# VILLAGE OF CLEMMONS

NORTH CAROLINA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Prepared by:
K. Ann Stroud, CPA
Village Finance Officer

VILLAGE OF
CLEMMONS
NORTH CAROLINA

# VILLAGE OF CLEMMONS,
**North Carolina**

## Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2013

Village Council Members
John R. Bost, Mayor
Nickolas B. Nelson, Mayor Pro Tem
Mary L. Cameron
Norman K. Denny
Michael D. Gautreaux
Michael K. Rogers

Administrative and Financial Staff
Gary M. Looper, Village Manager
K. Ann Stroud, Finance Officer

Prepared By:
K. Ann Stroud, CPA
Village Finance Officer

VILLAGE OF
CLEMMONS
NORTH CAROLINA

**Village of Clemmons, North Carolina**
**Comprehensive Annual Financial Report**
**For the Fiscal Year Ended June 30, 2013**

## Table of Contents

**Introductory Section**: Page


Letter of Transmittal 7
Elected Officials 13
Organization Chart 14
GFOA Certificate of Achievement 15


**Financial Section:**


**Independent Auditor's Report** 17
**Management's Discussion and Analysis** 19
**Basic Financial Statements** 33

*Government-wide Financial Statements:*

Exhibit 1 Statement of Net Position 34
Exhibit 2 Statement of Activities 36

*Fund Financial Statements:*

Exhibit 3 Balance Sheet- Governmental Funds 37
Exhibit 3 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets 38
Exhibit 4 Statement of Revenues, Expenditures, and Changes In Fund Balance Governmental Funds 39
Exhibit 4 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities 40
Exhibit 5 Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual- General Fund 41
Exhibit 6 Statement of Net Position-Proprietary Funds 42
Exhibit 7 Statement of Revenues, Expenses and Changes in Net Assets-Proprietary Funds 43
Exhibit 8 Statement of Cash Flows-Proprietary Funds 44
Notes to the Financial Statements 45

Combining and Individual Fund Statements and Schedules:

Exhibit A Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual –General Fund 63
Exhibit B Combining Balance Sheet- Nonmajor Governmental Funds 67
Exhibit C Combining Statement of Revenues, Expenditures, and Changes in Fund Balance- Nonmajor Governmental Funds 68
Exhibit D Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual-Safe Routes to School Grant Capital Project 69

## Table of Contents Continued – Financial Section

Exhibit E Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual-Village Point Greenways 70
Exhibit F Schedule of Revenues and Expenditures, and Changes in Fund Balance-
Budget and Actual-Sidewalk Village Hall to Asbury 71
Exhibit G Schedule of Revenue, Expenditures, and Changes in Fund Balance
Budget and Actual-Tanglewood Greenway and Assorted Sidewalks 72
Exhibit H Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)- Stormwater 74
*Other Schedules:*
Exhibit I Schedule of Ad Valorem Taxes Receivable 76
Exhibit J Village-Wide Levy 77

## Statistical Section:

***Financial Trends:***
Schedule 1 Net Assets by Component 80
Schedule 2 Changes in Net Positions 81
Schedule 3 Fund Balances of Governmental Funds-Last Ten Fiscal Years 83
Schedule 4 Changes in Fund Balance-Governmental Funds-Last Ten Fiscal Years 84
***Revenue Capacity:***
Schedule 5 Program Revenues by Function 85
Schedule 6 General Governmental Tax Revenues by Source 86
Schedule 7 Assessed and Estimated Actual Value of Taxable Property 87
Schedule 8 Property Tax Rates – Direct and Overlapping Governments 88
Schedule 9 Property Tax Levies and Collection 89
Schedule 10 Principal Taxpayers 90
***Debt Capacity:***
Schedule 11 Legal Debt Margin- Last Ten Years 91
Schedule 12 Computation of Direct and Overlapping Governmental Activities Debt 92
Schedule 13 Outstanding Debt Ratios 93
Schedule 14 Ratio of Annual Debt Service Expenditures 94
***Demographic and Economic Information:***
Schedule 15 Demographic Statistics 95
Schedule 16 Principal Employers 96
***Operating Information:***
Schedule 17 Operating Indicators by Function 97
Schedule 18 Full-Time Equivalent Government Employees by Function 98
Schedule 19 Capital Asset Statistics by Function/Program 99

## Federal and State Grants Compliance Section:

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Preformed in Accordance With *Government Auditing Standards* ..... 101
Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance; In accordance with OMB Circular A-133; And the State Single Audit Implementation Act ..... 103
Schedule of Findings and Responses ..... 105
Corrective Action Plan ..... 107
Summary of Prior Year Audit Findings ..... 108
Schedule of Expenditures of Federal and State Awards ..... 109

# INTRODUCTORY SECTION

- Letter of Transmittal
- Principal Officials
- Organizational Chart
- Government Financial Officer's Certificate of Achievement For Excellence in Financial Reporting

Village of Clemmons
PO Box 1710
Clemmons, NC 27012
336-766-7511

## *Letter of Transmittal*

October 15, 2013

The Honorable Mayor John Bost,
Members of the Village Council
And Citizens of the Village of Clemmons, North Carolina

It is our pleasure to submit the Comprehensive Annual Financial Report of the Village of Clemmons, North Carolina for the fiscal year ended June 30, 2013. Management of the Village of Clemmons is responsible for the integrity and objectivity of financial statements and other representations contained in this annual report. The Village's comprehensive annual financial report, prepared in accordance with generally accepted accounting principles ("GAAP") for units of local government, consists of management's representation concerning the financial position and results of operation for the fiscal year ended June 30, 2013.

North Carolina general statues require each unit of local government to publish within four months after the close of the fiscal year a complete set of financial statements presented in conformity with generally accepted account principles ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of certified public accountants.

The financial statements and supplemental schedules in the Financial Section have been audited by the independent, certified public accounting firm of Cannon and Company, L.L.P. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Village, for the fiscal year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based on the audit, that there was reasonable basis for rendering an unqualified opinion that the Village's basic financial statements for the year ended June 30, 2013 were presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

General Accepted Accounting Principles (GAAP) requires 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 the MD&A and should be read in conjunction with it. The Village's MD&A can be found immediately following the independent auditors' report.

### *Description of the Village*

Clemmons is located in Forsyth County which is in the northwestern piedmont section of North Carolina. The Village of Clemmons was founded in 1802 and incorporated in 1986 and serves a population of 18,829. The county is considered an urban county with nine municipalities, including the fifth most populous city in the state, Winston-Salem. Clemmons is part of the state's "Piedmont Triad" and the Greensboro/Winston-Salem/ High Point Standard Metropolitan Statistical Area. Clemmons is mainly a residential community. This is highlighted by the fact that 80.5% of taxable real property is residential and per the 2010 census the mean travel time to work was 21.4 minutes.

### *Profile of the Government*

The Village operates under a Council-Manager form of government. The Council is the policy-making and legislative body of Village government and includes a Mayor and five Council Members. The Mayor and one Council member are elected for a two year term and the remainder of the Council is elected to four year terms. The Mayor is the presiding officer of the Council and votes only when a Council vote results in a tie. The Council meets on the second and fourth Monday of each month for its regularly scheduled meeting. Special meetings can be called as necessary for budget or other special projects. The Village Manager is appointed by the Council as the Chief Executive Officer and is responsible for carrying out the policies and ordinances of the Council. The Manager appoints department directors to assist with the administration of the daily operations and programs of the Village. The Village staff administers contracts, as awarded by Council, for many of its services.

Clemmons' citizens enjoy the following municipal services: waste collection, bulk item pickup, recycling, leaf/limb and grass collection, community policing, planning and zoning, street maintenance, sidewalk maintenance, a pocket park, lake and pier, greenways under construction and stormwater management. Clemmons' Council and staff desires to provide services that improve the lives of our citizens balanced with a very modest tax rate and fees. In effort to ensure that balance, services and the tax rate are reviewed throughout the year especially during the budget process. Water and sewer is provided directly to the citizens from Winston-Salem/Forsyth County Utilities. Fire protection is provided by the Clemmons Volunteer Fire Department and the Lewisville Volunteer Fire Department. These fire departments are separate entities from the Village being incorporated as individual fire districts.

### *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 the Village of Clemmons operates.

### *Economic Condition and Outlook*

Clemmons is facing the following challenges; decrease in property values resulting from revaluation by County assessor (4 year cycle), historically low investment interest rates, and high unemployment. However, there has been increased activity in the planning department, hopefully an indication of some rebounding in the local economy. Furthermore, Clemmons has a charter-mandated restriction of a fifteen cent tax cap; which restricts options for new services as well as methods to increase revenues. The tax rate in the proposed budget for the fiscal year ending June 30, 2014 is $ .115.

The State of North Carolina passed Tax Simplification and Reduction Act, as a component of that act, there are changes to sales tax and to natural gas and electric franchise tax that Clemmons relies on, at this time the actual effect on Clemmons' revenues are unknown. The changes will not be in effect until the fiscal year ended June 30, 2015 for Clemmons. The State has indicated that changes should be revenue neutral in respect to revenues as a whole, however individual counties and municipality impact is unknown.

Clemmons has placed more emphasis on capital planning, community feedback and community education. The Council and staff desire to continue offering services that are meaningful to the citizens and ensure that Clemmons continues to be a desirable place to live and work.

The Village of Clemmons is in the heart of the state's Piedmont Triad region, a 12-county area with more than 1.5 million people. The strength of the local economy is a diverse economic base including major growth areas of health services and related professions, higher education, financial services, professional and business

services, construction, and hospitality. This is a shift from the tobacco, textile, and furniture industries that have provided a strong base for the region in the past. Forsyth County currently has an 8.8% unemployment rate.

The Village of Clemmons, as most communities in North Carolina, has seen a decrease in new commercial and residential development since 2007. However, with the Village Point Small Area Master Plan and the newly adopted Clemmons Community Compass (2010) the Village has provided direction to new growth within our municipal boundaries. The trend since 2007 for development in the Village has included assisted living facilities and institution public uses. Wake Forest Baptist Medical Center has recently constructed a 90,000 square feet facility providing medical office and outpatient services. Furthermore, Novant Health purchased 124 acres to develop a regional hospital. The first phase of this development included the construction of Frank Morgan Elementary School, infrastructure, and the dedication of a five acre pond to the Village. The second phase for the hospital has been approved by the Village, and Novant has completed construction of their Emergency Services Department, and required infrastructure for the hospital development is underway. The Village anticipates additional medical offices at the Novant site within the next year. The hospital construction cannot begin until 2015 and must be completed by 2017 per the NC approved Certificate of Need. The overall square footage is approximately 206,000 square feet with 68,000 square feet of Medical Office. The remainder of the Novant Master Plan anticipates:

1. Townhomes (60 units)
2. Office (124,000 sf)
3. Medical Office (150,000 sf)
4. Pharmacy with Drive-thru (15,000 sf)
5. Sit-down Restaurant (5,000 sf.)

