolio | Fair value – level 1 | \$ 439,883,625 | 439,883,625 | 439,883,625 | - | - |
| US Treasury Securities | Fair value – level 1 | 9,998,833 | 9,997,600 | 9,997,600 | - | - |
| Commercial Paper | Amortized cost | 110,965,398 | 110,977,450 | 110,977,450 | - | - |
| Agency Securities | Fair value – level 2 | 9,787,341 | 9,787,341 | - | 1,993,340 | 7,794,001 |
| Total Portfolio | | \$ 570,635,197 | 570,646,016 | 560,858,675 | 1,993,340 | 7,794,001 |

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

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment practice gives consideration to shortening maturities during periods of rising interest rates. The County manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows

from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Credit Risk. In accordance with the County's investment policy, the County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law and the County's investment policy limit investments in commercial paper to those issuers carrying the highest ratings issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2021, the County's investments in the bonds of U.S. Agencies were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The County's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2021.

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 the Canadian Government (7.6%), Credit Suisse (7.6%), Korean Development Bank (7.6%), Bayer Landesbank (7.6%), MUFG Bank (7.6%), Natixis (7.6%), Santander UK PLC (7.6%), and bills issued by the United States Treasury (7.6%).

Other Post-Employment Benefits Trust

At June 30, 2021, the Healthcare Plan had \$40,712,148 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), 8.98%; State Treasurer's Bond Index Fund (BIF), 21.26%; and, BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund, 69.76% (the equities were split with 58.82% in domestic securities and 41.18% in international securities).

Valuation: North Carolina Department of State Treasurer OPEB Trust investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets. Ownership interest of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share at June 30, 2021. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund. Ownership of the BIF is determined monthly at fair value using the same Level 2 inputs as the STIF and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. The BIF was valued at \$1 per unit at June 30, 2021. The BlackRock's MSCI ACWI EQ Index Non-Lendable Class B fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The Fund's fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2021 the fair value of the funds was \$23.1074 per share. Fair value for this Blackrock fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

Interest Rate Risk: The County does not have a formal investment interest rate policy that manages its exposure to fair value losses arising from increasing interest rates for the Healthcare Plan Fund. The State Treasurer's STIF had a weighted average maturity of 1.3 years at June 30, 2021. The State Treasurer's BIF had a weighted average maturity of 8.34 years at June 30, 2021.

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

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

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

| Year Levied | Tax | Interest | Total |
|---------------|---------------------|------------------|------------------|
| 2018 | \$ 1,931,948 | 632,713 | 2,564,661 |
| 2019 | 1,931,948 | 458,838 | 2,390,786 |
| 2020 | 2,012,056 | 296,778 | 2,308,834 |
| 2021 | 1,985,354 | 114,158 | 2,099,512 |
| Totals | \$ 7,861,306 | 1,502,487 | 9,363,793 |

4d. Receivables

Receivables at June 30, 2021 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 | \$ 4,752,153 | (2,856,648) | 1,895,505 |
| Nonmajor governmental funds | 161,749 | (97,232) | 64,517 |
| Occupancy taxes – General fund | 87,388 | - | 87,388 |
| Other taxes – General fund | 66,908 | - | 66,908 |
| Accounts | | | |
| General fund | 41,943,484 | (31,865,546) | 10,077,938 |
| Accrued interest | | | |
| General fund | (14,562) | - | (14,562) |
| Pandemic Response fund | 5,018 | - | 5,018 |
| Nonmajor governmental funds | 10,500 | - | 10,500 |
| Total receivables | \$47,012,638 | (34,819,426) | 12,193,212 |

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At June 30, 2021, the components of *unavailable* and *unearned revenue* were as follows:

| | Unavailable Revenue | Unearned Revenue |
|--|----------------------|---------------------|
| Governmental Funds: | | |
| Delinquent property taxes receivable | | |
| General fund | \$ 1,895,505 | - |
| Nonmajor governmental funds | 64,517 | - |
| Intergovernmental and private grants | | |
| General fund | 803,527 | 1,872,457 |
| Nonmajor governmental funds | 11,923 | 125,271 |
| Fees and other revenue | | |
| General fund | 8,579,220 | 247,469 |
| Nonmajor governmental funds | 434,259 | - |
| Investment earnings – General fund | 2,855 | - |
| Total unavailable and unearned revenue for governmental funds | \$ 11,791,806 | \$ 2,245,197 |
| Governmental Activities: Fees and other revenue – Internal Service fund | | 169,098 |
| Total unearned revenue for governmental activities | | \$ 2,414,295 |

4e. Capital Assets

Capital asset activity for the year ended June 30, 2021, was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|-----------------------|-------------------|---------------------|--------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 19,522,309 | 28,074 | (75,852) | 19,474,531 |
| Art collections | 577,907 | 48,981 | -- | 626,888 |
| Construction-in-progress | 13,184,660 | 18,642,185 | (10,288,491) | 21,538,354 |
| Total capital assets not being depreciated | 33,284,876 | 18,719,240 | (10,364,343) | 41,639,773 |
| Capital assets being depreciated: | | | | |
| Buildings | 274,446,967 | 7,609,169 | (48,066) | 282,008,070 |
| Improvements other than buildings | 46,634,391 | 3,636,310 | (18,401) | 50,252,300 |
| Equipment | 43,332,904 | 1,028,217 | (2,319,615) | 42,041,506 |
| Vehicles | 20,223,343 | 1,180,874 | (1,724,638) | 19,679,579 |
| Software | 5,455,563 | 150,936 | (402,002) | 5,204,497 |
| Total capital assets being depreciated | 390,093,168 | 13,605,506 | (4,512,722) | 399,185,952 |
| Less accumulated depreciation for: | | | | |
| Buildings | 108,939,340 | 6,765,890 | (37,652) | 115,667,578 |
| Improvements other than buildings | 16,469,153 | 2,115,574 | -- | 18,584,727 |
| Equipment | 37,874,214 | 1,545,831 | (2,307,840) | 37,112,205 |
| Vehicles | 15,706,411 | 1,674,250 | (1,673,473) | 15,707,188 |
| Software | 5,455,563 | 16,771 | (402,002) | 5,070,332 |
| Total accumulated depreciation | 184,444,681 | 12,118,316 | (4,420,967) | 192,142,030 |
| Total capital assets being depreciated, net | 205,648,487 | 1,487,190 | (91,755) | 207,043,922 |
| Capital assets, net | \$238,933,363 | 20,206,430 | (10,456,098) | 248,683,695 |

Depreciation expense charged to functions for the year ended June 30, 2021, was as follows:

| Function | Depreciation Expense |
|------------------------------------|-------------------------|
| General government | \$ 3,005,806 |
| Public safety | 4,880,550 |
| Environmental protection | 61,776 |
| Human services | 606,736 |
| Culture and recreation | 2,425,173 |
| Community and economic development | 1,118,946 |
| Education | 19,329 |
| Total | \$ 12,118,316 |

Construction Commitments

Active construction projects as of June 30, 2021 include: Courthouse facility, business park infrastructure development, new branch library construction and renovation of existing branches, design work for Kaleideum museum, various general County and park maintenance projects, detention center energy efficiency enhancements, and renovation and improvements to the Z. Smith Reynolds Airport. At June 30, 2021, commitments with contractors on these projects are as follows:

| Project | Spent-to-Date | Remaining Commitment |
|--|----------------------|----------------------|
| Courthouse facility | \$ 13,759,110 | 79,563,432 |
| Branch libraries | 5,329,012 | 214,192 |
| Tanglewood Business Park | 3,610,724 | 1,290,664 |
| Kaleideum Museum | 2,809,060 | 762,119 |
| Smith Reynolds Airport | 771,145 | 1,310,241 |
| Law Enforcement Detention Center - efficiency upgrades | 315,175 | 161,441 |
| Park maintenance and clubhouse design | 57,368 | 607,972 |
| Miscellaneous capital maintenance | 18,700 | 109,995 |
| Totals | \$ 26,670,294 | 84,020,056 |

4f. Interfund Receivables, Payables, and Transfers

Certain special revenue funds account for revenues that are used to reimburse eligible expenditures in the General Fund. Accrual of these revenues at year-end results in interfund receivables and payables at June 30. Amounts advanced from the cash and investment pool are also included in due to and due from other funds. At June 30, 2021, interfund receivables and payables are as follows:

| Payable Fund | Receivable Fund - General Fund |
|---|--------------------------------|
| Nonmajor governmental funds: | |
| 2020 Housing Fund – advance from cash and investment pool | \$ 22,909 |
| 2021 Housing Fund – advance from cash and investment pool | 45,190 |
| Total | \$ 68,099 |

The following is a summary of interfund transfers for the year ended June 30, 2021:

| Transfers out: | Transfers in: | | | | Total |
|-----------------------------|---------------------|----------------------|-------------------|-----------------------------|--------------------|
| | General Fund | Capital Reserve Fund | Debt Service Fund | Nonmajor Governmental Funds | |
| General Fund | \$ -- | 66,613,516 | -- | 19,039,224 | 85,652,740 |
| Capital Reserve Fund | -- | -- | 59,826,471 | -- | 59,826,471 |
| Nonmajor governmental funds | 3,712,769 | -- | 4,210,684 | 12,414,841 | 20,338,294 |
| Totals | \$ 3,712,769 | 66,613,516 | 64,037,155 | 31,454,065 | 165,817,505 |

The General Fund transferred \$66,613,516 to the Capital Reserve Fund, \$1,735,000 to the 2020 Winston-Salem/Forsyth County Schools Capital Maintenance fund, \$1,456,726 to the 2020 Mobile Equipment Replacement fund, \$12,905,917 to the 2020 Pay-Go fund, \$2,892,023 to the Radio System Upgrade fund, and \$49,558 to the 2021 Housing grant project fund to provide local matching funds for a grant.

Transfers of \$3,712,769 to the General Fund from nonmajor governmental funds included \$3,355,341 from the Fire Tax Districts special revenue fund to support the County fire department; \$215,874 from the Law Enforcement Equitable Distribution special revenue fund for law enforcement programs, residual equity transfers of \$23,430 and \$33,124 from the 2014 2/3rds Bonds fund and 2018 Motive Equipment Replacement fund, respectively, and \$85,000 from the 2019 Pay-Go fund for general government activities.

The Debt Service Fund received \$59,826,471 from the Capital Reserve Fund and \$4,210,684 in lottery proceeds from the Public School Building Capital fund for the payment of current year debt service and debt issuance costs. To prepare the 2018 Motive

Equipment Replacement fund for closing, a transfer of \$419,648 in unexpended project funds was made to the 2020 Mobile Equipment fund. Additional transfers included \$6,282,632 from the 2018 Pay-Go fund to the 2020 Radio System Upgrade fund, \$1,617,338 from the 2019 Pay-Go fund to the Smith Reynolds Airport fund to support capital improvements to the County's airport, \$630,000 from the 2020 Pay-Go fund to the 2020 Mobile Equipment Replacement fund to purchase and equip additional emergency service vehicles, and \$3,465,223 from the 2020 Pay-Go fund to the 2019 Pay-Go fund to provide funding for ongoing capital projects.

4g. Payables

Payables at June 30, 2021, were as follows:

| Description | General Fund | 2017 Court Facility Fund | Debt Service Fund | Pandemic Response Fund | Nonmajor Governmental Funds | Total |
|-----------------------|----------------------|--------------------------|-------------------|------------------------|-----------------------------|-------------------|
| Vendors | \$ 5,592,178 | 2,165,830 | 382,959 | 264,475 | 1,123,217 | 9,528,659 |
| Salaries and benefits | 5,107,168 | -- | -- | -- | -- | 5,107,168 |
| Totals | \$ 10,699,346 | 2,165,830 | 382,959 | 264,475 | 1,123,217 | 14,635,827 |

4h. Leases

Operating Leases The County leases buildings, office facilities, and equipment under non-cancelable operating leases. Total costs for such leases were \$375,928 for the year ended June 30, 2021. 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 |
|-------------------------------------|---------------------|
| 2022 | \$ 268,430 |
| 2023 | 169,595 |
| 2024 | 139,871 |
| 2025 | 93,078 |
| 2026 | 79,166 |
| 2027 – 2031 | 433,625 |
| 2032 – 2036 | 181,554 |
| Total minimum lease payments | \$ 1,365,319 |

The total rental expenditures for all operating leases were \$912,216 for the year ended June 30, 2021.

4i. Long-term obligations

Long-term obligation activity

Changes in long-term obligations during the year ended June 30, 2021, were as follows:

| | Balance June 30, 2020 | Additions | Reductions | Balance June 30, 2021 | Due Within One Year |
|--|-----------------------|--------------------|--------------------|-----------------------|---------------------|
| Governmental activities: | | | | | |
| Compensated absences | \$ 8,439,750 | 10,838,587 | 10,542,616 | 8,735,721 | 6,386,915 |
| Net pension liability (LGERs) | 37,388,507 | 11,777,189 | -- | 49,165,696 | -- |
| Pension liability (LEOSSA) | 8,761,360 | 4,290,266 | 748,979 | 12,302,647 | -- |
| General obligation bonds | 513,090,000 | 148,890,000 | 60,650,000 | 601,330,000 | 43,830,000 |
| Unamortized premiums | 37,785,637 | 16,591,610 | 6,617,173 | 47,760,074 | -- |
| Limited obligation bonds | 18,085,000 | 126,940,000 | 17,270,000 | 127,755,000 | 7,480,000 |
| Unamortized premiums | 1,141,747 | 21,095,216 | 1,136,115 | 21,100,848 | -- |
| Installment purchase obligations | 18,555,477 | 7,776,941 | 15,062,418 | 11,270,000 | 4,660,000 |
| Other long-term borrowing | 2,247,974 | 1,621,775 | 223,650 | 3,646,099 | 223,650 |
| Net OPEB liability | 66,647,741 | -- | 39,049,992 | 27,597,749 | -- |
| Claims and judgments | 4,101,645 | 28,938,479 | 28,531,587 | 4,508,537 | 4,453,955 |
| Total general long-term obligations | \$ 716,244,838 | 378,760,063 | 179,832,530 | 915,172,371 | 67,034,520 |

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

Arbitrage In accordance with Section 148 of the Internal Revenue Code of 1986, as amended, and Sections 1.103-13 to 1.103-15 of the related Treasury Regulations, the County must rebate to the federal government “arbitrage profits” earned on governmental bonds issued after August 31, 1986. Arbitrage profits are the excess of the amount earned on investments over the interest paid on the borrowings. At June 30, 2021, the County had no liability for arbitrage.

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

On April 28, 2021, the County issued \$13,065,000 general obligation public improvement bonds Series 2021A for the maintenance and repair of school and community college facilities, as well as various County maintenance and improvement projects. Interest rates range from 2.0 to 5.0 percent, with a final maturity of March 1, 2041. On April 29, 2021, the County issued \$115,975,000 general obligation public improvement bonds Series 2021B for acquiring, constructing, and equipping various public school, community college, parks and recreation, and public building improvements. Interest rates range from 1.625 to 4.0 percent, with a final maturity of March 1, 2041.

On April 29, 2021, the County issued \$19,850,000 general obligation refunding bonds at a total interest cost of 0.3996 %. These bonds were issued for the purpose of refunding \$5,000,000 variable rate Series 2004A general obligation School bonds, \$5,000,000 variable rate Series 2004B general obligation School bonds, and \$12,550,000 variable rate Series 2007B general obligation School bonds. As a result, the liability related to the refunded bonds has been removed from the statement of net position. This refunding was undertaken to reduce total debt service payments over the next six years by \$234,530 and remove any interest rate risk attributable to the final three series of variable rate bonds. The resulting economic gain was \$229,199.

At June 30, 2021, the County has \$4,796,415 unamortized bond refunding charges from prior refunding issues. These unamortized charges are reported as a deferred outflow of resources on the Statement of Net Position.

The American Recovery and Reinvestment Act of 2009 (the “Recovery Act”) authorizes the County to issue taxable bonds known as “Qualified School Construction Bonds” to finance construction, rehabilitation or repair of public school facilities or for the acquisition of land on which a public school facility is to be constructed. Under the Act, the County may elect to receive a subsidy payment from the United States Treasury in an amount calculated as provided in the Recovery Act. The County has designated its 2010D Bonds as “Qualified School Construction Bonds” for purposes of the Recovery Act and expects to receive such subsidy payments from the federal government. The County received \$1,193,241, or 90.6% of the interest paid on the 2010D Bonds, in such federal subsidy during the year ended June 30, 2021, and if the new federal sequester rate remains unchanged, expects to receive \$7,582,533 in such subsidies over the remaining life of the bonds. Such cash subsidy payments are not pledged to the repayment of the 2010D Bonds, but are expected to be a source of payment of debt service on the bonds. Such cash subsidy payments do not constitute a full faith and credit guarantee of the federal government, but are required to be paid by the United States Treasury under the Recovery Act. If such cash subsidy payments from the United States Treasury are reduced or eliminated as a result of the change in the law, the 2010D Bonds are subject to extraordinary optional redemption.

A summary of outstanding general obligation bonds follows:

| Purpose of Issue | Date of Issue | Final Maturity | Effective Interest Rate | Amount Issued | Principal Outstanding June 30, 2021 | |
|--------------------------------|---------------|----------------|-------------------------|-----------------------|-------------------------------------|------------|
| <u>Governmental Activities</u> | | | | | | |
| School Building | 09-02-2010 | 04-01-2027 | 4.9860 | 26,405,000 | 26,405,000 | |
| Community College | 01-09-2013 | 05-01-2032 | 2.4014 | 5,000,000 | 3,200,000 | |
| Library | 11-05-2014 | 05-01-2033 | 2.4617 | 34,000,000 | 26,800,000 | |
| Public Improvement | 01-08-2013 | 05-01-2032 | 2.2334 | 13,750,000 | 9,150,000 | |
| | 11-04-2014 | 05-01-2033 | 2.4455 | 13,550,000 | 10,550,000 | |
| | 03-14-2017 | 03-01-2037 | 2.8348 | 20,535,000 | 16,395,000 | |
| | 03-15-2017 | 03-01-2037 | 3.1155 | 102,610,000 | 91,530,000 | |
| | 03-20-2019 | 03-01-2039 | 2.7236 | 21,375,000 | 19,235,000 | |
| | 03-21-2019 | 03-01-2039 | 2.7459 | 98,415,000 | 88,565,000 | |
| | 04-28-2021 | 03-01-2041 | 1.5584 | 13,065,000 | 13,065,000 | |
| | 04-29-2021 | 03-01-2041 | 1.5255 | 115,975,000 | 115,975,000 | |
| | Refunding | 09-02-2010 | 07-01-2023 | 2.0350 | 50,295,000 | 13,420,000 |
| | | 01-09-2013 | 07-01-2026 | 1.7692 | 35,090,000 | 21,540,000 |
| 01-28-2015 | | 12-01-2028 | 1.8425 | 72,245,000 | 63,300,000 | |
| 04-01-2020 | | 04-01-2030 | 1.1763 | 66,810,000 | 62,350,000 | |
| 04-29-2021 | | 03-01-2027 | 0.3996 | 19,850,000 | 19,850,000 | |
| Totals | | | | \$ 708,970,000 | 601,330,000 | |

Of the \$544,925,000 public improvement and public improvement refunding bonds outstanding, \$50,769,963 funded County facilities and capital projects, \$429,442,420 funded School facilities, and \$64,712,617 funded Community College facilities.

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

| June 30 | Principal | Interest | Total |
|---------------|-----------------------|--------------------|--------------------|
| 2022 | \$ 43,830,000 | 22,286,770 | 66,116,770 |
| 2023 | 43,885,000 | 21,062,237 | 64,947,237 |
| 2024 | 44,075,000 | 18,980,887 | 63,055,887 |
| 2025 | 45,440,000 | 16,842,137 | 62,282,137 |
| 2026 | 46,130,000 | 14,645,179 | 60,775,179 |
| 2027 - 2031 | 200,010,000 | 46,326,823 | 246,336,823 |
| 2032 - 2036 | 123,655,000 | 17,263,856 | 140,918,856 |
| 2037 - 2041 | 54,305,000 | 3,245,321 | 57,550,321 |
| Totals | \$ 601,330,000 | 160,653,210 | 761,983,210 |

There are \$127,340,000 in authorized but unissued general obligation bonds at June 30, 2021.

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, 2021, there was one series of industrial revenue bonds outstanding, with a principal amount payable of \$3,447,232.

Limited Obligation Bonds The County issues limited obligation bonds through the Forsyth County Financing Corporation (“the Corporation”) to provide for the acquisition, construction, and equipping of capital facilities. The County has contractual lease obligations to the Corporation with terms that require annual interest and principal payments. These installment financings are non-general obligation financings and County facilities are pledged as collateral for the debt until the debt is retired. No deficiency judgment may be rendered against the County for amounts owed and the taxing power of the County may not be pledged directly or indirectly to collateralize amounts due pursuant to these contracts. Principal and interest requirements for limited obligation bonds are provided by the Debt Service Fund appropriation in the year in which they are due.

On June 29, 2021, the Corporation issued \$100,480,000 tax-exempt limited obligation bonds Series 2021A for the acquisition, construction, and equipping of a new children’s museum, named Kaleideum, and the County’s new Courthouse. The proceeds were also used to refinance \$6,750,000 of Series 2009 limited obligation bonds and \$10,467,418 of the PNC Bank installment financing agreement. The liabilities related to the refinanced debt instruments have been removed from the statement of net position. This refunding was undertaken to reduce total debt service payments over the next twelve years by \$957,317 and resulted in an economic gain of \$1,192,881. Interest rates range from 2.0 to 5.0 percent, with a final maturity of April 1, 2041.

On June 29, 2021, the Corporation also issued \$26,460,000 taxable limited obligation bonds Series 2021B for the renovation and expansion of airport facilities at the Smith Reynolds Airport. A portion of the proceeds of the bonds were deposited into an escrow fund that will redeem all but one outstanding maturity of the Series 2012 bonds of \$8,955,000 on April 1, 2022. The liability related to the advance refunded bonds have been removed from the statement of net position. This refunding was undertaken to reduce total debt service payments over the next twelve years by \$2,297,724 and resulted in an economic gain of \$1,822,030. Interest rates range from 0.179 to 1.585 percent, with a final maturity of April 1, 2028. The new County Courthouse was pledged as collateral for both Series 2021A and Series 2021B.

A summary of outstanding limited obligation bonds follows:

| Purpose of Issue | Principal Outstanding June 30, 2021 |
|--|---|
| <u>Governmental Activities</u> | |
| Issued \$16,290,000 on May 31, 2012 to finance County facility renovation and construction; interest varies from 2.00% to 5.00%; final maturity 04-01-2022 | \$ 815,000 |
| Issued \$100,480,000 on June 29, 2021 to finance the construction of a new courthouse facility and new children’s museum and the refunding of the PNC Bank installment financing and Series 2009 limited obligation bonds; collateralized by the courthouse facility; interest varies from 2.00% to 5.00%; final maturity 04-01-2041 | 100,480,000 |
| Issued \$26,460,000 of taxable bonds on June 29, 2021 to finance construction and renovation projects at the airport and advance refund a majority of the Series 2012 limited obligation bonds; collateralized by the courthouse facility; interest varies from 0.179% to 1.585%; final maturity 04-01-2028 | 26,460,000 |
| Total | \$ 127,755,000 |

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

| Year Ending June 30 | Principal | Interest | Total |
|---------------------|-----------------------|-------------------|--------------------|
| 2022 | \$ 7,480,000 | 3,168,866 | 10,648,866 |
| 2023 | 7,370,000 | 4,139,010 | 11,509,010 |
| 2024 | 7,305,000 | 4,116,974 | 11,421,974 |
| 2025 | 7,170,000 | 4,076,065 | 11,246,065 |
| 2026 | 7,110,000 | 3,836,986 | 10,946,986 |
| 2027 – 2031 | 34,125,000 | 14,748,598 | 48,873,598 |
| 2032 – 2036 | 29,155,000 | 6,980,850 | 36,135,850 |
| 2037 – 2041 | 28,040,000 | 2,466,900 | 30,506,900 |
| Total | \$ 127,755,000 | 43,534,249 | 171,289,249 |

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

| Purpose of Issue | Date of Issue | Final Maturity | Interest Rate | Amount Issued | Principal Outstanding June 30, 2021 |
|--------------------------------|----------------------|-----------------------|----------------------|----------------------|--|
| <u>Governmental Activities</u> | | | | | |
| Refunding | 01-22-2014 | 02-01-2026 | 2.47 % | \$ 8,230,000 | 3,230,000 |
| Refunding | 10-01-2015 | 10-01-2022 | 1.90 | 29,720,000 | 8,040,000 |
| Totals | | | | \$ 37,950,000 | 11,270,000 |

Annual maturities are as follows:

| Year Ending June 30 | Principal | Interest | Total |
|----------------------------|----------------------|-----------------|-------------------|
| 2022 | \$ 4,660,000 | 194,731 | 4,854,731 |
| 2023 | 4,720,000 | 101,555 | 4,821,555 |
| 2024 | 645,000 | 46,683 | 691,683 |
| 2025 | 630,000 | 30,752 | 660,752 |
| 2026 | 615,000 | 15,190 | 630,190 |
| Total | \$ 11,270,000 | 388,911 | 11,658,911 |

Other long-term borrowing. On December 20, 2019, the County entered a \$4,473,000 unsecured direct installment financing draw program with the State of North Carolina for the purpose of constructing and equipping a sanitary sewer project to serve the western area of the county. The project was completed on April 19, 2021 at a total cost to the County of \$5.1 million. The County is reimbursed on a periodic basis from the draw program for actual cost. The final draw down for \$603,251 will be received in the first quarter of fiscal year 2021-2022. The County will request an additional 10 percent, \$447,300, which is allowable under the original loan terms to finance a portion of the project amount that exceeded the original loan amount. Once approved by the State, the total outstanding principal will increase in fiscal year 2022 by the additional amount, but the final maturity and interest rate will remain unchanged.

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

| Purpose of Issue | Principal Outstanding June 30, 2021 |
|---|--|
| <u>Governmental Activities</u> | |
| Issued \$4,473,300 on December 20, 2019 to finance sanitary sewer project; interest rate 1.91%; final maturity 05-01-2040 | \$ 3,646,099 |
| Total | \$ 3,646,099 |

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

| Year Ending June 30 | Principal | Interest | Total |
|----------------------------|---------------------|-----------------|------------------|
| 2022 | \$ 223,650 | 69,641 | 293,291 |
| 2023 | 223,650 | 65,369 | 289,019 |
| 2024 | 223,650 | 61,097 | 284,747 |
| 2025 | 223,650 | 56,825 | 280,475 |
| 2026 | 223,650 | 52,554 | 276,204 |
| 2027 - 2031 | 1,118,250 | 198,692 | 1,316,942 |
| 2032 - 2036 | 917,166 | 93,820 | 1,010,986 |
| 2037 - 2041 | 492,433 | 23,513 | 515,946 |
| Total | \$ 3,646,099 | 621,511 | 4,267,610 |

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

Legal Debt Limit. As of June 30, 2021, the County’s legal debt limit was \$3,072,802,272, computed at 8% of the total appraised property valuation of \$38,410,028,405. With \$649,080,268 in County, School, and Community College general obligation bonds outstanding at June 30, 2021 and \$163,771,947 committed under limited obligation bonds, installment purchase and other long-term borrowing, the County could issue additional bonds up to \$2,259,940,241 if authorized.

Debt Related to Capital Activities. Of the total governmental activities debt, \$235,038,655 relates to assets to which the County holds title. Unspent restricted investments related to this debt is \$137,616,520.

4j. Fund Balances

The following are details of the governmental funds fund balances as of June 30, 2021:

| | General Fund | 2016 Schools Facilities Fund | 2017 Court Facilities Fund | Capital Reserve Fund | Debt Service Fund | Pandemic Response Fund |
|---------------------------------------|-----------------------|------------------------------|----------------------------|----------------------|-------------------|------------------------|
| Nonspendable – prepaid items | \$ 122,250 | -- | -- | -- | -- | -- |
| Restricted: | | | | | | |
| State statute reserve | 35,332,864 | 1,303,957 | -- | -- | 43,203 | 1,449,439 |
| Encumbrance reserve | 3,290,890 | -- | 79,134,063 | -- | -- | -- |
| Total Stabilization by State Statute | 38,623,754 | 1,303,957 | 79,134,063 | -- | 43,203 | 1,449,439 |
| Register of Deeds | 1,836,333 | -- | -- | -- | -- | -- |
| Public Safety | 196,881 | -- | -- | -- | -- | -- |
| Human Services | 3,025,689 | -- | -- | -- | -- | 21,701,729 |
| Environmental Protection | 26,534 | -- | -- | -- | -- | -- |
| Capital Projects | -- | 114,803,041 | 12,224,243 | -- | -- | -- |
| Community and Economic Development | 1,253,995 | -- | -- | -- | -- | -- |
| Total Restricted | 44,963,186 | 116,106,998 | 12,224,243 | -- | 43,203 | 23,151,168 |
| Committed: | | | | | | |
| Education Debt Leveling Plans | -- | -- | -- | 13,444,004 | -- | -- |
| Library Debt Leveling Plan | -- | -- | -- | 1,514,832 | -- | -- |
| Public Improvement Debt Leveling Plan | -- | -- | -- | 9,681,426 | -- | -- |
| Courthouse Debt Leveling Plan | -- | -- | -- | 14,701,313 | -- | -- |
| Culture and Recreation - Library | 40,000 | -- | -- | -- | -- | -- |
| Law Enforcement Separation Allowance | 2,024,179 | -- | -- | -- | -- | -- |
| Community and Economic Development | 2,260,000 | -- | -- | -- | -- | -- |
| General Government | 1,321,464 | -- | -- | -- | -- | -- |
| Intergovernmental - Education | 9,825,983 | -- | -- | -- | -- | -- |
| Total Committed | 15,471,626 | -- | -- | 39,341,575 | -- | -- |
| Assigned: | | | | | | |
| Subsequent Year Budget | 8,936,297 | -- | -- | -- | -- | -- |
| Community and Economic Development | 2,423,771 | -- | -- | -- | -- | -- |
| Special Appropriations | 410,000 | -- | -- | -- | -- | -- |
| Management Special Projects | 14,811,660 | -- | -- | -- | -- | -- |
| Total Assigned | 26,581,728 | -- | -- | -- | -- | -- |
| Unassigned | 70,009,874 | -- | -- | -- | (6,234) | -- |
| Total Fund Balances | \$ 157,148,664 | 116,106,998 | 91,358,306 | 39,341,575 | 36,969 | 23,151,168 |

Subsequent Years Budget Appropriation. The following schedule provides information on the portion of restricted fund balance that has been appropriated in the general fund budget for the fiscal year ending June 30, 2022:

| | Subsequent Year’s Budget Appropriation | Unappropriated Fund Balance | Total |
|-------------------|--|-----------------------------|-----------|
| Restricted: | | | |
| Register of Deeds | \$ 149,619 | 1,686,714 | 1,836,333 |
| Public Safety | 177,981 | 18,900 | 196,881 |
| Human Services | 944,100 | 2,081,589 | 3,025,689 |

5. Other Information

5a. Pension Costs

North Carolina Local Governmental Employees' Retirement System

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

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

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

Funding Policy. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Plan members are required to contribute 6.0% of their annual covered salary. The County is required to contribute at an actuarially determined rate. The current rate for employees not engaged in law enforcement and for law enforcement officers is 10.15% and 10.84%, respectively, of annual covered payroll. The County's contributions to LGERS for the years ended June 30, 2021, 2020, and 2019 were \$10,046,439, \$8,915,568, and \$7,328,062, respectively. The contributions made by the County equaled the required contributions for each year.

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

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

At June 30, 2021, the County reported a liability of \$49,165,696 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the County's proportion was 1.376% (measured as of June 30, 2020), which was an increase of .007% from its proportion measured as of June 30, 2020 (measured as of June 30, 2019).

For the year ended June 30, 2021, the County recognized pension expense of \$17,060,926. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 6,208,765 | - |
| Changes of assumptions | 3,658,892 | - |
| Net difference between projected and actual earnings on pension plan investments | 6,918,755 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 264,129 | 203,386 |
| Employer contributions subsequent to the measurement date | 10,046,439 | - |
| Totals | \$ 27,096,980 | 203,386 |

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

| Year ending June 30, | |
|-----------------------------|----------------------|
| 2022 | \$ 4,771,207 |
| 2023 | 6,330,665 |
| 2024 | 3,697,682 |
| 2025 | 2,047,601 |
| Total | \$ 16,847,155 |

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The plan currently uses mortality rates based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study prepared as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

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

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

Discount rate. The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

| | 1% Decrease (6.00%) | Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|------------------------|--------------------------|------------------------|
| County's proportionate share of the net pension liability (asset) | \$ 99,751,841 | 49,165,696 | 7,125,053 |

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

Law Enforcement Officers' Special Separation Allowance

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2019, the Separation Allowance's membership consisted of:

| | |
|---------------------------------------|------------|
| Retirees currently receiving benefits | 45 |
| Active plan members | 241 |
| Total | 286 |

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

Funding Policy. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations in the General Fund. There are no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. For the fiscal year ended June 30, 2021, the County's required and actual benefits paid were \$716,561.

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

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

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

At June 30, 2021, the County reported a total pension liability of \$12,302,647. The total pension liability was measured as of December 31, 2020 based on an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions.

For the year ended June 30, 2021, the County recognized pension expense of \$1,518,002. Benefit payments and administrative costs paid during the current fiscal year, but before the measurement date totaled \$388,336.

At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to the LEOSSA pension from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 975,716 | - |
| Changes of assumptions and other inputs | 2,755,422 | 164,550 |
| Benefit payments subsequent to the measurement date | 329,721 | - |
| Totals | \$ 4,060,859 | 164,550 |

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

| Year ending June 30, | |
|-----------------------------|---------------------|
| 2022 | \$ 912,805 |
| 2023 | 870,242 |
| 2024 | 797,228 |
| 2025 | 684,826 |
| 2026 | 301,487 |
| Total | \$ 3,566,588 |

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|------------------|---|
| Inflation | 2.50 percent |
| Salary increases | 3.25 to 7.75 percent, including inflation and productivity factor |
| Discount rate | 1.93 percent |

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

All mortality rates use Pub-2010 amount-weighted tables and are projected from 2010 using generational improvement with Scale MP-2019.

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 1.93 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

| | 1% Decrease (0.93%) | Discount Rate (1.93%) | 1% Increase (2.93%) |
|----------------------------------|------------------------|--------------------------|------------------------|
| County's total pension liability | \$ 13,246,734 | 12,302,647 | 11,435,409 |

Schedule of changes in total pension liability.

| | |
|--|----------------------|
| Total pension liability as of December 31, 2019 | \$ 8,761,360 |
| Changes for the year: | |
| Service cost at end of year | 365,467 |
| Interest | 273,412 |
| Change in benefit terms | - |
| Difference between expected and actuarial experience | 560,209 |
| Changes of assumptions and inputs | 3,091,178 |
| Benefit payments | (748,979) |
| Other | - |
| Net changes | 3,541,287 |
| Total pension liability as of December 31, 2020 | \$ 12,302,647 |

Changes of assumptions and benefit terms. Since the prior measurement date of December 31, 2019 to the current measurement date of December 31, 2020, the discount rate has changed from 3.26 percent to 1.93 percent due to a change in the Municipal Bond Rate. Based on an Experience Study completed by the Local Government Employees' Retirement System for the five-year

period ending December 31, 2019, assumptions for mortality rates, salary increase rates, service retirement rates, disability retirement rates, termination rates, real wage growth, and leave conversion service were updated.

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 Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, visiting their website at www.osc.nc.gov, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires that the County contribute each month an amount equal to 5.0% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan. The County's contributions for the year ended June 30, 2021 were \$728,414, exclusive of voluntary employee contributions.

Register of Deeds' Supplemental Pension Fund

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

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

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to 1.5% of the monthly receipts collected pursuant to Article 1 of North Carolina General Statute Chapter 161. The statutory contribution currently has no relationship to the actuarial required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Immediately following January 1 of each year, the Department of State Treasurer divides 93% of the amount in the RODSPF at the end of the preceding calendar year into equal shares, up to the statutory maximum, to be disbursed as monthly benefits. The remaining 7% of the fund's assets may be used by the State Treasurer in administering the fund. For the fiscal year ended June 30, 2021, the County's required and actual contributions were \$41,743.

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

At June 30, 2021, the County reported an asset of \$816,749 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2020, the County's proportion was 3.56%, which was an increase of .120% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$2,527. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ - | 16,636 |
| Net difference between projected and actual earnings on pension plan investments | - | 69,886 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 32,916 | 15,633 |
| Employer contributions subsequent to the measurement date | 41,743 | - |
| Totals | \$ 74,659 | 102,155 |

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

| Year ending June 30, | |
|-----------------------------|--------------------|
| 2022 | \$ (3,511) |
| 2023 | (16,590) |
| 2024 | (31,540) |
| 2025 | (17,598) |
| Total | \$ (69,239) |

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The plan currently uses mortality rates based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study prepared as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2021 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2021 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

| | 1% Decrease (2.75%) | Discount Rate (3.75%) | 1% Increase (4.75%) |
|---|------------------------|--------------------------|------------------------|
| County's proportionate share of the net pension liability (asset) | \$ (693,727) | (816,749) | (920,848) |

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

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

The following is information related to the proportionate share and pension expense for all pension plans as of June 30, 2021:

| | LGERs | LEOSSA | RODSPF | Total |
|---|----------------------|------------------|----------------|-------------------|
| Pension Expense | \$ 17,060,926 | 1,518,002 | 2,527 | 18,581,455 |
| Pension Liability (Asset) | 49,165,696 | 12,302,647 | (816,749) | 60,651,594 |
| Proportionate share of pension liability (asset) | 1.376% | | 3.560% | |
| Deferred Outflows of Resources: | | | | |
| Differences between expected and actual experience | 6,208,765 | 975,716 | -- | 7,184,481 |
| Changes of Assumptions | 3,658,892 | 2,755,422 | -- | 6,414,314 |
| Net difference between projected and actual earnings on pension plan investments | 6,918,755 | -- | -- | 6,918,755 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 264,129 | -- | 32,916 | 297,045 |
| Employer contributions subsequent to the measurement date | 10,046,439 | 329,721 | 41,743 | 10,417,903 |
| Total Deferred Outflows of Resources | \$ 27,096,980 | 4,060,859 | 74,659 | 31,232,498 |
| Deferred Inflows of Resources: | | | | |
| Differences between expected and actual experience | -- | -- | 16,636 | 16,636 |
| Changes of Assumptions | -- | 164,550 | -- | 164,550 |
| Net difference between projected and actual earnings on pension plan investments | -- | -- | 69,886 | 69,886 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 203,386 | -- | 15,633 | 219,019 |
| Total Deferred Inflows of Resources | \$ 203,386 | 164,550 | 102,155 | 470,091 |

5b. Other Post-employment Benefits (OPEB)

Healthcare, Life Insurance, and Death Benefits

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

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

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

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

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

Membership of the Plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

| | |
|---------------------------------------|--------------|
| Retirees currently receiving benefits | 1,014 |
| Active plan members | 1,923 |
| Total | 2,937 |

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

The County pays the full costs of retiree death benefits and life insurance for disability retirees, which were \$20,000 and \$10,136, respectively, for fiscal year 2021. The monthly cost of healthcare benefits is shared by the County and covered retirees, respectively, as follows: retiree-only coverage, \$796 and \$110; retiree and one dependent, \$991 and \$310; and retiree and more than one dependent, \$1,385 and \$628. For fiscal year 2021, the County contributed \$2,663,235 for healthcare benefits, and retiree Plan members contributed \$418,587. Additionally, the County contributed \$1,600,000 to prefund benefits.

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

| | Target Allocation | 10 year expected geometric real rate of return |
|----------------------------|--------------------------|---|
| Equity index fund | 65% | 6.75% |
| Bond index fund | 25% | 2.84% |
| Short-term investment fund | 10% | 2.32% |

For the year ended June 30, 2021, the money weighted annual rate of return on investments, net of investment expense, was 24.63 percent.

Net OPEB Liability. The components of the net OPEB liability at June 30, 2021 are:

| | |
|-----------------------------|----------------------|
| Total OPEB liability | \$ 68,309,897 |
| Plan fiduciary net position | 40,712,148 |
| Net OPEB liability | \$ 27,597,749 |

The ratio of plan fiduciary net position to total OPEB liability is 59.60 percent.

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2020 using the following key actuarial assumptions and other inputs:

| | |
|---|--|
| Inflation | 2.50 percent |
| Real wage growth | .75 percent |
| Wage inflation | 3.25 percent |
| Salary increases, including wage inflation: | |
| General employees | 3.25 – 8.41 percent |
| Firefighters | 3.25 – 8.15 percent |
| Law enforcement officers | 3.25 – 7.90 percent |
| Long-term investment rate of return, net of OPEB plan investment expense, including price inflation | 5.33 percent |
| Municipal bond index rate: | |
| Prior measurement date | 2.21 percent |
| Measurement date | 2.16 percent |
| Year fiduciary net position to be depleted: | |
| Prior measurement date | 2049 |
| Measurement date | N/A |
| Single equivalent interest rate, net of OPEB plan investment expense, including price inflation: | |
| Prior measurement date | 4.26 percent |
| Measurement date | 5.33 percent |
| Health care cost trends: Pre-Medicare | 7.00 percent for 2020 decreasing to an ultimate rate of 4.50 percent by 2030 |

The total OPEB liability was rolled forward to June 30, 2021, utilizing update procedures incorporating the actuarial assumptions. Mortality rates were based on the Pub-2010 mortality tables, with adjustments for Local Government Employees Retirement System experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 – December 31, 2019, adopted by the Local Government Employees Retirement System.

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

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

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the Plan's net OPEB liability using the discount rate of 5.33 percent, as well as what the Plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.33 percent) or 1-percentage-point higher (6.33 percent) than the current rate:

| | 1% Decrease (4.33%) | Discount Rate (5.33%) | 1% Increase (6.33%) |
|--------------------|--------------------------------|--------------------------------------|--------------------------------|
| Net OPEB liability | \$ 33,679,875 | 27,597,749 | 22,189,526 |

Sensitivity of the net OPEB liability to changes in the health care cost trend rates. The following presents the Plan's net OPEB liability using the health care cost trend rate of 7.00 percent, as well as what the Plan's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

| | 1% Decrease | Healthcare Cost Trend Rate | 1% Increase |
|--------------------|--------------------|---------------------------------------|--------------------|
| Net OPEB liability | \$ 21,208,832 | 27,597,749 | 35,088,134 |

Changes in Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB. At June 30, 2021, the County reported a net OPEB liability of \$27,597,749. The total OPEB liability used to calculate the net OPEB liability is based upon an actuarial valuation as of June 30, 2020. The expected total OPEB liability is determined as of June 30, 2021 using standard roll forward techniques.

At June 30, 2021, the components of the net OPEB liability are as follows:

| | Total OPEB Liability | Plan Net Position | Net OPEB Liability |
|--|-------------------------|----------------------|-----------------------|
| Balance as of June 30, 2020 | \$ 97,774,013 | 31,126,272 | 66,647,741 |
| Changes for the year: | | | |
| Service cost | 4,414,974 | -- | 4,414,974 |
| Interest | 4,088,383 | -- | 4,088,383 |
| Difference between expected and actual experience | (29,169,251) | -- | (29,169,251) |
| Changes of assumptions or other inputs | (5,155,058) | -- | (5,155,058) |
| Contributions – employer | -- | 5,243,164 | (5,243,164) |
| Net investment income | -- | 7,985,876 | (7,985,876) |
| Benefit payments | (3,643,164) | (3,643,164) | -- |
| Net changes | (29,464,116) | 9,585,876 | (39,049,992) |
| Balance as of June 30, 2021 | \$ 68,309,897 | 40,712,148 | 27,597,749 |

For the year ended June 30, 2021, the County recognized OPEB expenses of \$624,179. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ - | 30,177,948 |
| Changes of assumptions and other inputs | 8,566,654 | 4,969,051 |
| Net difference between projected and actual earnings on pension plan investments | - | 4,812,441 |
| Totals | \$ 8,566,654 | 39,959,440 |

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

| Year ending June 30, | |
|-----------------------------|----------------|
| 2022 | \$ (6,193,753) |
| 2023 | (6,136,346) |
| 2024 | (5,984,705) |
| 2025 | (7,230,289) |
| 2026 | (5,847,693) |

5c. Risk Management

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

The County's risk retention program provides coverage for a maximum of \$700,000 for each workers' compensation claim, \$75,000 for each auto liability and general liability claim, \$250,000 for each public officials and law enforcement claim, \$100,000 for each property damage claim, and \$175,000 for each health care claim. The County purchases commercial insurance for claims in excess of the retention limits. The commercial carrier paid \$ 1,797,116 for excess health care claims during the year.

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

In accordance with G.S. 159-29, the County's employees that have access at any given time to \$100 or more of the County's funds are performance bonded through a commercial surety bond. The chief financial officer and tax collector are individually bonded for \$100,000 and \$150,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$2,000,000.

Claims liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). For losses other than employee, dependent, and retiree health care costs, the County's actuarially determined claims liability, which does not include non-incremental claims adjustment expenses, is \$891,357 at June 30, 2021. It is reported in the Statement of Net Position as a long-term liability, with \$ 836,775 considered due within one year.

The County's estimated claims liability for employee, dependent, and retiree health care costs is \$3,617,180 at June 30, 2021. It is reported as a current liability in the proprietary fund Statement of Net Position and as a long-term liability, due within one year, in the government-wide Statement of Net Position.

The County's risk retention program for employee, dependent, and retiree health care costs, and premiums is maintained at a level to cover future catastrophic losses as well as the actuarially determined claims liability, and also to enable matching revenues and expenses over a reasonable period of time without significant year-to-year increases. The net position of \$6,164,794 in the Employee Health Benefits Fund are designated for these purposes.

Changes in the claims liability amount in fiscal 2019 through fiscal 2021 were as follows:

| | Beginning Balance | Current-Year Claims and Changes in Estimates | Claims Payments | Ending Balance |
|-----------|------------------------------|---|----------------------------|---------------------------|
| 2018-2019 | \$3,143,657 | 25,568,436 | (24,541,929) | 4,170,164 |
| 2019-2020 | 4,170,164 | 24,482,158 | (24,550,677) | 4,101,645 |
| 2020-2021 | 4,101,645 | 28,938,479 | (28,531,587) | 4,508,537 |

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

5d. Contingent Liabilities

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

The County is involved in several other claims and lawsuits, which it intends to defend vigorously. The County's legal counsel estimates that any possible liability to the County resulting from such litigation and not covered by insurance would not have a material adverse effect on the financial position of the County at June 30, 2021.

5e. Joint Ventures

The County, in conjunction with the State of North Carolina and the Winston-Salem/Forsyth County Board of Education, participates in a joint venture to operate Forsyth Technical Community College. Each of the three participants appoints four members of the thirteen-member board of trustees of the community college. The president of the community college's student government serves as an ex officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds or other debt instruments to provide financing for new facilities. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$10,647,231 and \$7,101,440 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2021. In addition, the County made debt service payments of \$5,348,722 during the fiscal year on general obligation bonds and an installment financing agreement issued for community college capital facilities. The participating governments do not have an equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2021. Complete financial statements for the community college may be obtained from the community college's administrative offices at 2100 Silas Creek Parkway, Winston-Salem, North Carolina 27103.

In conjunction with the City of Winston-Salem and the Greater Winston-Salem Chamber of Commerce, Inc., the County takes part in a joint venture to operate the Forsyth County Tourism Development Authority, which was established pursuant to state statute for the purpose of furthering the development of travel, tourism, and conventions in the County. The Authority board is comprised of nine members of which the County and the City of Winston-Salem each appoint four, and the Chamber appoints one. The Authority receives approximately 61.4% of room occupancy taxes which are levied and collected by the County. For the year ended June 30, 2021, occupancy taxes totaling \$2,607,882 were distributed to the Authority. The County also provided \$19,193 in financial services to the Authority during fiscal year 2021. 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, 2021. Complete financial statements for the Authority can be obtained from the Authority's finance officer at Forsyth County Government Center, 201 N. Chestnut Street, Winston-Salem, North Carolina 27101.

5f. Jointly Governed Organizations

The County, in conjunction with eleven other counties and 62 municipalities, is a member of the Piedmont Triad Regional Council (PTRC). The PTRC is a voluntary association of municipal and county governments, enabled by state law to promote regional issues and cooperation among members and to coordinate funding from federal and state agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$79,025 to the Council during the fiscal year ended June 30, 2021.

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, 2021.

5g. Risks and Uncertainties

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

5h. Change in Accounting Principle

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

As part of implementing the statement, the County performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, fiduciary net position was restated as follows:

| Fiduciary Net Position – Custodial Fund <u>Increase (Decrease)</u> | |
|--|--|
| -- | Cash and liabilities related to fines and forfeitures owed to the Winston-Salem/Forsyth County Schools were reclassified out of the Agency Fund into a liability in the General Fund. |
| -- | Cash and liabilities related to the Social Security Administration’s Representative Payee Program were reclassified out of the Agency Fund into a liability in the General Fund. |
| 3,492,291 | Cash, taxes receivable and liabilities related to ad valorem and vehicle property taxes collected by the County on behalf of various municipalities were reclassified out of the Agency Fund into a newly created Municipal Tax Custodial Fund. The portion of liabilities attributed to taxes receivable at the beginning of the year was restated as custodial net position. |
| 275,377 | Cash related to executed court orders or held as evidence was reclassified out of the Agency Fund into a newly created Sheriff Custodial Fund. The portion of liabilities attributed to cash held as evidence at the beginning of the year was restated as custodial net position. |
| <u><u>\$3,767,668</u></u> | Net Position - beginning, restated |

Required Supplementary Schedules

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

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

Local Governmental Employees' Retirement System – Schedule of Employer Contributions

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

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

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

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

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

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

Healthcare Plan – Schedule of Employer Contributions

Healthcare Plan – Notes to the Required Schedules

Healthcare Plan – Schedule of Investment Returns

LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

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

FORSYTH COUNTY, NORTH CAROLINA

Last Eight Fiscal Years (see Note 1 below)

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Proportion of the net pension liability (asset) | 1.376% | 1.369% | 1.402% | 1.383% | 1.380% | 1.400% | (1.394%) | 1.454% |
| County's proportionate share of the net pension liability (asset) | \$ 49,165,696 | 37,388,507 | 33,257,151 | 21,135,895 | 29,287,603 | 6,283,987 | (7,691,093) | 17,531,105 |
| County's covered payroll | \$ 96,946,393 | 92,640,576 | 87,585,656 | 86,954,681 | 84,323,090 | 82,451,507 | 81,718,579 | 81,535,693 |
| County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 50.71% | 40.36% | 37.97% | 24.31% | 34.73% | 7.62% | (9.41%) | 21.50% |
| Plan fiduciary net position as a percentage of the total pension liability | 88.61% | 90.86% | 91.63% | 94.18% | 91.47% | 98.09% | 102.64% | 94.35% |

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

LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS ¹

FORSYTH COUNTY, NORTH CAROLINA

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Contractually required contribution | \$ 10,046,439 | 8,915,568 | 7,328,062 | 6,896,296 | 6,435,317 | 5,736,808 | 5,880,990 | 5,791,279 |
| Contributions in relation to the contractually required contribution | <u>10,046,439</u> | <u>8,915,568</u> | <u>7,328,062</u> | <u>6,896,296</u> | <u>6,435,317</u> | <u>5,736,808</u> | <u>5,880,990</u> | <u>5,791,279</u> |
| Contribution deficiency (excess) | \$ <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Covered payroll | \$ 96,981,503 | 96,946,393 | 92,640,576 | 87,585,656 | 86,954,681 | 84,323,090 | 82,451,507 | 81,718,579 |
| Contributions as a percentage of covered payroll | 10.36% | 9.20% | 7.91% | 7.87% | 7.40% | 6.80% | 7.13% | 7.09% |

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

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY (ASSET) ¹

FORSYTH COUNTY, NORTH CAROLINA

Last Five Fiscal Years (see Note 1 below)

| | | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|----|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Service Cost | \$ | 365,467 | 300,482 | 317,852 | 254,543 | 292,100 |
| Interest | | 273,412 | 288,665 | 243,471 | 280,573 | 235,450 |
| Difference between expected and actual experience | | 560,209 | 362,962 | 617,333 | 155,543 | - |
| Changes of assumptions and other inputs | | 3,091,178 | 222,999 | (278,708) | 415,966 | (455,706) |
| Benefit payments | | (748,979) | (688,187) | (660,575) | (680,570) | (622,315) |
| Net change in Total Pension Liability | \$ | <u>3,541,287</u> | <u>486,921</u> | <u>239,373</u> | <u>426,055</u> | <u>(550,471)</u> |
| Total Pension Liability - beginning | | <u>8,761,360</u> | <u>8,274,439</u> | <u>8,035,066</u> | <u>7,609,011</u> | <u>8,159,482</u> |
| Total Pension Liability - ending | \$ | <u><u>12,302,647</u></u> | <u><u>8,761,360</u></u> | <u><u>8,274,439</u></u> | <u><u>8,035,066</u></u> | <u><u>7,609,011</u></u> |

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

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

REQUIRED SUPPLEMENTARY INFORMATION

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

FORSYTH COUNTY, NORTH CAROLINA

For the fiscal year ended June 30,

| | | <u>2020</u> | <u>2019</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|----|-------------|-------------|-------------|-------------|-------------|
| Total Pension Liability | \$ | 12,302,647 | 8,761,360 | 8,274,439 | 8,035,066 | 7,609,011 |
| Covered-employee payroll | \$ | 13,941,026 | 12,300,412 | 11,753,403 | 10,996,359 | 10,680,124 |
| Total Pension Liability as a percent of covered-employee payroll | | 88.25% | 71.23% | 70.40% | 73.07% | 71.24% |

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

Notes to the Required Schedules:

- (1) No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 73 nor does the Plan provide pay related benefits.
- (2) The amounts presented for each fiscal year were determined as of the prior December 31.

REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND

REQUIRED SUPPLEMENTARY INFORMATION

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

FORSYTH COUNTY, NORTH CAROLINA

Last Eight Fiscal Years (see Note 1 below)

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Proportion of the net pension liability (asset) | 3.560% | 3.440% | 3.780% | 3.962% | 3.961% | 3.929% | 3.869% | 3.798% |
| County's proportionate share of the net pension liability (asset) | \$ (816,749) | (679,188) | (626,106) | (676,308) | (740,482) | (910,408) | (877,043) | (811,150) |
| Plan fiduciary net position as a percentage of the total pension liability | 173.62% | 164.11% | 153.31% | 153.77% | 160.17% | 197.29% | 102.64% | 190.50% |

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

REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS ¹

FORSYTH COUNTY, NORTH CAROLINA

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually required contribution | \$ 41,743 | 34,124 | 32,699 | 32,350 | 34,426 | 32,356 | 31,436 | 31,593 |
| Contributions in relation to the contractually required contribution | 41,743 | 34,124 | 32,699 | 32,350 | 34,426 | 32,356 | 31,436 | 31,593 |
| Contribution deficiency (excess) | \$ <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

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

HEALTHCARE PLAN

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS ¹

FORSYTH COUNTY, NORTH CAROLINA

For the fiscal year ended June 30,

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| TOTAL OPEB LIABILITY | | | | | |
| Service Cost | \$ 4,414,974 | 4,365,019 | 3,081,527 | 3,045,210 | 2,876,639 |
| Interest on total OPEB liability | 4,088,383 | 3,936,358 | 4,719,619 | 4,605,929 | 4,422,422 |
| Difference between expected and actual experience | (29,169,251) | (3,215,577) | (6,122,054) | (1,342,048) | - |
| Changes of assumptions or other inputs | (5,155,058) | (991,320) | 16,450,078 | - | - |
| Benefit payments ² | (3,643,164) | (2,775,016) | (4,366,227) | (4,371,688) | (4,025,629) |
| Net change in total OPEB liability | (29,464,116) | 1,319,464 | 13,762,943 | 1,937,403 | 3,273,432 |
| Total OPEB liability - beginning | 97,774,013 | 96,454,549 | 82,691,606 | 80,754,203 | 77,480,771 |
| Total OPEB liability - ending | <u>68,309,897</u> | <u>97,774,013</u> | <u>96,454,549</u> | <u>82,691,606</u> | <u>80,754,203</u> |
| PLAN FIDUCIARY NET POSITION | | | | | |
| Contributions - employer ³ | \$ 5,243,164 | 4,375,016 | 5,991,311 | 5,971,688 | 5,625,629 |
| Net investment income | 7,985,876 | 1,174,573 | 1,635,661 | 1,616,544 | 2,398,737 |
| Benefit payments ² | (3,643,164) | (2,775,016) | (4,366,227) | (4,371,688) | (4,025,629) |
| Plan administrative expenses | - | - | (25,084) | - | - |
| Net change in Plan fiduciary net position | 9,585,876 | 2,774,573 | 3,235,661 | 3,216,544 | 3,998,737 |
| Plan fiduciary net position - beginning | 31,126,272 | 28,351,699 | 25,116,038 | 21,899,494 | 17,900,757 |
| Plan fiduciary net position - ending | <u>40,712,148</u> | <u>31,126,272</u> | <u>28,351,699</u> | <u>25,116,038</u> | <u>21,899,494</u> |
| NET OPEB LIABILITY | \$ 27,597,749 | 66,647,741 | 68,102,850 | 57,575,568 | 58,854,709 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 59.60% | 31.83% | 29.39% | 30.37% | 27.12% |
| Covered employee payroll ⁴ | \$ 91,324,641 | 85,024,648 | 85,024,648 | 79,583,427 | 79,583,427 |
| Net OPEB liability as a percentage of covered employee payroll | 30.22% | 78.39% | 80.10% | 72.35% | 73.95% |

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

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

³ Employer contributions include benefit payments paid outside the Trust.

⁴ For years following the valuation date (when no new valuation is performed), covered payroll has been set to equal the covered payroll from the most recent valuation.

HEALTHCARE PLAN

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

FORSYTH COUNTY, NORTH CAROLINA

For the fiscal year ended June 30,

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|--|-----------------------|--------------------|--------------------|--------------------|----------------|------------------|
| TOTAL OPEB LIABILITY | | | | | | |
| Actuarially Determined Contribution | \$ 7,277,688 | 7,277,688 | 7,144,036 | 7,144,036 | 5,627,638 | 5,321,271 |
| Contributions in relation to the Actuarially Determined Contribution | 5,243,164 | 4,375,016 | 5,991,311 | 5,971,688 | 5,625,629 | 6,926,372 |
| Annual contribution excess (deficiency) | \$ <u>(2,034,524)</u> | <u>(2,902,672)</u> | <u>(1,152,725)</u> | <u>(1,172,348)</u> | <u>(2,009)</u> | <u>1,605,101</u> |
| Covered employee payroll ¹ | \$ 91,324,641 | 85,024,648 | 85,024,648 | 79,583,427 | 79,583,427 | 79,583,427 |
| Actual contributions as a percentage of covered employee payroll | 5.74% | 5.15% | 7.05% | 7.50% | 7.07% | 8.70% |

¹ For years following the valuation date (when no new valuation is performed), covered payroll has been set to equal the covered payroll from the most recent valuation.

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

| | |
|-------------------------------|--|
| Valuation date | 06/30/2020 |
| Actuarial cost method | Entry Age Normal (Level Percentage of Pay) |
| Amortization method | Level dollar |
| Remaining amortization period | 20 years |
| Asset valuation method | Market value of Assets |
| Actuarial assumptions: | |
| Investment rate of return* | 5.33% |
| Medical cost trend rate | 7.00% - 4.50% |
| Year of ultimate trend rate | 2030 |
| *Includes inflation at | 2.50% |

HEALTHCARE PLAN

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF INVESTMENT RETURNS ¹

FORSYTH COUNTY, NORTH CAROLINA

For the fiscal year ended June 30,

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return, net of investment expenses | 24.63% | 3.91% | 6.32% | 7.00% | 12.67% | -0.93% |

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

Major Governmental Funds

Budgetary Comparison Schedules

General Fund

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

Capital Project Funds

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

2017 Court Facilities Fund – This fund is used to account for proceeds of general obligation two-thirds bonds and limited obligation bonds issued to finance acquisition, construction, expansion, improvement, renovation and equipment for courthouse buildings and facilities.

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

Debt Service Fund

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

Special Revenue Fund

Pandemic Response Fund – This fund accounts for federal grant funds received from the Emergency Rental Assistance Program and Local Fiscal Recovery Fund under the American Rescue Plan Act for expenditures incurred in response to and in recovery from the Coronavirus Disease 2019 public health emergency.

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, 2021

Page 1 of 3

| | <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 | \$ 279,289,025 | 279,289,025 | 284,111,280 | 4,822,255 |
| Prior years | 1,200,000 | 1,200,000 | 2,177,128 | 977,128 |
| Interest and fees | 850,000 | 850,000 | 1,058,436 | 208,436 |
| Total property | <u>281,339,025</u> | <u>281,339,025</u> | <u>287,346,844</u> | <u>6,007,819</u> |
| Occupancy taxes | <u>655,000</u> | <u>655,000</u> | <u>586,773</u> | <u>(68,227)</u> |
| Local option sales: | | | | |
| Article 39 one cent | 27,050,053 | 30,484,454 | 35,027,724 | 4,543,270 |
| Article 40 one-half cent | 14,931,634 | 17,067,318 | 20,154,735 | 3,087,417 |
| Article 42 one-half cent | 16,399,012 | 18,622,339 | 21,844,854 | 3,222,515 |
| Article 44 one-half cent | - | - | 6,034 | 6,034 |
| Article 46 one-quarter cent | 11,050,000 | 11,050,000 | 17,532,289 | 6,482,289 |
| Total sales | <u>69,430,699</u> | <u>77,224,111</u> | <u>94,565,636</u> | <u>17,341,525</u> |
| Other taxes | <u>375,000</u> | <u>375,000</u> | <u>483,922</u> | <u>108,922</u> |
| Total taxes | 351,799,724 | 359,593,136 | 382,983,175 | 23,390,039 |
| Licenses and permits | 825,100 | 825,100 | 1,101,224 | 276,124 |
| Intergovernmental | 42,743,004 | 52,150,494 | 44,354,589 | (7,795,905) |
| Charges for services | 24,397,097 | 24,480,395 | 26,376,464 | 1,896,069 |
| Investment earnings | 350,000 | 350,000 | 251,052 | (98,948) |
| Other | <u>10,659,282</u> | <u>10,824,115</u> | <u>8,829,951</u> | <u>(1,994,164)</u> |
| Total revenues | <u>430,774,207</u> | <u>448,223,240</u> | <u>463,896,455</u> | <u>15,673,215</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government: | | | | |
| Budget and management | 541,231 | 640,491 | 531,940 | 108,551 |
| Management information services | 6,622,963 | 6,924,689 | 6,368,532 | 556,157 |
| Finance | 2,633,076 | 2,977,934 | 2,702,393 | 275,541 |
| General services | 14,702,426 | 16,295,723 | 13,642,451 | 2,653,272 |
| Human resources | 1,324,855 | 1,468,883 | 1,377,785 | 91,098 |
| Planning | 1,456,860 | 1,456,860 | 1,268,825 | 188,035 |
| Purchasing | 142,310 | 142,310 | 138,095 | 4,215 |
| MapForsyth | 665,031 | 674,305 | 671,392 | 2,913 |
| Attorney | 1,785,521 | 1,814,823 | 1,679,811 | 135,012 |
| Board of elections | 1,790,468 | 2,587,712 | 2,537,395 | 50,317 |
| County commissioners and manager | 1,215,558 | 1,303,769 | 1,226,527 | 77,242 |
| Register of deeds | 1,427,284 | 1,477,711 | 1,338,598 | 139,113 |
| Tax administration | 7,415,456 | 7,642,346 | 6,742,859 | 899,487 |
| Non-departmental: | | | | |
| Contingency | 800,000 | 6,891,130 | - | 6,891,130 |
| County-wide salary savings | (3,000,000) | (7,220,065) | - | (7,220,065) |
| Other services and adjustments | (839,518) | (2,280,653) | 1,047,934 | (3,328,587) |
| Employee salary adjustments | 634,188 | 1,200,973 | - | 1,200,973 |
| Prior year encumbrances | 1,800,000 | - | - | - |
| Special appropriations | <u>194,000</u> | <u>445,000</u> | <u>434,999</u> | <u>10,001</u> |
| Total general government | <u>41,311,709</u> | <u>44,443,941</u> | <u>41,709,536</u> | <u>2,734,405</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, 2021

Page 2 of 3

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|-------------------|-----------------------|-----------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Public safety: | | | | |
| Emergency management | \$ 430,780 | 556,780 | 504,417 | 52,363 |
| Interagency communications | 1,011,603 | 1,108,851 | 934,006 | 174,845 |
| Sheriff | 60,286,738 | 61,352,383 | 53,640,989 | 7,711,394 |
| Emergency services | 20,028,705 | 21,050,778 | 17,517,757 | 3,533,021 |
| Court services | 396,732 | 374,763 | 234,288 | 140,475 |
| Medical examiner | 318,250 | 371,800 | 430,000 | (58,200) |
| Youth services | 1,405,852 | 2,495,991 | 2,008,455 | 487,536 |
| Nondepartmental other services and adjustments | 1,786,302 | 1,786,302 | 1,648,194 | 138,108 |
| Total public safety | <u>85,664,962</u> | <u>89,097,648</u> | <u>76,918,106</u> | <u>12,179,542</u> |
| Environmental protection: | | | | |
| NC cooperative extension service - conservation of natural resources | 522,707 | 523,692 | 176,101 | 347,591 |
| Environmental assistance and protection | 2,396,034 | 2,527,281 | 2,331,497 | 195,784 |
| Inspections | 344,510 | 502,610 | 375,128 | 127,482 |
| Nondepartmental other services and adjustments | 11,043 | 11,043 | 10,398 | 645 |
| Total environmental protection | <u>3,274,294</u> | <u>3,564,626</u> | <u>2,893,124</u> | <u>671,502</u> |
| Human services: | | | | |
| Behavioral health services | 2,637,182 | 2,242,718 | 1,993,908 | 248,810 |
| Public health | 25,882,855 | 33,288,718 | 22,931,527 | 10,357,191 |
| Social services | 44,918,670 | 47,390,989 | 38,849,518 | 8,541,471 |
| Aging services | 613,530 | 631,130 | 425,000 | 206,130 |
| Special appropriations | 494,675 | 1,008,305 | 716,119 | 292,186 |
| Nondepartmental other services and adjustments | 836,354 | 836,354 | 783,561 | 52,793 |
| Total human services | <u>75,383,266</u> | <u>85,398,214</u> | <u>65,699,633</u> | <u>19,698,581</u> |
| Culture and recreation: | | | | |
| Library | 8,063,416 | 8,270,484 | 7,309,629 | 960,855 |
| Parks and recreation | 8,401,072 | 9,198,100 | 7,246,677 | 1,951,423 |
| Special appropriations | 329,800 | 690,000 | 343,200 | 346,800 |
| Nondepartmental other services and adjustments | 223,350 | 223,350 | 205,848 | 17,502 |
| Total culture and recreation | <u>17,017,638</u> | <u>18,381,934</u> | <u>15,105,354</u> | <u>3,276,580</u> |
| Community and economic development: | | | | |
| Airport | 2,533,506 | 2,824,244 | 2,213,664 | 610,580 |
| Community and economic development | 3,593,711 | 4,240,595 | 2,631,198 | 1,609,397 |
| Nondepartmental other services and adjustments | 12,885 | 12,885 | 11,841 | 1,044 |
| Total community and economic development | <u>6,140,102</u> | <u>7,077,724</u> | <u>4,856,703</u> | <u>2,221,021</u> |
| Education: | | | | |
| NC cooperative extension service | 808,876 | 853,178 | 642,654 | 210,524 |
| Nondepartmental other services and adjustments | 24,970 | 24,970 | 22,947 | 2,023 |
| Total education | <u>833,846</u> | <u>878,148</u> | <u>665,601</u> | <u>212,547</u> |
| Intergovernmental: | | | | |
| Education: | | | | |
| Forsyth Technical Community College: | | | | |
| Current expense | 10,314,164 | 10,647,231 | 10,646,231 | 1,000 |
| Capital outlay | 455,000 | 455,000 | 455,000 | - |
| Total Forsyth Technical Community College | <u>10,769,164</u> | <u>11,102,231</u> | <u>11,101,231</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, 2021