The new trends in development are encouraging for the next generations. The medical facilities and the ancillary uses that are anticipated to follow will provide sustainable land uses. These uses do not shift with market conditions and provide opportunities for community partnerships. As the economy continues to change the Village is grounded and is in a good position for this “new economy”.

The Village is experiencing an increase in rezoning cases and site plan submittals to include multi-family, single family residential, and institutional, which indicates some rebounding of the local economy.

Failure of a November 8, 2011 general obligation bond referendum for a proposed major transportation project recommended by the Village Transportation Plan indicates that Village’s citizens do not want to incur any major debt at this time and prefer to keep tax rates low.

### *Financial Information*

The financial reporting entity includes all funds of the Village.

Assuring legal compliance the Village follows the North Carolina Local Government Budget and Fiscal Control Act which governs financial practices of all local governments in North Carolina. This statute requires local governments to adopt a balanced budget by July 1 of each year. Budgeted expenditures are shown at the department level. The Village Manager presents his budget message to the Council and Clemmons’ citizens by May 30. The Village Council is required to hold a public hearing on the proposed budget prior to adopting the budget ordinance. The ordinance establishes a legal spending limit for the Village. Council may approve ordinances to amend the budget throughout the fiscal year. Annual budgets are adopted for the general fund and the stormwater utility. A purchase order system is part of the accounting software that provides budgetary control. The Finance Officer is required to sign a statement that all disbursements have been

preaudited to determine that they are allowed under the current budget. Budgetary control is especially important to help control spending and to ensure legal compliance with North Carolina state law.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a framework of internal control that it has established for this purpose. Management is responsible for developing an internal control system designed to safeguard the government's assets from loss, theft, or misuse and to maintain reliable records for compilation and presentation of the Village's financial information in conformity with generally accepted accounting principles. The Village's internal controls are limited by lack of separation of duties due to a one person finance staff and small administrative staff. To offset this limitation there are a number of review procedures performed by the Manager and Mayor. The Council is presented on a monthly basis a financial summary report and a check register. The system is designed to provide reasonable internal control and reasonable assurance that the financial statements will be free from material misstatement. To further strengthen internal control, the Village wanted to address the personal component by providing free counseling services thru an employee assistance program for financial stress, family stress or addiction. There are also periodic meetings with employees in order to ensure that employees know the procedures for reporting possible fraud. A key limitation on internal control is the concept of reasonable assurance which recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments from management. A second limitation of internal control is that it is subject to management override. A third limitation of internal control is the risk of collusion.

The Village has a fund balance fiscal policy in which the Village Council determines annually a minimum unassigned fund balance minimum. These funds will be used to meet fiscal policy objectives, avoid cash-flow interruptions, eliminate the need for short-term borrowing, provide flexibility for unanticipated needs and opportunities, and respond quickly to emergencies. The Village Council set the current year minimum at $3,000,000.

## *Initiatives*

*Community Policing:*

In order to enhance the safety of Clemmons citizens and its business community the Village contracts with the Forsyth County Sheriff's Office for personnel to be stationed in Clemmons. Currently the Village contracts for two investigators, nine patrol deputies (including one Sergeant and one Corporal) and two traffic officers.

*Streets:*

The Village continues a program to maintain streets within its boundaries based on a street condition survey performed by US Infrastructure. The survey ensures that we maintain our streets at a high standard and that we are on a schedule to resurface streets based on these standards. For the fiscal year ended June 30, 2013, the Village resurfaced 23,940 feet of roadway at a cost of $391,800. The Village contracted with US Infrastructure to perform a new street condition report during the Fiscal Year Ending June 30, 2014.

*Sidewalks & Transportation:*

The Village expects to complete a Middlebrook Drive sidewalk extension of 1,200 feet and a crosswalk connection from the sidewalk on Middlebrook Drive to existing sidewalk on Hwy 158 for which the Village received an 80% funded federal grant administered by the North Carolina Department of Transportation. The Village completed 230 linear feet of sidewalk adjacent to Clemmons Elementary School as part of a 100% funded Safe Routes to School Grant. The Village continues to partner with the NC Department of

Transportation and Metropolitan Planning Organization to extend sidewalks as prioritized in the Village Transportation Plan as funds become available. The Village was approved for NC Department of Transportation grant for a pedestrian connector from Village Hall to Asbury Place and a portion of the Tanglewood greenway. Additionally, assorted sidewalks will connect the greenway to other Village sidewalks. The Village continues to explore grant opportunities as well as modify the unified development ordinance to help implement the Village Transportation Plan. The Village is limited in implementing parts of the Transportation Plan because of the tax cap and total use of pay as you go financing.

*Village Point Lake:*

The Village accepted Village Point Lake, dam and roadway over the top of the dam from Novant Health on July 25, 2011 and have completed capital improvements to the Lake to improve water quality and a provide a future stormwater management facility.. The Village recently completed capital improvements to Village Point Lake. The Village has begun a greenway around the lake funded by an 80% grant with 20% match by the Village and Winston-Salem Forsyth County Schools. A fishing pier was installed with a grant from NC Department of Wildlife. The lake is now stocked with fish and citizens are enjoying the pier. The Village wants to provide an amenity for citizens to enjoy for many years, and also assist in stormwater management as future development occurs.

*Village Appearance and Safety:*

The Village strives to maintain a safe and attractive place for citizens to live and work. To that end the Village offers a curbside leaf, limb and grass collection, maintains right of way and interstate ramp entrances to the Village, trims trees along road ways, maintains street and stop signs, maintains sidewalks, maintains Village facilities, and maintains the lake at Village Point and a pocket park. The Village added one position in public works, fiscal year ending June 30, 2014 budget, to ensure that we keep the appearance and safety at a level that our citizens expect.

*Economic Sustainability and Village Appearance:*

Even though the Village is mainly residential, the Village desires to foster an attractive and prosperous business community. To encourage redevelopment in our older business districts the Village is exploring a Lewisville-Clemmons Road overlay district. As a continuing initiative to promote citizen transparency and communication, the Village has established an ad hoc committee to research and recommend redevelopment strategies within this proposed district.

*Stormwater:*

The Stormwater budget supports the Clemmons Stormwater Management Program as required by the Environmental Protection Agency's Phase II Water Quality Act and the Village's stormwater quantity ordinance. The Village provides citizen education about water quality with presentations at local schools, in the Piedmont Triad Water Quality membership (mascot Lenny the Lifeguard), and handouts at community events. The stormwater committee and stormwater engineer evaluate and prioritize capital improvements with final approval by the Village Council. The stormwater committee recommended a pay-as-you go philosophy to complete the capital improvement plan thru potential fee increases to be implemented as the Village Council deems necessary. There was no fee increase for the fiscal year ending June 30, 2013. Three capital improvement projects are appropriated for in the fiscal year ending June 30, 2014 budget.

*Citizens:*

The Village continues an ongoing initiative to promote government transparency and citizen involvement. The Village continues to increase information posted on the Village's web page, www.clemmons.org and is in the process of selecting a company to redesign our web page in order to provide better communication with citizens. Citizens are also encouraged to attend regularly scheduled council meetings. The Village conducts Clemmons 101 classes when there is enough interest from the community. The Village has the following committees or volunteer boards, planning board, zoning board of adjustment, stormwater committee, and ad hoc committee for Lewisville-Clemmons Road overlay district. The Village, thru the Stormwater Fund, holds two community clean-up days in which volunteers pick up litter on Village streets. The Village's stormwater technician holds presentations at local schools and you never know where Lenny the Lifeguard might show up.

*Promotion of cooperative ventures:* The Village provided space and funds for a community garden. The community garden donated 284 pounds of fresh vegetables to Clemmons Food Pantry. The Village has included some funds to promote a farmers market located at Tanglewood Park (County Park adjacent to Clemmons boundaries). The farmers market will promote local foods, education and healthier living.

## *Awards and Acknowledgements*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the Village of Clemmons for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2012. This was the fifth year that the government has achieved this prestigious award. In order to be awarded the Certificate of Achievement, a government unit 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. This report was prepared by the Finance Officer, K. Ann Stroud.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Deserving special commendation for the success of the Village's operations are skilled, talented and dedicated employees – the work force of the Village of Clemmons. The assistance of the Forsyth County tax assessor and finance department for County information in supplemental schedules is much appreciated. We also express our appreciation to the Mayor, Village Council and members of our boards and committees for their dedication, leadership and establishment of policies for managing financial operations in a sound manner.

Gary Looper

Gary Looper
Village Manager

K. Ann Stroud

K. Ann Stroud, CPA
Village Finance Officer

# VILLAGE OF CLEMMONS, NORTH CAROLINA

**PRINCIPAL OFFICIALS**

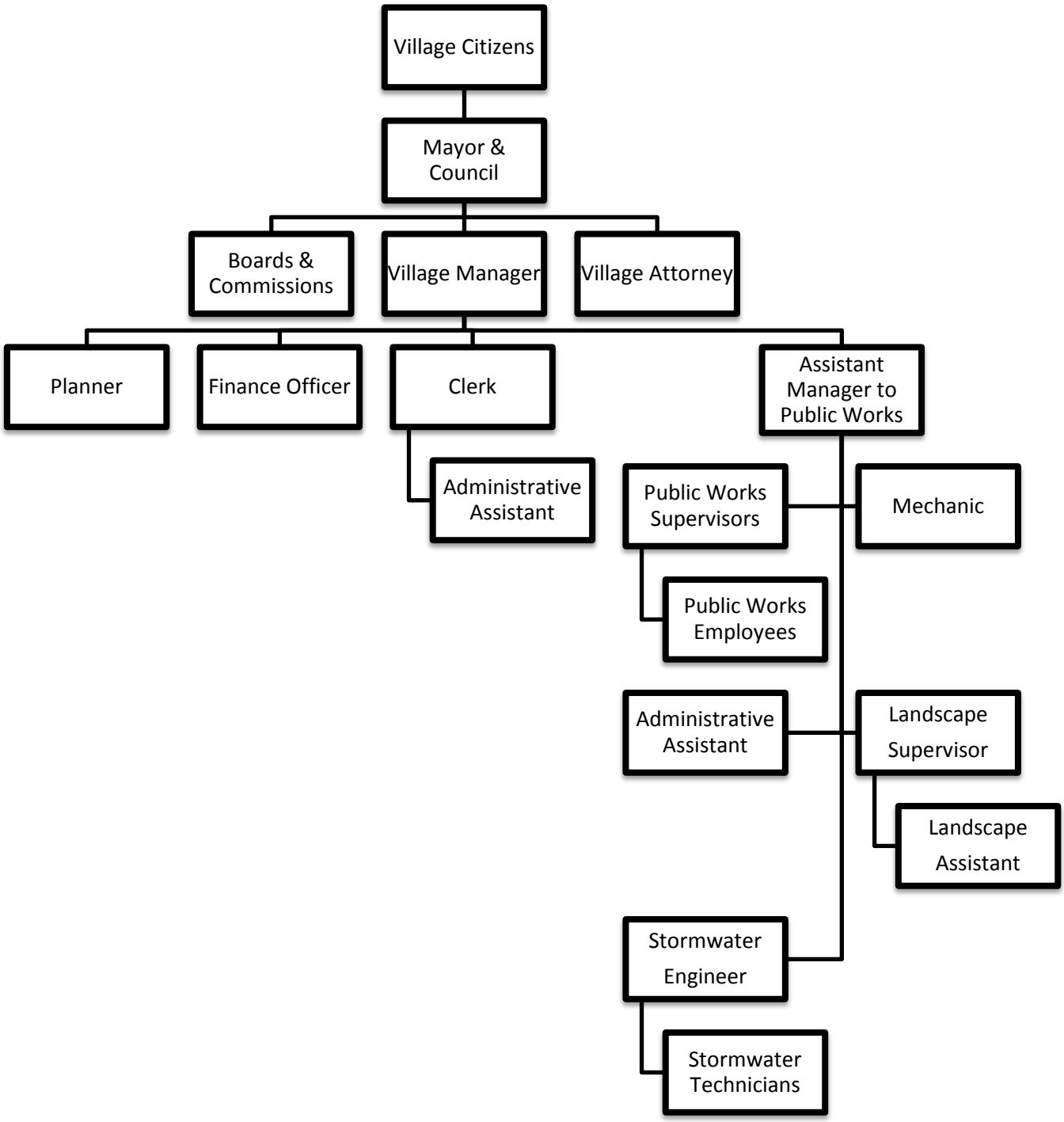
**MEMBERS OF COUNCIL**

*From left to right seated:*
*Mayor pro-tem Nickolas B. Nelson, Mayor John R. Bost, Michael K. Rogers*

*From left to right standing:*
*Michael B. Gautreaux, Mary L. Cameron, Norman K. Denny*

| | |
|---|---|
| *John R. Bost* | *Mayor* |
| *Gary M. Looper* | *Village Manager* |
| *Warren E. Kasper* | *Village Attorney* |
| *Marsha Sucharski* | *Village Clerk* |
| *K. Ann Stroud* | *Finance Officer* |
| *Larry Kirby* | *Assistant Manager for Public Works* |
| *Megan Ledbetter* | *Planner* |
| *Cannon and Company, L.L.P.* | *Auditor* |

**Organization Chart**



Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## Village of Clemmons

## North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30,2012

Executive Director/CEO

# Financial Section

- Independent Auditor's Report
- Management Discussion and Analysis
- Government-wide Financial Statements
- Fund Financial Statements
- Notes to Financial Statements
- Combining and Individual Fund Statements
- Other Schedules

cannon&company L.L.P.
Certified Public Accountants

# INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the Village Council
Village of Clemmons, North Carolina

## Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Clemmons, North Carolina as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Village of Clemmons' 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 *Governmental Auditing Standards*, issued by the Comptroller of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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, based upon our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Clemmons, North Carolina as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

2160 Country Club Road / Winston-Salem, NC 27104 / 336-725-0635 / Fax 336-725-0630
219 Moore Road / P.O. Box 330 / King, NC 27021 / 336-983-5985 / Fax 336-983-5935
www.cannonandcompanyllp.com

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis 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 the 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 consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Clemmons' basic financial statements. The introductory information, combining and individual fund financial statements, budgetary schedules, other schedules, statistical section as well as the accompanying schedule of expenditures of expenditures of federal and state awards as required by U.S. Office and Management and Budget Circular A-133, *Audits of State and Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, other schedules and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2013 on our consideration of the Village of Clemmons' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Clemmons' internal control over financial reporting and compliance.

Cannon & Company, L.L.P.

October 8, 2013

As management of the Village of Clemmons, we offer readers of the Village of Clemmons' financial statements this narrative overview and analysis of the financial activities of the Village of Clemmons for the fiscal year ended June 30, 2013. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Village of Clemmons' financial statements, which follow this narrative.

## Financial Highlights

- The assets and deferred outflows of resources of the Village of Clemmons exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $54,044,323. Of this amount, $ 6,253,625 may be used to meet the Villages' ongoing obligations to citizens and creditors, and $ 45,365,901 is invested in capital assets and is not available for future spending.

- The government's total net position increased by $3,210,141, primarily due to donated infrastructure of $3,296,410, and stormwater revenues over stormwater expenses of $252,471.

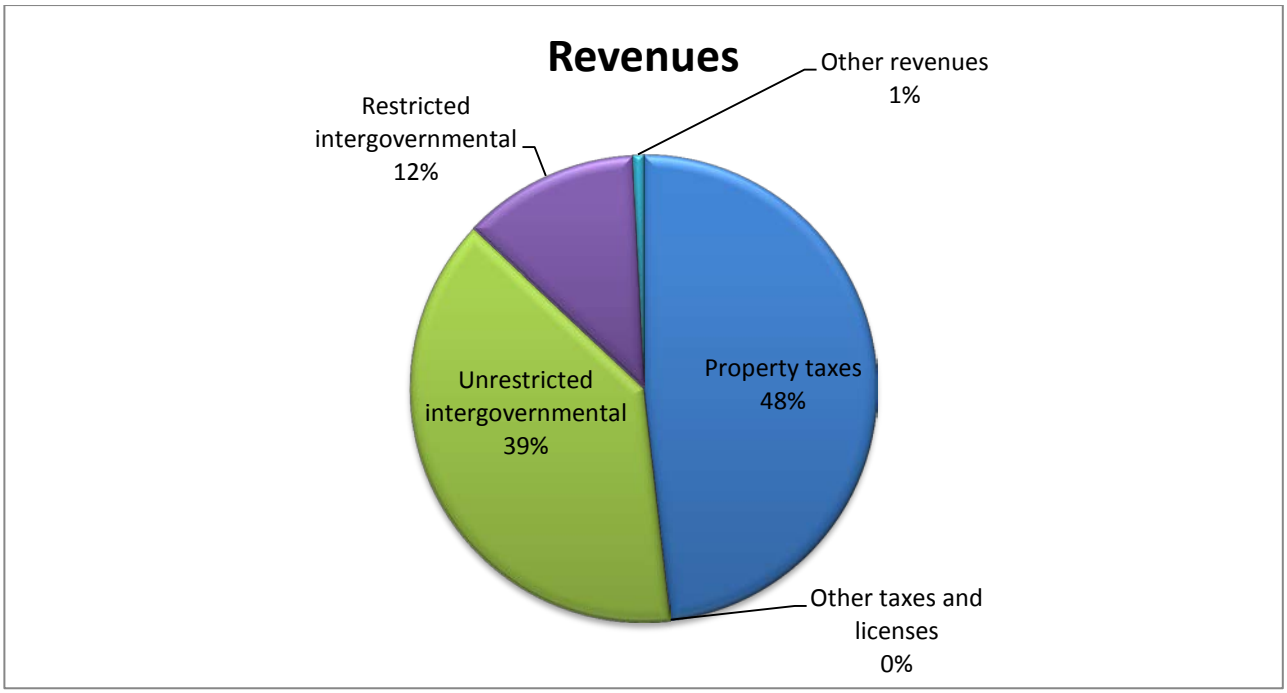
- As of the close of the current fiscal year, the Village of Clemmons' governmental funds reported combined ending fund balances of $7,711,496 with a net change of $710,242 in fund balance. Approximately 32 percent of this total amount, or $2,471,984, is non-spendable or restricted.

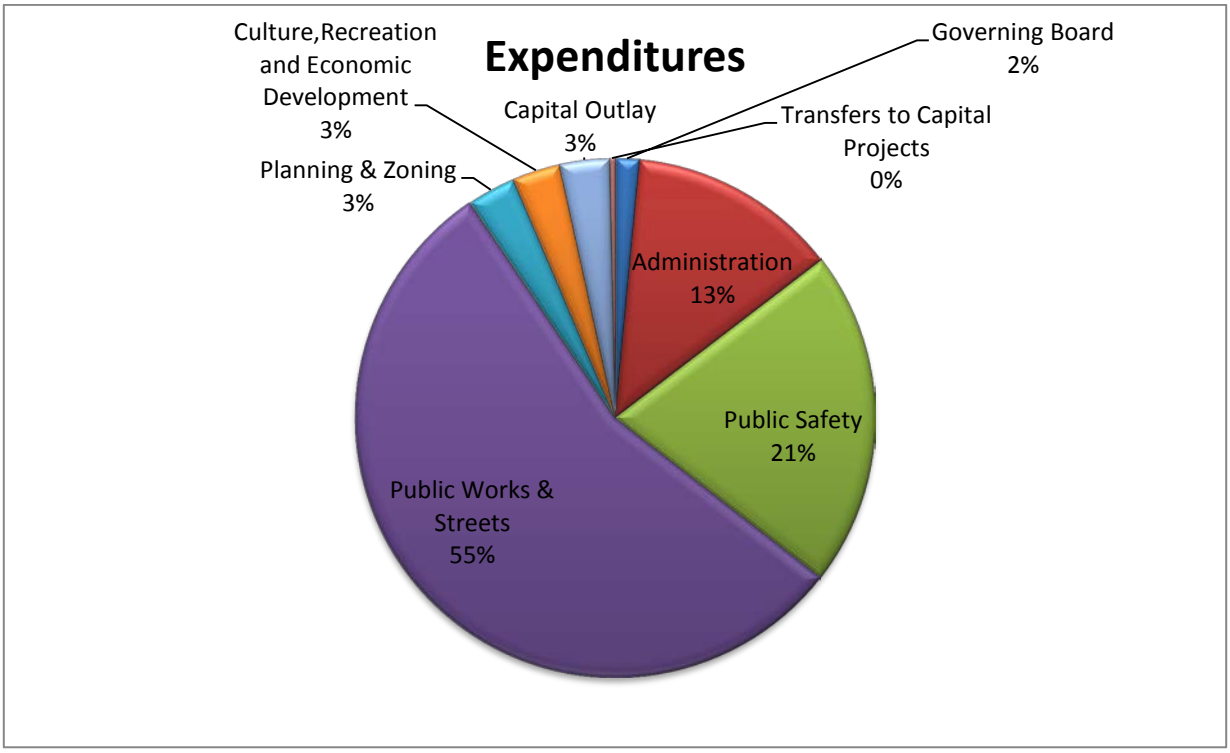
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $4,343,240 and assigned or committed fund balance was $896,272. The unassigned fund balance was 81 % of the general fund budget for the fiscal year June 30, 2014, which is $5,391,985.