Page 3 of 3

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|-------------------------|---------------------|-----------------------|-----------------------------------|
| | Original | Final | | |
| Winston-Salem/Forsyth County Schools: | | | | |
| Instructional programs | \$ 87,816,002 | 89,761,980 | 89,761,980 | - |
| Support services | 38,441,488 | 39,293,340 | 39,293,340 | - |
| Community services | 383,405 | 391,901 | 391,901 | - |
| Charter schools | 6,048,179 | 6,182,204 | 6,182,204 | - |
| Capital outlay | 3,966,456 | 3,966,456 | 3,966,456 | - |
| Total Winston-Salem/Forsyth County Schools | <u>136,655,530</u> | <u>139,595,881</u> | <u>139,595,881</u> | <u>-</u> |
| Total intergovernmental education | <u>147,424,694</u> | <u>150,698,112</u> | <u>150,697,112</u> | <u>1,000</u> |
| Total expenditures | <u>377,050,511</u> | <u>399,540,347</u> | <u>358,545,169</u> | <u>40,995,178</u> |
| Excess (deficiency) of revenues over expenditures | <u>53,723,696</u> | <u>48,682,893</u> | <u>105,351,286</u> | <u>56,668,393</u> |
| Other financing sources (uses): | | | | |
| Transfers in: | | | | |
| Fire Tax Districts Fund | 2,803,190 | 2,803,190 | 3,355,341 | 552,151 |
| Law Enforcement Equitable Distribution Fund | 183,374 | 218,014 | 215,874 | (2,140) |
| 2014 2/3rds Bonds Fund | - | - | 23,430 | 23,430 |
| 2018 Motive Equipment Replacement Fund | - | - | 33,124 | 33,124 |
| 2019 Pay-Go Fund | - | 85,000 | 85,000 | - |
| Total transfers in | <u>2,986,564</u> | <u>3,106,204</u> | <u>3,712,769</u> | <u>606,565</u> |
| Transfers out: | | | | |
| Capital Reserve Fund | (66,582,475) | (66,582,475) | (66,613,516) | (31,041) |
| 2020 WSFCS Capital Maintenance Fund | (1,735,000) | (1,735,000) | (1,735,000) | - |
| 2020 Mobile Equipment Replacement Fund | (1,450,000) | (1,456,726) | (1,456,726) | - |
| 2020 Pay-Go Fund | - | (12,905,917) | (12,905,917) | - |
| 2020 Radio System Upgrade Fund | - | (2,892,023) | (2,892,023) | - |
| 2021 Housing Fund | (47,558) | (49,558) | (49,558) | - |
| Total transfers out | <u>(69,815,033)</u> | <u>(85,621,699)</u> | <u>(85,652,740)</u> | <u>(31,041)</u> |
| Total other financing sources (uses) | <u>(66,828,469)</u> | <u>(82,515,495)</u> | <u>(81,939,971)</u> | <u>575,524</u> |
| Net change in fund balance | <u>\$ (13,104,773)</u> | <u>(33,832,602)</u> | <u>23,411,315</u> | <u>57,243,917</u> |
| Fund balance - June 30, 2020 | | | <u>133,737,349</u> | |
| Fund balance - June 30, 2021 | | | <u>\$ 157,148,664</u> | |

2016 SCHOOLS FACILITIES FUND

A-2

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|---|----------------------|--|--|--|
| Revenues - investment earnings | \$ 813,953 | 3,288,764 | 11,500 | 3,277,264 |
| Expenditures: | | | | |
| Debt service - interest and other charges | 813,953 | 525,093 | - | 525,093 |
| Current - intergovernmental - education | 350,000,000 | 162,607,127 | 52,430,471 | 110,176,656 |
| Total expenditures | <u>350,813,953</u> | <u>163,132,220</u> | <u>52,430,471</u> | <u>110,701,749</u> |
| Deficiency of revenues over expenditures | <u>(350,000,000)</u> | <u>(159,843,456)</u> | <u>(52,418,971)</u> | <u>(107,424,485)</u> |
| Other financing sources: | | | | |
| General obligation bonds issued | 350,000,000 | 254,706,056 | 91,081,056 | 163,625,000 |
| Premium on general obligation bonds | - | 21,244,398 | 9,535,619 | 11,708,779 |
| Total other financing sources | <u>350,000,000</u> | <u>275,950,454</u> | <u>100,616,675</u> | <u>175,333,779</u> |
| Net change in fund balance | <u>\$ -</u> | <u>116,106,998</u> | <u>48,197,704</u> | <u>67,909,294</u> |
| Fund balance - June 30, 2020 | | | 67,909,294 | |
| Fund balance - June 30, 2021 | | | <u>\$ 116,106,998</u> | |

2017 COURT 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, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|---|----------------------|--|--|--|
| Revenues - investment earnings | \$ 101,000 | 168,955 | 416 | 168,539 |
| Expenditures: | | | | |
| Debt service - interest and other charges | 101,000 | 99,794 | 99,794 | - |
| Capital outlay - general government | 115,915,200 | 15,863,570 | 9,514,356 | 6,349,214 |
| Total expenditures | <u>116,016,200</u> | <u>15,963,364</u> | <u>9,614,150</u> | <u>6,349,214</u> |
| Excess (deficiency) of revenues over expenditure | <u>(115,915,200)</u> | <u>(15,794,409)</u> | <u>(9,613,734)</u> | <u>(6,180,675)</u> |
| Other financing sources: | | | | |
| General obligation bonds issued | 115,915,200 | 4,709,862 | - | 4,709,862 |
| Premium on general obligation bonds | - | 290,465 | - | 290,465 |
| Limited obligation bonds issued | - | 78,881,710 | 78,881,710 | - |
| Premium on limited obligation bonds | - | 15,493,737 | 15,493,737 | - |
| Installment purchase borrowing | - | 7,776,941 | 5,086,464 | 2,690,477 |
| Total other financing sources | <u>115,915,200</u> | <u>107,152,715</u> | <u>99,461,911</u> | <u>7,690,804</u> |
| Net change in fund balance | <u>\$ -</u> | <u>91,358,306</u> | <u>89,848,177</u> | <u>1,510,129</u> |
| Fund balance - June 30, 2020 | | | 1,510,129 | |
| Fund balance - June 30, 2021 | | | <u>\$ 91,358,306</u> | |

CAPITAL RESERVE FUND

A-4

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|--------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues - investment earnings | \$ - | - | 6,235 | 6,235 |
| Expenditures - Budget reserve | 8,766,209 | 8,966,209 | - | 8,966,209 |
| Deficiency of revenues over expenditures | (8,766,209) | (8,966,209) | 6,235 | (8,959,974) |
| Other financing sources (uses): | | | | |
| Premium on refunding bonds | - | 200,000 | 23 | (199,977) |
| Transfers in - General Fund | 66,582,475 | 66,582,475 | 66,613,516 | 31,041 |
| Transfers out - Debt Service Fund | (62,001,535) | (62,001,535) | (59,826,471) | 2,175,064 |
| Total other financing sources (uses) | 4,580,940 | 4,780,940 | 6,787,068 | 2,006,128 |
| Net change in fund balance | \$ (4,185,269) | (4,185,269) | 6,793,303 | (6,953,846) |
| Fund balance - June 30, 2020 | | | 32,548,272 | |
| Fund balance - June 30, 2021 | | | \$ 39,341,575 | |

DEBT SERVICE FUND

A-5

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|---------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues - intergovernmental | \$ 1,195,146 | 1,195,146 | 1,544,002 | 348,856 |
| Expenditures: | | | | |
| Debt service: | | | | |
| General obligation bonds: | | | | |
| Principal | 38,100,000 | 38,100,000 | 38,100,000 | - |
| Interest and other charges | 20,844,228 | 20,411,228 | 19,996,335 | 414,893 |
| Limited obligation bonds, installment purchases and certificates of participation: | | | | |
| Principal | 6,383,650 | 25,783,650 | 23,601,068 | (2,182,582) |
| Interest and other charges | 1,518,803 | 2,251,803 | 1,821,266 | 430,537 |
| Total expenditures | <u>66,846,681</u> | <u>86,546,681</u> | <u>83,518,669</u> | <u>(1,337,152)</u> |
| Deficiency of revenues over expenditures | <u>(65,651,535)</u> | <u>(85,351,535)</u> | <u>(81,974,667)</u> | <u>1,686,008</u> |
| Other financing sources: | | | | |
| Refunding general obligation bonds issuance | - | 51,750,000 | 19,850,000 | (31,900,000) |
| Premium on refunding bonds | - | - | 2,710,391 | 2,710,391 |
| Limited obligation bonds issued | - | - | 40,000 | 40,000 |
| Refunding limited obligation bonds issuance | - | 51,750,000 | 23,278,767 | (28,471,233) |
| Premium on limited obligation refunding bonds | - | - | 3,481,327 | 3,481,327 |
| Transfers in: | | | | |
| State Public School Building Capital Fund | 3,650,000 | 3,650,000 | 4,210,684 | 560,684 |
| Capital Reserve Fund | 62,001,535 | 62,001,535 | 59,826,471 | (2,175,064) |
| Payment to refunded bond escrow agent | - | (32,050,000) | (31,941,116) | 108,884 |
| Total other financing sources (uses) | <u>65,651,535</u> | <u>137,101,535</u> | <u>81,456,524</u> | <u>(55,645,011)</u> |
| Net change in fund balance | \$ <u>-</u> | <u>51,750,000</u> | <u>(518,143)</u> | <u>(53,959,003)</u> |
| Fund balance - June 30, 2020 | | | 555,112 | |
| Fund balance - June 30, 2021 | | | \$ <u><u>36,969</u></u> | |

PANDEMIC RESPONSE FUND

A-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, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|--|-------------------|--|--|--|
| Revenues: | | | | |
| Intergovernmental: | | | | |
| Emergency Rental Assistance Program - County | \$ 4,052,179 | 5,334,699 | 5,334,699 | - |
| Emergency Rental Assistance Program - City | 6,730,523 | 1,441,102 | 1,441,102 | - |
| Coronavirus Local Fiscal Recovery Funds | 74,256,322 | 18,194,145 | 18,194,145 | - |
| Investment earnings | - | 5,055 | 5,055 | - |
| Total revenues | <u>85,039,024</u> | <u>24,975,001</u> | <u>24,975,001</u> | <u>-</u> |
| Expenditures - current - human services: | | | | |
| Emergency Rental Assistance Program - County | 4,052,179 | 382,731 | 382,731 | - |
| Emergency Rental Assistance Program - City | 6,730,523 | 1,441,102 | 1,441,102 | - |
| Coronavirus Local Fiscal Recovery Funds | <u>74,256,322</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>85,039,024</u> | <u>1,823,833</u> | <u>1,823,833</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>23,151,168</u> | <u>23,151,168</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>23,151,168</u> | <u>23,151,168</u> | <u>-</u> |
| Fund balance - June 30, 2020 | | | <u>-</u> | |
| Fund balance (deficit) - June 30, 2021 | | | <u>\$ 23,151,168</u> | |

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

2018 Housing Fund – This fund accounts for the use of state and federal grants initiated in fiscal year 2018 for rehabilitation and reconstruction of substandard dwellings in Forsyth County, down-payment assistance for Forsyth County citizens who meet eligibility requirements, and other housing rehabilitation and first-time home buyer related purposes.

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

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

2020 Housing Fund – This fund will account for the use of state and federal grants to be initiated in fiscal year 2020 for rehabilitation and reconstruction of substandard dwellings in Forsyth County, down-payment assistance for Forsyth County citizens who meet eligibility requirements, and other housing rehabilitation and first-time home buyer related purposes.

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

2021 Housing Fund – This fund will account for the use of state and federal grants to be initiated in fiscal year 2021 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.

2021 Justice Assistance Fund – This fund accounts for the 2020 Coronavirus Emergency Supplemental Program grant from the U.S Department of Justice, Bureau of Justice Assistance.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2020 Mobile Equipment Replacement Fund – This fund accounts for the purchase of the County’s emergency and non-emergency vehicle fleet.

2020 2/3rds Bonds Fund – Proceeds of general obligation two-thirds bonds will finance County facility maintenance and repair and park maintenance projects.

2020 Winston-Salem/Forsyth County Schools Capital Maintenance Fund – Proceeds of general obligation two-thirds bonds will finance school capital maintenance projects.

2020 Forsyth Technical Community College Capital Maintenance Fund – Proceeds of general obligation two-thirds bonds will finance community college maintenance projects.

2020 Radio System Upgrade Fund – This fund accounts for costs related to the upgrade of the 800MHz trunked radio system jointly owned between the County and the City of Winston-Salem.

2020 Pay-Go Fund – This fund accounts for community and economic development support, general government capital projects, public safety equipment purchases and facility upgrades, public health facility renovations, and the construction, expansion, improvement and renovation of parks and recreational facilities.

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

B-1

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2021

| | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Total</u> |
|---|----------------------------|-----------------------------|--------------------|
| ASSETS | | | |
| Cash and cash equivalents / investments | \$ 4,226,110 | 45,475,297 | 49,701,407 |
| Investments - restricted | - | 95,677,708 | 95,677,708 |
| Receivables (net): | | | |
| Property taxes | 64,517 | - | 64,517 |
| Accounts | - | - | - |
| Accrued interest | 1,473 | 9,027 | 10,500 |
| Due from other governments | 1,021,102 | 845,175 | 1,866,277 |
| Total assets | <u>\$ 5,313,202</u> | <u>142,007,207</u> | <u>147,320,409</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 47,563 | 1,075,654 | 1,123,217 |
| Due to other funds | 68,099 | - | 68,099 |
| Unearned revenue | 125,271 | - | 125,271 |
| Total liabilities | <u>240,933</u> | <u>1,075,654</u> | <u>1,316,587</u> |
| Deferred Inflows of Resources: | | | |
| Unavailable taxes | 64,517 | - | 64,517 |
| Unavailable other revenue | 11,923 | 434,259 | 446,182 |
| Total deferred inflows of resources | <u>76,440</u> | <u>434,259</u> | <u>510,699</u> |
| Fund balances: | | | |
| Restricted for: | | | |
| Stabilization by state statute | 1,141,278 | 11,408,510 | 12,549,788 |
| Fire protection | 567,914 | - | 567,914 |
| Law enforcement | 960,316 | - | 960,316 |
| Emergency telephone system | 1,998,780 | - | 1,998,780 |
| Human services | 303,484 | - | 303,484 |
| Housing and community redevelopment | 228,409 | - | 228,409 |
| Capital projects | - | 95,497,692 | 95,497,692 |
| Committed for capital projects | - | 33,591,092 | 33,591,092 |
| Unassigned | (204,352) | - | (204,352) |
| Total fund balances | <u>4,995,829</u> | <u>140,497,294</u> | <u>145,493,123</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 5,313,202</u> | <u>142,007,207</u> | <u>147,320,409</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, 2021

| | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Total</u> |
|--|----------------------------|-----------------------------|---------------------|
| Revenues: | | | |
| Taxes: | | | |
| Property | \$ 10,201,664 | - | 10,201,664 |
| Local option sales taxes | 2,687,909 | - | 2,687,909 |
| Total taxes | 12,889,573 | - | 12,889,573 |
| Intergovernmental | 12,825,254 | 697,459 | 13,522,713 |
| Investment earnings | 18,498 | 81,740 | 100,238 |
| Other | 133,680 | 1,766,551 | 1,900,231 |
| Total revenues | <u>25,867,005</u> | <u>2,545,750</u> | <u>28,412,755</u> |
| Expenditures: | | | |
| Current: | | | |
| General government | - | 285 | 285 |
| Public safety | 9,623,577 | - | 9,623,577 |
| Human services | 8,398,014 | - | 8,398,014 |
| Community and economic development | 517,610 | - | 517,610 |
| Intergovernmental - education | - | 11,677,151 | 11,677,151 |
| Capital outlay | 16,962 | 12,370,731 | 12,387,693 |
| Total expenditures | <u>18,556,163</u> | <u>24,048,167</u> | <u>42,604,330</u> |
| Excess (deficiency) of revenues over expenditures | <u>7,310,842</u> | <u>(21,502,417)</u> | <u>(14,191,575)</u> |
| Other financing sources (uses): | | | |
| General obligation bonds issued | - | 37,958,944 | 37,958,944 |
| Premium on general obligation bonds | - | 4,345,577 | 4,345,577 |
| Limited obligation bonds issued | - | 27,430,000 | 27,430,000 |
| Premium on limited obligation bonds | - | 2,120,152 | 2,120,152 |
| Other long-term borrowing | - | 1,621,775 | 1,621,775 |
| Transfers in | 49,558 | 31,404,507 | 31,454,065 |
| Transfers out | (7,781,899) | (12,556,395) | (20,338,294) |
| Total other financing sources (uses) | <u>(7,732,341)</u> | <u>92,324,560</u> | <u>84,592,219</u> |
| Net change in fund balances | (421,499) | 70,822,143 | 70,400,644 |
| Fund balance - June 30, 2020 | 5,417,328 | 69,675,151 | 75,092,479 |
| Fund balance (deficit) - June 30, 2021 | <u>\$ 4,995,829</u> | <u>140,497,294</u> | <u>145,493,123</u> |

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2021

| | <u>Fire Tax</u> <u>Districts</u> | <u>Law</u> <u>Enforcement</u> <u>Equitable</u> <u>Distribution</u> | <u>Emergency</u> <u>Telephone</u> <u>System</u> | <u>Moser</u> <u>Bequest</u> <u>for Care</u> <u>of Elderly</u> | <u>State Public</u> <u>School</u> <u>Building</u> <u>Capital</u> | <u>2017</u> <u>Housing</u> |
|--|-------------------------------------|---|---|--|---|-------------------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents / investments | \$ 569,239 | 960,316 | 2,007,702 | 303,484 | - | 2,530 |
| Receivables (net): | | | | | | |
| Property taxes | 64,517 | - | - | - | - | - |
| Accounts | - | - | - | - | - | - |
| Accrued interest | 232 | 251 | 435 | 69 | - | - |
| Due from other governments | 817,567 | 8,793 | 32,410 | - | - | - |
| Total assets | \$ 1,451,555 | 969,360 | 2,040,547 | 303,553 | - | 2,530 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable and accrued liabilities | \$ 1,325 | - | 431 | - | - | - |
| Due to other funds | - | - | - | - | - | - |
| Unearned revenue | - | - | - | - | - | - |
| Total liabilities | 1,325 | - | 431 | - | - | - |
| Deferred Inflows of Resources: | | | | | | |
| Unavailable taxes | 64,517 | - | - | - | - | - |
| Unavailable other revenue | 11,923 | - | - | - | - | - |
| Total deferred inflows of resources | 76,440 | - | - | - | - | - |
| Fund balances: | | | | | | |
| Restricted for: | | | | | | |
| Stabilization by state statute | 805,876 | 9,044 | 41,336 | 69 | - | - |
| Fire protection | 567,914 | - | - | - | - | - |
| Law enforcement | - | 960,316 | - | - | - | - |
| Emergency telephone system | - | - | 1,998,780 | - | - | - |
| Human services | - | - | - | 303,484 | - | - |
| Housing and community redevelopment | - | - | - | - | - | 2,530 |
| Unassigned | - | - | - | - | - | - |
| Total fund balances (deficits) | 1,373,790 | 969,360 | 2,040,116 | 303,553 | - | 2,530 |
| Total liabilities, deferred inflows of resources and fund balances (deficits) | \$ 1,451,555 | 969,360 | 2,040,547 | 303,553 | - | 2,530 |

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2021

| | 2018 | 2019 | 2017 | 2020 | 2021 | Total |
|--|-------------------|----------------|---------------------------|-----------------|----------------|------------------|
| | <u>Housing</u> | <u>Housing</u> | <u>Justice Assistance</u> | <u>Housing</u> | <u>Housing</u> | |
| ASSETS | | | | | | |
| Cash and cash equivalents / investments | \$ 104,456 | 153,542 | 124,841 | - | - | 4,226,110 |
| Receivables (net): | | | | | | |
| Property taxes | - | - | - | - | - | 64,517 |
| Accounts | - | - | - | - | - | - |
| Accrued interest | 22 | 33 | 430 | 1 | - | 1,473 |
| Due from other governments | 13,411 | 60,674 | - | 7,150 | 81,097 | 1,021,102 |
| Total assets | <u>\$ 117,889</u> | <u>214,249</u> | <u>125,271</u> | <u>7,151</u> | <u>81,097</u> | <u>5,313,202</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable and accrued liabilities | \$ 426 | 27,193 | - | - | 18,188 | 47,563 |
| Due to other funds | - | - | - | 22,909 | 45,190 | 68,099 |
| Unearned revenue | - | - | 125,271 | - | - | 125,271 |
| Total liabilities | <u>426</u> | <u>27,193</u> | <u>125,271</u> | <u>22,909</u> | <u>63,378</u> | <u>240,933</u> |
| Deferred Inflows of Resources: | | | | | | |
| Unavailable taxes | - | - | - | - | - | 64,517 |
| Unavailable other revenue | - | - | - | - | - | 11,923 |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>76,440</u> |
| Fund balances: | | | | | | |
| Restricted for: | | | | | | |
| Stabilization by state statute | 13,433 | 65,207 | 93,940 | 7,151 | 105,222 | 1,141,278 |
| Fire protection | - | - | - | - | - | 567,914 |
| Law enforcement | - | - | - | - | - | 960,316 |
| Emergency telephone system | - | - | - | - | - | 1,998,780 |
| Human services | - | - | - | - | - | 303,484 |
| Community and economic development | 104,030 | 121,849 | - | - | - | 228,409 |
| Unassigned | - | - | (93,940) | (22,909) | (87,503) | (204,352) |
| Total fund balances (deficits) | <u>117,463</u> | <u>187,056</u> | <u>-</u> | <u>(15,758)</u> | <u>17,719</u> | <u>4,995,829</u> |
| Total liabilities, deferred inflows of resources and fund balances (deficits) | <u>\$ 117,889</u> | <u>214,249</u> | <u>125,271</u> | <u>7,151</u> | <u>81,097</u> | <u>5,313,202</u> |

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

FORSYTH COUNTY, NORTH CAROLINA
For the Fiscal Year Ended June 30, 2021

| | <u>Fire Tax Districts</u> | <u>Law Enforcement Equitable Distribution</u> | <u>Emergency Telephone System</u> | <u>Moser Bequest for Care of Elderly</u> | <u>State Public School Building Capital</u> | <u>2017 Housing</u> | <u>2018 Housing</u> |
|--|-------------------------------|---|---|--|---|-------------------------|-------------------------|
| Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property | \$ 10,201,664 | - | - | - | - | - | - |
| Local option sales taxes | 2,687,909 | - | - | - | - | - | - |
| Intergovernmental | - | 220,089 | 327,004 | - | 4,210,684 | (119) | 282,911 |
| Investment earnings | 2,329 | 2,293 | 4,115 | 690 | - | 6 | 89 |
| Other | - | - | - | - | - | - | - |
| Total revenues | <u>12,891,902</u> | <u>222,382</u> | <u>331,119</u> | <u>690</u> | <u>4,210,684</u> | <u>(113)</u> | <u>283,000</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| Public safety | 9,520,314 | - | 40,525 | - | - | - | - |
| Human services | - | - | - | - | - | - | - |
| Community and economic development | - | - | - | - | - | - | (3,055) |
| Capital outlay: | | | | | | | |
| Public safety | - | - | - | - | - | - | - |
| Human services | - | - | - | - | - | - | - |
| Total expenditures | <u>9,520,314</u> | <u>-</u> | <u>40,525</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(3,055)</u> |
| Excess (deficiency) of revenues over expenditures | <u>3,371,588</u> | <u>222,382</u> | <u>290,594</u> | <u>690</u> | <u>4,210,684</u> | <u>(113)</u> | <u>286,055</u> |
| Other financing sources (uses): | | | | | | | |
| Transfers in: General Fund | - | - | - | - | - | - | - |
| Transfers out: | | | | | | | |
| General Fund | (3,355,341) | (215,874) | - | - | - | - | - |
| Debt Service Fund | - | - | - | - | (4,210,684) | - | - |
| Total other financing sources (uses) | <u>(3,355,341)</u> | <u>(215,874)</u> | <u>-</u> | <u>-</u> | <u>(4,210,684)</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 16,247 | 6,508 | 290,594 | 690 | - | (113) | 286,055 |
| Fund balance - June 30, 2020 | 1,357,543 | 962,852 | 1,749,522 | 302,863 | - | 2,643 | (168,592) |
| Fund balance (deficit) - June 30, 2021 | <u>\$ 1,373,790</u> | <u>969,360</u> | <u>2,040,116</u> | <u>303,553</u> | <u>-</u> | <u>2,530</u> | <u>117,463</u> |

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

FORSYTH COUNTY, NORTH CAROLINA
For the Fiscal Year Ended June 30, 2021

| | 2019 | 2017 | 2020 | Coronavirus | 2021 | Total |
|--|--------------------------|---------------------------|------------------------|--------------------|----------------------|-------------------------|
| | <u>Housing</u> | <u>Justice Assistance</u> | <u>Housing</u> | <u>Relief</u> | <u>Housing</u> | |
| Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property | \$ - | - | - | - | - | 10,201,664 |
| Local option sales taxes | - | - | - | - | - | 2,687,909 |
| Intergovernmental | 63,128 | 61,750 | 149,149 | 7,419,561 | 91,097 | 12,825,254 |
| Investment earnings | 328 | 121 | 36 | 8,491 | - | 18,498 |
| Other | 133,680 | - | - | - | - | 133,680 |
| Total revenues | <u>197,136</u> | <u>61,871</u> | <u>149,185</u> | <u>7,428,052</u> | <u>91,097</u> | <u>25,867,005</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Public safety | - | 62,738 | - | - | - | 9,623,577 |
| Human services | - | - | - | 8,398,014 | - | 8,398,014 |
| Community and economic development | 193,163 | - | 204,566 | - | 122,936 | 517,610 |
| Capital outlay: | | | | | | |
| Public safety | - | 10,750 | - | - | - | 10,750 |
| Human services | - | - | - | 6,212 | - | 6,212 |
| Total expenditures | <u>193,163</u> | <u>73,488</u> | <u>204,566</u> | <u>8,404,226</u> | <u>122,936</u> | <u>18,556,163</u> |
| Excess (deficiency) of revenues over expenditures | <u>3,973</u> | <u>(11,617)</u> | <u>(55,381)</u> | <u>(976,174)</u> | <u>(31,839)</u> | <u>7,310,842</u> |
| Other financing sources (uses): | | | | | | |
| Transfers in: General Fund | - | - | - | - | 49,558 | 49,558 |
| Transfers out: | | | | | | |
| General Fund | - | - | - | - | - | (3,571,215) |
| Debt Service Fund | - | - | - | - | - | (4,210,684) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>49,558</u> | <u>(7,732,341)</u> |
| Net change in fund balances | 3,973 | (11,617) | (55,381) | (976,174) | 17,719 | (421,499) |
| Fund balance - June 30, 2020 | 183,083 | 11,617 | 39,623 | 976,174 | - | 5,417,328 |
| Fund balance (deficit) - June 30, 2021 | \$ <u>187,056</u> | <u>-</u> | <u>(15,758)</u> | <u>-</u> | <u>17,719</u> | <u>4,995,829</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, 2021

Page 1 of 2

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|-------------------|-----------------------|-----------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Taxes: | | | | |
| Property | \$ 9,855,470 | 9,855,470 | 10,201,664 | 346,194 |
| Local option sales taxes | 2,037,062 | 2,632,606 | 2,687,909 | 55,303 |
| Total taxes | <u>11,892,532</u> | <u>12,488,076</u> | <u>12,889,573</u> | <u>401,497</u> |
| Investment earnings | - | - | 2,329 | 2,329 |
| Total revenues | <u>11,892,532</u> | <u>12,488,076</u> | <u>12,891,902</u> | <u>403,826</u> |
| Expenditures - current - public safety: | | | | |
| Beeson's Cross Roads | 321,496 | 321,496 | 321,496 | - |
| Beeson's Cross Roads Service | 34,784 | 34,784 | 34,784 | - |
| Belews Creek | 422,207 | 422,207 | 422,207 | - |
| City View | 44,822 | 44,822 | 44,822 | - |
| Clemmons | 1,800,437 | 1,800,437 | 1,800,437 | - |
| Forest Hill | 12,992 | 12,992 | 12,643 | 349 |
| Griffith | 154,290 | 154,290 | 154,290 | - |
| Gumtree | 73,077 | 73,077 | 73,077 | - |
| Horneytown | 328,308 | 328,308 | 328,308 | - |
| King (Forsyth County) | 591,360 | 591,360 | 591,360 | - |
| Lewisville | 1,563,270 | 1,563,270 | 1,563,270 | - |
| Mineral Springs | 227,364 | 227,364 | 227,364 | - |
| Mineral Springs Service | 8,974 | 8,974 | 8,974 | - |
| Mount Tabor | 91,142 | 91,142 | 91,142 | - |
| Old Richmond | 463,975 | 463,975 | 463,975 | - |
| Piney Grove | 892,471 | 892,471 | 892,471 | - |
| Rural Hall | 535,690 | 535,690 | 535,690 | - |
| Salem Chapel | 121,884 | 121,884 | 121,884 | - |
| South Fork | 11,583 | 11,583 | 11,583 | - |
| Talley's Crossing | 210,180 | 210,180 | 210,180 | - |
| Triangle | 123,126 | 123,126 | 123,126 | - |
| Union Cross | 348,523 | 348,523 | 348,523 | - |
| Vienna | 680,052 | 680,052 | 680,052 | - |
| Walkertown | 407,007 | 407,007 | 407,007 | - |
| West Bend | 51,649 | 51,649 | 51,649 | - |
| Total expenditures | <u>9,520,663</u> | <u>9,520,663</u> | <u>9,520,314</u> | <u>349</u> |
| Excess of revenues over expenditures | <u>2,371,869</u> | <u>2,967,413</u> | <u>3,371,588</u> | <u>404,175</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, 2021

Page 2 of 2

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|--------------------|----------------------------|-----------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Other financing uses - transfers out- | | | | |
| General Fund: | | | | |
| Beeson's Cross Roads | (62,514) | (80,790) | (80,204) | 586 |
| Beeson's Cross Roads Service | (6,784) | (8,768) | (8,695) | 73 |
| Belews Creek | (83,113) | (107,411) | (106,173) | 1,238 |
| City View | (9,098) | (11,758) | (11,538) | 220 |
| Clemmons | (343,199) | (443,533) | (441,506) | 2,027 |
| Countywide Fire Service | (911,793) | (954,182) | (942,348) | 11,834 |
| Forest Hill | (2,872) | (3,711) | (3,657) | 54 |
| Griffith | (30,283) | (39,137) | (37,484) | 1,653 |
| Gumtree | (14,764) | (19,080) | (18,935) | 145 |
| Horneytown | (67,902) | (87,754) | (84,110) | 3,644 |
| King of Forsyth County | (114,207) | (147,596) | (150,864) | (3,268) |
| Lewisville | (309,960) | (400,577) | (397,806) | 2,771 |
| Mineral Springs | (44,668) | (57,727) | (56,142) | 1,585 |
| Mineral Springs Service | (1,726) | (2,231) | (2,164) | 67 |
| Mount Tabor | (18,439) | (23,830) | (23,109) | 721 |
| Old Richmond | (92,516) | (119,564) | (118,834) | 730 |
| Piney Grove | (177,749) | (229,714) | (226,871) | 2,843 |
| Rural Hall | (100,345) | (129,682) | (128,724) | 958 |
| Salem Chapel | (22,826) | (29,499) | (29,326) | 173 |
| South Fork | (1,229) | (1,589) | (1,579) | 10 |
| Talley's Crossing | (43,769) | (56,565) | (55,955) | 610 |
| Triangle | (23,271) | (30,075) | (29,733) | 342 |
| Union Cross | (69,790) | (90,194) | (89,336) | 858 |
| Vienna | (135,968) | (175,719) | (169,705) | 6,014 |
| Walkertown | (104,275) | (134,761) | (126,654) | 8,107 |
| West Bend | (10,801) | (13,958) | (13,889) | 69 |
| Total other financing uses | <u>(2,803,861)</u> | <u>(3,399,405)</u> | <u>(3,355,341)</u> | <u>44,064</u> |
| Net change in fund balance | <u>\$ (431,992)</u> | <u>(431,992)</u> | 16,247 | <u>448,239</u> |
| Fund balance - June 30, 2020 | | | <u>1,357,543</u> | |
| Fund balance (deficit) - June 30, 2021 | | | <u>\$ <u>1,373,790</u></u> | |

LAW ENFORCEMENT EQUITABLE DISTRIBUTION FUND

C-4

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

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|------------------|-----------------------|-----------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ - | - | 220,089 | 220,089 |
| Investment earnings | - | - | 2,293 | 2,293 |
| Total revenues | - | - | 222,382 | 222,382 |
| Other financing uses: | | | | |
| Transfer to General Fund | (183,374) | (218,014) | (215,874) | 2,140 |
| Net change in fund balance | \$ (183,374) | (218,014) | 6,508 | 224,522 |
| Fund balance - June 30, 2020 | | | 962,852 | |
| Fund balance (deficit) - June 30, 2021 | | | \$ 969,360 | |

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, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|------------------|-----------------------|-----------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 347,567 | 347,567 | 327,004 | (20,563) |
| Investment earnings | - | - | 4,115 | 4,115 |
| Total revenues | 347,567 | 347,567 | 331,119 | (16,448) |
| Expenditures: | | | | |
| Current - Public Safety | 435,663 | 435,663 | 40,525 | 395,138 |
| Capital outlay - Public Safety | 600,000 | 600,000 | - | 600,000 |
| Total expenditures | 1,035,663 | 1,035,663 | 40,525 | 995,138 |
| Net change in fund balance | \$ (688,096) | (688,096) | 290,594 | (1,011,586) |
| Fund balance - June 30, 2020 | | | 1,749,522 | |
| Fund balance (deficit) - June 30, 2021 | | | \$ 2,040,116 | |

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, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|-----------------|-----------------------|-----------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues - investment earnings | \$ 1,000 | 1,000 | 690 | (310) |
| Expenditures - Human Services | 50,000 | 50,000 | - | 50,000 |
| Net change in fund balance | \$ (49,000) | (49,000) | 690 | 49,690 |
| Fund balance - June 30, 2020 | | | 302,863 | |
| Fund balance (deficit) - June 30, 2021 | | | \$ 303,553 | |