- Property taxes accounted for 48 percent of general fund revenue that provides services to citizens and the community in 2013. The Village's tax rate for the fiscal year 2013 was $0.115. The collection rate for the Village was 98.93% which is higher than the previous year collection rate of 98.66%.

- The Village of Clemmons has no general fund debt.

The following graphs illustrate General Fund current revenue sources and current expenditures by department.



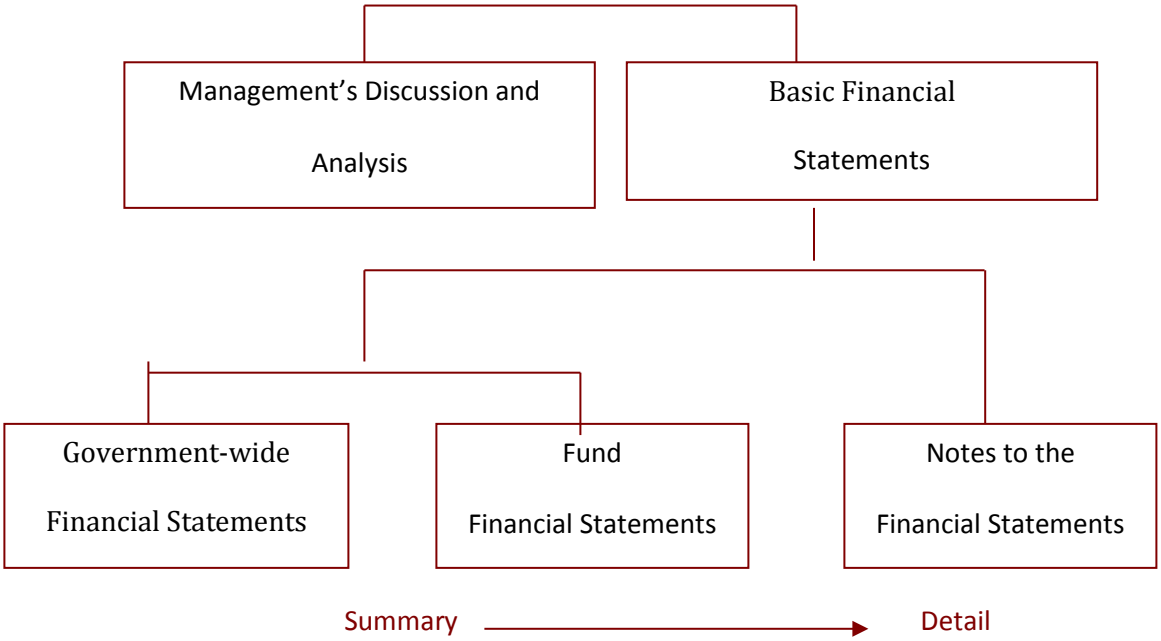



## Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Village of Clemmons' basic financial statements. The Village of Clemmons' basic financial statements consist of 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 Village through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Village of Clemmons.

**Required Components of Annual Financial Report**

**Figure 1**




## Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Village financial status.

The next statements (Exhibits 3 through 8) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Village government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Village individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

## Government-wide Financial Statements

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

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

The government-wide statements are divided into two categories: 1) governmental activities: 2) business-type activities. The governmental activities include most of the Village's basic services such as solid waste and recycling collection, street maintenance, public safety, public works and general administration. Property taxes, state-shared revenues, and state and federal grants finance most of these activities. The business-type activities are those that the Village charges customers to provide. This includes the Village stormwater utility fund program.

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

## Fund Financial Statements

The fund financial statements (see Figure 2) provide a more detailed look at the Village'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. The Village of Clemmons, 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 Village budget ordinance. All of the funds of the Village of Clemmons can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Village's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left 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* that provides a short-term spending 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 Village's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Village of Clemmons adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Village, the management of the Village, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Village to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Village complied with the budget ordinance and whether or not the Village succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement 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. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

**Proprietary Funds** – Village of Clemmons has one proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Village of Clemmons uses an enterprise fund to account for its stormwater utility activity. This fund is the same as the function shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

**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 45-61 of this report.

**Interdependence with Other Entities** - The Village depends on financial resources flowing from, or associated with, both the Federal Government and the State of North Carolina. Because of this dependency, the Village is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

## Government-Wide Financial Analysis

### The Village of Clemmons' Net Position
### Figure 2

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Current and other assets | $ 7,992,656 | $ 7,292,321 | $ 1,149,715 | $ 874,356 | $ 9,142,371 | $ 8,166,677 |
| Non-current assets | 94,221 | 94,221 | (94,221) | (94,221) | - | - |
| Capital assets | 44,689,584 | 42,420,272 | 676,317 | 704,208 | 45,365,901 | 43,124,480 |
| Deferred outflow of resources | - | - | - | - | - | - |
| Total assets and deferred outflows of resourses | 52,776,461 | 49,806,814 | 1,731,811 | 1,484,343 | 54,508,272 | 51,291,157 |
| | | | | | | |
| Long-term liabilities outstanding | 25,721 | 21,910 | 686 | 1,367 | 26,407 | 23,277 |
| Other liabilities | 412,776 | 406,610 | 24,766 | 29,088 | 437,542 | 435,698 |
| Deferred inflows of resources | - | - | - | - | - | - |
| Total liabilities and deferred inflows of resources | 438,497 | 428,520 | 25,452 | 30,455 | 463,949 | 458,975 |
| | | | | | | |
| Net position: | | | | | | |
| Net investment in capital assets | 44,689,584 | 42,420,272 | 676,317 | 704,208 | 45,365,901 | 43,124,480 |
| Restricted | 2,424,797 | 2,568,105 | - | - | 2,424,797 | 2,568,105 |
| Unrestricted | 5,223,583 | 4,391,917 | 1,030,042 | 749,680 | 6,253,625 | 5,141,597 |
| Total net position | $ 52,337,964 | $ 49,380,294 | $ 1,706,359 | $ 1,453,888 | $ 54,044,323 | $ 50,834,182 |

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Village of Clemmons exceeded liabilities and deferred inflows by $54,044,323 as of June 30, 2013. However, the largest portion (85%) reflects the Village's net investment in capital assets (e.g. land, buildings, equipment and infrastructure). The Village of Clemmons uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Another $2,424,797 is subject to external restriction on how they may be used; the remaining balance of $6,253,625 is unrestricted. The Village's net assets increased by $3,210,141 for the fiscal year ended June 30, 2013. The increase consisted of $710,242 in governmental funds net change in fund balance less depreciation, capital outlay and plus capital infrastructure donations and other reconciling items listed Exhibit 4; and $252,471 net change in position from stormwater fund.

Several particular aspects of the Village's financial operations influenced the total unrestricted governmental net position:

- Continued diligence by Forsyth County in collection of property taxes by maintaining a tax collection percentage of 98.93% compare to statewide average of 97.62% for fiscal year ended June 30, 2012.
- The donation of land and infrastructure of $3,296,410.
- Assessed value increased by 1% which is consistent with increase from prior year
- Sales tax increased by $16,486 approximately 2%.
- Utility franchise taxes increased by $ 26,106 approximately 3%.

## Government-Wide Financial Analysis (Continued)

- Expenses increased by 1% mainly due increase in public safety contract, added 2 deputies, attorney cost related to zoning board of adjustment case, health insurance premium increases, cost of living increases and request from local hotel for promotional funds out of occupancy taxes. These increases were offset by decreases in solid waste and recycling contract, no local elections, no bond cost, and retirement rate decrease.

### The Village of Clemmons' Changes in Net Position
### Figure 3

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | $ 20,743 | $ 20,517 | $ 747,671 | $ 725,809 | $ 768,414 | $ 746,326 |
| Operating grants and contributions | 611,158 | 612,191 | | | 611,158 | 612,191 |
| Capital grants and contributions | 3,432,289 | 4,538,630 | | | 3,432,289 | 4,538,630 |
| General revenues: | | | | | | |
| Property taxes | 2,392,588 | 2,359,674 | | | 2,392,588 | 2,359,674 |
| Other taxes | 2,790 | 3,299 | | | 2,790 | 3,299 |
| Unrestricted intergovernmental | 1,936,602 | 1,886,530 | | | 1,936,602 | 1,886,530 |
| Other | 14,351 | 16,233 | 2,230 | 2,166 | 16,581 | 18,399 |
| Total revenues | 8,410,521 | 9,437,074 | 749,901 | 727,975 | 9,160,422 | 10,165,049 |
| Expenses: | | | | | | |
| Governing Board | 64,999 | 65,060 | | | 64,999 | 65,060 |
| Administration | 588,189 | 636,056 | | | 588,189 | 636,056 |
| Public Safety | 910,312 | 822,679 | | | 910,312 | 822,679 |
| Public Works & Streets | 3,674,847 | 3,702,409 | | | 3,674,847 | 3,702,409 |
| Planning & Zoning | 131,282 | 123,555 | | | 131,282 | 123,555 |
| Culture and recreation | 83,222 | 61,029 | | | 83,222 | 61,029 |
| Stormwater Utility | | | 497,430 | 420,007 | 497,430 | 420,007 |
| Total expenses | 5,452,851 | 5,410,788 | 497,430 | 420,007 | 5,950,281 | 5,830,795 |
| Increase (decrease) net position before transfers | 2,957,670 | 4,026,286 | 252,471 | 307,968 | 3,210,141 | 4,334,254 |
| Transfers | - | - | - | - | - | - |
| Increase in net position | 2,957,670 | 4,026,286 | 252,471 | 307,968 | 3,210,141 | 4,334,254 |
| Net position, July 1 | 49,380,294 | 45,354,008 | 1,453,888 | 1,145,920 | 50,834,182 | 46,499,928 |
| Net position, June 30 | $ 52,337,964 | $ 49,380,294 | $ 1,706,359 | $ 1,453,888 | $ 54,044,323 | $ 50,834,182 |

**Governmental activities**: Governmental activities increased the Village's net assets by $ 2,957,670
Key elements of this increase are as follows:

- Donations of land and infrastructure of $3,296,410.
- Ad valorem taxes increased by $32,914, approximately 1%.
- Unrestricted intergovernmental revenue increased by $50,072 approximately 3%.