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, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|---|-----------------------|--|--|--|
| Revenues: | | | | |
| Intergovernmental | \$ 106,745,060 | 103,529,878 | 4,210,684 | 99,319,194 |
| Investment earnings | 162,074 | 162,074 | - | 162,074 |
| Total revenues | 106,907,134 | 103,691,952 | 4,210,684 | 99,481,268 |
| Expenditures - current - intergovernmental - education | 51,666,898 | 48,860,719 | - | 48,860,719 |
| Excess (deficiency) of revenues over expenditures | 55,240,236 | 54,831,233 | 4,210,684 | 50,620,549 |
| Other financing sources (uses): | | | | |
| Transfers in: | | | | |
| Schools Fund | - | 1,330,321 | - | 1,330,321 |
| 1990 Schools Facilities Fund | 4,170,049 | 4,169,875 | - | 4,169,875 |
| 1995 School Facilities Fund | 65,288 | 65,288 | - | 65,288 |
| 1996 Schools Facilities Fund | 1,933,499 | 1,933,499 | - | 1,933,499 |
| 2002 Schools Fund | 4,161,834 | 4,161,834 | - | 4,161,834 |
| 2007 School Facilities Fund | 250,000 | 250,000 | - | 250,000 |
| 2016 WSFCS Capital Maintenance Fund | 81,629 | 80,601 | - | 80,601 |
| Transfers out: | | | | |
| General Fund | (63,122,001) | (58,759,230) | - | (58,759,230) |
| Debt Service Fund | (4,110,684) | (8,063,421) | (4,210,684) | (3,852,737) |
| Total other financing sources (uses) | (56,570,386) | (54,831,233) | (4,210,684) | (50,620,549) |
| Net change in fund balance | \$ (1,330,150) | - | - | - |
| Fund balance - June 30, 2020 | | | - | |
| Fund balance (deficit) - June 30, 2021 | | | \$ - | |

2017 HOUSING FUND

C-8

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|---|-----------------|--|--|--|
| Revenues: | | | | |
| Intergovernmental: | | | | |
| 2016 WSFC HOME program | \$ 170,700 | 170,831 | (119) | 170,950 |
| 2016 HOME Single Family Rehabilitation | 225,000 | 123,910 | - | 123,910 |
| 2016 NCHFA Single Family Rehabilitation | 100,000 | 87,499 | - | 87,499 |
| Local government grants | 12,000 | 12,000 | - | 12,000 |
| Total intergovernmental | <u>507,700</u> | <u>394,240</u> | <u>(119)</u> | <u>394,359</u> |
| Investment earnings | - | 544 | 6 | 538 |
| Total revenues | <u>507,700</u> | <u>394,784</u> | <u>(113)</u> | <u>394,897</u> |
| Expenditures - current - community and economic development: | | | | |
| 2016 WSFC HOME | 170,700 | 170,700 | - | 170,700 |
| 2016 WSFC HOME - local match | 38,250 | 38,250 | - | 38,250 |
| 2016 NCHFA Urgent Repair | 325,000 | 209,554 | - | 209,554 |
| Total expenditures | <u>533,950</u> | <u>418,504</u> | <u>-</u> | <u>418,504</u> |
| Excess (deficiency) of revenues over expenditures | <u>(26,250)</u> | <u>(23,720)</u> | <u>(113)</u> | <u>(23,607)</u> |
| Other financing sources - transfers in General Fund | <u>26,250</u> | <u>26,250</u> | <u>-</u> | <u>26,250</u> |
| Net change in fund balance | <u>\$ -</u> | <u>2,530</u> | <u>(113)</u> | <u>2,643</u> |
| Fund balance - June 30, 2020 | | | <u>2,643</u> | |
| Fund balance (deficit) - June 30, 2021 | | | <u>\$ 2,530</u> | |

2018 HOUSING FUND

C-9

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|---|------------------|--|--|--|
| Revenues: | | | | |
| Intergovernmental: | | | | |
| 2017 WSFC HOME program | \$ 170,000 | 168,100 | 13,560 | 154,540 |
| CDBG NSP | 2,000,000 | 1,147,004 | 269,351 | 877,653 |
| 2017 NCHFA Urgent Repair Program | 100,000 | 91,425 | - | 91,425 |
| Local government grants | 12,000 | 12,000 | - | 12,000 |
| Total intergovernmental | <u>2,282,000</u> | <u>1,418,529</u> | <u>282,911</u> | <u>1,135,618</u> |
| Investment earnings | - | 931 | 89 | 842 |
| Mortgage repayments | 62,022 | 25,950 | - | 25,950 |
| Total revenues | <u>2,344,022</u> | <u>1,445,410</u> | <u>283,000</u> | <u>1,162,410</u> |
| Expenditures - current - community and economic development: | | | | |
| 2017 WSFC HOME | 170,000 | 168,100 | 12,835 | 155,265 |
| 2017 WSFC HOME - local match | 38,250 | 37,822 | 3,110 | 34,712 |
| Forsyth County IDA | 34,332 | 6,150 | - | 6,150 |
| CDBG NSP | 2,000,000 | 1,147,004 | (19,000) | 1,166,004 |
| CDBG Program Income | 125,000 | 50 | - | 50 |
| 2017 NCHFA Urgent Repair Program | 100,000 | 91,425 | - | 91,425 |
| Total expenditures | <u>2,467,582</u> | <u>1,450,551</u> | <u>(3,055)</u> | <u>1,453,606</u> |
| Excess (deficiency) of revenues over expenditures | <u>(123,560)</u> | <u>(5,141)</u> | <u>286,055</u> | <u>(291,196)</u> |
| Other financing sources - transfers in: | | | | |
| General Fund | 26,250 | 26,250 | - | 26,250 |
| 2014 Housing Fund | 97,310 | 96,354 | - | 96,354 |
| Total other financing sources | <u>123,560</u> | <u>122,604</u> | <u>-</u> | <u>122,604</u> |
| Net change in fund balance | <u>\$ -</u> | <u>117,463</u> | <u>286,055</u> | <u>(168,592)</u> |
| Fund balance - June 30, 2020 | | | (168,592) | |
| Fund balance (deficit) - June 30, 2021 | | | <u>\$ 117,463</u> | |

2019 HOUSING FUND

C-10

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|---|------------------|--|--|--|
| Revenues: | | | | |
| Intergovernmental: | | | | |
| 2018 WSFC HOME program | \$ 262,000 | 186,931 | 63,128 | 123,803 |
| CDBG NSP | 176,249 | 119,298 | - | 119,298 |
| 2018 NCHFA Urgent Repair Program | 100,000 | 91,237 | - | 91,237 |
| Local government grants | 10,000 | 12,000 | - | 12,000 |
| Total intergovernmental | <u>548,249</u> | <u>409,466</u> | <u>63,128</u> | <u>346,338</u> |
| Investment earnings | - | 6,180 | 328 | 5,852 |
| Mortgage repayments | 475,000 | 427,154 | 133,680 | 293,474 |
| Total revenues | <u>1,023,249</u> | <u>842,800</u> | <u>197,136</u> | <u>645,664</u> |
| Expenditures - current - community and economic development: | | | | |
| 2018 WSFC HOME | 262,000 | 186,812 | 63,045 | 123,767 |
| 2018 WSFC HOME - local match | 56,950 | 45,260 | (690) | 45,950 |
| HOME Program Income | 600,000 | 314,507 | 89,353 | 225,154 |
| CDBG NSP Program Income | 200,000 | 169,101 | 35,105 | 133,996 |
| 2018 NCHFA Urgent Repair Program | 100,000 | 90,787 | 6,350 | 84,437 |
| Total expenditures | <u>1,218,950</u> | <u>806,467</u> | <u>193,163</u> | <u>613,304</u> |
| Excess (deficiency) of revenues over expenditures | <u>(195,701)</u> | <u>36,333</u> | <u>3,973</u> | <u>32,360</u> |
| Other financing sources - transfers in: | | | | |
| General Fund | 46,950 | 46,950 | - | 46,950 |
| 2015 Housing Fund | 148,751 | 103,773 | - | 103,773 |
| Total other financing sources | <u>195,701</u> | <u>150,723</u> | <u>-</u> | <u>150,723</u> |
| Net change in fund balance | <u>\$ -</u> | <u>187,056</u> | <u>3,973</u> | <u>183,083</u> |
| Fund balance - June 30, 2020 | | | <u>183,083</u> | |
| Fund balance (deficit) - June 30, 2021 | | | <u>\$ 187,056</u> | |

2017 JUSTICE ASSISTANCE FUND

C-11

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|---|----------------|--|--|--|
| Revenues: | | | | |
| Intergovernmental - Justice Assistance | \$ 356,771 | 230,815 | 61,750 | 169,065 |
| Investment earnings | 4,044 | 4,729 | 121 | 4,608 |
| Total revenues | <u>360,815</u> | <u>235,544</u> | <u>61,871</u> | <u>173,673</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Sheriff | 170,185 | 138,509 | 53,635 | 84,874 |
| City of Winston-Salem police | 179,795 | 86,285 | 9,103 | 77,182 |
| Capital outlay: Sheriff | 10,835 | 10,750 | 10,750 | - |
| Total expenditures | <u>360,815</u> | <u>235,544</u> | <u>73,488</u> | <u>162,056</u> |
| Net change in fund balance | <u>\$ -</u> | <u>-</u> | <u>(11,617)</u> | <u>11,617</u> |
| Fund balance - June 30, 2020 | | | <u>11,617</u> | |
| Fund balance (deficit) - June 30, 2021 | | | <u>\$ -</u> | |

2020 HOUSING FUND

C-12

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|---|-----------------|--|--|--|
| Revenues: | | | | |
| Intergovernmental: | | | | |
| 2019 WSFC HOME Program | \$ 241,500 | 62,270 | 16,249 | 46,021 |
| 2019 Single Family Rehabilitation Program | 190,000 | - | - | - |
| 2019 NCHFA Urgent Repair Program | 100,000 | 132,900 | 132,900 | - |
| Local government grants | 12,000 | 12,000 | - | 12,000 |
| Total intergovernmental | <u>543,500</u> | <u>207,170</u> | <u>149,149</u> | <u>58,021</u> |
| Investment earnings | - | 253 | 36 | 217 |
| Total revenues | <u>543,500</u> | <u>207,423</u> | <u>149,185</u> | <u>58,238</u> |
| Expenditures - current - community and economic development: | | | | |
| 2019 WSFC HOME | 241,500 | 62,389 | 16,249 | 46,140 |
| 2019 WSFC HOME - local match | 27,169 | 15,874 | 15,860 | 14 |
| 2019 Forsyth County - local match | 27,169 | 25,978 | 25,978 | - |
| 2019 Single Family Rehabilitation Program | 190,000 | 61,278 | 61,278 | - |
| 2019 NCHFA Urgent Repair Program | 100,000 | 100,000 | 85,201 | 14,799 |
| Total expenditures | <u>585,838</u> | <u>265,519</u> | <u>204,566</u> | <u>60,953</u> |
| Excess (deficiency) of revenues over expenditures | <u>(42,338)</u> | <u>(58,096)</u> | <u>(55,381)</u> | <u>(2,715)</u> |
| Other financing sources - transfer in general fund | <u>42,338</u> | <u>42,338</u> | <u>-</u> | <u>42,338</u> |
| Net change in fund balance | <u>\$ -</u> | <u>(15,758)</u> | <u>(55,381)</u> | <u>39,623</u> |
| Fund balance - June 30, 2020 | | | <u>39,623</u> | |
| Fund balance (deficit) - June 30, 2021 | | | <u>\$ (15,758)</u> | |

CORONAVIRUS RELIEF FUND

C-13

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|--|--------------------|--|--|--|
| Revenues: | | | | |
| Intergovernmental | \$ 7,419,561 | 13,889,626 | 7,419,561 | 6,470,065 |
| Investment earnings | 12,000 | 8,625 | 8,491 | 134 |
| Total revenues | <u>7,431,561</u> | <u>13,898,251</u> | <u>7,428,052</u> | <u>6,470,199</u> |
| Expenditures: | | | | |
| Current - human services: | | | | |
| Testing | 500,000 | 178,710 | - | 178,710 |
| PPE/sanitary supplies | 450,000 | 257,187 | 252,628 | 4,559 |
| Enhanced outreach | 200,000 | 333,682 | 318,552 | 15,130 |
| Business grants and support | 200,000 | 200,000 | 100,000 | 100,000 |
| Payroll expenditures | 9,079,219 | 9,459,098 | 4,263,472 | 5,195,626 |
| Municipality grants | 3,472,407 | 3,463,362 | 3,463,362 | - |
| Capital outlay - human services: | - | 6,212 | 6,212 | - |
| Total expenditures | <u>13,901,626</u> | <u>13,898,251</u> | <u>8,404,226</u> | <u>5,494,025</u> |
| Excess (deficiency) of revenues over expenditures | <u>(6,470,065)</u> | <u>-</u> | <u>(976,174)</u> | <u>976,174</u> |
| Other financing sources - transfer in general fund | <u>6,470,065</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>-</u> | <u>(976,174)</u> | <u>976,174</u> |
| Fund balance - June 30, 2020 | | | <u>976,174</u> | |
| Fund balance (deficit) - June 30, 2021 | | | <u>\$ -</u> | |

2021 HOUSING 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, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|---|------------------|--|--|--|
| Revenues: | | | | |
| Intergovernmental: | | | | |
| 2020 WSFC HOME Program | \$ 264,700 | 81,097 | 81,097 | - |
| 2020 NCHFA Urgent Repair Program | 100,000 | - | - | - |
| Local government grants | 10,000 | 10,000 | 10,000 | - |
| Total intergovernmental | <u>374,700</u> | <u>91,097</u> | <u>91,097</u> | <u>-</u> |
| Investment earnings | - | - | - | - |
| Mortgage repayments | 62,078 | - | - | - |
| Total revenues | <u>436,778</u> | <u>91,097</u> | <u>91,097</u> | <u>-</u> |
| Expenditures - current - community and economic development: | | | | |
| 2020 WSFC HOME | 264,700 | 81,197 | 81,197 | - |
| 2020 WSFC HOME - local match | 29,779 | 20,000 | 20,000 | - |
| 2020 Forsyth County - local match | 29,779 | 8,739 | 8,739 | - |
| Forsyth County IDA | 28,182 | 5,000 | 5,000 | - |
| CDBG NSP Program Income | 150,000 | - | - | - |
| 2020 NCHFA Urgent Repair Program | 100,000 | 8,000 | 8,000 | - |
| Total expenditures | <u>602,440</u> | <u>122,936</u> | <u>122,936</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>(165,662)</u> | <u>(31,839)</u> | <u>(31,839)</u> | <u>-</u> |
| Other financing sources - transfers in: | | | | |
| General Fund | 49,558 | 49,558 | 49,558 | - |
| 2018 Housing Fund | 116,104 | - | - | - |
| Total other financing sources | <u>165,662</u> | <u>49,558</u> | <u>49,558</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>17,719</u> | <u>17,719</u> | <u>-</u> |
| Fund balance - June 30, 2020 | | | - | |
| Fund balance (deficit) - June 30, 2021 | | | <u>\$ 17,719</u> | |

2021 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, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|---|---------------|--|--|--|
| Revenues - Intergovernmental | \$ 79,054 | - | - | - |
| Expenditures - current - public safety | <u>79,054</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance - June 30, 2020 | | | <u>-</u> | |
| Fund balance (deficit) - June 30, 2021 | | | <u>\$ -</u> | |

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

D-1

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2021

Page 1 of 3

| | 2011 | 2016 | 2016 | 2016 WSFCS | 2016 Forsyth | 2016 | 2017 |
|---|---------------------|-------------------|----------------|--------------------|---------------------------|-------------------|------------------|
| | Library | New Family | 2/3rds | Capital | Technical | Parks and | Tanglewood |
| | <u>Bond</u> | <u>Museum</u> | <u>Bonds</u> | <u>Maintenance</u> | <u>College Facilities</u> | <u>Facilities</u> | <u>Park</u> |
| ASSETS | | | | | | | |
| Cash and cash equivalents / investments | \$ 1,466,637 | 5,343,912 | 319,226 | 463,559 | - | - | 1,500,317 |
| Investments - restricted | 604,659 | 9,813,038 | - | - | 40,149,929 | 9,096,875 | 644,578 |
| Receivables (net): | | | | | | | |
| Accounts | - | - | - | - | - | - | - |
| Accrued interest | 635 | 746 | 76 | 110 | - | - | 501 |
| Due from other governments | 43,630 | 434,259 | 7,129 | 12,421 | - | 10,121 | - |
| Total assets | \$ 2,115,561 | 15,591,955 | 326,431 | 476,090 | 40,149,929 | 9,106,996 | 2,145,396 |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities - accounts payable and accrued liabilities | \$ 648,924 | 77,561 | 55,992 | - | - | 30,497 | 2,208 |
| Deferred Inflows of Resources - Unavailable other revenue | - | 434,259 | - | - | - | - | - |
| Fund balances: | | | | | | | |
| Restricted for: | | | | | | | |
| Stabilization by state statute | 231,348 | 699,420 | 108,580 | 12,531 | - | 460,888 | 1,291,165 |
| Capital projects | - | 9,036,803 | 161,859 | 463,559 | 40,149,929 | 8,615,611 | - |
| Committed for capital projects | 1,235,289 | 5,343,912 | - | - | - | - | 852,023 |
| Unassigned | - | - | - | - | - | - | - |
| Total fund balances | 1,466,637 | 15,080,135 | 270,439 | 476,090 | 40,149,929 | 9,076,499 | 2,143,188 |
| Total liabilities and fund balances | \$ 2,115,561 | 15,591,955 | 326,431 | 476,090 | 40,149,929 | 9,106,996 | 2,145,396 |

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

D-1

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2021

Page 2 of 3

| | 2018 | 2018 WSFCS | 2018 FTCC | 2018 Smith | | 2018 First | |
|---|----------------------------|---------------------------|---------------------------|--------------------------|-------------------------|-----------------------|-------------------------|
| | 2/3rds | Capital | Capital | Reynolds | 2018 | and Chestnut | 2019 |
| | <u>Bonds</u> | <u>Maintenance</u> | <u>Maintenance</u> | <u>Airport</u> | <u>Pay-Go</u> | <u>Parking</u> | <u>Pay-Go</u> |
| ASSETS | | | | | | | |
| Cash and cash equivalents / investments | \$ - | 1,792,296 | - | 1,943,338 | 1,202,715 | 808,161 | 9,275,550 |
| Investments - restricted | 2,868,160 | - | 255,873 | 18,475,513 | - | - | - |
| Receivables (net): | | | | | | | |
| Accounts | - | - | - | - | - | - | - |
| Accrued interest | - | 509 | - | 291 | 815 | 188 | 2,204 |
| Due from other governments | 10,081 | 130,014 | - | 34,229 | 7,242 | 64,885 | - |
| Total assets | \$ <u>2,878,241</u> | <u>1,922,819</u> | <u>255,873</u> | <u>20,453,371</u> | <u>1,210,772</u> | <u>873,234</u> | <u>9,277,754</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities - accounts payable and accrued liabilities | \$ <u>71,634</u> | <u>-</u> | <u>-</u> | <u>34,651</u> | <u>96,687</u> | <u>-</u> | <u>57,500</u> |
| Deferred Inflows of Resources - Unavailable other revenue | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances: | | | | | | | |
| Restricted for: | | | | | | | |
| Stabilization by state statute | 640,157 | 130,523 | - | 1,145,780 | 609,284 | 65,073 | 4,139,704 |
| Capital projects | 2,166,450 | - | 255,873 | 19,272,940 | - | - | - |
| Committed for capital projects | - | 1,792,296 | - | - | 504,801 | 808,161 | 5,080,550 |
| Unassigned | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total fund balances | <u>2,806,607</u> | <u>1,922,819</u> | <u>255,873</u> | <u>20,418,720</u> | <u>1,114,085</u> | <u>873,234</u> | <u>9,220,254</u> |
| Total liabilities and fund balances | \$ <u>2,878,241</u> | <u>1,922,819</u> | <u>255,873</u> | <u>20,453,371</u> | <u>1,210,772</u> | <u>873,234</u> | <u>9,277,754</u> |

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

D-1

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2021

Page 3 of 3

| | 2020 | 2020 | 2020 WSFCS | 2020 FTCC | 2020 Radio | 2020 | |
|---|---------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| | Motive | 2020 | 2020 WSFCS | 2020 FTCC | 2020 Radio | 2020 | |
| | Equipment | 2/3rds | Capital | Capital | System | 2020 | |
| | Replacement | Bonds | Maintenance | Maintenance | Upgrade | Pay-Go | Total |
| ASSETS | | | | | | | |
| Cash and cash equivalents / investments | \$ 1,680,113 | - | 1,735,000 | - | 9,132,276 | 8,812,197 | 45,475,297 |
| Investments - restricted | - | 4,001,242 | 7,525,676 | 2,242,165 | - | - | 95,677,708 |
| Receivables (net): | | | | | | | |
| Accounts | - | - | - | - | - | - | - |
| Accrued interest | 243 | - | 153 | - | 1,301 | 1,255 | 9,027 |
| Due from other governments | 44,467 | - | 46,697 | - | - | - | 845,175 |
| Total assets | \$ 1,724,823 | 4,001,242 | 9,307,526 | 2,242,165 | 9,133,577 | 8,813,452 | 142,007,207 |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities - accounts payable and accrued liabilities | \$ - | - | - | - | - | - | 1,075,654 |
| Deferred Inflows of Resources - Unavailable other revenue | - | - | - | - | - | - | 434,259 |
| Fund balances: | | | | | | | |
| Restricted for: | | | | | | | |
| Stabilization by state statute | 921,741 | 129,415 | 46,850 | - | 132,021 | 644,030 | 11,408,510 |
| Capital projects | - | 3,871,827 | 9,260,676 | 2,242,165 | - | - | 95,497,692 |
| Committed for capital projects | 803,082 | - | - | - | 9,001,556 | 8,169,422 | 33,591,092 |
| Unassigned | - | - | - | - | - | - | - |
| Total fund balances | 1,724,823 | 4,001,242 | 9,307,526 | 2,242,165 | 9,133,577 | 8,813,452 | 140,497,294 |
| Total liabilities and fund balances | \$ 1,724,823 | 4,001,242 | 9,307,526 | 2,242,165 | 9,133,577 | 8,813,452 | 142,007,207 |

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

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NONMAJOR CAPITAL PROJECTS FUNDS

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2021

| | 2011 | 2014 | 2016 | 2016 | 2016 WSFCS |
|--|-----------------------------------|------------------------|---------------------------------|------------------------------|------------------------------|
| | Library | 2/3rds | New Family | 2/3rds | Capital |
| | <u>Bond</u> | <u>Bonds</u> | <u>Museum</u> | <u>Bonds</u> | <u>Maintenance</u> |
| Revenues: | | | | | |
| Intergovernmental | \$ - | - | - | - | - |
| Investment earnings | 8,604 | 55 | 8,650 | 867 | 1,310 |
| Other | 75,750 | - | - | - | - |
| Total revenues | <u>84,354</u> | <u>55</u> | <u>8,650</u> | <u>867</u> | <u>1,310</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | - | - | - | - | - |
| Intergovernmental - education | - | - | - | - | 283,633 |
| Capital outlay: | | | | | |
| General government | - | 10,774 | - | 78,209 | - |
| Public safety | - | - | - | - | - |
| Culture and recreation | 4,491,863 | - | 1,715,809 | 100,388 | - |
| Community and economic development | - | - | - | - | - |
| Total expenditures | <u>4,491,863</u> | <u>10,774</u> | <u>1,715,809</u> | <u>178,597</u> | <u>283,633</u> |
| Excess (deficiency) of revenues over expenditures | <u>(4,407,509)</u> | <u>(10,719)</u> | <u>(1,707,159)</u> | <u>(177,730)</u> | <u>(282,323)</u> |
| Other financing sources (uses): | | | | | |
| General obligation bonds issued | - | - | - | - | - |
| Premium on general obligation bonds | - | - | - | - | - |
| Limited obligation bonds issued | - | - | 10,430,000 | - | - |
| Premium on limited obligation bonds | - | - | 2,120,152 | - | - |
| Other long-term borrowing | - | - | - | - | - |
| Transfers in: | | | | | |
| General Fund | - | - | - | - | - |
| 2018 Motive Equipment Fund | - | - | - | - | - |
| 2018 Pay-Go Fund | - | - | - | - | - |
| 2019 Pay-Go Fund | - | - | - | - | - |
| 2020 Pay-Go Fund | - | - | - | - | - |
| Transfers out: | | | | | |
| General Fund | - | (23,430) | - | - | - |
| 2018 Smith Reynolds Airport Fund | - | - | - | - | - |
| 2018 Pay-Go Fund | - | - | - | - | - |
| 2019 Pay-Go Fund | - | - | - | - | - |
| 2020 Mobile Equipment Fund | - | - | - | - | - |
| 2020 Radio System Upgrade Fund | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>(23,430)</u> | <u>12,550,152</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (4,407,509) | (34,149) | 10,842,993 | (177,730) | (282,323) |
| Fund balance - June 30, 2020 | 5,874,146 | 34,149 | 4,237,142 | 448,169 | 758,413 |
| Fund balance - June 30, 2021 | \$ <u><u>1,466,637</u></u> | <u><u>-</u></u> | <u><u>15,080,135</u></u> | <u><u>270,439</u></u> | <u><u>476,090</u></u> |

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

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NONMAJOR CAPITAL PROJECTS FUNDS

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2021

| | 2016 Forsyth Technical Community <u>College Facilities</u> | 2016 Parks and Recreation <u>Facilities</u> | 2017 Tanglewood Business <u>Park</u> | 2018 Motive Equipment <u>Replacement</u> |
|--|---|--|---|---|
| Revenues: | | | | |
| Intergovernmental | \$ - | - | - | - |
| Investment earnings | 4,807 | 618 | 4,950 | - |
| Other | - | - | - | - |
| Total revenues | <u>4,807</u> | <u>618</u> | <u>4,950</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Intergovernmental - education | 5,052,131 | - | - | - |
| Capital outlay: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Culture and recreation | - | 1,593,241 | - | - |
| Community and economic development | - | - | 1,552,639 | - |
| Total expenditures | <u>5,052,131</u> | <u>1,593,241</u> | <u>1,552,639</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>(5,047,324)</u> | <u>(1,592,623)</u> | <u>(1,547,689)</u> | <u>-</u> |
| Other financing sources (uses): | | | | |
| General obligation bonds issued | 18,104,686 | 6,789,257 | - | - |
| Premium on general obligation bonds | 1,895,448 | 710,793 | - | - |
| Limited obligation bonds issued | - | - | - | - |
| Premium on limited obligation bonds | - | - | - | - |
| Other long-term borrowing | - | - | 1,621,775 | - |
| Transfers in: | | | | |
| General Fund | - | - | - | - |
| 2018 Motive Equipment Fund | - | - | - | - |
| 2018 Pay-Go Fund | - | - | - | - |
| 2019 Pay-Go Fund | - | - | - | - |
| 2020 Pay-Go Fund | - | - | - | - |
| Transfers out: | | | | |
| General Fund | - | - | - | (33,124) |
| 2018 Smith Reynolds Airport Fund | - | - | - | - |
| 2018 Pay-Go Fund | - | - | - | - |
| 2019 Pay-Go Fund | - | - | - | - |
| 2020 Mobile Equipment Fund | - | - | - | (419,648) |
| 2020 Radio System Upgrade Fund | - | - | - | - |
| Total other financing sources (uses) | <u>20,000,134</u> | <u>7,500,050</u> | <u>1,621,775</u> | <u>(452,772)</u> |
| Net change in fund balances | 14,952,810 | 5,907,427 | 74,086 | (452,772) |
| Fund balance - June 30, 2020 | <u>25,197,119</u> | <u>3,169,072</u> | <u>2,069,102</u> | <u>452,772</u> |
| Fund balance - June 30, 2021 | <u>\$ 40,149,929</u> | <u>9,076,499</u> | <u>2,143,188</u> | <u>-</u> |

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

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NONMAJOR CAPITAL PROJECTS FUNDS

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2021

| | 2018 2/3rds Bonds | 2018 WSFCS Capital Maintenance | 2018 FTCC Capital Maintenance | 2018 Smith Reynolds Airport | 2018 Pay-Go |
|--|----------------------------------|---|--|--|------------------------|
| Revenues: | | | | | |
| Intergovernmental | \$ - | - | - | 489,052 | - |
| Investment earnings | 680 | 7,246 | 249 | 555 | 15,386 |
| Other | - | - | - | 1,550,679 | - |
| Total revenues | 680 | 7,246 | 249 | 2,040,286 | 15,386 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | - | - | - | - | - |
| Intergovernmental - education | - | 3,816,632 | 1,535,760 | - | - |
| Capital outlay: | | | | | |
| General government | 437,149 | - | - | - | 166,025 |
| Public safety | - | - | - | - | - |
| Culture and recreation | 436,979 | - | - | - | - |
| Community and economic development | - | - | - | 291,872 | 139,293 |
| Total expenditures | 874,128 | 3,816,632 | 1,535,760 | 291,872 | 305,318 |
| Excess (deficiency) of revenues over expenditures | (873,448) | (3,809,386) | (1,535,511) | 1,748,414 | (289,932) |
| Other financing sources (uses): | | | | | |
| General obligation bonds issued | - | - | - | - | - |
| Premium on general obligation bonds | - | - | - | - | - |
| Limited obligation bonds issued | - | - | - | 17,000,000 | - |
| Premium on limited obligation bonds | - | - | - | - | - |
| Other long-term borrowing | - | - | - | - | - |
| Transfers in: | | | | | |
| General Fund | - | - | - | - | - |
| 2018 Motive Equipment Fund | - | - | - | - | - |
| 2018 Pay-Go Fund | - | - | - | - | - |
| 2019 Pay-Go Fund | - | - | - | 1,617,338 | - |
| 2020 Pay-Go Fund | - | - | - | - | - |
| Transfers out: | | | | | |
| General Fund | - | - | - | - | - |
| 2018 Smith Reynolds Airport Fund | - | - | - | - | - |
| 2018 Pay-Go Fund | - | - | - | - | - |
| 2019 Pay-Go Fund | - | - | - | - | - |
| 2020 Mobile Equipment Fund | - | - | - | - | - |
| 2020 Radio System Upgrade Fund | - | - | - | - | (6,282,632) |
| Total other financing sources (uses) | - | - | - | 18,617,338 | (6,282,632) |
| Net change in fund balances | (873,448) | (3,809,386) | (1,535,511) | 20,365,752 | (6,572,564) |
| Fund balance - June 30, 2020 | 3,680,055 | 5,732,205 | 1,791,384 | 52,968 | 7,686,649 |
| Fund balance - June 30, 2021 | \$ 2,806,607 | 1,922,819 | 255,873 | 20,418,720 | 1,114,085 |

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

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NONMAJOR CAPITAL PROJECTS FUNDS

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2021

| | 2018 First and Chestnut Parking | 2019 Pay-Go | 2020 Mobile Equipment Replacement | 2020 2/3rds Bonds | 2020 WSFCS Capital Maintenance |
|--|--|------------------------|--|----------------------------------|---|
| Revenues: | | | | | |
| Intergovernmental | \$ - | - | 208,407 | - | - |
| Investment earnings | 2,179 | 18,259 | 1,119 | 70 | 481 |
| Other | 17,097 | - | 123,025 | - | - |
| Total revenues | 19,276 | 18,259 | 332,551 | 70 | 481 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 285 | - | - | - | - |
| Intergovernmental - education | - | - | - | - | 930,446 |
| Capital outlay: | | | | | |
| General government | 95,953 | 102,500 | 342,579 | - | - |
| Public safety | - | - | 771,523 | - | - |
| Culture and recreation | - | - | - | - | - |
| Community and economic development | - | - | - | - | - |
| Total expenditures | 96,238 | 102,500 | 1,114,102 | - | 930,446 |
| Excess (deficiency) of revenues over expenditures | (76,962) | (84,241) | (781,551) | 70 | (929,965) |
| Other financing sources (uses): | | | | | |
| General obligation bonds issued | - | - | - | 3,531,081 | 7,503,548 |
| Premium on general obligation bonds | - | - | - | 470,091 | 998,943 |
| Limited obligation bonds issued | - | - | - | - | - |
| Premium on limited obligation bonds | - | - | - | - | - |
| Other long-term borrowing | - | - | - | - | - |
| Transfers in: | | | | | |
| General Fund | - | - | 1,456,726 | - | 1,735,000 |
| 2018 Motive Equipment Fund | - | - | 419,648 | - | - |
| 2018 Pay-Go Fund | - | - | - | - | - |
| 2019 Pay-Go Fund | - | - | - | - | - |
| 2020 Pay-Go Fund | - | 3,465,223 | 630,000 | - | - |
| Transfers out: | | | | | |
| General Fund | - | (85,000) | - | - | - |
| 2018 Smith Reynolds Airport Fund | - | (1,617,338) | - | - | - |
| 2018 Pay-Go Fund | - | - | - | - | - |
| 2019 Pay-Go Fund | - | - | - | - | - |
| 2020 Mobile Equipment Fund | - | - | - | - | - |
| 2020 Radio System Upgrade Fund | - | - | - | - | - |
| Total other financing sources (uses) | - | 1,762,885 | 2,506,374 | 4,001,172 | 10,237,491 |
| Net change in fund balances | (76,962) | 1,678,644 | 1,724,823 | 4,001,242 | 9,307,526 |
| Fund balance - June 30, 2020 | 950,196 | 7,541,610 | - | - | - |
| Fund balance - June 30, 2021 | \$ 873,234 | 9,220,254 | 1,724,823 | 4,001,242 | 9,307,526 |

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

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NONMAJOR CAPITAL PROJECTS FUNDS

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2021

| | 2020 FTCC Capital Maintenance | 2020 Radio System Upgrade | 2020 Pay-Go | Total |
|--|--|--|-------------------------|---------------------------|
| Revenues: | | | | |
| Intergovernmental | \$ - | - | - | 697,459 |
| Investment earnings | 40 | 2,857 | 2,758 | 81,740 |
| Other | - | - | - | 1,766,551 |
| Total revenues | <u>40</u> | <u>2,857</u> | <u>2,758</u> | <u>2,545,750</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | - | 285 |
| Intergovernmental - education | 58,549 | - | - | 11,677,151 |
| Capital outlay: | | | | |
| General government | - | - | - | 1,233,189 |
| Public safety | - | 43,935 | - | 815,458 |
| Culture and recreation | - | - | - | 8,338,280 |
| Community and economic development | - | - | - | 1,983,804 |
| Total expenditures | <u>58,549</u> | <u>43,935</u> | <u>-</u> | <u>24,048,167</u> |
| Excess (deficiency) of revenues over expenditures | <u>(58,509)</u> | <u>(41,078)</u> | <u>2,758</u> | <u>(21,502,417)</u> |
| Other financing sources (uses): | | | | |
| General obligation bonds issued | 2,030,372 | - | - | 37,958,944 |
| Premium on general obligation bonds | 270,302 | - | - | 4,345,577 |
| Limited obligation bonds issued | - | - | - | 27,430,000 |
| Premium on limited obligation bonds | - | - | - | 2,120,152 |
| Other long-term borrowing | - | - | - | 1,621,775 |
| Transfers in: | | | | |
| General Fund | - | 2,892,023 | 12,905,917 | 18,989,666 |
| 2018 Motive Equipment Fund | - | - | - | 419,648 |
| 2018 Pay-Go Fund | - | 6,282,632 | - | 6,282,632 |
| 2019 Pay-Go Fund | - | - | - | 1,617,338 |
| 2020 Pay-Go Fund | - | - | - | 4,095,223 |
| Transfers out: | | | | |
| General Fund | - | - | - | (141,554) |
| 2018 Smith Reynolds Airport Fund | - | - | - | (1,617,338) |
| 2019 Pay-Go Fund | - | - | (3,465,223) | (3,465,223) |
| 2020 Mobile Equipment Fund | - | - | (630,000) | (1,049,648) |
| 2020 Radio System Upgrade Fund | - | - | - | (6,282,632) |
| Total other financing sources (uses) | <u>2,300,674</u> | <u>9,174,655</u> | <u>8,810,694</u> | <u>92,324,560</u> |
| Net change in fund balances | <u>2,242,165</u> | <u>9,133,577</u> | <u>8,813,452</u> | <u>70,822,143</u> |
| Fund balance - June 30, 2020 | - | - | - | 69,675,151 |
| Fund balance - June 30, 2021 | <u>\$ <u>2,242,165</u></u> | <u><u>9,133,577</u></u> | <u><u>8,813,452</u></u> | <u><u>140,497,294</u></u> |

2011 LIBRARY BOND FUND

D-3

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|---|---------------------|--|--|--|
| Revenues: | | | | |
| Investment earnings | \$ - | 669,760 | 8,604 | 661,156 |
| Other revenues | 446,589 | 560,168 | 75,750 | 484,418 |
| Total revenues | <u>446,589</u> | <u>1,229,928</u> | <u>84,354</u> | <u>1,145,574</u> |
| Expenditures: | | | | |
| Debt service - interest and other charges | 143,000 | 130,036 | - | 130,036 |
| Capital outlay - culture and recreation | | | | |
| Library planning | 240,000 | 235,420 | - | 235,420 |
| Library projects | 46,006,589 | 39,340,836 | 4,491,863 | 34,848,973 |
| Total expenditures | <u>46,389,589</u> | <u>39,706,292</u> | <u>4,491,863</u> | <u>35,214,429</u> |
| Deficiency of revenues over expenditures | <u>(45,943,000)</u> | <u>(38,476,364)</u> | <u>(4,407,509)</u> | <u>(34,068,855)</u> |
| Other financing sources (uses): | | | | |
| General obligation bonds issued | 40,000,000 | 34,000,000 | - | 34,000,000 |
| Premium on general obligation bonds | 2,920,098 | 2,920,099 | - | 2,920,099 |
| Transfer from (to) General Fund | 1,171,451 | 1,171,451 | - | 1,171,451 |
| Transfer from 2008 Pay-Go fund | 240,000 | 240,000 | - | 240,000 |
| Transfer from 2016 Pay-Go fund | 1,611,451 | 1,611,451 | - | 1,611,451 |
| Total other financing sources (uses) | <u>45,943,000</u> | <u>39,943,001</u> | <u>-</u> | <u>39,943,001</u> |
| Net change in fund balance | <u>\$ -</u> | <u>1,466,637</u> | <u>(4,407,509)</u> | <u>5,874,146</u> |
| Fund balance - June 30, 2020 | | | 5,874,146 | |
| Fund balance - June 30, 2021 | | | <u>\$ 1,466,637</u> | |

2014 2/3rds BONDS FUND

D-4

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|--|--------------------|--|--|--|
| Revenues: | | | | |
| Investment earnings | \$ - | 19,577 | 55 | 19,522 |
| Other | 273,703 | 273,703 | - | 273,703 |
| Total revenues | <u>273,703</u> | <u>293,280</u> | <u>55</u> | <u>293,225</u> |
| Expenditures: | | | | |
| Debt service - interest and other charges | 19,982 | 18,167 | - | 18,167 |
| Capital outlay: | | | | |
| Culture and recreation: Park maintenance | 1,138,238 | 1,138,229 | - | 1,138,229 |
| General Government: Capital repair and maintenance | 3,588,602 | 3,586,573 | 10,774 | 3,575,799 |
| Total expenditures | <u>4,746,822</u> | <u>4,742,969</u> | <u>10,774</u> | <u>4,732,195</u> |
| Excess (deficiency) of revenues over expenditures | <u>(4,473,119)</u> | <u>(4,449,689)</u> | <u>(10,719)</u> | <u>(4,438,970)</u> |
| Other financing sources (uses): | | | | |
| General obligation bonds issued | 4,750,000 | 4,750,000 | - | 4,750,000 |
| Premium on general obligation bonds | 418,854 | 418,854 | - | 418,854 |
| Transfer from 2009 2/3rds Bonds fund | 54,265 | 54,265 | - | 54,265 |
| Transfer to General Fund | - | (23,430) | (23,430) | - |
| Transfer to 2009 Phillips Building fund | (750,000) | (750,000) | - | (750,000) |
| Total other financing sources | <u>4,473,119</u> | <u>4,449,689</u> | <u>(23,430)</u> | <u>4,473,119</u> |
| Net change in fund balance | <u>\$ -</u> | <u>-</u> | <u>(34,149)</u> | <u>34,149</u> |
| Fund balance - June 30, 2020 | | | <u>34,149</u> | |
| Fund balance - June 30, 2021 | | | <u>\$ -</u> | |

2016 NEW FAMILY MUSEUM

D-5

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|--|---------------------|--|--|--|
| Revenues: | \$ | | | |
| Intergovernmental | 3,000,000 | 1,000,000 | - | 1,000,000 |
| Investment earnings | 100,000 | 255,507 | 8,650 | 246,857 |
| Other revenue | 3,050,000 | 2,843,912 | - | 2,843,912 |
| Total revenues | <u>6,150,000</u> | <u>4,099,419</u> | <u>8,650</u> | <u>4,090,769</u> |
| Expenditures: | | | | |
| Current - culture and recreation | 500,000 | - | - | - |
| Capital outlay - culture and recreation | 32,000,000 | 4,069,436 | 1,715,809 | 2,353,627 |
| Total expenditures | <u>32,500,000</u> | <u>4,069,436</u> | <u>1,715,809</u> | <u>2,353,627</u> |
| Excess (deficiency) of revenues over expenditures | <u>(26,350,000)</u> | <u>29,983</u> | <u>(1,707,159)</u> | <u>1,737,142</u> |
| Other financing sources: | | | | |
| Limited obligation bonds issued | 23,850,000 | 10,430,000 | 10,430,000 | - |
| Premium on limited obligation bonds | - | 2,120,152 | 2,120,152 | - |
| Transfer from General Fund | 2,500,000 | 2,500,000 | - | 2,500,000 |
| Total other financing sources | <u>26,350,000</u> | <u>15,050,152</u> | <u>12,550,152</u> | <u>2,500,000</u> |
| Net change in fund balance | <u>\$ -</u> | <u>15,080,135</u> | <u>10,842,993</u> | <u>4,237,142</u> |
| Fund balance - June 30, 2020 | | | <u>4,237,142</u> | |
| Fund balance - June 30, 2021 | | | <u>\$ 15,080,135</u> | |

2016 2/3rds BONDS FUND

D-6

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|--|--------------------|--|--|--|
| Revenues: | | | | |
| Investment earnings | \$ - | 110,977 | 867 | 110,110 |
| Other | - | 1,750 | - | 1,750 |
| Total revenues | <u>-</u> | <u>112,727</u> | <u>867</u> | <u>111,860</u> |
| Expenditures: | | | | |
| Capital outlay: | | | | |
| General Government | 3,982,267 | 3,887,825 | 78,209 | 3,809,616 |
| Culture and recreation | 2,000,000 | 1,937,123 | 100,388 | 1,836,735 |
| Total expenditures | <u>5,982,267</u> | <u>5,824,948</u> | <u>178,597</u> | <u>5,646,351</u> |
| Excess (deficiency) of revenues over expenditures | <u>(5,982,267)</u> | <u>(5,712,221)</u> | <u>(177,730)</u> | <u>(5,534,491)</u> |
| Other financing sources (uses): | | | | |
| General obligation bonds issued | 6,000,000 | 5,651,835 | - | 5,651,835 |
| Premium on general obligation bonds | - | 348,558 | - | 348,558 |
| Transfer to 2009 Phillips Building fund | (17,733) | (17,733) | - | (17,733) |
| Total other financing sources (uses) | <u>5,982,267</u> | <u>5,982,660</u> | <u>-</u> | <u>5,982,660</u> |
| Net change in fund balance | <u>\$ -</u> | <u>270,439</u> | <u>(177,730)</u> | <u>448,169</u> |
| Fund balance - June 30, 2020 | | | 448,169 | |
| Fund balance - June 30, 2021 | | | <u>\$ 270,439</u> | |

2016 WINSTON-SALEM/FORSYTH COUNTY SCHOOLS CAPITAL MAINTENANCE FUND

D-7

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|--|---------------------|--|--|--|
| Revenues - investment earnings | \$ - | 217,578 | 1,310 | 216,268 |
| Expenditures: | | | | |
| Current - intergovernmental - education | 11,888,371 | 11,631,443 | 283,633 | 11,347,810 |
| Total expenditures | <u>11,888,371</u> | <u>11,631,443</u> | <u>283,633</u> | <u>11,347,810</u> |
| Excess (deficiency) of revenues over expenditures | <u>(11,888,371)</u> | <u>(11,413,865)</u> | <u>(282,323)</u> | <u>(11,131,542)</u> |
| Other financing sources (uses): | | | | |
| General obligation bonds issued | 8,500,000 | 8,006,766 | - | 8,006,766 |
| Premium on general obligation bonds | - | 493,790 | - | 493,790 |
| Transfer from General Fund | 3,470,000 | 3,470,000 | - | 3,470,000 |
| Transfer to Public School Building Capital Fund | (81,629) | (80,601) | - | (80,601) |
| Total other financing sources | <u>11,888,371</u> | <u>11,889,955</u> | <u>-</u> | <u>11,889,955</u> |
| Net change in fund balance | <u>\$ -</u> | <u>476,090</u> | <u>(282,323)</u> | <u>758,413</u> |
| Fund balance - June 30, 2020 | | | 758,413 | |
| Fund balance - June 30, 2021 | | | <u>\$ 476,090</u> | |

2016 FORSYTH TECHNICAL COMMUNITY COLLEGE FACILITIES FUND

D-8

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|--|---------------------|--|--|--|
| Revenues - investment earnings | \$ 151,163 | 1,065,125 | 4,807 | 1,060,318 |
| Expenditures: | | | | |
| Debt service - interest and other charges | 151,163 | 77,423 | - | 77,423 |
| Current - intergovernmental - education | 65,000,000 | 13,399,895 | 5,052,131 | 8,347,764 |
| Total expenditures | <u>65,151,163</u> | <u>13,477,318</u> | <u>5,052,131</u> | <u>8,425,187</u> |
| Excess (deficiency) of revenues over expenditures | <u>(65,000,000)</u> | <u>(12,412,193)</u> | <u>(5,047,324)</u> | <u>(7,364,869)</u> |
| Other financing sources: | | | | |
| General obligation bonds issued | 65,000,000 | 48,492,186 | 18,104,686 | 30,387,500 |
| Premium on general obligation bonds | - | 4,069,936 | 1,895,448 | 2,174,488 |
| Total other financing sources | <u>65,000,000</u> | <u>52,562,122</u> | <u>20,000,134</u> | <u>32,561,988</u> |
| Net change in fund balance | <u>\$ -</u> | <u>40,149,929</u> | <u>14,952,810</u> | <u>25,197,119</u> |
| Fund balance - June 30, 2020 | | | 25,197,119 | |
| Fund balance - June 30, 2021 | | | <u>\$ 40,149,929</u> | |

2016 PARKS AND RECREATION FACILITIES FUND

D-9

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|--|---------------------|--|--|--|
| Revenues - investment earnings | \$ 34,884 | 159,431 | 618 | 158,813 |
| Expenditures: | | | | |
| Debt service - interest and other charges | 34,884 | 17,867 | - | 17,867 |
| Capital outlay - culture and recreation | 15,000,000 | 6,079,420 | 1,593,241 | 4,486,179 |
| Total expenditures | <u>15,034,884</u> | <u>6,097,287</u> | <u>1,593,241</u> | <u>4,504,046</u> |
| Excess (deficiency) of revenues over expenditures | <u>(15,000,000)</u> | <u>(5,937,856)</u> | <u>(1,592,623)</u> | <u>(4,345,233)</u> |
| Other financing sources: | | | | |
| General obligation bonds issued | 15,000,000 | 13,801,757 | 6,789,257 | 7,012,500 |
| Premium on general obligation bonds | - | 1,212,598 | 710,793 | 501,805 |
| Total other financing sources | <u>15,000,000</u> | <u>15,014,355</u> | <u>7,500,050</u> | <u>7,514,305</u> |
| Net change in fund balance | <u>\$ -</u> | <u>9,076,499</u> | <u>5,907,427</u> | <u>3,169,072</u> |
| Fund balance - June 30, 2020 | | | 3,169,072 | |
| Fund balance - June 30, 2021 | | | <u>\$ 9,076,499</u> | |

2017 TANGLEWOOD BUSINESS PARK FUND

D-10

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|--|--------------------|--|--|--|
| Revenues: | \$ | | | |
| Intergovernmental | 690,000 | 690,000 | - | 690,000 |
| Investment earnings | - | 100,317 | 4,950 | 95,367 |
| Other revenue | 499,500 | 399,500 | - | 399,500 |
| Total revenues | <u>1,189,500</u> | <u>1,189,817</u> | <u>4,950</u> | <u>1,184,867</u> |
| Expenditures: | | | | |
| Capital outlay - | | | | |
| Community and economic development | 7,062,800 | 4,316,378 | 1,552,639 | 2,763,739 |
| Total expenditures | <u>7,062,800</u> | <u>4,316,378</u> | <u>1,552,639</u> | <u>2,763,739</u> |
| Excess (deficiency) of revenues over expenditures | <u>(5,873,300)</u> | <u>(3,126,561)</u> | <u>(1,547,689)</u> | <u>(1,578,872)</u> |
| Other financing sources: | | | | |
| Transfer from General Fund | 1,400,000 | 1,400,000 | - | 1,400,000 |
| Other long-term borrowing | 4,473,300 | 3,869,749 | 1,621,775 | 2,247,974 |
| Total other financing sources | <u>5,873,300</u> | <u>5,269,749</u> | <u>1,621,775</u> | <u>3,647,974</u> |
| Net change in fund balance | <u>\$ -</u> | <u>2,143,188</u> | 74,086 | <u>2,069,102</u> |
| Fund balance - June 30, 2020 | | | 2,069,102 | |
| Fund balance - June 30, 2021 | | | <u>\$ 2,143,188</u> | |

2018 MOTIVE EQUIPMENT REPLACEMENT FUND

D-11

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|--|--------------------|--|--|--|
| Revenues: | | | | |
| Intergovernmental | \$ 280,093 | 284,912 | - | 284,912 |
| Investment earnings | 15,568 | 15,979 | - | 15,979 |
| Other revenue | 167,138 | 192,473 | - | 192,473 |
| Total revenues | <u>462,799</u> | <u>493,364</u> | <u>-</u> | <u>493,364</u> |
| Expenditures: | | | | |
| Capital outlay: | | | | |
| General government - Non-emergency fleet | 356,653 | 356,653 | - | 356,653 |
| Public safety: | | | | |
| Animal control | 175,405 | 154,327 | - | 154,327 |
| Emergency services | 1,353,409 | 1,353,409 | - | 1,353,409 |
| Sheriff | 1,546,229 | 1,566,029 | - | 1,566,029 |
| Culture and recreation - Parks and recreation | 10,414 | 10,414 | - | 10,414 |
| Total expenditures | <u>3,442,110</u> | <u>3,440,832</u> | <u>-</u> | <u>3,440,832</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,979,311)</u> | <u>(2,947,468)</u> | <u>-</u> | <u>(2,947,468)</u> |
| Other financing sources: | | | | |
| Transfer from (to) General Fund | 2,469,850 | 2,436,726 | (33,124) | 2,469,850 |
| Transfer from 2016 Motive Equipment Fund | 929,109 | 930,390 | - | 930,390 |
| Transfer to 2020 Mobile Equipment Fund | (419,648) | (419,648) | (419,648) | - |
| Total other financing sources | <u>2,979,311</u> | <u>2,947,468</u> | <u>(452,772)</u> | <u>3,400,240</u> |
| Net change in fund balance | <u>\$ -</u> | <u>-</u> | <u>(452,772)</u> | <u>452,772</u> |
| Fund balance - June 30, 2020 | | | <u>452,772</u> | |
| Fund balance - June 30, 2021 | | | <u>\$ -</u> | |

2018 2/3rds BONDS FUND

D-12

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|--|--------------------|--|--|--|
| Revenues - investment earnings | \$ - | 79,604 | 680 | 78,924 |
| Expenditures: | | | | |
| Capital outlay: | | | | |
| General government | 2,000,000 | 602,123 | 437,149 | 164,974 |
| Culture and recreation | 2,000,000 | 688,624 | 436,979 | 251,645 |
| Total expenditures | <u>4,000,000</u> | <u>1,290,747</u> | <u>874,128</u> | <u>416,619</u> |
| Excess (deficiency) of revenues over expenditures | <u>(4,000,000)</u> | <u>(1,211,143)</u> | <u>(873,448)</u> | <u>(337,695)</u> |
| Other financing sources (uses): | | | | |
| General obligation bonds issued | 4,000,000 | 3,669,528 | - | 3,669,528 |
| Premium on general obligation bonds | - | 348,222 | - | 348,222 |
| Total other financing sources (uses) | <u>4,000,000</u> | <u>4,017,750</u> | <u>-</u> | <u>4,017,750</u> |
| Net change in fund balance | <u>\$ -</u> | <u>2,806,607</u> | <u>(873,448)</u> | <u>3,680,055</u> |
| Fund balance - June 30, 2020 | | | 3,680,055 | |
| Fund balance - June 30, 2021 | | | <u>\$ 2,806,607</u> | |

2018 WINSTON-SALEM/FORSYTH COUNTY SCHOOLS CAPITAL MAINTENANCE FUND

D-13

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|--|---------------------|--|--|--|
| Revenues - investment earnings | \$ - | 183,043 | 7,246 | 175,797 |
| Expenditures: | | | | |
| Current - intergovernmental - education | 11,970,000 | 10,267,943 | 3,816,632 | 6,451,311 |
| Total expenditures | <u>11,970,000</u> | <u>10,267,943</u> | <u>3,816,632</u> | <u>6,451,311</u> |
| Excess (deficiency) of revenues over expenditures | <u>(11,970,000)</u> | <u>(10,084,900)</u> | <u>(3,809,386)</u> | <u>(6,275,514)</u> |
| Other financing sources (uses): | | | | |
| General obligation bonds issued | 8,500,000 | 7,797,747 | - | 7,797,747 |
| Premium on general obligation bonds | - | 739,972 | - | 739,972 |
| Transfer from General Fund | 3,470,000 | 3,470,000 | - | 3,470,000 |
| Total other financing sources | <u>11,970,000</u> | <u>12,007,719</u> | <u>-</u> | <u>12,007,719</u> |
| Net change in fund balance | <u>\$ -</u> | <u>1,922,819</u> | <u>(3,809,386)</u> | <u>5,732,205</u> |
| Fund balance - June 30, 2020 | | | 5,732,205 | |
| Fund balance - June 30, 2021 | | | <u>\$ 1,922,819</u> | |

2018 FORSYTH TECHNICAL COMMUNITY COLLEGE CAPITAL MAINTENANCE FUND

D-14

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|--|--------------------|--|--|--|
| Revenues - investment earnings | \$ - | 40,254 | 249 | 40,005 |
| Expenditures: | | | | |
| Current - intergovernmental - education | 2,300,000 | 2,094,587 | 1,535,760 | 558,827 |
| Total expenditures | <u>2,300,000</u> | <u>2,094,587</u> | <u>1,535,760</u> | <u>558,827</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,300,000)</u> | <u>(2,054,333)</u> | <u>(1,535,511)</u> | <u>(518,822)</u> |
| Other financing sources: | | | | |
| General obligation bonds issued | 2,300,000 | 2,109,978 | - | 2,109,978 |
| Premium on general obligation bonds | - | 200,228 | - | 200,228 |
| Total other financing sources | <u>2,300,000</u> | <u>2,310,206</u> | <u>-</u> | <u>2,310,206</u> |
| Net change in fund balance | <u>\$ -</u> | <u>255,873</u> | <u>(1,535,511)</u> | <u>1,791,384</u> |
| Fund balance - June 30, 2020 | | | 1,791,384 | |
| Fund balance - June 30, 2021 | | | <u>\$ 255,873</u> | |

2018 SMITH REYNOLDS AIRPORT FUND

D-15

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|--|---------------------|--|--|--|
| Revenues: | | | | |
| Intergovernmental | \$ 57,943,917 | 1,267,245 | 489,052 | 778,193 |
| Investment earnings | - | 4,210 | 555 | 3,655 |
| Other revenue | - | 1,550,679 | 1,550,679 | - |
| Total revenues | <u>57,943,917</u> | <u>2,822,134</u> | <u>2,040,286</u> | <u>781,848</u> |
| Expenditures: | | | | |
| Capital Outlay - Community and economic development: | | | | |
| Runway 15-33 Improvements | 2,250,000 | 37,976 | 9,685 | 28,291 |
| Terminal Ramp, Runway 4-22 | 205,600 | 204,204 | - | 204,204 |
| Taxiway Lima and Ramp | 14,550,000 | 173,148 | - | 173,148 |
| Taxiway Quebec | 26,550,000 | 425,319 | 4,217 | 421,102 |
| Terminal Area Improvements | 21,500,000 | 34,651 | 34,651 | - |
| 4001 Liberty Street Improvements | 6,068,015 | - | - | - |
| Terminal Fencing | 70,220 | 62,221 | - | 62,221 |
| 15-33 Rehabilitation (Design) | 8,500,000 | 357,374 | 191,460 | 165,914 |
| Airfield Drainage Improvements Phase II | 500,000 | 51,859 | 51,859 | - |
| Total expenditures | <u>80,193,835</u> | <u>1,346,752</u> | <u>291,872</u> | <u>1,054,880</u> |
| Excess (deficiency) of revenues over expenditures | <u>(22,249,918)</u> | <u>1,475,382</u> | <u>1,748,414</u> | <u>(273,032)</u> |
| Other financing sources (uses): | | | | |
| Limited obligation bonds issued | 17,000,000 | 17,000,000 | 17,000,000 | - |
| Transfer from General Fund | 3,632,580 | 326,000 | - | 326,000 |
| Transfer from 2019 Pay-Go fund | 1,617,338 | 1,617,338 | 1,617,338 | - |
| Total other financing sources (uses) | <u>22,249,918</u> | <u>18,943,338</u> | <u>18,617,338</u> | <u>326,000</u> |
| Net change in fund balance | <u>\$ -</u> | <u>20,418,720</u> | <u>20,365,752</u> | <u>52,968</u> |
| Fund balance - June 30, 2020 | | | 52,968 | |
| Fund balance - June 30, 2021 | | | <u>\$ 20,418,720</u> | |

2018 PAY-GO FUND

D-16

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|--|--------------------|--|--|--|
| Revenues - investment earnings | \$ 151,460 | 246,743 | 15,386 | 231,357 |
| Expenditures: | | | | |
| Capital Outlay - | | | | |
| Community and economic development | 1,150,000 | 139,293 | 139,293 | - |
| General government | 1,631,871 | 1,623,776 | 166,025 | 1,457,751 |
| Unallocated | - | - | - | - |
| Total expenditures | <u>2,781,871</u> | <u>1,763,069</u> | <u>305,318</u> | <u>1,457,751</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,630,411)</u> | <u>(1,516,326)</u> | <u>(289,932)</u> | <u>(1,226,394)</u> |
| Other financing sources (uses): | | | | |
| Transfer from (to) General Fund | 9,044,122 | 9,044,122 | - | 9,044,122 |
| Transfer from 2016 Pay-Go Fund | 881,871 | 881,871 | - | 881,871 |
| Transfer to Emergency Telephone System Fund | (173,818) | (173,818) | - | (173,818) |
| Transfer to 2019 Pay-Go Fund | (839,132) | (839,132) | - | (839,132) |
| Transfer to 2020 Radio System Upgrade Fund | (6,282,632) | (6,282,632) | (6,282,632) | - |
| Total other financing sources | <u>2,630,411</u> | <u>2,630,411</u> | <u>(6,282,632)</u> | <u>8,913,043</u> |
| Net change in fund balance | \$ <u>-</u> | <u>1,114,085</u> | <u>(6,572,564)</u> | <u>7,686,649</u> |
| Fund balance - June 30, 2020 | | | <u>7,686,649</u> | |
| Fund balance - June 30, 2021 | | | <u>\$ <u>1,114,085</u></u> | |

2018 FIRST AND CHESTNUT PARKING FUND

D-17

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|--|---------------------|--|--|--|
| Revenues | \$ | | | |
| Investment earnings | \$ - | 223,941 | 2,179 | 221,762 |
| Other revenue | - | 17,097 | 17,097 | - |
| Total revenues | <u>-</u> | <u>241,038</u> | <u>19,276</u> | <u>221,762</u> |
| Expenditures: | | | | |
| Current - general government | | | | |
| Capital - general government | 285 | 285 | 285 | - |
| Total expenditures | <u>12,999,715</u> | <u>12,405,238</u> | <u>95,953</u> | <u>12,309,285</u> |
| Excess (deficiency) of revenues over expenditures | <u>(13,000,000)</u> | <u>(12,164,485)</u> | <u>(76,962)</u> | <u>(12,087,523)</u> |
| Other financing sources (uses): | | | | |
| General obligation bonds issued | 8,500,000 | 7,797,747 | - | 7,797,747 |
| Premium on general obligation bonds | - | 739,972 | - | 739,972 |
| Transfer from general fund | 4,500,000 | 4,500,000 | - | 4,500,000 |
| Total other financing sources (uses) | <u>13,000,000</u> | <u>13,037,719</u> | <u>-</u> | <u>13,037,719</u> |
| Net change in fund balance | \$ <u>-</u> | <u>873,234</u> | <u>(76,962)</u> | <u>950,196</u> |
| Fund balance - June 30, 2020 | | | <u>950,196</u> | |
| Fund balance - June 30, 2021 | | | <u>\$ <u>873,234</u></u> | |

2019 PAY-GO FUND

D-18

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|--|--------------------|--|--|--|
| Revenues - investment earnings | \$ - | 39,677 | 18,259 | 21,418 |
| Expenditures: | | | | |
| Capital outlay: | | | | |
| General government | 4,415,000 | 102,500 | 102,500 | - |
| Culture and recreation - Parks and recreation | 4,560,000 | - | - | - |
| Undesignated | 308,077 | - | - | - |
| Total expenditures | <u>9,283,077</u> | <u>102,500</u> | <u>102,500</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>(9,283,077)</u> | <u>(62,823)</u> | <u>(84,241)</u> | <u>21,418</u> |
| Other financing sources (uses): | | | | |
| Transfer from General Fund | 5,756,610 | 5,756,610 | (85,000) | 5,841,610 |
| Transfer from 2016 Pay-Go Fund | 839,450 | 839,450 | - | 839,450 |
| Transfer from 2018 Pay-Go Fund | 839,132 | 839,132 | - | 839,132 |
| Transfer from 2020 Pay-Go Fund | 3,465,223 | 3,465,223 | 3,465,223 | - |
| Transfer to 2018 Smith Reynolds Airport Fund | (1,617,338) | (1,617,338) | (1,617,338) | - |
| Total other financing sources | <u>9,283,077</u> | <u>9,283,077</u> | <u>1,762,885</u> | <u>7,520,192</u> |
| Net change in fund balance | \$ - | <u>9,220,254</u> | 1,678,644 | <u>7,541,610</u> |
| Fund balance - June 30, 2020 | | | 7,541,610 | |
| Fund balance - June 30, 2021 | | | <u>\$ 9,220,254</u> | |

2020 MOBILE EQUIPMENT REPLACEMENT FUND

D-19

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|--|--------------------|--|--|--|
| Revenues: | | | | |
| Intergovernmental | \$ 96,400 | 208,407 | 208,407 | - |
| Investment earnings | - | 1,119 | 1,119 | - |
| Other revenue | 212,967 | 123,025 | 123,025 | - |
| Total revenues | <u>309,367</u> | <u>332,551</u> | <u>332,551</u> | <u>-</u> |
| Expenditures: | | | | |
| Capital outlay: | | | | |
| General government - Non-emergency fleet | 325,936 | 342,579 | 342,579 | - |
| Public safety: | | | | |
| Animal services | 143,217 | 93,534 | 93,534 | - |
| Emergency services | 1,453,903 | 487,773 | 487,773 | - |
| Sheriff | 827,384 | 190,216 | 190,216 | - |
| Culture and recreation - Parks and recreation | 2,190 | - | - | - |
| Community and economic development | 3,111 | - | - | - |
| Undesignated | 60,000 | - | - | - |
| Total expenditures | <u>2,815,741</u> | <u>1,114,102</u> | <u>1,114,102</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,506,374)</u> | <u>(781,551)</u> | <u>(781,551)</u> | <u>-</u> |
| Other financing sources: | | | | |
| Transfer from General Fund | 1,456,726 | 1,456,726 | 1,456,726 | - |
| Transfer from 2018 Motive Equipment Fund | 419,648 | 419,648 | 419,648 | - |
| Transfer from 2020 Pay-Go Fund | 630,000 | 630,000 | 630,000 | - |
| Total other financing sources | <u>2,506,374</u> | <u>2,506,374</u> | <u>2,506,374</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>1,724,823</u> | <u>1,724,823</u> | <u>-</u> |
| Fund balance - June 30, 2020 | | | - | |
| Fund balance - June 30, 2021 | | | <u>\$ 1,724,823</u> | |

2020 2/3rds BONDS FUND

D-20

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|--|--------------------|--|--|--|
| Revenues - investment earnings | \$ - | 70 | 70 | - |
| Expenditures: | | | | |
| Capital outlay: | | | | |
| General government | 2,000,000 | - | - | - |
| Culture and recreation | 2,000,000 | - | - | - |
| Total expenditures | <u>4,000,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>(4,000,000)</u> | <u>70</u> | <u>70</u> | <u>-</u> |
| Other financing sources (uses): | | | | |
| General obligation bonds issued | 4,000,000 | 3,531,081 | 3,531,081 | - |
| Premium on general obligation bonds | - | 470,091 | 470,091 | - |
| Total other financing sources (uses) | <u>4,000,000</u> | <u>4,001,172</u> | <u>4,001,172</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>4,001,242</u> | <u>4,001,242</u> | <u>-</u> |
| Fund balance - June 30, 2020 | | | - | |
| Fund balance - June 30, 2021 | | | <u>\$ 4,001,242</u> | |

2020 WINSTON-SALEM/FORSYTH COUNTY SCHOOLS CAPITAL MAINTENANCE FUND

D-21

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, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|--|---------------------|--|--|--|
| Revenues - investment earnings | \$ - | 481 | 481 | - |
| Expenditures: | | | | |
| Current - intergovernmental - education | 10,235,000 | 930,446 | 930,446 | - |
| Total expenditures | <u>10,235,000</u> | <u>930,446</u> | <u>930,446</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>(10,235,000)</u> | <u>(929,965)</u> | <u>(929,965)</u> | <u>-</u> |
| Other financing sources (uses): | | | | |
| General obligation bonds issued | 8,500,000 | 7,503,548 | 7,503,548 | - |
| Premium on general obligation bonds | - | 998,943 | 998,943 | - |
| Transfer from General Fund | 1,735,000 | 1,735,000 | 1,735,000 | - |
| Total other financing sources | <u>10,235,000</u> | <u>10,237,491</u> | <u>10,237,491</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>9,307,526</u> | <u>9,307,526</u> | <u>-</u> |
| Fund balance - June 30, 2020 | | | - | |
| Fund balance - June 30, 2021 | | | <u>\$ 9,307,526</u> | |

2020 FORSYTH TECHNICAL COMMUNITY COLLEGE CAPITAL MAINTENANCE FUND

D-22

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, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|--|--------------------|--|--|--|
| Revenues - investment earnings | \$ - | 40 | 40 | - |
| Expenditures: | | | | |
| Current - intergovernmental - education | 2,300,000 | 58,549 | 58,549 | - |
| Total expenditures | <u>2,300,000</u> | <u>58,549</u> | <u>58,549</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,300,000)</u> | <u>(58,509)</u> | <u>(58,509)</u> | <u>-</u> |
| Other financing sources: | | | | |
| General obligation bonds issued | 2,300,000 | 2,030,372 | 2,030,372 | - |
| Premium on general obligation bonds | - | 270,302 | 270,302 | - |
| Total other financing sources | <u>2,300,000</u> | <u>2,300,674</u> | <u>2,300,674</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>2,242,165</u> | <u>2,242,165</u> | <u>-</u> |
| Fund balance - June 30, 2020 | | | - | |
| Fund balance - June 30, 2021 | | | <u>\$ 2,242,165</u> | |

2020 RADIO SYSTEM UPGRADE FUND

D-23

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, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|--|--------------------|--|--|--|
| Revenues - investment earnings | \$ - | 2,857 | 2,857 | - |
| Expenditures: | | | | |
| Capital outlay: | | | | |
| Public Safety | 9,188,455 | 43,935 | 43,935 | - |
| Total expenditures | <u>9,188,455</u> | <u>43,935</u> | <u>43,935</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>(9,188,455)</u> | <u>(41,078)</u> | <u>(41,078)</u> | <u>-</u> |
| Other financing sources (uses): | | | | |
| Transfer from General Fund | 2,905,823 | 2,892,023 | 2,892,023 | - |
| Transfer from 2018 Pay-Go fund | 6,282,632 | 6,282,632 | 6,282,632 | - |
| Total other financing sources (uses) | <u>9,188,455</u> | <u>9,174,655</u> | <u>9,174,655</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>9,133,577</u> | <u>9,133,577</u> | <u>-</u> |
| Fund balance - June 30, 2020 | | | - | |
| Fund balance - June 30, 2021 | | | <u>\$ 9,133,577</u> | |

2020 PAY-GO FUND

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

FORSYTH COUNTY, NORTH CAROLINA

From Project Inception and for the Year Ended June 30, 2021

| | <u>Budget</u> | <u>Cumulative Total to June 30, 2021</u> | <u>Activity Year Ended June 30, 2021</u> | <u>Cumulative Total to June 30, 2020</u> |
|--|--------------------|--|--|--|
| Revenues - investment earnings | \$ - | 2,758 | 2,758 | - |
| Expenditures: | | | | |
| Capital outlay: | | | | |
| General government | 900,000 | - | - | - |
| Public safety | 1,742,775 | - | - | - |
| Human services | 1,000,000 | - | - | - |
| Culture and recreation | 2,000,000 | - | - | - |
| Unallocated | 3,167,919 | - | - | - |
| Total expenditures | <u>8,810,694</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>(8,810,694)</u> | <u>2,758</u> | <u>2,758</u> | <u>-</u> |
| Other financing sources (uses): | | | | |
| Transfer from General Fund | 12,905,917 | 12,905,917 | 12,905,917 | - |
| Transfer to 2019 Pay-Go Fund | (3,465,223) | (3,465,223) | (3,465,223) | - |
| Transfer to 2020 Mobile Equip Replacement Fund | (630,000) | (630,000) | (630,000) | - |
| Total other financing sources | <u>8,810,694</u> | <u>8,810,694</u> | <u>8,810,694</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>8,813,452</u> | <u>8,813,452</u> | <u>-</u> |
| Fund balance - June 30, 2020 | | | - | |
| Fund balance - June 30, 2021 | | | <u>\$ 8,813,452</u> | |

Fiduciary Funds

Custodial Funds

Custodial funds are used to account for assets held by the County in a custodial capacity for individuals, private organizations, or other governments.