**Governmental activities: (Continued)**

- Expenses increased by $42,063, approximately 1%. Some of the major factors affecting the increase are as follows:
    - Increase in public safety with the addition of two deputies
    - Decrease in public works due to new contract for solid waste and recycling and Council decision to remove commercial solid waste pickup for apartment offset by increase of streets resurfaced, cost of living increases, health insurance premium increases and unemployment cost.
    - Increase in planning and zoning due to increased attorney cost due to zoning board of adjustment case, cost of living increases and health insurance increases.
    - Increase in cultural, recreational, and economic development due to expending of restricted intergovernmental revenues for marketing of local hotel and dog park.
    - Decrease in administration due to no local election costs and no bond costs offset by cost of living and health insurance premium increases.

**Business-type activities**: Business-type activities increased the Village's net assets by $252,471.
Key elements of this increase are as follows:

- The Stormwater fee is based on a pay-as-you go concept for capital improvement projects; therefore an increase in net assets is anticipated in order to accumulate funds to complete future capital projects.
- Delay of projects on capital improvement list until new Village engineer can evaluate the projects and update cost estimates offset by addition of stormwater engineer.

**Financial Analysis of the Village's Funds**

As noted earlier, the Village of Clemmons uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The general fund is the chief operating fund of the Village of Clemmons. At the end of the current fiscal year, unassigned fund balance of the General Fund was $4,343,240, while total fund balance was $7,711,496. The Village Council has determined that the Village should maintain at least $3,000,000 in unassigned fund balance. As a measure of the general fund's liquidity, it may be useful to compare fund balance available for appropriation to total general fund expenditures. State statute calculation for fund balance available (FBA) for appropriation was $7,060,105, with A FBA as a percentage of expenditures of 164.34%. The average fund balance available of cities in the Village's population group for June 30, 2012 was $7,947,165, with a FBA as a percentage of expenditures of 51.11%. The Village also compares unassigned fund balance to total general fund expenditures, the unassigned fund balance as a percentage of expenditures is 101%.

At June 30, 2013, the governmental funds of the Village of Clemmons reported a combined fund balance of $7,711,496. This is an 8.9 percent increase over last year due increase of intergovernmental revenues and decrease in expenditures.

**General Fund Budgetary Highlights**: During the fiscal year, the Village revised the budget. 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.

Amendments to the General Fund budget totaled an increase of $10,000 and can be summarized as follows:

The following revenue appropriations were amended as follows:

- Increase revenues
    - $10,000 restricted fund balance appropriated-tourism for marketing by a local hotel.

The following expenditure appropriations were amended as follows:

- Increase
    - $10,000- tourism for promotion of local hotel.
- Net expenditure budget amendments
    - $ 1,600 from capital outlay to public safety
    - $ 1,600 from administration to public safety
    - $185,000 from contingency to transfers for capital projects (20% match for two new grant projects)
    - $9,718 from contingency to public works for unemployment claim, the Village reimburses NC Employment Securities for 100% of claim.

There is a positive variance for actual expenditures and actual revenues compared to final budget. The actual amount of revenues over expenditures was $688,139. Some of the reasons are as follows:

- Actual revenues had a positive variance from budgeted revenues of $138,562, which is about 2.86%. Some notable variances are as follows:
    - Ad valorem taxes ended with 2.29% positive variance.
    - Investment earnings fell short of budget due to continued low interest rates.
    - Unrestricted intergovernmental revenue ended with 6.4% positive variance.
        - Positive variance in Forsyth County local option sales tax.
        - Positive variance in ABC profit distribution.
        - Negative variance in state shared utility franchise taxes and beer and wine taxes.
    - Restricted intergovernmental revenues ended with a 6.5% negative variance.
        - Negative variance grants due to delays in the Middlebrook sidewalk and crosswalk project, therefore no grant revenue was in this budget year.
        - Positive variance in powell bill and County hotel occupancy tax.
        - Negative variance in solid waste disposal tax.
    - Permits and fees ended with a positive variance.
        - Increase in rezoning and other planning activities.
        - Increase in driveway permits and reimbursement for state mowing and street sweeping from NC Department of Transportation.
        - Increase in false alarms and parking tickets.

**General Fund Budgetary Highlights: (Continued)**

- Actual General Fund expenditures, including transfers to other funds, are 85.2% of the budget with a positive variance of $747,305.
- Some notable variances are as follows.
    - Capital outlay, the Middlebrook sidewalk and crosswalk project was delayed due to right of way issues, therefore the $82,200 budgeted for this project was not expended. Right of way issued settled and project was re-appropriated in 2013-2014 budget.
    - Capital outlay, second pier not available due to changes within the State government and budget, therefore matching cost of $6,000 for second pier was not expended.
    - Capital outlay, arm mower attachment replacement for tractor could not be located for model of tractor, therefore the $15,000 was not expended.
    - Transfers to capital projects has a positive variance of $326,766:
        - Village Point Lake Greenway project percentage of completion was not as high as expected to be at June 30, 2013. Therefore, the remainder of this project was re-appropriated in the 2013-2014 budget.
        - Sidewalk from Village Hall to Asbury Place- budgeted to begin in the current year; however this project delayed in order to progress the Village Point Lake greenway project and 158 sidewalk and crosswalk project forward and completion of the Safe Routes to School sidewalk project. Transfer is re-appropriated in the 2013-2014 budget.
        - Tanglewood greenway and assorted sidewalks-budgeted to begin in the current budget year, however this project was delayed in order to progress the Village Point Lake greenway project and 158 sidewalk and crosswalk project forward and completion of the Safe Routes to School sidewalk project. Transfer is re-appropriated in the 2013-2014 budget.
    - Administrative, public works, powell bill (streets), and planning and zoning ended with positive variance. The manager and department heads carefully monitor expenditures to ensure that the Village is in compliance with approved budget. Actual events do not always occur as forecasted which can create either positive or negative variances. Gas and fuel prices are particularly volatile, there was a possibility that gas and fuel prices would rise and stay high throughout the year; however even though there were spikes, prices did not rise as predicted; therefore this created a positive variance in public works and powell bill (streets). Gas and fuel prices affect supply costs, asphalt prices and the solid waste and recycling contract due to fuel surcharge.

**Proprietary Funds**. The Village's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Stormwater Fund at June 30, 2013 amounted to $1,030,042. The total change in net position for the Stormwater Fund is $252,471. The change in net position in the Stormwater Fund is the result of fee structure based to accumulate funds for a capital improvement plan and repayment of General Fund advance. The Stormwater Fund owes the General Fund $135,221 for an advance for Stormwater expenses paid before July 1, 2005, when the fees for the Stormwater Utility were adopted.

## Capital Asset and Debt Administration

**Capital assets:** The Village of Clemmons' investment in capital assets for its governmental and business–type activities as of June 30, 2013, totals $45,365,901 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery, equipment, works of art, and vehicles.

Major capital asset transactions during the year include the following additions:

- **General Fund**
  - 2012 F250 & attachments
  - 2012 F250 & attachments
  - Snow plows for the two F250
  - Kubota Mower ZD 323-60
  - Aerator
  - Computer diagnostic equipment for vehicles
  - Grapple
  - Replacement windows-Village Hall
- **Stormwater Fund**
  - 2013 Ford Expedition
  - Construction in progress –capital improvement drainage system Quinn Street
- **Donations**
  - Donated infrastructure- offsite greenway trail parking lot and trail
  - Donated infrastructure- Village Point Drive phase II
  - Donated infrastructure- Jessie Lane
- **Capital Projects**
  - Sidewalk construction completed at Clemmons Elementary (Safe Routes to School Grant)
  - Village Point Lake Greenway construction in progress (80% grant)

**Village of Clemmons' Capital Assets**
Figure 4
(net of depreciation)

| | Governmental Activities 2013 | Business-type Activities 2013 | Total 2013 |
|---|---|---|---|
| Land & Improvements | $ 19,514,949 | $ - | $ 19,514,949 |
| Works of Art | 94,549 | - | 94,549 |
| Construction or Improvements in progress | 90,809 | 68,231 | 159,040 |
| Building | 737,402 | 52,282 | 789,684 |
| Improvements other than buildings | 65,909 | - | 65,909 |
| Equipment, furniture & fixtures | 344,070 | 85,279 | 429,349 |
| Computer equipment & software | 15,251 | - | 15,251 |
| Infrastructure | 23,483,854 | 300,418 | 23,784,272 |
| Vehicles | 342,791 | 170,107 | 512,898 |
| Total | $ 44,689,584 | $ 676,317 | $ 45,365,901 |

Additional information on the Village's capital assets can be found in *note E* of the Basic Financial Statements.

**Long-Term Debt:** As of June 30, 2013, the Village of Clemmons has no long term debt.

North Carolina General Statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt limit for the Village of Clemmons is $ 166,113,494.

Additional information regarding the Village of Clemmons' long-term debt can be found in *note I* of this report.

## Economic Factors and Next Year's Budgets and Rates

The Village was affected by the following key economic indicators.

- Decrease in tax base resulting from revaluation by Forsyth County Assessor, the estimated tax base decreased by $141,768,824 for fiscal year ending June 30, 2014. This is an indication of a continued distressed housing market.
- While labor statistics are not available for the Village of Clemmons, they are available for Forsyth County, where Clemmons is located. As of June 30, 2013, the unemployment rate for Forsyth County was 8.8 percent while the statewide average was 9.3 percent.
- Historically low interest rates.
- Tax cap of fifteen cents in charter.
- Sales tax revenue trend is up.
- Unpredictable fuel cost

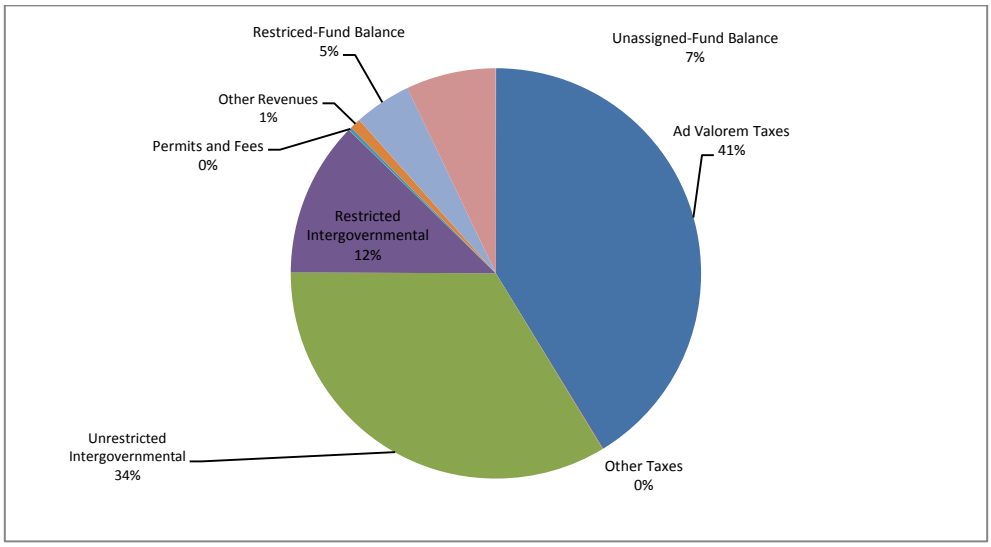
## Budget Highlights for the Fiscal Year Ending June 30, 2014

**Governmental Activities:** The Village's budget for Fiscal Year Ending June 30, 2014 is $5,391,985 an increase of 6.9 %. Factors contributing to this increase are as follows.