Municipal Tax Fund – This fund is used to account for collections of various taxes by the County Tax Collector that are remitted to other funds and to other local governments and authorities.

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

COMBINING STATEMENT OF FIDUCIARY NET POSITION

E-1

CUSTODIAL FUNDS

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2021

| | Municipal Tax <u>Fund</u> | Sheriff <u>Fund</u> | Total Custodial <u>Funds</u> |
|--|------------------------------|------------------------|---------------------------------|
| ASSETS | | | |
| Cash and cash equivalents / investments | \$ 488,604 | 419,432 | 908,036 |
| Property taxes receivable for other governments, net | 3,042,037 | - | 3,042,037 |
| Total assets | \$ 3,530,641 | 419,432 | 3,950,073 |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | \$ - | 87,777 | 87,777 |
| Due to other governments | 488,604 | - | 488,604 |
| Total liabilities | \$ 488,604 | 87,777 | 576,381 |
| NET POSITION | | | |
| Restricted for: | | | |
| Individuals, organizations and other governments | 3,042,037 | 331,655 | 3,373,692 |
| Total net position | \$ 3,042,037 | 331,655 | 3,373,692 |

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

E-2

CUSTODIAL FUNDS

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2021

| | Municipal Tax <u>Fund</u> | Sheriff <u>Fund</u> | Total Custodial <u>Funds</u> |
|--|------------------------------|------------------------|---------------------------------|
| ADDITIONS | | | |
| Ad valorem taxes collected for other governments | 167,126,893 | - | 167,126,893 |
| Collections pursuant to court orders | - | 296,071 | 296,071 |
| Total additions | 167,126,893 | 296,071 | 167,422,964 |
| DEDUCTIONS | | | |
| Tax distributions to other governments | 167,577,147 | | 167,577,147 |
| Payments pursuant to court orders | - | 239,793 | 239,793 |
| Total deductions | 167,577,147 | 239,793 | 167,816,940 |
| Change in net position | (450,254) | 56,278 | (393,976) |
| Net position - beginning, as previously reported | - | - | - |
| Prior period restatement | 3,492,291 | 275,377 | 3,767,668 |
| Net position - beginning, as restated | 3,492,291 | 275,377 | 3,767,668 |
| Net position, ending | \$ 3,042,037 | 331,655 | 3,373,692 |

Other Schedules

This section contains additional information on property taxes.

Schedule of Ad Valorem Taxes Receivable – General Fund

Analysis of Current Tax Levy – Countywide Levy

Ten Largest Taxpayers

SCHEDULE OF AD VALOREM TAXES RECEIVABLE

F-1

GENERAL FUND

FORSYTH COUNTY, NORTH CAROLINA

June 30, 2021

| <u>Fiscal Year</u> | <u>Uncollected Balance June 30, 2020</u> | <u>Additions Net of Releases</u> | <u>Collections And Credits</u> | <u>Writeoffs</u> | <u>Uncollected Balance June 30, 2021</u> |
|--------------------|--|--|------------------------------------|------------------|--|
| 2020 - 2021 | \$ - | 286,211,607 | 284,394,322 | - | 1,817,285 |
| 2019 - 2020 | 2,668,629 | (132,722) | 1,692,338 | - | 843,569 |
| 2018 - 2019 | 729,018 | (26,116) | 196,368 | - | 506,534 |
| 2017 - 2018 | 416,818 | (24,941) | 59,437 | - | 332,440 |
| 2016 - 2017 | 391,613 | (210) | 52,571 | - | 338,832 |
| 2015 - 2016 | 284,181 | (113) | 40,214 | - | 243,854 |
| 2014 - 2015 | 240,721 | (253) | 22,548 | - | 217,920 |
| 2013 - 2014 | 244,072 | (102) | 19,578 | - | 224,392 |
| 2012 - 2013 | 243,693 | (459) | 15,907 | - | 227,327 |
| 2011 - 2012 | 204,784 | (81) | 14,203 | 190,500 | - |
| | <u>\$ 5,423,529</u> | <u>286,026,610</u> | <u>286,507,486</u> | <u>190,500</u> | <u>4,752,153</u> |

Less: allowance for uncollectible accounts:

General Fund

(2,856,648)

Ad valorem taxes receivable - net:

General Fund

\$ 1,895,505

Reconcilement with revenues:

Property taxes - General Fund

\$ 287,346,844

Penalties collected on ad valorem taxes -

Fines and Forfeitures Fund

187,925

Reconciling items:

Interest and fees collected \$ (1,058,436)

Refunds 102,539

Collection of taxes previously written off (71,386)

Total reconciling items (1,027,283)

Total collections and credits

\$ 286,507,486

ANALYSIS OF CURRENT TAX LEVY

COUNTYWIDE LEVY

FORSYTH COUNTY, NORTH CAROLINA
For the Fiscal Year Ended June 30, 2021

| | Countywide | | | Total levy | |
|---|--------------------------|----------|-----------------------|--|---------------------------|
| | Property Valuation | Rate (1) | Amount of Levy | Property Excluding Registered Motor Vehicles | Registered Motor Vehicles |
| Gross levy: | | | | | |
| Property taxed at current year's rate | \$ 37,572,129,374 | \$.7435 | \$ 279,947,736 | \$ 258,144,501 | \$ 21,803,235 |
| Motor vehicles taxed at prior year's rate: FY 18-19 | 11,661,845 | .7535 | 87,872 | - | 87,872 |
| FY 19-20 | 887,107,395 | .7235 | 6,418,222 | - | 6,418,222 |
| Penalties | - | | 210,347 | 210,347 | - |
| Total | <u>38,470,898,613</u> | | <u>286,664,177</u> | <u>258,354,848</u> | <u>28,309,329</u> |
| Releases | (60,870,208) | | (452,570) | (452,570) | - |
| Total property valuation | <u>\$ 38,410,028,405</u> | | | | |
| Net levy | | | 286,211,607 | 257,902,278 | 28,309,329 |
| Uncollected taxes at June 30, 2021 | | | 1,817,285 | 1,817,285 | - |
| Current year's taxes collected | | | <u>\$ 284,394,322</u> | <u>\$ 256,084,993</u> | <u>\$ 28,309,329</u> |
| Current levy collection percentage | | | <u>99.37%</u> | <u>99.30%</u> | <u>100.000%</u> |

Secondary Market Disclosures:

Assessed Valuation:

| | |
|--|-----------------------|
| Assessment Ratio (2) | 100% |
| Real Property | \$ 29,924,209,616 |
| Personal Property | 7,705,967,365 |
| Public Service Companies (3) | 779,851,424 |
| Total Assessed Valuation | <u>38,410,028,405</u> |
| Tax Rate per \$100 | <u>0.7435</u> |
| Levy (includes discoveries, releases and abatements) | <u>\$ 286,211,607</u> |

- (1) The Assessed value times the tax rate will not equal the amount of levy because the levy includes discoveries and releases at prior years' rates.
- (2) Percentage of appraised value has been established by statute.
- (3) Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.

TEN LARGEST TAXPAYERS

FORSYTH COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2021

F-3

| <u>Taxpayer</u> | <u>Type of Business</u> | | <u>2020 Assessed Valuation</u> | <u>Percentage of Total Assessed Valuation</u> |
|--------------------------------|---|----|--|---|
| R. J. Reynolds Industries, Inc | Tobacco, Foods, Petroleum and Transportation | \$ | 1,122,428,514 | 2.92% |
| Duke Energy Corporation | Electric Utility | | 539,989,509 | 1.41% |
| Wells Fargo Bank NA | Banking | | 321,796,369 | 0.84% |
| Caterpillar Inc | Manufacturer | | 197,177,135 | 0.51% |
| Wexford Science & Technology | Real Estate Management | | 179,211,432 | 0.47% |
| JG Winston-Salem | Real Estate Management | | 174,247,075 | 0.45% |
| Novant Health Inc | Medical | | 142,033,221 | 0.37% |
| Wake Forest University Health | Medical | | 125,170,679 | 0.33% |
| American Homes 4 Rent | Real Estate Management | | 114,499,395 | 0.30% |
| Truist Bank | Banking | | 109,984,398 | 0.29% |
| | | \$ | <u>3,026,537,727</u> | <u>7.89%</u> |

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

Contents

Financial Trends – These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time. 120

Revenue Capacity – These schedules contain information to help the reader assess the factors affecting the County’s ability to generate its property taxes. 126

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. 131

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. 134

Operating Information – These schedules contain information about the County’s operations and resources to help the reader understand how the County’s financial information relates to the services the County provides and the activities it performs. 136

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

NET POSITION BY COMPONENT
FORSYTH COUNTY, NORTH CAROLINA

Schedule 1

Last Ten Fiscal Years
(accrual basis of accounting)

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | Fiscal Year <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|---|------------------|---------------|---------------|---------------|----------------------------|---------------|---------------|---------------|---------------|---------------|
| Governmental activities: | | | | | | | | | | |
| Net investment in | | | | | | | | | | |
| capital assets | \$ 83,829,746 | 75,547,493 | 76,582,427 | 80,960,647 | 91,997,431 | 93,927,835 | 108,155,157 | 136,846,089 | 141,204,543 | 151,261,560 |
| Restricted | 31,151,206 | 36,231,000 | 46,204,270 | 38,012,456 | 55,613,795 | 43,255,799 | 59,161,078 | 58,440,613 | 62,092,255 | 165,624,698 |
| Unrestricted | (340,506,961) | (335,671,385) | (330,405,550) | (302,041,917) | (291,327,469) | (259,186,803) | (312,304,937) | (319,864,643) | (318,998,667) | (390,522,024) |
| Total governmental activities net deficit | \$ (225,526,009) | (223,892,892) | (207,618,853) | (183,068,814) | (143,716,243) | (122,003,169) | (144,988,702) | (124,577,941) | (115,701,869) | (73,635,766) |

CHANGES IN NET POSITION
FORSYTH COUNTY, NORTH CAROLINA

Schedule 2

Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Expenses - Governmental activities: | | | | | | | | | | |
| General government | \$ 43,252,315 | 39,642,837 | 41,283,224 | 37,104,610 | 39,710,432 | 41,691,056 | 42,248,827 | 43,824,204 | 45,353,013 | 44,665,735 |
| Public safety | 71,455,381 | 69,433,724 | 73,826,748 | 73,502,755 | 77,733,569 | 80,973,981 | 82,537,195 | 89,481,482 | 91,710,314 | 93,280,119 |
| Environmental protection | 2,642,585 | 2,442,611 | 2,229,539 | 2,504,903 | 2,777,088 | 2,435,366 | 2,819,059 | 2,988,102 | 3,169,444 | 3,017,914 |
| Human services | 76,403,049 | 77,395,541 | 75,195,871 | 74,304,852 | 78,666,572 | 76,711,222 | 63,583,037 | 65,441,721 | 75,044,951 | 77,789,756 |
| Culture and recreation | 15,830,605 | 15,886,345 | 14,556,355 | 16,535,727 | 15,951,292 | 16,641,402 | 18,485,376 | 18,477,223 | 18,744,724 | 17,985,372 |
| Community and econ. development | 6,697,889 | 2,795,206 | 4,209,903 | 2,936,334 | 4,211,266 | 3,840,814 | 9,452,469 | 6,822,318 | 9,569,704 | 7,907,657 |
| Education | 181,325,863 | 152,410,053 | 144,359,143 | 134,732,270 | 135,927,424 | 143,258,413 | 169,888,388 | 191,146,150 | 190,237,126 | 215,467,699 |
| Interest on long-term debt | 21,732,376 | 21,796,354 | 19,259,551 | 18,129,062 | 16,179,523 | 17,161,545 | 18,557,050 | 18,720,561 | 20,159,476 | 16,711,312 |
| Total expenses | 419,340,063 | 381,802,671 | 374,920,334 | 359,750,513 | 371,157,166 | 382,713,799 | 407,571,401 | 436,901,761 | 453,988,752 | 476,825,564 |
| Program revenues - Governmental activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | 3,834,636 | 3,743,500 | 3,617,005 | 3,248,381 | 3,528,423 | 3,648,384 | 3,756,993 | 3,768,511 | 3,955,880 | 4,415,907 |
| Public safety | 16,810,834 | 17,540,753 | 17,361,145 | 17,605,671 | 17,143,278 | 16,137,539 | 15,827,574 | 17,531,635 | 18,477,813 | 15,645,791 |
| Environmental protection | 205,762 | 220,956 | 228,599 | 618,162 | 532,922 | 172,683 | 742,063 | 960,498 | 652,170 | 840,614 |
| Human services | 9,936,712 | 8,055,427 | 6,479,949 | 8,677,070 | 7,142,225 | 5,247,617 | 8,673,055 | 4,572,125 | 5,402,693 | 4,697,688 |
| Culture and recreation | 3,908,560 | 4,079,006 | 3,944,701 | 4,251,360 | 4,197,334 | 4,162,505 | 4,074,068 | 3,772,485 | 4,060,238 | 4,310,019 |
| Community and econ. development | 40,954 | 58,979 | 160,528 | 91,515 | 126,263 | 103,560 | 121,073 | 1,532,214 | 2,457,051 | 4,739,263 |
| Education | 77,091 | 67,038 | 62,076 | 57,565 | 48,249 | 49,146 | 50,195 | 43,034 | 42,509 | 35,837 |
| Operating grants and contributions | | | | | | | | | | |
| General government | 648,658 | 564,085 | 831,442 | 587,768 | 651,129 | 581,454 | 871,649 | 966,906 | 956,622 | 1,878,315 |
| Public safety | 5,259,860 | 4,468,936 | 5,436,967 | 5,225,898 | 4,325,041 | 4,270,996 | 4,538,285 | 4,433,121 | 4,412,459 | 5,215,441 |
| Environmental protection | 1,035,482 | 747,815 | 837,273 | 717,751 | 870,607 | 815,512 | 1,615,512 | 453,138 | 685,541 | 716,128 |
| Human services | 41,638,514 | 40,842,999 | 41,633,018 | 43,276,151 | 44,316,342 | 44,429,639 | 30,397,209 | 29,518,375 | 39,206,572 | 63,973,564 |
| Culture and recreation | 672,829 | 904,113 | 1,037,768 | 1,783,651 | 1,145,752 | 1,904,836 | 780,014 | 919,383 | 833,288 | 1,246,620 |
| Community and econ. development | 1,011,533 | 713,754 | 339,875 | 422,464 | 476,516 | 329,492 | 1,045,211 | 1,687,001 | 1,127,187 | 348,318 |
| Education | 5,406,597 | 4,627,031 | 4,517,993 | 3,700,660 | 3,922,145 | 3,874,893 | 3,880,874 | 3,983,814 | 3,889,537 | 4,242,463 |
| Capital grants and contributions | | | | | | | | | | |
| Human services | - | - | - | - | - | - | 12,233,423 | - | - | - |
| Community and econ. development | - | - | - | - | - | - | - | 24,110,823 | 408,031 | 489,052 |
| Total program revenues | 90,488,022 | 86,634,392 | 86,488,339 | 90,264,067 | 88,426,226 | 85,728,256 | 88,607,198 | 98,253,063 | 86,567,591 | 112,795,020 |
| Net expense | (328,852,041) | (295,168,279) | (288,431,995) | (269,486,446) | (282,730,940) | (296,985,543) | (318,964,203) | (338,648,698) | (367,421,161) | (364,030,544) |

(continued)

CHANGES IN NET POSITION
FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

(accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|--|------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
| General revenues and other changes in net position - Governmental activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property taxes | 235,293,490 | 239,530,106 | 241,781,572 | 237,494,550 | 248,996,613 | 253,812,982 | 267,549,276 | 275,276,564 | 291,511,563 | 297,343,536 |
| Local option sales taxes | 52,867,275 | 52,933,206 | 52,905,448 | 59,852,643 | 61,889,139 | 63,841,660 | 65,500,369 | 68,839,822 | 70,352,709 | 97,253,545 |
| Occupancy taxes | 542,596 | 558,116 | 619,138 | 673,224 | 747,342 | 787,567 | 843,065 | 907,089 | 719,675 | 586,773 |
| Other taxes and licenses | - | - | - | - | - | - | - | - | - | - |
| Gross receipts tax | 290,674 | 314,099 | 363,830 | 408,843 | 430,692 | 475,501 | 459,794 | 492,137 | 441,334 | 483,922 |
| Excise stamp tax | 1,039,534 | 1,429,078 | 1,254,797 | 1,702,744 | 1,696,261 | 1,919,012 | 2,051,214 | 2,519,811 | 2,798,033 | 3,102,090 |
| Grants and contributions not restricted to specific programs | 5,849,059 | 4,572,092 | 3,985,233 | 3,784,090 | 3,744,478 | 4,028,266 | 4,030,893 | 4,120,474 | 5,372,214 | 6,556,826 |
| Investment earnings | 612,725 | 141,520 | 715,063 | 487,307 | 874,524 | 1,548,280 | 3,688,357 | 6,481,035 | 5,061,816 | 349,866 |
| Miscellaneous | 2,421,467 | 1,009,905 | 3,080,953 | 530,167 | 3,172,690 | 116,609 | 1,760,522 | 422,527 | 1,413,402 | 420,089 |
| Total general revenues | <u>298,916,820</u> | <u>300,488,122</u> | <u>304,706,034</u> | <u>304,933,568</u> | <u>321,551,739</u> | <u>326,529,877</u> | <u>345,883,490</u> | <u>359,059,459</u> | <u>377,670,746</u> | <u>406,096,647</u> |
| Change in net position - governmental activities | <u>\$ (29,935,221)</u> | <u>5,319,843</u> | <u>16,274,039</u> | <u>35,447,122</u> | <u>38,820,799</u> | <u>29,544,334</u> | <u>26,919,287</u> | <u>20,410,761</u> | <u>10,249,585</u> | <u>42,066,103</u> |

FUND BALANCES OF GOVERNMENTAL FUNDS
FORSYTH COUNTY, NORTH CAROLINA

Schedule 3

Last Ten Fiscal Years

(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 172,691 | 251,658 | 122,250 | 122,250 | 122,250 | 122,250 | 122,250 | 122,250 | 122,250 | 122,250 |
| Restricted | 27,898,443 | 28,735,140 | 34,471,195 | 30,627,178 | 31,674,812 | 32,644,300 | 35,654,436 | 36,356,366 | 37,617,142 | 44,963,186 |
| Committed | 37,892,059 | 36,573,358 | 33,141,288 | 29,078,705 | 37,544,316 | 34,743,602 | 28,022,228 | 33,369,023 | 2,981,418 | 15,471,626 |
| Assigned | 19,235,587 | 13,978,806 | 10,031,500 | 27,673,036 | 18,603,884 | 19,017,695 | 25,877,050 | 19,344,636 | 30,455,363 | 26,581,728 |
| Unassigned | 63,057,650 | 63,971,070 | 64,817,179 | 58,038,886 | 59,187,664 | 59,556,713 | 59,683,982 | 64,217,261 | 62,561,176 | 70,009,874 |
| Total General Fund | \$ 148,256,430 | 143,510,032 | 142,583,412 | 145,540,055 | 147,132,926 | 146,084,560 | 149,359,946 | 153,409,536 | 133,737,349 | 157,148,664 |
| All other governmental funds | | | | | | | | | | |
| Nonspendable | \$ - | - | - | - | - | - | - | - | - | - |
| Restricted | 68,905,275 | 47,662,220 | 30,604,023 | 61,255,209 | 46,325,132 | 147,066,899 | 110,965,483 | 161,445,708 | 131,075,730 | 342,766,058 |
| Committed | 5,206,773 | 7,257,834 | 4,166,932 | 8,599,219 | 8,127,167 | 7,415,455 | 11,003,946 | 9,060,673 | 49,553,858 | 72,932,667 |
| Assigned | - | - | - | - | - | - | - | - | - | - |
| Unassigned | (479,424) | (123,274) | (5,169,337) | (746,862) | (1,883,107) | (93,996) | (7,526,246) | 29,744,017 | (3,014,302) | (210,586) |
| Total all other governmental funds | \$ 73,632,624 | 54,796,780 | 29,601,618 | 69,107,566 | 52,569,192 | 154,388,358 | 114,443,183 | 200,250,398 | 177,615,286 | 415,488,139 |

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

Schedule 4

Last Ten Fiscal Years

(modified accrual basis of accounting)

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | Fiscal Year <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|---|---------------------|---------------------|---------------------|--------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenues | | | | | | | | | | |
| Property taxes | \$ 235,124,729 | 240,017,934 | 242,188,927 | 238,433,384 | 249,097,206 | 254,356,987 | 267,708,214 | 275,322,245 | 291,138,751 | 297,548,508 |
| Occupancy taxes | 542,596 | 558,116 | 619,138 | 673,224 | 747,342 | 787,567 | 843,065 | 907,089 | 719,675 | 586,773 |
| Local option sales tax | 52,867,275 | 52,933,206 | 52,905,448 | 59,852,643 | 61,889,139 | 63,841,660 | 65,500,369 | 68,839,822 | 70,352,709 | 97,253,545 |
| Other taxes | 290,674 | 314,099 | 363,830 | 408,843 | 430,692 | 475,501 | 459,794 | 492,137 | 441,334 | 483,922 |
| Licenses and permits | 766,104 | 867,200 | 790,379 | 840,176 | 885,379 | 837,632 | 888,557 | 847,930 | 950,621 | 1,101,224 |
| Intergovernmental | 61,804,884 | 57,669,048 | 58,735,531 | 59,319,667 | 58,522,653 | 59,841,104 | 46,209,318 | 46,976,546 | 56,333,247 | 84,391,250 |
| Charges for services | 23,276,406 | 24,945,629 | 23,733,229 | 23,624,514 | 23,129,592 | 22,105,829 | 22,306,846 | 24,005,139 | 24,201,585 | 26,376,464 |
| Investment earnings | 626,269 | 152,564 | 727,569 | 502,238 | 892,558 | 1,575,590 | 3,741,305 | 6,572,370 | 5,145,319 | 374,496 |
| Other | 12,978,204 | 9,041,885 | 10,014,487 | 10,780,239 | 10,599,508 | 8,630,891 | 13,920,565 | 9,271,542 | 12,797,968 | 10,730,182 |
| Total revenues | <u>388,277,141</u> | <u>386,499,681</u> | <u>390,078,538</u> | <u>394,434,928</u> | <u>406,194,069</u> | <u>412,452,761</u> | <u>421,578,033</u> | <u>433,234,820</u> | <u>462,081,209</u> | <u>518,846,364</u> |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 36,548,586 | 36,031,427 | 36,546,154 | 34,751,181 | 36,742,065 | 39,040,088 | 39,422,533 | 40,088,488 | 41,406,663 | 41,709,821 |
| Public safety | 69,124,066 | 68,062,518 | 69,651,727 | 71,415,681 | 75,399,678 | 78,879,635 | 79,004,885 | 82,827,983 | 83,035,269 | 86,541,683 |
| Environmental protection | 2,633,817 | 2,477,195 | 2,206,012 | 2,557,325 | 2,770,670 | 2,497,067 | 2,813,935 | 2,854,242 | 2,980,933 | 2,893,124 |
| Human services | 70,142,751 | 70,607,949 | 68,544,801 | 69,035,342 | 72,603,478 | 74,918,617 | 63,432,141 | 63,428,312 | 71,681,462 | 75,921,480 |
| Culture and recreation | 14,430,037 | 14,488,772 | 14,453,569 | 14,172,939 | 14,523,516 | 15,064,741 | 15,592,888 | 15,525,342 | 15,841,182 | 15,105,354 |
| Comm. and econ. development | 6,694,033 | 2,798,505 | 2,774,655 | 2,935,327 | 4,212,562 | 3,839,152 | 9,453,076 | 6,287,498 | 6,454,644 | 5,374,313 |
| Education | 788,811 | 698,383 | 604,563 | 969,082 | 789,485 | 807,656 | 801,446 | 733,935 | 719,385 | 665,601 |
| Intergovernmental: | | | | | | | | | | |
| Human services | 5,692,674 | 6,742,601 | 5,740,312 | 5,861,305 | 5,811,072 | 1,948,784 | - | - | - | - |
| Education | 180,529,368 | 151,695,430 | 143,738,262 | 133,713,158 | 135,157,216 | 142,452,410 | 169,076,299 | 189,876,343 | 189,510,247 | 214,804,734 |
| Debt service: | | | | | | | | | | |
| Principal retirement | 37,906,327 | 39,097,635 | 41,565,055 | 39,050,432 | 40,054,752 | 39,184,853 | 41,885,000 | 41,220,000 | 45,885,000 | 61,701,068 |
| Interest and other charges | 24,767,215 | 24,130,833 | 22,433,916 | 22,056,472 | 20,643,389 | 19,090,480 | 22,031,256 | 20,646,227 | 24,628,108 | 21,917,395 |
| Capital outlay | 20,995,615 | 13,136,326 | 8,029,369 | 7,626,935 | 13,083,061 | 23,260,508 | 14,734,363 | 11,202,508 | 27,653,351 | 21,902,049 |
| Total expenditures | <u>470,253,300</u> | <u>429,967,574</u> | <u>416,288,395</u> | <u>404,145,179</u> | <u>421,790,944</u> | <u>440,983,991</u> | <u>458,247,822</u> | <u>474,690,878</u> | <u>509,796,244</u> | <u>548,536,622</u> |
| Deficiency of revenues over expenditures | <u>(81,976,159)</u> | <u>(43,467,893)</u> | <u>(26,209,857)</u> | <u>(9,710,251)</u> | <u>(15,596,875)</u> | <u>(28,531,230)</u> | <u>(36,669,789)</u> | <u>(41,456,058)</u> | <u>(47,715,035)</u> | <u>(29,690,258)</u> |

(continued)

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

Schedule 4

Last Ten Fiscal Years

(modified accrual basis of accounting)

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | Fiscal Year <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|--|------------------------|---------------------|---------------------|-------------------|----------------------------|--------------------|---------------------|--------------------|---------------------|--------------------|
| Other financing sources (uses): | | | | | | | | | | |
| General obligation bonds issuance | - | 18,750,000 | - | 47,550,000 | - | 123,145,000 | - | 119,790,000 | - | 129,040,000 |
| Premium on general obligation bonds | - | 811,977 | - | 4,114,935 | - | 6,157,030 | - | 11,522,863 | - | 13,881,196 |
| Limited obligation bonds issued | 16,290,000 | - | - | - | - | - | - | - | - | 103,661,233 |
| Premium on limited obligation bonds | 2,094,164 | - | - | - | - | - | - | - | - | 17,613,889 |
| Installment purchases | 2,400,000 | - | - | - | - | - | - | - | 2,690,477 | 7,776,941 |
| Other long-term borrowing | - | - | - | - | - | - | - | - | 2,247,974 | 1,621,775 |
| Refunding bonds issued | - | 35,090,000 | 8,230,000 | 72,245,000 | 29,720,000 | - | - | - | 66,810,000 | 19,850,000 |
| Premium on refunding bonds | - | 8,795,717 | - | 18,145,244 | - | - | - | - | 10,879,285 | 2,710,414 |
| Refunding LOBs issuance | - | - | - | - | - | - | - | - | - | 23,278,767 |
| Premium on LOBs refunding bonds | - | - | - | - | - | - | - | - | - | 3,481,327 |
| Transfers in | 10,806,854 | 13,712,606 | 13,687,885 | 16,176,832 | 15,574,472 | 18,622,313 | 16,187,298 | 25,444,016 | 179,579,649 | 165,817,505 |
| Transfers out | (10,806,854) | (13,712,606) | (13,687,885) | (16,176,832) | (15,574,472) | (18,622,313) | (16,187,298) | (25,444,016) | (179,579,649) | (165,817,505) |
| Payment to refunded bond escrow agent | - | (43,562,043) | (8,141,925) | (89,882,337) | (29,600,400) | - | - | - | (77,220,000) | (31,941,116) |
| Total other financing sources (uses) | <u>20,784,164</u> | <u>19,885,651</u> | <u>88,075</u> | <u>52,172,842</u> | <u>119,600</u> | <u>129,302,030</u> | <u>-</u> | <u>131,312,863</u> | <u>5,407,736</u> | <u>290,974,426</u> |
| Net change in fund balances | <u>\$ (61,191,995)</u> | <u>(23,582,242)</u> | <u>(26,121,782)</u> | <u>42,462,591</u> | <u>(15,477,275)</u> | <u>100,770,800</u> | <u>(36,669,789)</u> | <u>89,856,805</u> | <u>(42,307,299)</u> | <u>261,284,168</u> |
| Debt service as a percentage of noncapital expenditures | <u>15.5%</u> | <u>15.2%</u> | <u>15.6%</u> | <u>15.4%</u> | <u>14.9%</u> | <u>14.0%</u> | <u>14.4%</u> | <u>13.4%</u> | <u>14.6%</u> | <u>15.9%</u> |

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

Schedule 5

Last Ten Fiscal Years

| Fiscal Year Ended | (1) Tax Year Ended | Real Property | Personal Property | Registered Vehicles | Corporate Excess | Total | (2) Ratio of | (3) Total |
|-------------------------|--------------------------|------------------|----------------------|------------------------|---------------------|----------------|---|-----------------------|
| | | | | | | | Assessed Value to Estimated Actual Value | Direct Tax Rate |
| 2012 | 2011 | 28,019,913,529 | 2,928,773,237 | 2,361,443,265 | 598,732,969 | 33,908,863,000 | 100% | 0.6740 |
| 2013 | 2012 | 28,311,900,597 | 3,077,593,236 | 2,359,763,765 | 613,418,118 | 34,362,675,716 | 100% | 0.6740 |
| 2014 | 2013 | 25,962,868,887 | 3,060,564,808 | 3,379,328,693 | 587,034,662 | 32,989,797,050 | 100% | 0.7168 |
| 2015 | 2014 | 26,041,986,825 | 2,809,383,967 | 2,736,319,899 | 611,422,481 | 32,199,113,172 | 100% | 0.7168 |
| 2016 | 2015 | 26,239,522,214 | 3,040,006,463 | 2,885,713,744 | 660,896,757 | 32,826,139,178 | 100% | 0.7310 |
| 2017 | 2016 | 26,875,173,026 | 3,012,441,003 | 3,024,187,570 | 675,048,940 | 33,586,850,539 | 100% | 0.7310 |
| 2018 | 2017 | 28,493,555,596 | 3,409,057,936 | 3,142,046,637 | 695,663,473 | 35,740,323,642 | 100% | 0.7235 |
| 2019 | 2018 | 28,896,922,657 | 3,691,746,250 | 3,338,057,975 | 721,340,710 | 36,648,067,592 | 100% | 0.7235 |
| 2020 | 2019 | 29,439,875,290 | 3,757,915,292 | 3,403,069,908 | 754,389,347 | 37,355,249,837 | 100% | 0.7535 |
| 2021 | 2020 | 29,924,209,616 | 3,874,685,012 | 3,831,282,353 | 779,851,424 | 38,410,028,405 | 100% | 0.7435 |

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

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

(2) Assessed value is established at estimated market value. Real property was revalued on January 1 of 2013, 2017 and 2021. As of January 1, 1993, assessed value for registered vehicles is established monthly. Assessed value for all other property is established annually.

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

DIRECT AND OVERLAPPING PROPERTY TAX RATES
FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

| | | Tax Rates per \$100 Valuation, Year Ended June 30, | | | | | | | | | |
|----------------------------------|----|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
| Forsyth County | \$ | 0.7435 | 0.7535 | 0.7235 | 0.7235 | 0.7310 | 0.7310 | 0.7168 | 0.7168 | 0.6740 | 0.6740 |
| Municipalities: (1) | | | | | | | | | | | |
| City of Winston-Salem | | 0.6374 | 0.6374 | 0.5974 | 0.5974 | 0.5850 | 0.5650 | 0.5400 | 0.5300 | 0.4910 | 0.4750 |
| Combined Rate | | 1.3809 | 1.3909 | 1.3209 | 1.3209 | 1.3160 | 1.2960 | 1.2568 | 1.2468 | 1.1650 | 1.1490 |
| Town of Bethania | | 0.3000 | 0.3000 | 0.3000 | 0.3000 | 0.3000 | 0.3000 | 0.3000 | 0.3000 | 0.3200 | 0.3200 |
| Combined Rate | | 1.0435 | 1.0535 | 1.0235 | 1.0235 | 1.0310 | 1.0310 | 1.0168 | 1.0168 | 0.9940 | 0.9940 |
| Village of Clemmons | | 0.1150 | 0.1150 | 0.1150 | 0.1150 | 0.1150 | 0.1150 | 0.1150 | 0.1150 | 0.1150 | 0.1150 |
| Combined Rate | | 0.8585 | 0.8685 | 0.8385 | 0.8385 | 0.8460 | 0.8460 | 0.8318 | 0.8318 | 0.7890 | 0.7890 |
| City of High Point | | 0.6475 | 0.6475 | 0.6475 | 0.6475 | 0.6475 | 0.6500 | 0.6640 | 0.6750 | 0.6750 | 0.6620 |
| Combined Rate | | 1.3910 | 1.4010 | 1.3710 | 1.3710 | 1.3785 | 1.3810 | 1.3808 | 1.3918 | 1.3490 | 1.3360 |
| Town of Kernersville | | 0.5700 | 0.5700 | 0.5700 | 0.5545 | 0.5700 | 0.5425 | 0.5425 | 0.5275 | 0.4975 | 0.4975 |
| Combined Rate | | 1.3135 | 1.3235 | 1.2935 | 1.2780 | 1.3010 | 1.2735 | 1.2593 | 1.2443 | 1.1715 | 1.1715 |
| City of King | | 0.4220 | 0.4220 | 0.4220 | 0.4220 | 0.4220 | 0.4220 | 0.4220 | 0.4220 | 0.3999 | 0.3999 |
| Combined Rate | | 1.1655 | 1.1755 | 1.1455 | 1.1455 | 1.1530 | 1.1530 | 1.1388 | 1.1388 | 1.0739 | 1.0739 |
| Town of Lewisville | | 0.1770 | 0.1770 | 0.1770 | 0.1770 | 0.1770 | 0.1770 | 0.1770 | 0.1770 | 0.1770 | 0.1770 |
| Combined Rate | | 0.9205 | 0.9305 | 0.9005 | 0.9005 | 0.9080 | 0.9080 | 0.8938 | 0.8938 | 0.8510 | 0.8510 |
| Town of Rural Hall | | 0.3100 | 0.3100 | 0.3100 | 0.3100 | 0.3100 | 0.3100 | 0.3000 | 0.2800 | 0.2500 | 0.2500 |
| Combined Rate | | 1.0535 | 1.0635 | 1.0335 | 1.0335 | 1.0410 | 1.0410 | 1.0168 | 0.9968 | 0.9240 | 0.9240 |
| Village of Tobaccoville | | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 |
| Combined Rate | | 0.7935 | 0.8035 | 0.7735 | 0.7735 | 0.7810 | 0.7810 | 0.7668 | 0.7668 | 0.7240 | 0.7240 |
| Town of Walkertown | | 0.2000 | 0.2000 | 0.2000 | 0.2000 | 0.2000 | 0.2000 | 0.2000 | 0.2000 | 0.2000 | 0.2000 |
| Combined Rate | | 0.9435 | 0.9535 | 0.9235 | 0.9235 | 0.9310 | 0.9310 | 0.9168 | 0.9168 | 0.8740 | 0.8740 |
| Fire Tax Districts: (2) | | | | | | | | | | | |
| Countywide Fire Service District | | 0.0073 | 0.0073 | | | | | | | | |
| Beesons Crossroads | | 0.0950 | 0.0950 | 0.0986 | 0.0880 | 0.0880 | 0.0880 | 0.0880 | 0.0800 | 0.0800 | 0.0700 |
| Combined Direct Rate | | 0.8458 | 0.8558 | 0.8221 | 0.8190 | 0.8190 | 0.8190 | 0.8048 | 0.7968 | 0.7540 | 0.7440 |
| Beesons Crossroads Service | | 0.0950 | 0.0950 | 0.0986 | 0.0880 | 0.0880 | 0.0880 | 0.0880 | | | |
| Combined Direct Rate | | 0.8458 | 0.8558 | 0.8221 | 0.8190 | 0.8190 | 0.8190 | 0.8048 | | | |
| Belews Creek | | 0.1100 | 0.1100 | 0.1136 | 0.1100 | 0.0750 | 0.0750 | 0.0750 | 0.0700 | 0.0700 | 0.0700 |
| Combined Direct Rate | | 0.8608 | 0.8708 | 0.8371 | 0.8410 | 0.8060 | 0.8060 | 0.7918 | 0.7868 | 0.7440 | 0.7440 |
| City View | | 0.1000 | 0.1050 | 0.1086 | 0.1050 | 0.0900 | 0.0800 | 0.0800 | 0.0800 | 0.0800 | 0.0800 |
| Combined Direct Rate | | 0.8508 | 0.8658 | 0.8321 | 0.8360 | 0.8210 | 0.8110 | 0.7968 | 0.7968 | 0.7540 | 0.7540 |
| Clemmons | | 0.0600 | 0.0600 | 0.0636 | 0.0600 | 0.0600 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 |
| Combined Direct Rate | | 0.8108 | 0.8208 | 0.7871 | 0.7910 | 0.7910 | 0.7810 | 0.7668 | 0.7668 | 0.7240 | 0.7240 |
| Forest Hill | | 0.1150 | 0.1150 | 0.1086 | 0.1050 | 0.0900 | 0.0850 | 0.0850 | 0.0750 | 0.0750 | 0.0650 |
| Combined Direct Rate | | 0.8658 | 0.8758 | 0.8321 | 0.8360 | 0.8210 | 0.8160 | 0.8018 | 0.7918 | 0.7490 | 0.7390 |
| Griffith | | 0.0650 | 0.0650 | 0.0586 | 0.0550 | 0.0550 | 0.0550 | 0.0550 | 0.0550 | 0.0550 | 0.0550 |
| Combined Direct Rate | | 0.8158 | 0.8258 | 0.7821 | 0.7860 | 0.7860 | 0.7860 | 0.7718 | 0.7718 | 0.7290 | 0.7290 |
| Gumtree | | 0.1000 | 0.1000 | 0.1036 | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.0950 | 0.0850 | 0.0850 |
| Combined Direct Rate | | 0.8508 | 0.8608 | 0.8271 | 0.8310 | 0.8310 | 0.8310 | 0.8168 | 0.8118 | 0.7590 | 0.7590 |

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

Last Ten Fiscal Years

| | | Tax Rates per \$100 Valuation, Year Ended June 30, | | | | | | | | | |
|---------------------------------|----|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Fire Tax Districts (cont.): (2) | | | | | | | | | | | |
| Horneytown | \$ | 0.1500 | 0.1500 | 0.1336 | 0.1220 | 0.1100 | 0.1100 | 0.1100 | 0.1100 | 0.1000 | 0.1000 |
| Combined Direct Rate | | 0.9008 | 0.9108 | 0.8571 | 0.8455 | 0.8410 | 0.8410 | 0.8268 | 0.8268 | 0.7740 | 0.7740 |
| King | | 0.0750 | 0.0750 | 0.0786 | 0.0750 | 0.0750 | 0.0650 | 0.0650 | 0.0650 | 0.0650 | 0.0650 |
| Combined Direct Rate | | 0.8258 | 0.8358 | 0.8021 | 0.7985 | 0.8060 | 0.7960 | 0.7818 | 0.7818 | 0.7390 | 0.7390 |
| Lewisville | | 0.0800 | 0.0800 | 0.0836 | 0.0800 | 0.0800 | 0.0800 | 0.0780 | 0.0740 | 0.0600 | 0.0600 |
| Combined Direct Rate | | 0.8308 | 0.8408 | 0.8071 | 0.8035 | 0.8110 | 0.8110 | 0.7948 | 0.7908 | 0.7340 | 0.7340 |
| Mineral Springs | | 0.1150 | 0.1150 | 0.1086 | 0.1050 | 0.1050 | 0.0900 | 0.0850 | 0.0850 | 0.0750 | 0.0750 |
| Combined Direct Rate | | 0.8658 | 0.8758 | 0.8321 | 0.8285 | 0.8360 | 0.8210 | 0.8018 | 0.8018 | 0.7490 | 0.7490 |
| Mineral Springs Service | | 0.1150 | 0.1150 | 0.1086 | 0.1050 | 0.1050 | 0.0900 | 0.0850 | 0.0850 | 0.0750 | 0.0750 |
| Combined Direct Rate | | 0.8658 | 0.8758 | 0.8321 | 0.8285 | 0.8360 | 0.8210 | 0.8018 | 0.8018 | 0.7490 | 0.7490 |
| Mount Tabor | | 0.0850 | 0.0850 | 0.0786 | 0.0750 | 0.0750 | 0.0750 | 0.0750 | 0.0750 | 0.0750 | 0.0750 |
| Combined Direct Rate | | 0.8358 | 0.8458 | 0.8021 | 0.7985 | 0.8060 | 0.8060 | 0.7918 | 0.7918 | 0.7490 | 0.7490 |
| Old Richmond | | 0.0950 | 0.0950 | 0.0986 | 0.0950 | 0.0950 | 0.0950 | 0.0900 | 0.0900 | 0.0850 | 0.0850 |
| Combined Direct Rate | | 0.8458 | 0.8558 | 0.8221 | 0.8185 | 0.8260 | 0.8260 | 0.8068 | 0.8068 | 0.7590 | 0.7590 |
| Piney Grove | | 0.1400 | 0.1400 | 0.1436 | 0.1300 | 0.1300 | 0.1300 | 0.1150 | 0.1150 | 0.1070 | 0.1070 |
| Combined Direct Rate | | 0.8908 | 0.9008 | 0.8671 | 0.8535 | 0.8610 | 0.8610 | 0.8318 | 0.8318 | 0.7810 | 0.7810 |
| Salem Chapel | | 0.1200 | 0.1200 | 0.1236 | 0.1200 | 0.1200 | 0.1200 | 0.0900 | 0.0900 | 0.0900 | 0.0900 |
| Combined Direct Rate | | 0.8708 | 0.8808 | 0.8471 | 0.8435 | 0.8510 | 0.8510 | 0.8068 | 0.8068 | 0.7640 | 0.7640 |
| South Fork | | 0.0600 | 0.0600 | 0.0636 | 0.0600 | 0.0600 | 0.0600 | 0.0500 | 0.0500 | 0.0500 | 0.0500 |
| Combined Direct Rate | | 0.8108 | 0.8208 | 0.7871 | 0.7835 | 0.7910 | 0.7910 | 0.7668 | 0.7668 | 0.7240 | 0.7240 |
| Suburban (Rural Hall) | | 0.1100 | 0.1050 | 0.1086 | 0.1050 | 0.1050 | 0.1050 | 0.0960 | 0.0860 | 0.0750 | 0.0750 |
| Combined Direct Rate | | 0.8608 | 0.8658 | 0.8321 | 0.8285 | 0.8360 | 0.8360 | 0.8128 | 0.8028 | 0.7490 | 0.7490 |
| Talley's Crossing | | 0.1000 | 0.1050 | 0.1086 | 0.1050 | 0.1050 | 0.0900 | 0.0800 | 0.0800 | 0.0800 | 0.0800 |
| Combined Direct Rate | | 0.8508 | 0.8658 | 0.8321 | 0.8285 | 0.8360 | 0.8210 | 0.7968 | 0.7968 | 0.7540 | 0.7540 |
| Triangle | | 0.0920 | 0.0920 | 0.0956 | 0.0920 | 0.0920 | 0.0920 | 0.0920 | 0.0920 | 0.0800 | 0.0800 |
| Combined Direct Rate | | 0.8428 | 0.8528 | 0.8191 | 0.8155 | 0.8230 | 0.8230 | 0.8088 | 0.8088 | 0.7540 | 0.7540 |
| Union Cross | | 0.1200 | 0.1200 | 0.1236 | 0.1200 | 0.1200 | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| Combined Direct Rate | | 0.8708 | 0.8808 | 0.8471 | 0.8435 | 0.8510 | 0.8310 | 0.8168 | 0.8168 | 0.7740 | 0.7740 |
| Vienna | | 0.0850 | 0.0850 | 0.0786 | 0.0750 | 0.0750 | 0.0750 | 0.0750 | 0.0750 | 0.0750 | 0.0750 |
| Combined Direct Rate | | 0.8358 | 0.8458 | 0.8021 | 0.7985 | 0.8060 | 0.8060 | 0.7918 | 0.7918 | 0.7490 | 0.7490 |
| Walkertown (Northeast) | | 0.1000 | 0.1000 | 0.1036 | 0.1000 | 0.1000 | 0.0950 | 0.0950 | 0.0870 | 0.0800 | 0.0800 |
| Combined Direct Rate | | 0.8508 | 0.8608 | 0.8271 | 0.8235 | 0.8310 | 0.8260 | 0.8118 | 0.8038 | 0.7540 | 0.7540 |
| West Bend | | 0.0800 | 0.0800 | 0.0836 | 0.0800 | 0.0800 | 0.0800 | 0.0780 | 0.0740 | 0.0600 | 0.0600 |
| Combined Direct Rate | | 0.8308 | 0.8408 | 0.8071 | 0.8035 | 0.8110 | 0.8110 | 0.7948 | 0.7908 | 0.7340 | 0.7340 |

Source:

Property Tax Rates provided by the Forsyth County Tax Office

Notes:

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

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

Schedule 7

Current Year and Nine Years Ago

| <u>Taxpayer</u> | <u>Type of Business</u> | <u>2020 Assessed Valuation</u> | <u>Rank</u> | <u>Percentage of Total Assessed Valuation</u> | <u>2011 Assessed Valuation</u> | <u>Rank</u> | <u>Percentage of Total Assessed Valuation</u> |
|-----------------------------------|---|--|-------------|---|--|-------------|---|
| R. J. Reynolds Industries, Inc | Tobacco, Foods, Petroleum and Transportation | \$ 1,122,428,514 | 1 | 2.92% | \$ 896,447,570 | 1 | 2.64% |
| Duke Energy Corporation | Electric Utility | 539,989,509 | 2 | 1.41% | 288,365,180 | 3 | 0.85% |
| Wells Fargo Bank NA | Banking | 321,796,369 | 3 | 0.84% | 292,816,580 | 2 | 0.86% |
| Caterpillar Inc | Manufacturer | 197,177,135 | 4 | 0.51% | | | |
| Wexford Science & Technology, LLC | Real Estate Development | 179,211,432 | 5 | 0.47% | | | |
| JG Winston-Salem | Real Estate Management | 174,247,075 | 6 | 0.45% | 203,206,800 | 5 | 0.60% |
| Novant Health Inc | Medical | 142,033,221 | 7 | 0.37% | | | |
| Wake Forest University Health | Medical | 125,170,679 | 8 | 0.33% | 149,143,550 | 7 | 0.44% |
| American Homes 4 Rent | Real Estate Management | 114,499,395 | 9 | 0.30% | | | |
| Truist Bank | Banking | 109,984,398 | 10 | 0.29% | | | |
| Wal-Mart | Retail | | | | 124,471,330 | 9 | 0.37% |
| Lowes Home Center | Retail | | | | 251,484,010 | 4 | 0.74% |
| Hanesbrands Inc. | Textiles | | | | 147,579,350 | 8 | 0.44% |
| Highwoods/Forsyth Partners | Real Estate Management | | | | 114,981,900 | 10 | 0.34% |
| Time Warner Entertainment | Television Utilities | | | | 189,945,680 | 6 | 0.56% |
| | | <u>\$ 3,026,537,727</u> | | <u>7.89%</u> | <u>\$ 2,658,441,950</u> | | <u>7.84%</u> |

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

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

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

PROPERTY TAX LEVIES AND COLLECTIONS
FORSYTH COUNTY, NORTH CAROLINA

Schedule 8

Last Ten Fiscal Years

| Fiscal Year Ended <u>June 30</u> | Total Tax Levy for <u>Fiscal Year</u> | Collected within the | | Collections in Subsequent <u>Years</u> | <u>Total Collections to Date</u> | |
|--|---|--------------------------------|----------------|--|----------------------------------|----------------|
| | | <u>Fiscal Year of the Levy</u> | Percentage | | <u>Amount</u> | Percentage |
| | | <u>Amount</u> | <u>of Levy</u> | | <u>Amount</u> | <u>of Levy</u> |
| 2012 | 228,728,259 | 223,947,380 | 97.91% | 4,167,789 | 228,115,169 | 99.73% |
| 2013 | 232,910,975 | 228,359,406 | 98.05% | 3,786,764 | 232,146,170 | 99.67% |
| 2014 | 234,215,900 | 230,760,638 | 98.52% | 2,173,046 | 232,933,684 | 99.45% |
| 2015 | 230,986,702 | 228,618,034 | 98.97% | 1,650,376 | 230,268,410 | 99.69% |
| 2016 | 241,192,603 | 239,063,497 | 99.12% | 1,402,630 | 240,466,127 | 99.70% |
| 2017 | 246,544,840 | 244,417,516 | 99.14% | 1,246,060 | 245,663,576 | 99.64% |
| 2018 | 259,184,864 | 257,172,253 | 99.22% | 1,353,474 | 258,525,727 | 99.75% |
| 2019 | 266,203,284 | 264,297,009 | 99.28% | 1,209,782 | 265,506,791 | 99.74% |
| 2020 | 281,867,417 | 279,198,788 | 99.05% | 1,692,338 | 280,891,126 | 99.65% |
| 2021 | 286,211,607 | 284,394,322 | 99.37% | | 284,394,322 | 99.37% |

RATIOS OF OUTSTANDING DEBT BY TYPE FORSYTH COUNTY, NORTH CAROLINA

Schedule 9

Last Ten Fiscal Years

| Fiscal Year | General Obligation Bonds | Bonded Debt as a Percentage of | |
|----------------|--------------------------------|---|--|
| | | Actual Taxable Value of Property ^a | Total Bonded Debt Per Capita ^b |
| 2012 | 517,690,727 | 1.53% | 1,459.68 |
| 2013 | 506,841,054 | 1.47% | 1,415.77 |
| 2014 | 467,559,237 | 1.42% | 1,296.45 |
| 2015 | 492,044,964 | 1.53% | 1,351.00 |
| 2016 | 452,707,749 | 1.38% | 1,234.46 |
| 2017 | 543,957,057 | 1.62% | 1,467.34 |
| 2018 | 503,677,229 | 1.41% | 1,344.25 |
| 2019 | 595,792,576 | 1.63% | 1,575.76 |
| 2020 | 550,875,637 | 1.47% | 1,447.15 |
| 2021 | 649,090,074 | 1.69% | 1,693.54 |

Governmental Activities

| Fiscal Year | General Obligation Bonds | Certificates of Participation | Limited Obligation Bonds | Installment Purchase Obligations | Other Long Term Borrowing | Total Primary Government | Percentage of Personal Income ^b | Total Debt Per Capita ^b |
|----------------|--------------------------------|-------------------------------------|--------------------------------|--|---------------------------------|--------------------------------|--|--|
| | | | | | | | | |
| 2013 | 506,841,054 | 49,976,539 | 31,680,167 | 2,141,649 | - | 590,639,409 | 4.03% | 1,649.84 |
| 2014 | 467,559,237 | 37,650,582 | 29,874,372 | 9,620,166 | - | 544,704,357 | 3.74% | 1,510.36 |
| 2015 | 492,044,964 | 33,730,604 | 28,076,784 | 8,335,996 | - | 562,188,348 | 3.56% | 1,543.60 |
| 2016 | 452,707,749 | - | 26,287,402 | 36,475,000 | - | 515,470,151 | 3.12% | 1,405.60 |
| 2017 | 543,957,057 | - | 24,506,733 | 31,195,000 | - | 599,658,790 | 3.56% | 1,617.60 |
| 2018 | 503,677,229 | - | 22,736,295 | 25,830,000 | - | 552,243,524 | 3.10% | 1,473.87 |
| 2019 | 595,792,576 | - | 20,976,088 | 20,390,000 | - | 637,158,664 | 3.51% | 1,685.17 |
| 2020 | 550,875,637 | - | 19,226,747 | 18,555,477 | 2,247,974 | 590,905,835 | 3.14% | 1,552.31 |
| 2021 | 649,090,074 | - | 148,855,848 | 11,270,000 | 3,646,099 | 812,862,021 | n/a | 2,120.84 |

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

^a See Schedule 5 for property value data.

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
FORSYTH COUNTY, NORTH CAROLINA

Schedule 10

FORSYTH COUNTY, NORTH CAROLINA

As of June 30, 2021

| <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 | \$ 226,500,763 | 100.0% | \$ 226,500,763 |
| Town of Kernersville | 20,805,838 | 91.9% | 19,120,565 |
| Town of Lewisville | 2,000,000 | 100.0% | 2,000,000 |
| Town of King | 2,308,236 | 10.4% | 240,669 |
| City of High Point | 115,490,348 | 0.7% | 793,094 |
| Other debt | | | |
| City of Winston-Salem | 133,745,029 | 100.0% | <u>133,745,029</u> |
| Subtotal, overlapping debt | | | 382,400,121 |
| County direct debt | | | <u>812,862,021</u> |
| Total direct and overlapping debt | | | \$ <u>1,195,262,142</u> |

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

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

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

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

**LEGAL DEBT MARGIN INFORMATION
 FORSYTH COUNTY, NORTH CAROLINA**

Schedule 11

Last Ten Fiscal Years
 (dollars in thousands)

| | |
|--|---------------|
| Legal Debt Margin Calculation for Fiscal Year 2021 | |
| Assessed Value of Taxable Property | \$ 38,410,028 |
| Debt Limit - Eight percent (8%) of assessed value | 3,072,802 |
| Debt applicable to limit: | |
| General obligation bonds | 649,090 |
| Limited obligation bonds | 148,856 |
| Installment purchase obligations | 11,270 |
| Other long term borrowing | 3,646 |
| Total debt applicable to legal debt limit | 812,862 |
| Legal debt margin | \$ 2,259,940 |

| | Fiscal Year | | | | | | | | | |
|--|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
| Debt Limit | \$ 2,712,709 | 2,749,014 | 2,639,184 | 2,575,929 | 2,626,091 | 2,686,948 | 2,859,226 | 2,931,845 | 2,988,420 | 3,072,802 |
| Total net debt applicable to limit | 586,266 | 590,639 | 544,704 | 562,188 | 515,470 | 599,659 | 552,244 | 637,159 | 590,906 | 812,862 |
| Legal debt margin | \$ 2,126,443 | 2,158,375 | 2,094,479 | 2,013,741 | 2,110,621 | 2,087,289 | 2,306,982 | 2,294,687 | 2,397,514 | 2,259,940 |
| Total net debt applicable to the limit as a percentage of debt limit | 21.6% | 21.5% | 20.6% | 21.8% | 19.6% | 22.3% | 19.3% | 21.7% | 19.8% | 26.5% |

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

DEMOGRAPHIC AND ECONOMIC STATISTICS
FORSYTH COUNTY, NORTH CAROLINA

Schedule 12

Last Ten Calendar Years

| Calendar Year ^a | Population ¹ | Personal Income (000's) ² | Per Capita Personal Income ² | Median Age ³ | Dropout Rates for Grades 9-12 ⁴ | Public School Enrollment ⁴ | Private School Enrollment ^{5, b} | Unemployment Rate ⁶ |
|----------------------------|-------------------------|--------------------------------------|---|-------------------------|--|---------------------------------------|---|--------------------------------|
| 2011 | 354,661 | 13,973,768 | 39,416 | 37.2 | 3.8% | 52,277 | 4,834 | 9.8% |
| 2012 | 357,998 | 14,657,816 | 40,990 | 37.3 | 3.4% | 52,860 | 4,691 | 8.9% |
| 2013 | 360,646 | 14,549,361 | 40,348 | 37.5 | 2.7% | 53,107 | 4,579 | 7.5% |
| 2014 | 364,207 | 15,787,821 | 43,321 | 37.6 | 2.3% | 53,693 | 4,494 | 6.0% |
| 2015 | 366,725 | 16,546,954 | 45,042 | 37.7 | 2.8% | 53,908 | 4,458 | 5.5% |
| 2016 | 370,709 | 16,864,417 | 45,425 | 38.0 | 2.4% | 54,162 | 4,505 | 4.9% |
| 2017 | 374,689 | 17,810,938 | 47,390 | 38.2 | 2.5% | 54,094 | 4,511 | 4.9% |
| 2018 | 378,098 | 18,133,578 | 47,819 | 38.3 | 2.5% | 53,438 | 4,255 | 3.8% |
| 2019 | 380,663 | 18,826,804 | 49,247 | 38.4 | 3.1% | 53,277 | 4,461 | 3.8% |
| 2020 | 383,274 | n/a | n/a | n/a | 3.1% | 49,728 | 4,675 | 7.4% |

- Sources:
- ¹ Office of State Budget and Management. Subject to annual updates.
 - ² U.S. Department of Commerce: Bureau of Economic Analysis. Subject to annual updates.
 - ³ U.S. Census Bureau. Subject to annual updates.
 - ⁴ North Carolina Department of Public Instruction
 - ⁵ State of North Carolina Division of Non-Public Education
 - ⁶ North Carolina Department of Commerce

Notes:

- ^a Personal Income, Per Capital Personal Income, and Median Age for 2020 had not been released by the Bureau of Economic Analysis or Census Bureau at the time of this schedule.
- ^b Private School Enrollment does not include special schools or home schools.

PRINCIPAL EMPLOYERS
FORSYTH COUNTY, NORTH CAROLINA

Schedule 13

Current Year and Ten Years Ago

| <u>Employer</u> | <u>2021</u> | | | <u>2011</u> | | |
|--|----------------------------|-------------|--|----------------------------|-------------|--|
| | <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> |
| Atrium Health Wake Forest Baptist ^a | 10,989 | 1 | 6.2% | 11,763 | 1 | 7.5% |
| Novant Health | 9,379 | 2 | 5.3% | 8,100 | 2 | 5.2% |
| Winston-Salem/Forsyth County School System | 7,400 | 3 | 4.2% | 6,692 | 3 | 4.3% |
| Wake Forest University | 2,863 | 4 | 1.6% | 3,000 | 4 | 1.9% |
| Reynolds American | 2,500 | 5 | 1.4% | 1,715 | 10 | 1.1% |
| City of Winston-Salem | 2,453 | 6 | 1.4% | 2,660 | 7 | 1.7% |
| Hanesbrands, Inc. | 2,400 | 7 | 1.3% | 2,800 | 5 | 1.8% |
| Wells Fargo Bank | 2,028 | 8 | 1.1% | 2,000 | 9 | 1.3% |
| Forsyth County | 1,983 | 9 | 1.1% | 2,079 | 8 | 1.3% |
| Truist Bank ^b | 1,500 | 10 | 0.8% | 2,800 | 5 | 1.8% |
| Total | 43,495 | | 24.4% | 43,609 | | 27.8% |

^a Formerly Wake Forest University Baptist Medical Center

^b Formerly BB&T

Sources: Direct from companies and institutions. Also provided by Greater Winston-Salem, Inc., as reported by individual companies and institutions. County civilian labor force information used to calculate percentage of total employment provided by the North Carolina Department of Commerce.

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

Schedule 14

Last Ten Fiscal Years

| <u>Function</u> | <u>Full-time Equivalent Employees as of June 30,</u> | | | | | | | | | |
|---------------------------------------|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
| General government | 346 | 336 | 320 | 314 | 314 | 325 | 308 | 305 | 311 | 299 |
| Public safety | 774 | 771 | 781 | 784 | 782 | 786 | 774 | 790 | 813 | 806 |
| Human services | 660 | 667 | 662 | 661 | 661 | 710 | 693 | 688 | 688 | 649 |
| Environmental protection | 22 | 22 | 22 | 23 | 24 | 23 | 23 | 22 | 22 | 22 |
| Community and economic development | 6 | 5 | 5 | 5 | 4 | 5 | 5 | 11 | 17 | 16 |
| Education | 4 | 4 | 4 | 5 | 5 | 6 | 6 | 5 | 4 | 3 |
| Culture and recreation | 203 | 205 | 198 | 191 | 184 | 192 | 192 | 198 | 196 | 188 |
| Total | 2,059 | 2,061 | 2,015 | 2,010 | 1,992 | 2,047 | 2,001 | 2,019 | 2,051 | 1,983 |

Source: Forsyth County Finance Department

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

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

OPERATING INDICATORS BY FUNCTION
FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

| Function | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General government | | | | | | | | | | |
| General services | | | | | | | | | | |
| Number of facilities | 49 | 46 | 47 | 47 | 47 | 41 | 42 | 44 | 42 | 42 |
| Square footage - active | 1,853,678 | 1,827,073 | 2,257,302 | 2,277,389 | 2,150,982 | 2,099,727 | 2,158,870 | 2,229,705 | 2,212,809 | 2,212,809 |
| Assigned fleet vehicles | 622 | 585 | 577 | 577 | 577 | 562 | 583 | 572 | 617 | 696 |
| Register of deeds | | | | | | | | | | |
| Deeds recorded | 9,215 | 9,651 | 10,875 | 11,399 | 11,335 | 12,108 | 12,753 | 13,131 | 13,954 | 13,713 |
| Real estate copies | 21,648 | 21,542 | 24,193 | 18,413 | 15,795 | 17,735 | 18,138 | 17,483 | 16,759 | 11,775 |
| Birth certificates | 7,314 | 8,140 | 8,499 | 5,575 | 8,134 | 9,691 | 9,328 | 8,308 | 8,291 | 8,194 |
| Marriage certificates | 2,001 | 2,083 | 2,038 | 2,092 | 2,329 | 2,483 | 2,444 | 2,341 | 2,313 | 2,145 |
| Vital records copies | 58,043 | 59,439 | 62,319 | 60,826 | 65,744 | 65,740 | 67,406 | 63,206 | 64,357 | 61,418 |
| Tax administration | | | | | | | | | | |
| Current year levy collection percentage | 97.81% | 97.91% | 98.05% | 98.43% | 98.89% | 99.04% | 99.08% | 99.17% | 99.25% | 99.00% |
| Public safety | | | | | | | | | | |
| Emergency management | | | | | | | | | | |
| Responders receiving specialized training | 211 | 474 | 125 | 125 | 125 | 75 | 390 | 212 | 175 | 286 |
| Emergency services | | | | | | | | | | |
| Emergency dispatches | 27,854 | 30,912 | 31,349 | 29,348 | 29,364 | 30,311 | 31,512 | 32,298 | 34,051 | 33,698 |
| Non-emergency dispatches | 6,668 | 5,560 | 2,968 | 8,095 | 9,484 | 10,236 | 12,273 | 13,743 | 13,700 | 12,425 |
| Fire | | | | | | | | | | |
| Fire alarms (total dispatches) | 3,907 | 3,738 | 4,058 | 7,518 | 7,241 | 7,711 | 8,110 | 8,506 | 9,453 | 8,186 |
| Volunteer rescue squad response | 27,007 | 28,846 | 10,478 | 19,744 | 20,060 | 20,942 | 19,850 | 18,371 | 19,027 | 15,439 |
| 911 calls received | 88,635 | 89,006 | 44,444 | 89,695 | 93,542 | 98,333 | 102,769 | 98,170 | 99,959 | 104,494 |
| Telephone calls processed | 177,527 | 188,363 | 97,758 | 204,839 | 209,199 | 215,479 | 216,701 | 209,031 | 193,765 | 207,322 |
| Sheriff | | | | | | | | | | |
| Patrol service calls | 45,791 | 47,669 | 74,125 | 66,409 | 80,851 | 83,851 | 76,016 | 81,189 | 88,782 | 77,957 |
| Detention - avg. daily inmate population | 675 | 775 | 695 | 761 | 731 | 684 | 766 | 797 | 835 | 634 |
| Detention - avg. length of stay (in days) | 20 | 21 | 20 | 22 | 21 | 22 | 23 | 25 | 28 | 45 |
| Calls received (Animal Services) | 14,562 | 14,902 | 14,650 | 12,583 | 11,077 | 10,671 | 11,007 | 10,547 | 10,899 | 8,499 |
| Economic development | | | | | | | | | | |
| Housing | | | | | | | | | | |
| Homes rehabilitated | 38 | 35 | 24 | 23 | 16 | 16 | 24 | 16 | 22 | 22 |
| First time home buyers | 37 | 24 | 15 | 33 | 39 | 36 | 35 | 29 | 22 | 27 |

(continued)

OPERATING INDICATORS BY FUNCTION
FORSYTH COUNTY, NORTH CAROLINA

Last Ten Fiscal Years

| Function | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Human services | | | | | | | | | | |
| Public health | | | | | | | | | | |
| Wait time on improvement permits (in days) | 11.0 | 8.0 | 7.0 | 9.0 | 5.0 | 9.0 | 9.0 | 17.0 | 23.0 | 21.5 |
| Children Immunized by 24 months of age | 90% | 88% | 82% | 87% | 91% | 91% | 92% | 89% | 85% | 83% |
| Social services | | | | | | | | | | |
| Adult guardianships | 221 | 227 | 229 | 278 | 338 | 328 | 306 | 311 | 224 | 228 |
| Adoptions finalized | 37 | 34 | 22 | 24 | 25 | 29 | 45 | 31 | 16 | 31 |
| Child protective services investigations | 2,688 | 2,893 | 2,724 | 2,952 | 2,819 | 3,514 | 3,686 | 3,292 | 3,689 | 3,556 |
| Child day care clients served | 37,190 | 37,639 | 36,994 | 34,941 | 33,423 | 32,505 | n/a | n/a | n/a | n/a |
| Environmental protection | | | | | | | | | | |
| Environmental assistance & protection | | | | | | | | | | |
| Permits processed within prescribed timeframe | 97% | 91% | 91% | 100% | 100% | 85% | 85% | 85% | 90% | 94% |
| Correct air quality forecasting | 78% | 78% | 81% | 78% | 77% | 81% | 82% | 80% | 80% | 84% |
| Culture and recreation | | | | | | | | | | |
| NC cooperative extension service | | | | | | | | | | |
| Educational meetings attendance | 9,103 | 5,493 | 4,145 | 2,824 | 4,522 | 5,423 | 6,581 | 2,965 | 2,807 | 2,732 |
| Economic value of volunteer service | \$592,880 | \$565,117 | \$523,119 | \$613,391 | \$663,391 | \$1,093,246 | \$903,533 | \$504,961 | \$1,287,522 | \$765,489 |
| Library | | | | | | | | | | |
| Number of libraries | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Program Attendance | 101,284 | 96,108 | 104,377 | 81,141 | 102,577 | 108,526 | 117,978 | 120,882 | 132,098 | 104,696 |
| Materials Circulated | 1,933,496 | 1,915,971 | 1,887,526 | 1,819,410 | 1,613,189 | 1,560,638 | 1,478,637 | 1,525,622 | 1,499,950 | 1,270,919 |
| Recreation and parks | | | | | | | | | | |
| Number of parks | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Park visitors | 2,889,969 | 2,854,524 | 3,192,212 | 3,716,992 | 4,256,936 | 4,376,870 | 4,114,472 | 4,714,586 | 5,139,851 | 6,039,138 |
| Golf rounds played | 49,642 | 56,553 | 52,038 | 51,370 | 52,513 | 51,950 | 52,090 | 47,584 | 41,863 | 58,597 |
| Festival of lights - visitors | 217,362 | 263,100 | 262,818 | 245,808 | 280,842 | 281,016 | 294,942 | 294,894 | 266,292 | 309,036 |
| Education | | | | | | | | | | |
| Winston-Salem/Forsyth County Schools | | | | | | | | | | |
| Number of schools | 80 | 80 | 79 | 81 | 81 | 81 | 80 | 80 | 79 | 79 |
| Number of teachers | 3,768 | 3,778 | 3,878 | 3,749 | 3,826 | 3,758 | 3,763 | 3,782 | 3,837 | 3,767 |
| Forsyth Technical Community College | | | | | | | | | | |
| Enrollment | 10,616 | 9,941 | 9,881 | 12,968 | 13,036 | 12,238 | 11,477 | 11,306 | 11,450 | 11,450 |

Sources: Forsyth County Departments. North Carolina Department of Public Instruction. Forsyth Technical Community College. Fiscal Year 2020 is the most recent actual data available.