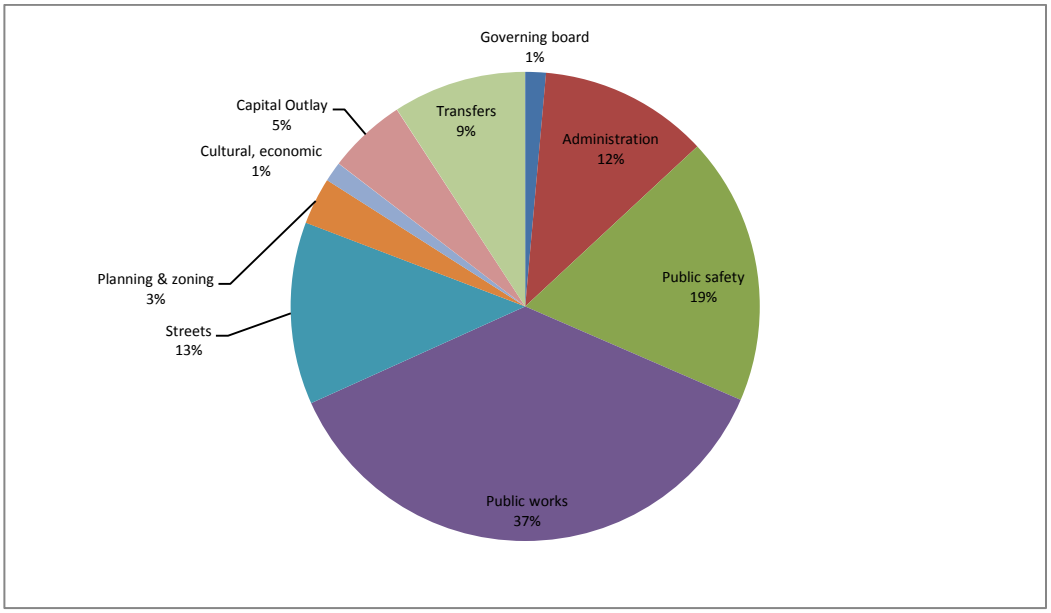
- Solid waste and recycling rate increase (CPI 1.9%) and house count increase due to actual house count performed by the Village and contractor in March 2013.
- Forsyth County Sheriff's Department contract increase for public safety mainly for fleet operating and fleet capital recovery cost. This increase due to lapse of grant for two traffic officers and those two traffic officers being covered under regular contract with Forsyth County.
- The addition of one public works employee, to ensure the level of service expected by our citizens.
- Increase in capital outlay- included re-appropriation of Middlebrook sidewalk and crosswalk.
    - Please note that grant revenue was also re-appropriated for 80% grant
- Decrease in property and liability insurance due to change of carriers.
- Continuation of capital projects funded by 80% grant and 20% general fund transfers
    - Village Point Lake greenway
    - Sidewalk Village Hall to Asbury Place Dr.
    - Tanglewood greenway and assorted sidewalks.
- Increase of sales tax and utility franchise taxes based on actual receipts for fiscal year ended June 30, 2013 offset by decrease in property taxes based on Forsyth County Assessor revaluation.

The Village appropriated $382,360 from unassigned fund balance which is shown on Exhibit 3 as assigned fund balance. The Village appropriated $ 241,740 from restricted fund balance streets which is included in the total restricted amount of $1,508,119 is shown on Exhibit 3 as Restricted: Streets.

**General Fund Budget for Fiscal Year Ended June 30, 2014**
**Figure 5**
Revenues



**General Fund Budget for Fiscal Year Ended June 30, 2014**
**Figure 6**
Expenditures




**Business – type Activities:** The Stormwater Utility budget increased 62% to $1,045,405. The increase is due to capital improvement projects approved by Village Council. The Village plans to do three capital improvement plan projects during the fiscal year ending June 30, 2014. The capital improvement plan is updated annually with inputs from Citizen Stormwater Committee.

The Stormwater Utility fee is as follows:

Per Equivalent Residential Unit per Month is $5.00; annually $60.00.

The estimated revenue from this fee in the fiscal year ending June 30, 2014 is $725,000. This fee structure will continue to allow the Stormwater Utility to repay the general fund. The fiscal year ending June 30, 2014 budget includes funding for the capital improvement plan and capital outlay of $474,000.

## Requests for Information

This report is designed to provide an overview of the Village's finances for those with an interest in this area. This Villages comprehensive annual report is filed in Village offices and can be found on the Village's web page at www.clemmons.org. Questions concerning any of the information found in this report or requests for additional information should be directed to K. Ann Stroud, Village of Clemmons, PO Box 1710, Clemmons, NC 27012, 336-766-7511, or astroud@clemmons.org.

# Basic Financial Statements

## Village of Clemmons, North Carolina
## Statement of Net Position
## June 30, 2013

**Exhibit 1**

| | Primary Government | | |
|---|---|---|---|
| | **Governmental Activities** | **Business-type Activities** | **Total** |
| **Assets** | | | |
| Current Assets: | | | |
| Cash and cash equivalents | $ 5,587,934 | $ 1,175,828 | $ 6,763,762 |
| Taxes receivables | 25,577 | - | 25,577 |
| Accounts receivable | 460,603 | 14,887 | 475,490 |
| Grant receivable | 14,706 | - | 14,706 |
| Inventories | 47,187 | - | 47,187 |
| Security Deposit | 1,200 | - | 1,200 |
| Internal Balances | 41,000 | (41,000) | - |
| Restricted cash and cash equivalents | 1,814,449 | - | 1,814,449 |
| Total current assets | 7,992,656 | 1,149,715 | 9,142,371 |
| Non-current Assets: | | | |
| Internal Balances | 94,221 | (94,221) | - |
| Capital assets (Note E): | | | |
| Land, improvements, and non-depreciable assets | 19,609,498 | - | 19,609,498 |
| Construction in progress | 90,809 | 68,231 | 159,040 |
| Other capital assets, net of depreciation | 24,989,277 | 608,086 | 25,597,363 |
| Total capital assets | 44,689,584 | 676,317 | 45,365,901 |
| Total noncurrent assets | 44,783,805 | 582,096 | 45,365,901 |
| **Total assets** | 52,776,461 | 1,731,811 | 54,508,272 |
| **Deferred Outflows of Resources** | | | |
| Total deferred outflows of resources | - | - | - |
| **Liabilities** | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | 346,393 | 18,592 | 364,985 |
| Current portion of long-term liabilities | 62,972 | 6,174 | 69,146 |
| Accounts payables from restricted cash | 3,411 | - | 3,411 |
| Total current liabilities | 412,776 | 24,766 | 437,542 |
| Noncurrent liabilities | | | |
| Due in more than one year | 25,721 | 686 | 26,407 |
| **Total liabilities** | 438,497 | 25,452 | 463,949 |
| **Deferred Inflows of Resources** | | | |
| Total deferred inflows of resources | - | - | - |

The accompany notes are an integral part of the financial statements.

| | | | |
|---|---|---|---|
| **Net Position** | | | |
| Investment in capital assets, net of related debt | 44,689,584 | 676,317 | 45,365,901 |
| Restricted for: | | | |
| Stabilization by State Statute | 604,204 | - | 604,204 |
| Culture, recreational, and tourism | 312,474 | - | 312,474 |
| Transportation | 1,508,119 | - | 1,508,119 |
| Unrestricted | 5,223,583 | 1,030,042 | 6,253,625 |
| **Total net position** | $ 52,337,964 | $ 1,706,359 | $ 54,044,323 |

The accompanying notes are an integral part of the financial statements.

## Village of Clemmons, North Carolina
## Statement of Activities
## For the Fiscal Year Ended June 30, 2012

**Exhibit 2**

| Functions/Programs | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Assets – Primary Government: Governmental Activities | Business-type Activities | Total |
|---|---|---|---|---|---|---|---|
| | Program Revenues | | | | | | |
| **Primary government:** | | | | | | | |
| Governmental Activities: | | | | | | | |
| Governing Board | $ 64,999 | $ - | $ - | $ - | $ (64,999) | $ - | $ (64,999) |
| Administration | 588,189 | - | - | - | (588,189) | - | (588,189) |
| Public Safety | 910,312 | 4,875 | - | - | (905,437) | - | (905,437) |
| Public Works | 3,674,847 | 9,943 | 527,133 | 3,432,289 | 294,518 | - | 294,518 |
| Planning & Zoning | 131,282 | 5,925 | - | - | (125,357) | - | (125,357) |
| Cultural and recreation | 83,222 | - | 84,025 | - | 803 | - | 803 |
| Total governmental activities | 5,452,851 | 20,743 | 611,158 | 3,432,289 | (1,388,661) | - | (1,388,661) |
| Business-type activities: | | | | | | | |
| Stormwater Utility | 497,430 | 747,671 | - | - | - | 250,241 | 250,241 |
| Total business-type activities | 497,430 | 747,671 | - | - | - | 250,241 | 250,241 |
| Total primary government | $ 5,950,281 | $ 768,414 | $ 611,158 | $ 3,432,289 | $ (1,388,661) | $ 250,241 | $ (1,138,420) |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes, levied for general purpose | | | | | 2,392,588 | - | 2,392,588 |
| Other taxes and licenses | | | | | 2,790 | - | 2,790 |
| Unrestricted intergovernmental | | | | | 1,936,602 | - | 1,936,602 |
| Unrestricted investment earnings | | | | | 7,876 | 2,230 | 10,106 |
| Donations | | | | | 50 | - | 50 |
| Miscellaneous | | | | | 6,425 | - | 6,425 |
| Total general revenues not including transfers | | | | | 4,346,331 | 2,230 | 4,348,561 |
| Transfers from other funds | | | | | - | - | - |
| Total general revenues, special items, and transfers | | | | | 4,346,331 | 2,230 | 4,348,561 |
| Change in net position | | | | | 2,957,670 | 252,471 | 3,210,141 |
| Net position-beginning | | | | | 49,380,294 | 1,453,888 | 50,834,182 |
| Net position-ending | | | | | $ 52,337,964 | $ 1,706,359 | $ 54,044,323 |

The accompanying notes are an integral part of the financial statements.

**Village of Clemmons, North Carolina** **Exhibit 3**

**Balance Sheet**

**Governmental Funds**

**June 30, 2013**

| | Major Fund | | |
|---|---|---|---|
| | **General** | **Total Non-Major Funds** | **Total Governmental Funds** |
| **Assets** | | | |
| Cash and investments | $ 5,587,934 | $ - | $ 5,587,934 |
| Cash and investments-restricted | 1,814,449 | - | 1,814,449 |
| Property taxes receivable | 25,577 | - | 25,577 |
| Accounts receivable | 460,603 | - | 460,603 |
| Grant receivable | - | 14,706 | 14,706 |
| Due (to) from other funds | 7,180 | (7,180) | - |
| Advance to other funds | 135,221 | - | 135,221 |
| Inventories | 47,187 | - | 47,187 |
| Security Deposit | 1,200 | - | 1,200 |
| **Total assets** | $ 8,079,351 | 7,526 | $ 8,086,877 |
| **Liabilities** | | | |
| Accounts payable and accrued liabilities | $ 338,867 | $ 7,526 | $ 346,393 |
| Accounts payable from restricted assets | 3,411 | - | 3,411 |
| **Total liabilities** | 342,278 | 7,526 | 349,804 |
| **Deferred Inflows of Resources** | | | |
| Property taxes receivable | 25,577 | - | 25,577 |
| **Total deferred inflows of resources** | 25,577 | - | 25,577 |
| **Fund Balance** | | | |
| Non spendable: | | | |
| Inventories | $ 47,187 | - | $ 47,187 |
| Restricted: | | | |
| Stabilization by State Statute | 604,204 | - | 604,204 |
| Streets | 1,266,379 | - | 1,266,379 |
| Streets-Subsequent year's expenditures | 241,740 | - | 241,740 |
| Travel and Tourism | 234,767 | - | 234,767 |
| Cultural, recreational, and economic development | 77,707 | - | 77,707 |
| Committed: | | | |
| Future facilities | 513,912 | - | 513,912 |
| Assigned: | | | |
| Subsequent year's expenditures | 382,360 | - | 382,360 |
| Unassigned: | 4,343,240 | - | 4,343,240 |
| **Total fund balances** | 7,711,496 | - | 7,711,496 |
| **Total liabilities, deferred inflows of resources and fund balance** | $ 8,079,351 | $ 7,526 | |

The accompanying notes are an integral part of the financial statements.

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

| | | |
|---|---|---|
| Total fund balance, Governmental funds | | $ 7,711,496 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | | |
| Gross capital assets at historical cost | $ 64,965,337 | |
| Accumulated depreciation | (20,275,753) | 44,689,584 |
| Liabilities for earned revenues considered deferred inflows of resources in fund statements | | 25,577 |
| Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds | | |
| Compensated absences | | (88,693) |
| | | $ 52,337,964 |

The accompanying notes are an integral part of the financial statements.

## Village of Clemmons, North Carolina — Exhibit 4
## Statement of Revenues, Expenditures, and Changes in Fund Balance
## Governmental Funds
## For the Fiscal Year Ended June 30, 2013

| | Major Fund | | |
|---|---|---|---|
| | General Fund | Total Non-Major Funds | Total Governmental Funds |
| **Revenues** | | | |
| Ad valorem taxes | $ 2,398,650 | $ - | $ 2,398,650 |
| Other taxes and licenses | 2,790 | - | 2,790 |
| Unrestricted intergovernmental | 1,936,602 | - | 1,936,602 |
| Restricted intergovernmental | 608,050 | 135,879 | 743,929 |
| Permits and fees | 20,743 | - | 20,743 |
| Investment earnings | 8,617 | - | 8,617 |
| Donations | 50 | - | 50 |
| Other revenues | 135 | - | 135 |
| **Total Revenues** | 4,975,637 | 135,879 | 5,111,516 |
| **Expenditures** | | | |
| Governing Board | 64,999 | - | 64,999 |
| Administration | 568,626 | - | 568,626 |
| Public Safety | 909,724 | - | 909,724 |
| Public Works | 1,767,522 | - | 1,767,522 |
| Powell Bill (Streets) | 622,210 | - | 622,210 |
| Planning & Zoning | 130,851 | - | 130,851 |
| Culture, recreation and economic development | 83,222 | - | 83,222 |
| Capital Outlay | 134,367 | - | 134,367 |
| Village Point Greenway | - | 51,067 | 51,067 |
| SRTS Sidewalk Project | - | 77,343 | 77,343 |
| **Total Expenditures** | 4,281,521 | 128,410 | 4,409,931 |
| **Excess (deficiency) of Revenues Over Expenditures** | 694,116 | 7,469 | 701,585 |
| **Other Financing Sources (Uses)** | | | |
| Transfers (to) or from other funds | (14,634) | 14,634 | - |
| Sales of capital assets | 8,657 | - | 8,657 |
| **Total other financing sources** | (5,977) | 14,634 | 8,657 |
| **Net change in fund balance** | 688,139 | 22,103 | 710,242 |
| **Fund Balance - Beginning of Year** | 7,026,036 | (22,103) | 7,003,933 |
| Change in reserve for inventories | (2,679) | - | (2,679) |
| **Fund Balance - End of Year** | $ 7,711,496 | $ - | $ 7,711,496 |

The accompanying notes are an integral part of the financial statements.

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

| | | |
|---|---|---|
| Net changes in fund balances - total governmental funds | | $ 710,242 |
| Change in fund balance due to change in reserve for inventory | | (2,679) |
| 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 depreciation exceeded capital outlays in the current period | | |
| Capital outlay expenditures which were capitalized | $ 262,777 | |
| Depreciation expense for governmental assets | (1,289,875) | (1,027,098) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Donations of infrastructure and related right of way | $ 3,296,410 | |
| Change in unavailable revenue for tax revenues | (6,062) | 3,290,348 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | | |
| Compensated absences | | (13,143) |
| **Total changes in net position of governmental activities** | | $ 2,957,670 |

The accompanying notes are an integral part of the financial statements.

**Village of Clemmons, North Carolina** **Exhibit 5**

**General Fund**

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

**For the Fiscal Year Ended June 30, 2013**

| | General Fund | | | |
|---|---|---|---|---|
| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
| **Revenues** | | | | |
| Ad valorem taxes | $ 2,345,000 | $ 2,345,000 | $ 2,398,650 | $ 53,650 |
| Other taxes and licenses | 2,000 | 2,000 | 2,790 | 790 |
| Unrestricted intergovernmental | 1,820,200 | 1,820,200 | 1,936,602 | 116,402 |
| Restricted intergovernmental | 650,350 | 650,350 | 608,050 | (42,300) |
| Permits and fees | 10,525 | 10,525 | 20,743 | 10,218 |
| Investment earnings | 9,000 | 9,000 | 8,617 | (383) |
| Donations | - | - | 50 | 50 |
| Other | - | - | 135 | 135 |
| **Total revenues** | 4,837,075 | 4,837,075 | 4,975,637 | 138,562 |
| **Expenditures** | | | | |
| Governing Board | 69,350 | 69,350 | 64,999 | 4,351 |
| Administration | 613,205 | 611,605 | 568,626 | 42,979 |
| Public Safety | 959,400 | 962,600 | 909,724 | 52,876 |
| Public Works | 1,882,430 | 1,892,148 | 1,767,522 | 124,626 |
| Powell Bill (Streets) | 656,125 | 656,125 | 622,210 | 33,915 |
| Planning & Zoning | 165,630 | 165,630 | 130,851 | 34,779 |
| Cultural and recreation | 77,800 | 87,800 | 83,222 | 4,578 |
| Capital Outlay | 255,700 | 254,100 | 134,367 | 119,733 |
| Contingency | 197,420 | 2,702 | - | 2,702 |
| **Total expenditures** | 4,877,060 | 4,702,060 | 4,281,521 | 420,539 |
| **Revenues over (under) expenditures** | (39,985) | 135,015 | 694,116 | 559,101 |
| **Other financing sources (uses):** | | | | |
| Transfer to other funds | (156,400) | (341,400) | (14,634) | 326,766 |
| Sale of capital assets | - | - | 8,657 | 8,657 |
| **Total other financing sources (uses)** | (156,400) | (341,400) | (5,977) | 335,423 |
| Restricted fund balance appropriated | 196,385 | 206,385 | - | (206,385) |
| **Net change in fund balance** | $ - | $ - | 688,139 | $ 688,139 |
| **Fund balances, beginning of year** | | | 7,026,036 | |
| Change in reserve for inventories | | | (2,679) | |
| **Fund balances, end of year** | | | $ 7,711,496 | |

The accompanying notes are an integral part of the financial statements.

**Village of Clemmons, North Carolina** **Exhibit 6**
**Statement of Net Position**
**Proprietary Funds**
**June 30, 2013**

| | Stormwater Fund | Total Proprietary Funds |
|---|---|---|
| **Assets** | | |
| Current Assets: | | |
| Cash | $ 1,175,828 | $ 1,175,828 |
| Accounts receivable | 14,887 | 14,887 |
| Total current assets | 1,190,715 | 1,190,715 |
| | | |
| Noncurrent assets: | | |
| Capital assets: | | |
| Construction in progress | 68,231 | 68,231 |
| Capital assets, net of depreciation | 608,086 | 608,086 |
| Total noncurrent assets | 676,317 | 676,317 |
| **Total assets** | $ 1,867,032 | $ 1,867,032 |
| | | |
| **Liabilities** | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | $ 18,592 | $ 18,592 |
| Compensated absences-current | 6,174 | 6,174 |
| Advance from general fund | 41,000 | 41,000 |
| Total current liabilities | 65,766 | 65,766 |
| | | |
| Noncurrent liabilities: | | |
| Advance from general fund | 94,221 | 94,221 |
| Compensated absences - noncurrent | 686 | 686 |
| Total noncurrent liabilities | 94,907 | 94,907 |
| **Total liabilities** | 160,673 | 160,673 |
| | | |
| **Net Position** | | |
| Invested in capital assets, net of related debt | 676,317 | 676,317 |
| Unrestricted | 1,030,042 | 1,030,042 |
| **Total net position** | $ 1,706,359 | $ 1,706,359 |
| | | |
| **Net position of business-type activities** | | $ 1,706,359 |

The accompanying notes are an integral part of the financial statements.