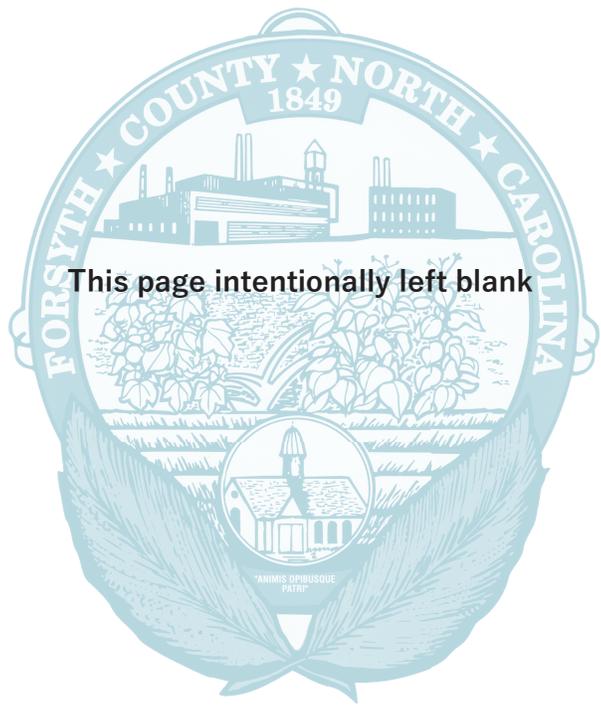
CAPITAL ASSET STATISTICS BY FUNCTION
FORSYTH COUNTY, NORTH CAROLINA

Schedule 16

Last Ten Fiscal Years

| <u>Function</u> | Fiscal Year | | | | | | | | | |
|--------------------------------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| General government | | | | | | | | | | |
| General services | | | | | | | | | | |
| Number of facilities ¹ | 53 | 47 | 48 | 44 | 41 | 41 | 43 | 44 | 43 | 42 |
| Square footage - active ² | 1,827,073 | 2,257,302 | 2,277,389 | 2,150,982 | 2,099,727 | 2,146,032 | 2,264,658 | 2,229,705 | 2,212,809 | 2,223,609 |
| Fleet vehicles ³ | 585 | 575 | 569 | 562 | 577 | 571 | 574 | 617 | 632 | 666 |
| Public safety³ | | | | | | | | | | |
| Emergency medical services | | | | | | | | | | |
| Assigned vehicles | 34 | 34 | 34 | 34 | 35 | 38 | 38 | 39 | 41 | 48 |
| Fire | | | | | | | | | | |
| Assigned vehicles | 17 | 17 | 16 | 14 | 15 | 14 | 14 | 14 | 14 | 14 |
| Sheriff | | | | | | | | | | |
| Assigned vehicles | 237 | 237 | 227 | 229 | 238 | 234 | 237 | 265 | 282 | 319 |

Source: Facility, Square footage and Vehicle data provided by the Forsyth County General Services Department.
 Notes: ¹ Starting in FY2012, General Services changed their method of counting facilities resulting in a consolidated number.
² Square footage is estimated based on general services building records.
³ Public safety vehicles listed are included in the general services fleet vehicles.



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**Independent Auditor’s Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
*Government Auditing Standards***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Forsyth County, North Carolina (the “County”) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated December 21, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying *Schedule of Findings and Questions Costs* as item 2021-001 that we consider to be a significant deficiency.

The County’s Response to Finding

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

Compliance and Other Matters

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

Purpose of This Report

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

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

Raleigh, North Carolina
December 21, 2021

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

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

Report on Compliance for Each Major Federal Program

We have audited Forsyth County, North Carolina’s (the “County”) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County’s major federal programs for the year ended June 30, 2021. The County’s major federal programs are identified in the summary of auditor’s results section of the accompanying *Schedule of Findings and Questioned Costs*.

Management’s Responsibility

Management is responsible for compliance with Federal and State Statutes, regulations, and terms and conditions applicable to its federal programs.

Auditor’s Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with Uniform Guidance and which are described in the accompanying *Schedule of Findings and Questioned Costs* as item 2021-002. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying *Schedule of Findings and Questioned Costs* as items 2021-002 and 2021-003 to be significant deficiencies.

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

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

Elliott Davis, PLLC

Raleigh, North Carolina
December 21, 2021

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

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

Report on Compliance for Each Major State Program

We have audited Forsyth County, North Carolina’s (the “County”) compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County’s major state programs for the year ended June 30, 2021. The County’s major state programs are identified in the summary of auditor’s results section of the accompanying *Schedule of Findings and Questioned Costs*.

Management’s Responsibility

Management is responsible for compliance with the State Statutes, regulations, and terms and conditions applicable to its state programs.

Auditor’s Responsibility

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

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

Opinion on Each Major State Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with applicable sections of section the Uniform Guidance as described in the *Audit Manual for Governmental Auditors in North Carolina* and which are described in the accompanying *Schedule of Findings and Questioned Costs* as item 2021-002. Our opinion on each major state program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying *Schedule of Findings and Questioned Costs* as items 2021-002 and 2021-003 to be significant deficiencies.

Report on Internal Control over Compliance, Continued

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

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

A handwritten signature in black ink that reads "Elliott Davis, PLLC". The signature is written in a cursive style with a large, sweeping initial "E".

Raleigh, North Carolina
December 21, 2021

Forsyth County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

| Grantor / Pass-through Grantor / Program Title | Federal AL#/CFDA Number | Federal/State Pass-Through Grantor's Number | Federal (Direct & Pass-through) Expenditures | State Expenditures | Passed-through to Subrecipients |
|---|-------------------------|---|--|--------------------|---------------------------------|
| Federal Awards: | | | | | |
| <u>U.S. Dept. of Health and Human Services</u> | | | | | |
| <u>Administration for Children and Families</u> | | | | | |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | | |
| Division of Social Services: | | | | | |
| Temporary Assistance for Needy Families: | | | | | |
| TANF Administration | 93.558 | - | \$ 250,619 | - | - |
| TANF Services/Domestic Violence | 93.558 | - | 1,267,555 | - | - |
| TANF Child Protective Services/Foster Care/Adoption | 93.558 | - | 371,191 | - | - |
| TANF Incentives | 93.558 | - | - | 145 | - |
| Total TANF Cluster | | | <u>1,889,365</u> | <u>145</u> | - |
| Child Support Enforcement Administration | 93.563 | - | 2,610,932 | - | - |
| Child Support Incentive | 93.563 | - | 444,326 | - | - |
| Child Support Reimbursement | 93.563 | - | 23,459 | - | - |
| Child Support Enforcement Fees | 93.563 | - | 42,687 | - | - |
| Low Income Home Energy Assistance: | | | | | |
| Low Income Home Energy Assistance Administration | 93.568 | - | 312,938 | - | - |
| Low Income Home Energy Assistance Crisis Intervention | 93.568 | - | 1,128,520 | - | - |
| Low Income Home Energy Assistance Payments | 93.568 | - | 2,407,280 | - | - |
| Child Welfare Services - State Grants: | | | | | |
| Child Welfare Services Permanency Special/Regular | 93.645 | - | 95,189 | - | - |
| Child Welfare Services Adoption Assistance | - | - | - | 4,250 | - |
| Family Reunification | 93.556 | - | 52,535 | - | - |
| Foster Care Caseworker Visit | 93.556 | - | 15,159 | - | - |
| <u>Foster Care and Adoption Cluster: (Note 3)</u> | | | | | |
| Title IV-E Foster Care Administration | 93.658 | - | 966,626 | 14 | - |
| Title IV-E Foster Care | 93.658 | - | 532,556 | 107,872 | - |
| Title IV-E Foster Care Child Protective Services | 93.658 | - | 125,808 | - | - |
| Title IV-E Maximization | 93.658 | - | 562,983 | 576,971 | - |
| State Foster Care/HIV | - | - | - | 248,071 | - |
| Special Children's Adoption Fund | 93.658 | - | - | - | - |
| CPS State | 93.659 | - | 127,864 | 190,958 | - |
| Adoption Assistance Vendor | 93.659 | - | 3,565 | - | - |
| Total Foster Care and Adoption Cluster (Note 3) | | | <u>2,319,402</u> | <u>1,123,886</u> | - |
| Social Services Block Grant: | | | | | |
| Social Services Block Grant Administration | 93.667 | - | 1,482,974 | 50,500 | - |
| Social Services Block Grant In Home Services | 93.667 | - | 68,318 | - | - |
| Social Services Block Grant Adult Day Care | 93.667 | - | 71,300 | 63,008 | - |
| Social Services Block Grant Adult Protective Services | 93.667 | - | 32,369 | - | - |
| Chafee Foster Care - Independent Living | 93.674 | - | 14,188 | 36,101 | - |
| <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 | - | <u>586,256</u> | - | - |
| <u>Centers for Medicare and Medicaid Services</u> | | | | | |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | | |
| Division of Social Services: | | | | | |
| State Children's Insurance Program - N.C. Health Choice Adm | 93.767 | - | 225,701 | 2,110 | - |
| <u>Medicaid Cluster</u> | | | | | |
| Medical Assistance Program: | | | | | |
| Medical Assistance Administration | 93.778 | - | 5,630,128 | - | - |
| Adult Home Specialist | 93.778 | - | 82,342 | 30,334 | - |
| MAC CORD Transp | 93.778 | - | 189,330 | - | - |
| Medical Assistance Administration | 93.778 | - | 264,923 | - | - |
| State/County Special Assistance | 93.778 | - | 246,613 | - | - |

Forsyth County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

| Grantor / Pass-through Grantor / Program Title | Federal AL#/CFDA Number | Federal/State Pass-Through Grantor's Number | Federal (Direct & Pass-through) Expenditures | State Expenditures | Passed-through to Subrecipients |
|---|-------------------------|---|--|--------------------|---------------------------------|
| Division of Medical Assistance: | | | | | |
| Passed-through Northwest Community Care Network: | | | | | |
| CCNC Pregnancy Prevention (Note 4) | 93.778 | - | \$ 821,531 | - | - |
| Pregnancy Care Management (Note 4) | 93.778 | - | 691,344 | - | - |
| Medical Assistance Program: | | | | | |
| Medical Assistance Transportation Vendor Payments | 93.778 | - | 34,681 | - | - |
| Total Medicaid Cluster | | | 7,960,892 | 30,334 | - |
| <u>Administration on Aging</u> | | | | | |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | | |
| Division of Aging: | | | | | |
| Family Caregiver Support | 93.052 | - | 183,148 | 6,183 | 189,331 |
| Social Services Block Grant | 93.667 | - | 60,007 | 1,715 | 61,722 |
| <u>Aging Cluster:</u> | | | | | |
| Passed-through Piedmont Regional Council of Government | | | | | |
| Access | 93.044 | - | 337,396 | 19,847 | 357,243 |
| HCCBG | 93.044 | - | 116,354 | 6,844 | 123,198 |
| Nutrition | | | | | |
| Congregate Nutrition | 93.045 | - | 87,905 | 177 | 88,082 |
| Home Delivery Nutrition | 93.045 | - | 662,621 | 235,196 | 897,817 |
| NSIP Supplement | 93.053 | - | 143,432 | - | 143,432 |
| Total Aging Cluster | | | 1,347,708 | 262,064 | 1,609,772 |
| Total Administration of Aging | | | 1,590,863 | 269,962 | 1,860,825 |
| <u>Centers for Disease Control and Prevention</u> | | | | | |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | | |
| Division of Public Health: | | | | | |
| Project Grants and Cooperative Agreements for | | | | | |
| Tuberculosis Control Programs | 93.116 | - | 90,165 | - | - |
| Healthy Communities | 93.217 | - | 35,224 | - | - |
| Immunization Outreach | 93.268 | - | 121,072 | - | - |
| Cooperative Agreements for State-Based Comprehensive: | | | | | |
| Comp Breast Cancer Screen | 93.283 | - | 7,985 | 5,990 | - |
| BCCP Wisewoman Project | 93.283 | - | 537 | - | - |
| Emergency Overdose | 93.354 | - | 82,597 | - | - |
| Jail Screening Program | 93.940 | - | 134,980 | - | - |
| Child Svc Coordinator | 93.994 | - | 6,579 | 4,934 | - |
| Preparedness and Response Team | 93.283 | - | 55,515 | - | - |
| <u>Health Resources and Services Administration</u> | | | | | |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | | |
| Division of Public Health: | | | | | |
| Healthy Start Initiative | 93.926 | - | 270,359 | - | - |
| Minority Infant Mortality Rate | 93.994 | - | 45,809 | 34,361 | - |
| Maternal and Child Health/Women's Preventive Health | 93.994 | - | 140,658 | 105,506 | - |
| STD Drugs | 93.977 | - | 429 | 322 | - |
| Family Planning/TANF | 93.558 | - | 49,737 | - | - |
| Family Planning Title X (Note 4) | 93.217 | - | 160,434 | 51,258 | - |
| Women's Health Services | 10.557 | - | 15,418 | - | - |
| Coronavirus Relief Fund | 21.019 | - | 430,678 | - | - |
| Covid-19 Crisis Response | 93.354 | - | 189,835 | - | - |
| Covid Regional Preventative Support Teams | 93.323 | - | 880,774 | - | - |
| Covid-19 Cares Activities | 93.323 | - | 19,843 | - | - |
| Covid-19 Nurse Family Partnership | 93.323 | - | 120,000 | - | - |
| Total U.S. Dept. of Health and Human Services | | | 26,233,281 | 1,782,667 | 1,860,825 |

Forsyth County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

| Grantor / Pass-through Grantor / Program Title | Federal AL#/CFDA Number | Federal/State Pass-Through Grantor's Number | Federal (Direct & Pass-through) Expenditures | State Expenditures | Passed-through to Subrecipients |
|---|-------------------------|---|--|--------------------|---------------------------------|
| <u>U. S. Dept. of Housing and Urban Development</u> | | | | | |
| <u>Community Planning and Development</u> | | | | | |
| Passed through N. C. Department of Commerce - Division of Community Assistance: | | | | | |
| Passed-through N.C. Housing Finance Agency: | | | | | |
| Community Development Block Grant Neighborhood Stabilization Program | 14.228 | - | 269,351 | - | - |
| NCHFA Single Family Rehabilitation | 14.239 | - | 32,900 | - | - |
| NCHFA URP | - | - | - | 100,000 | - |
| <u>Community Planning and Development</u> | | | | | |
| Passed through N. C. Department of Commerce: | | | | | |
| Passed through City of Winston-Salem: HOME Investment Partnerships Program: | | | | | |
| 2017 Winston-Salem/Forsyth County HOME Consortium | 14.239 | M17-DC-37-0204 | 13,560 | - | - |
| 2018 Winston-Salem/Forsyth County HOME Consortium | 14.239 | M18-DC-37-0204 | 63,128 | - | - |
| 2019 Winston-Salem/Forsyth County HOME Consortium | 14.239 | M19-DC-37-0204 | 16,250 | - | - |
| 2020 Winston-Salem/Forsyth County HOME Consortium | 14.239 | M20-DC-37-0204 | 81,097 | - | - |
| Total U. S. Dept. of Housing and Urban Development | | | 476,286 | 100,000 | - |
| <u>U.S. Dept. of Agriculture</u> | | | | | |
| <u>Food and Nutrition Service</u> | | | | | |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | | |
| Division of Social Services: | | | | | |
| <u>Supplemental Nutrition Assistance Program (SNAP) Cluster:</u> | | | | | |
| State Administrative Matching Grants: | | | | | |
| SNAP Administration | 10.561 | - | 2,409,912 | - | - |
| SNAP Incentives | 10.561 | - | 15,574 | - | - |
| SNAP Fraud Administration | 10.561 | - | 278,559 | - | - |
| Total SNAP Cluster | | | 2,704,045 | - | - |
| Division of Public Health: | | | | | |
| Special Supplemental Nutrition Program for Women, Infants, & Children: Administration | | | | | |
| | 10.557 | - | 1,684,679 | - | - |
| Total U. S. Dept. of Agriculture | | | 4,388,724 | - | - |
| <u>U.S. Dept. of Treasury</u> | | | | | |
| Direct Programs: Passed-through the Office of State Budget and Management: | | | | | |
| Coronavirus Relief Fund (Note 5) | 21.019 | 02-34 | 7,419,561 | - | 3,563,362 |
| Total U.S. Dept. of Treasury | | | 7,419,561 | - | 3,563,362 |
| <u>U.S. Dept. of Transportation</u> | | | | | |
| Passed-through the N.C. Dept. of Environmental Quality: | | | | | |
| Triad Air Awareness Program | 20.205 | - | 19,116 | 4,779 | - |
| Total U.S. Dept. of Transportation | | | 19,116 | 4,779 | - |
| <u>Environmental Protection Agency</u> | | | | | |
| Direct Programs: | | | | | |
| Surveys, Studies, Investigations and Special Purpose Grants | | | | | |
| | 66.034 | - | 112,103 | - | - |
| <u>Office of Air and Radiation</u> | | | | | |
| Air Pollution Control Program Support | 66.001 | - | 313,016 | - | - |
| Total Environmental Protection Agency | | | 425,119 | - | - |
| <u>U.S. Dept. of Justice</u> | | | | | |
| Direct programs: | | | | | |
| <u>Office of Justice Programs</u> | | | | | |
| Bureau of Justice Assistance | | | | | |
| 2019 Justice Assistance Grant Program | 16.738 | 2019-DJ-BX-0503 | 61,750 | - | - |
| <u>U.S Election Assistance Commission</u> | | | | | |
| Direct programs: Passed-through N.C. State Board of Elections: | | | | | |
| CARES Act | 21.019 | - | 493,673 | - | - |
| Help America Vote Act | 90.404 | - | 201,490 | - | - |
| Total U.S. Election Assistance Commission | | | 695,163 | - | - |
| Total federal awards | | | 39,719,000 | 1,887,446 | 5,424,187 |

Forsyth County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

| Grantor / Pass-through Grantor / Program Title | Federal AL#/ CFDA Number | Federal/State Pass-Through Grantor's Number | Federal (Direct & Pass-through) Expenditures | State Expenditures | Passed- through to Subrecipients |
|--|-----------------------------------|--|---|-----------------------|--|
| State Awards: | | | | | |
| <u>N.C. Dept. of Health and Human Services</u> | | | | | |
| Division of Social Services: | | | | | |
| State Adoption Fund | | - | - | 700 | - |
| Share the Warmth | | - | - | 1,943 | - |
| Child WLFR STNHM SVC | | - | - | 108,803 | - |
| ST COS Caseload Reduction | | - | - | 106,600 | - |
| General Health Administration | | - | - | 212,989 | - |
| AIDS | | - | - | 46,788 | - |
| Offsite HIV CTS | | - | - | 51,508 | - |
| Division of Child Development: | | | | | |
| Passed-through Forsyth Early Childhood Partnership: | | | | | |
| Communicable Disease | | - | - | 17,760 | - |
| High Risk Maternity Unit | | - | - | 103,221 | - |
| School Nurse Funding | | - | - | 118,482 | - |
| Zika | | - | - | 13,207 | - |
| Refugee Assessment | | - | - | 228 | - |
| Minority Diabetes Prevention | | - | - | 168,944 | - |
| HIV/STD Substance Abuse | | - | - | 146 | - |
| Targeted Infant Mortality Reduction | | - | - | 95,672 | - |
| Nursing NFP | | - | - | 505,799 | - |
| Division of Aging: | | | | | |
| Passed-through Piedmont Regional Council of Government | | | | | |
| In-Home Services: | | | | | |
| State Funds | | - | - | 594,719 | 396,585 |
| Home Delivery Nutrition | | - | - | 235,196 | 235,196 |
| State Appropriation | | - | - | 6,703 | 4,470 |
| Senior Services General Purpose | | - | - | 21,030 | 21,030 |
| Access | | - | - | 94,573 | 94,573 |
| Total N.C. Dept. of Health and Human Services | | | - | 2,505,011 | 751,854 |
| <u>N.C. Dept. of Natural and Cultural Resources</u> | | | | | |
| Division of State Library: State Aid to Libraries | | - | - | 295,228 | - |
| Total N.C. Dept. of Cultural and Natural Resources | | | - | 295,228 | - |
| <u>N.C. Dept. of Environmental Quality</u> | | | | | |
| Air Quality Mobile Source Program | | - | - | 211,747 | - |
| Food and Lodging Permit Distribution | | - | - | 58,696 | - |
| SWC - Agricultural Cost Share Program | | - | - | 26,880 | - |
| SWC - Administration and Technical Assistance | | - | - | 3,600 | - |
| Total N.C. Dept. of Environmental Quality | | | - | 300,923 | - |
| <u>N.C. Department of Information Technology</u> | | | | | |
| NC 911 Board: 911 Fund Grant | | - | - | 327,004 | - |
| Total N.C. Dept. of Information Technology | | | - | 327,004 | - |
| <u>N.C. Department of Public Safety</u> | | | | | |
| Juvenile Justice and Delinquency Prevention | | - | - | 933,191 | 933,191 |
| Total N.C. Dept. of Public Safety | | | - | 933,191 | 933,191 |
| <u>N.C. Dept. of Public Instruction</u> | | | | | |
| Public School Building Capital Fund | | 0-002-933 | - | 4,210,684 | - |
| <u>N.C. Dept. of Transportation</u> | | | | | |
| Rural Operating Assistance Program: | | | | | |
| Elderly and Disabled Transportation Assistance | | 9.9050716 | - | 2,683 | 2,683 |
| State Aid to Airports: | | | | | |
| Taxiway Q | | 36244.37.7.4 | - | 4,217 | - |
| Runway | | 36237-26.15.1 | - | 51,859 | - |
| Total N.C. Dept. of Transportation | | | - | 58,759 | 2,683 |
| Total state awards | | | - | 8,630,800 | 1,687,728 |
| Total federal and state awards | | | \$ 39,719,000 | 10,518,246 | 7,111,915 |

Forsyth County, North Carolina
Notes to the Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

(1) Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and state grant activity of Forsyth County, North Carolina (the "County") under the program of the federal government and the State of North Carolina for the year ended June 30, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of the County it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

(2) Summary of Significant Accounting Policies

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

(3) Clusters

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

(4) Pass-through Entity

The following programs report the entire amount as federal funds as the amount is not determinable between federal and state: Prevention of Child Abuse and Neglect (CCNC) Pregnancy and Pregnancy Care Management

(5) Coronavirus Relief Funds

The County received \$7,419,561 in funding from the Coronavirus Relief Fund (21.019). At least twenty-five percent (25%) of the funds are to go to municipalities within the County, according to the County's chosen allocation method which was on a population basis. Municipalities are required to have a plan to spend these funds by December 31, 2021, or any funds received are to be returned to the County. Counties and municipalities are liable to the State for funds not spent in accordance with the US Dept. of Treasury, the granting agency, guidelines. According to the Office of Budget and Management, the State's pass-through agency, municipalities are considered subrecipients of the Counties. Coronavirus Relief expenditure period began March 1, 2020 and ends December 31, 2021.

Forsyth County, North Carolina
Schedule of Findings and Questioned Costs
For the year ended June 30, 2021

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Noncompliance material to the financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

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

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

Identification of major federal programs:

| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
|--------------------|---|
| 21.019 | Coronavirus Relief Fund |
| 93.667 | Social Services Block Grant |
| 93.778 | Medicaid Cluster |

Dollar threshold used to distinguish between type A and type B programs: \$ 1,191,570

Auditee qualified as low-risk auditee? No

State Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

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

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

Identification of major state programs:

- Public School Building Capital Fund
- Nursing NFP
- Division of Aging State Funds

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

Forsyth County, North Carolina

Schedule of Findings and Questioned Costs

For the year ended June 30, 2021

II. FINANCIAL STATEMENT FINDINGS

Finding 2021-001, Significant Deficiency over Segregation of Duties

Criteria or specific requirement: Effective internal controls require that no single individual should have responsibilities over two more phases of a transaction or operation, and that such responsibilities should be assigned to ensure a crosscheck of duties.

Condition: There is no formal policy in place related to adequate segregation of duties over journal entries created by the Deputy CFO.

Context: During our journal entry testing, we noted two samples in which the Deputy CFO prepared and approved the journal entries. We also noted several post closing entries to prepare the Annual Comprehensive Financial Report that were prepared and approved by the Deputy CFO. All journal entries were determined to be properly supported and reasonable.

Effect: Lack of adequate segregation of duties increases the likelihood for misappropriation or error.

Cause: Procedures are not in place to ensure all journal entries are approved by someone other than the person creating the entry.

Recommendation: We recommend that the County review current personnel and the accounting duties that they perform, isolating any incompatible accounting functions, and reassigning responsibilities for these duties. We further recommend that there be physical documentation of the separation of duties and the approval process for journal entries.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2021-002, Significant Deficiency over Special Tests and Provisions and Non-Material Noncompliance

Information on the federal program: DSS Crosscutting, U.S. Department of Social Services, passed through the N.C Department of Health and Human Services, Division of Social Services, Medicaid Cluster, CFDA 93.778.

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

Condition: We noted 1 instance where adequate case documentation to substantiate claims entered into the NCFAS Enterprise Program Integrity (EPI) was not maintained.

Context: We sampled 7 claim files that were entered into the EPI system. We noted the above condition in 1 of the 7 files tested.

Forsyth County, North Carolina
Schedule of Findings and Questioned Costs
For the year ended June 30, 2021

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, Continued

Finding 2021-002, Significant Deficiency over Special Tests and Provisions and Non-Material Noncompliance, continued

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

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

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

Finding 2021-003, Significant Deficiency over Eligibility

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

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

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

Conditions: We noted that in two instances the case record did not contain documentation evidencing that tax and Register of Deeds' records were checked to verify whether the individual owns property. In twelve instances, the total countable income was not recorded accurately into NC FAST based upon documentation in the case record. In one instance, the case record did not contain two acceptable verifications of state residency or applicant's statement the applicant was unable to obtain two sources of state residency. In four instances, the case record did not contain evidence that the household and relationship information to verify household composition.

Context: We sampled 93 payments from a total population of 7,823,218 payments. We noted the above conditions in 16 of the 93 case files inspected. No questioned costs identified as a result of missing documentation in files.

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

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

Forsyth County, North Carolina
Schedule of Findings and Questioned Costs
For the year ended June 30, 2021

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, Continued

Finding 2021-003, Significant Deficiency over Eligibility, continued

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

IV. STATE AWARD FINDINGS AND QUESTIONED COSTS

Findings 2021-002 and 2021-003 as listed in Section III *Federal Award Findings and Questioned Costs* are also considered to be state award findings.

ADMINISTRATION

Elizabeth White, MPA
Interim Director/Deputy Director



Department of Social Services

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Section II. Financial Statement Findings

Finding 2021-001, Significant Deficiency over Segregation of Duties

Summary of Finding: Inadequate segregation of duties over journal entries created and approved by the Deputy CFO.

Corrective Action Plan: The CFO will approve journal entries created by the Deputy CFO.

Proposed Completion Date: Immediate.

Section III. Federal Award Findings and Questioned Costs

Finding 2021-002, Significant Deficiency over Special Tests and Provisions and Non-Material Noncompliance

Name of Contact Person: Mia Stockton

Summary of Finding: Noted one instance where adequate case documentation to substantiate claims entered in the NCFAST Enterprise Program Integrity (EPI) was not maintained. Internal controls surrounding the submittal of EPI are not in place. 1 of 7 files tested.

Corrective Action Plan: The County implemented a Quality Assurance Plan (QAP) effective October 1, 2020. The plan establishes a continuous quality improvement (CQI) process that requires five upfront substantiated cases and five unsubstantiated cases for Program Integrity (PI). Cases identified as Intentional Program Violation (IPV) requires a second- and third-party review. The QAP established the process of transitioning all PI cases October 1, 2020, forward, including documentation and support evidence entered in NCFAST. The CQI process requires the PI Supervisor to complete audits on 100% of all cases and to sign off an PI recommendation. *(The county acknowledges some case files may be unable to locate due to agency flood in 2016). Supervisor conducts monthly conferences and reviews second party audit findings.

Proposed Completion Date: Program Integrity Training: December 10, 2021 – Audit Findings, documentation to substantiate claims entered NCFAST.

Finding 2021-003, Significant Deficiency over Eligibility

Name of Contact Person: Mia Stockton

741 N. Highland Avenue • Winston-Salem, North Carolina 27101
Telephone (336) 703-3800
www.forsyth.cc/DSS

Summary of Finding: The County did not retain required documentation in case file at the time eligibility was determined. Case file not containing all required documentation was noted in 16 of the 93 case files inspected.

Corrective Action Plan: The county implemented a Quality Assurance Plan (QAP) effective October 1, 2020. The plan establishes a continuous quality improvement (CQI) process that requires lead workers and/or supervisors to complete monthly second party review audits with a 5% threshold of audits per month, per worker. In addition, the county must submit a quarterly report to The Office of Compliance and Program Integrity (OCPI) with a minimum of 382 case reviews by the 20th of the month following the quarter. As outlined in Forsyth County QAP a second party review must audit application approvals, denials, and withdrawals in three categories, Eligibility Error, Negative Case Outcomes, and Internal Errors. Lead workers and or/supervisors must use the county created automated audit tool that encompasses requirements outlined in the State Audit Form: DMA-7078. Probationary Status/permanent staff must adhere to the State requirements of passing 70% Core training and programmatic Level 1 training. NC Learning Gateway, Level 1 training require staff to apply learned Medicaid policy in a virtual case action, which includes knowledge checks and quizzes. Probationary status employees must remain on 100% audit checks for a minimum of 1-month beyond the Core/Level 1 training. Programmatic trainings are held quarterly based on the CAP errors/trends and any other identified opportunities for CQI. Supervisor(s) conduct monthly conferences and review second party audit findings with staff.

Proposed Completion Date: Medicaid Program Trainings Completed:

- November 13, 2020 – OVS, 5097's, 5001, COVID Admin Letter, Keying Deductibles in NCFAST
- January 27, 2021 – NC Residency, Budgeting, Deductibles – How to Calculate, 5003, OVS, Dictation
- March 1, 2021 – Voter Registration, Managing NCFAST Evidence, Dictation/documentation of case file, Incorrect Notices, Incorrect Income budgeting, Types of UIB (Countable/Uncountable), Terminated Income, Non-Countable Income, Deductibles- How to calculate
- April 14 & 15 2021 – How to Add continued eligibility, how to process recertifications
- June 10, 2021, Person Pages – How to cleanup (FC Best Practice)
- June 15, 2021 – Managed Care, Continued Eligibility
- August 5, 2021 – Reasonable Compatibility, 20020's, how to properly complete 5003, Unearned income RSDI vs SSI, earned income budgeting/keying, verifications, missing evidence, Citizenship documentation, managed care, continued eligibility vs termination during PHE, MCV
- October 21, 2021 – Admin Letter 7-21, Notices (8110, 5003) Budget/Income, Tax Relationships, Tax filing status – how to enter correctly, documentation, Earned/Unearned income – Keying errors, Medical Force, Person Page, addresses, contact preferences, Admin Letter 7-21, Change Notice 10-21, person search and registration
- November 17 & 19, 2021 – Policy Updates/Clarifications from OST
 - NCFAST Magi Medicaid Competencies
 - Basic Deductible
 - Addresses, Phone Numbers Demographics Information Identifications

IV. State Award Findings and Questioned Costs

Findings 2021-001 and 2021-002

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

ADMINISTRATION
VICTOR ISLER, MSW, CSW
Director

Elizabeth White, MPA
Deputy Director



Department of Social Services

FORSYTH COUNTY, NORTH CAROLINA SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

Current status: This finding has been repeated as a significant deficiency as current year finding number 2021-002.

Finding 2020-002, Significant Deficiency over Eligibility

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

Current status: This finding has been repeated as a significant deficiency as current year finding number 2021-003.

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

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

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

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

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

[Matthew W. Day](#), Fiscal Analyst

Cover Design: [Keith Spencer](#)



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