**Village of Clemmons, North Carolina** **Exhibit 7**

**Statement of Revenues, Expenses, and Changes in Net Position**

**Proprietary Funds**

**For the Fiscal Year Ended June 30, 2013**

| | Stormwater Fund | Total Proprietary Funds |
|---|---|---|
| **Operating Revenues** | | |
| Stormwater fee | $ 733,803 | $ 733,803 |
| Stormwater permits | 13,868 | 13,868 |
| **Total operating revenues** | 747,671 | 747,671 |
| **Operating Expenses** | | |
| Salaries & Fringe Benefits | 293,650 | 293,650 |
| Professional services | 8,428 | 8,428 |
| Good housekeeping/drainage | 42,146 | 42,146 |
| Other Operating Expenses | 85,723 | 85,723 |
| Depreciation | 67,483 | 67,483 |
| **Total operating expenses** | 497,430 | 497,430 |
| **Total operating income** | 250,241 | 250,241 |
| **Nonoperating Revenues (Expenses)** | | |
| Investment earnings | 2,230 | 2,230 |
| Total nonoperating revenues (expenses) | 2,230 | 2,230 |
| **Income (loss) before contributions and transfers** | 252,471 | 252,471 |
| **Change in net position** | 252,471 | 252,471 |
| **Net Position-Beginning of Year** | 1,453,888 | 1,453,888 |
| **Net Position-End of Year** | $ 1,706,359 | $ 1,706,359 |
| **Net position - business-type activities** | | $ 1,706,359 |

The accompanying notes are an integral part of the financial statements.

**Village of Clemmons, North Carolina** **Exhibit 8**
**Statement of Cash Flows**
**Proprietary Funds**
**For the Fiscal Year Ended June 30, 2013**

| | Stormwater Fund | Total Proprietary Funds |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Cash received from customers | $ 747,727 | $ 747,727 |
| Cash paid for goods and services | (136,766) | (136,766) |
| Cash paid to or on behalf of employees for services | (296,802) | (296,802) |
| **Net cash provided (used) by operating activities** | 314,159 | 314,159 |
| **Cash Flows from Noncapital Financing Activities** | | |
| Interfund payment to general fund | - | - |
| **Total cash flows from noncapital financing activities** | - | - |
| **Cash Flows From Capital and Related Financing Activities** | | |
| Acquisition of capital assets | (39,592) | (39,592) |
| **Net cash provided (used) by capital and related financing activities** | (39,592) | (39,592) |
| **Cash Flows from Investing Activities** | | |
| Interest | 2,093 | 2,093 |
| **Net cash provided (used) by investing activities** | 2,093 | 2,093 |
| **Net increase (decrease) in cash and cash equivalents** | 276,660 | 276,660 |
| **Balances-beginning of the year** | 899,168 | 899,168 |
| **Balances-end of the year** | $ 1,175,828 | $ 1,175,828 |
| **Reconciliation of operating income to net cash provided by operating activities** | | |
| **Operating Income** | $ 250,241 | $ 250,241 |
| **Adjustments to reconcile operating income to net cash provided by operating activities:** | | |
| Depreciation | 67,483 | 67,483 |
| Changes in assets and liabilities: | | |
| (Increase) decrease in accounts receivable | 1,438 | 1,438 |
| Increase (decrease) in accounts payable and accrued liabilities | (1,714) | (1,714) |
| Increase (decrease) in accrued vacation pay | (6,806) | (6,806) |
| Increase(decrease) in accrued salaries & benefits | 3,517 | 3,517 |
| **Total adjustments** | 63,918 | 63,918 |
| **Net cash provided (used) by operating activities** | $ 314,159 | $ 314,159 |

The accompanying notes are an integral part of the financial statements.

## Note A – Summary of Significant Accounting Policies

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

Reporting Entity

The Village of Clemmons is a municipal corporation which is governed by an elected mayor and a five-member council.

Basis of Presentation

*Government-Wide Statements*: The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the Village. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Village and for each function of the Village'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. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. The exception to this general rule is the stormwater fee paid by the general fund to the stormwater fund, because elimination of this charge would distort the direct costs and program revenues reported for the various functions concerned. Program revenues include (a) fees 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 Village's funds. Separate statements for each fund category- governmental and proprietary- are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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 and investment earnings, result from non-exchange transactions or ancillary activities such as investment earnings.

## Note A – Summary of Significant Accounting Policies (Continued)

The Village reports the following major governmental fund:

**General Fund.** The General Fund is the general operating fund of the Village. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, and sanitation services.

The Village reports the following non-major governmental funds:

**Safe Routes To School Capital Project Fund.** This fund is used to account for sidewalk construction as part of Safe Routes to School Grant.
**Village Point Lake Greenways Capital Project Fund.** This fund is used to account for greenway construction around Village Point Lake as part of NC Department of Transportation grant with 20% match from general fund.
**Sidewalk from Village Hall to Asbury Place Capital Project Fund.** This fund is to account for sidewalk construction from Village Hall on Highway 158 to Asbury Place on Highway 158 as part of NC Department of Transportation grant with 20% match from general fund.
**Tanglewood Greenway and Assorted Sidewalks Capital Project Fund.** This fund is to account for greenway at Tanglewood Park and assorted sidewalks as part of NC Department of Transportation grant with 20% match from general fund.

The Village reports the following major enterprise fund:

**Stormwater Fund.** The Stormwater fund is used to account for the operation of the Village's Stormwater program as required by EPA regulations.

Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the Village are maintained during the year using the modified accrual basis of accounting.

*Government-wide and Proprietary Fund Financial Statements*. The government-wide and proprietary fund financial statements are reported using an economic resources measurement focus. The government-wide and proprietary 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. Non-exchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Note A – Summary of Significant Accounting Policies (Continued)**

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. 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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village enterprise fund is for Stormwater fees collected. Operating expenses for the enterprise fund includes the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating 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. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Village considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued 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 the operations of the current year. Also, as of January 1, 1993, 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, Forsyth County is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts in the County, including the Village of Clemmons. For motor vehicles registered under the staggered system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, the Village's vehicle taxes for vehicles registered in Forsyth County from March 2012 through February 2013 apply to the fiscal year ended June 30, 2013. Uncollected taxes that were billed during this period are shown as a receivable in these financial statements and are offset by deferred revenues.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year end on behalf of the Village are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues which are unearned at year-end are recorded as unearned revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Village's policy to apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

## Note A – Summary of Significant Accounting Policies (Continued)

As permitted by generally accepted accounting principles, the Village has elected to apply only applicable FASB Statements and Interpretations issued on or before November 30, 1989 that do not contradict GASB pronouncements in its accounting and reporting practices for its proprietary operations

Budgetary Data

The Village's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Fund. All annual appropriations lapse at the fiscal-year end. Project ordinances are adopted for the Capital Project Fund. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. The Finance Officer is authorized by the budget ordinance to transfer appropriations between functional areas within a fund up to $10,000; however, any revisions that alter total expenditures of any fund or that change functional appropriations by more than $10,000 must be approved by the governing board. During the year, several amendments to the original budget were necessary, the effects of which were not material.

A budget calendar is included in the North Carolina General Statutes which prescribes the last day on which certain steps of that budget procedure are to be performed. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

**Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity**

Deposits and Investments

All deposits of the Village are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Village may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Village may establish time deposit accounts such as NOW and Super NOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Village to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT). The securities of the NCCMT – Cash Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT – Term Portfolio's securities are valued at fair value.

## Note A – Summary of Significant Accounting Policies (Continued)

Cash and cash equivalents

The Village pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

Restricted Assets

Powell Bill funds are classified as restricted cash because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 134-41.1 through 136-41.4. Occupancy tax funds are also classified as restricted cash because it can only be spent cultural, recreational, economic development per section 28 of chapter 908 of 1983 Session Laws. Occupancy tax funds based on actual hotel receipts in the Village are also classified as restricted cash because it can only be spent to promote travel, tourism and tourism related expenditures per North Carolina House bill 631.

Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Village levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2012.

Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

Inventories

The inventories of the Village are valued at cost (first-in, first-out), which approximates market. The Village's General Fund inventory consists of expendable supplies that are recorded as expenditures as used rather than when purchased.

## Note A – Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and estimated useful life in excess of two years. Minimum capitalization costs are $5,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired prior to July 1, 2003, consist of the road network, storm drain system, sidewalks and bridges that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Works of art and historical treasures are not depreciated. Other capital assets are depreciated using the straight-line method over the following estimated useful lives.

| Asset Class | Estimated Useful Lives |
|---|---|
| Buildings | 50 |
| Infrastructure | 35-50 |
| Improvements | 30 |
| Vehicles | 10 |
| Furniture and equipment | 7-15 |
| Computer equipment | 4 |
| Computer software | 5 |

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows 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 be recognized as an expense or expenditure until then. The Village has no item that meets this criterion. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial 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 Village has one item that meets the criterion for this category – property taxes receivable.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

## Note A – Summary of Significant Accounting Policies (Continued)

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances 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 vacation policy of the Village provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the Village's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Village has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Village's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Village has no obligation for the 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. Restricted 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 governmental 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:

Non-spendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Inventories – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

## Note A – Summary of Significant Accounting Policies (Continued)

Fund Balances (Continued)

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State Statute - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

Restricted for Streets - Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds. The Village has appropriated $241,740 of restricted for streets in the fiscal year ending June 30, 2014 budget.

Restricted for Cultural, Economic Development and Recreation – Occupancy tax portion of fund balance that is restricted by revenue source for cultural, economic development or recreational expenditures. This amount represents the balance of total unexpended Occupancy tax funds restricted for this purpose.

Restricted for Promotion of Travel and Tourism - Occupancy tax portion of fund balance that is restricted by revenue source for the promotion of travel and tourism by local act. This amount represents the balance of total unexpended Occupancy tax fund restricted for this purpose.

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Village of Clemmons' Council by ordinance or resolution. Any changes or removal of specific purpose requires majority action by the Village Council.

Future facilities – portion of fund balance in reserve for future facilities by a *resolution* approved by the Village Council. Requires a resolution by majority of the Village Council to remove or change this reserve.

Assigned fund balance – portion of fund balance that the Village of Clemmons intends to use for specific purposes.

Subsequent year's expenditures - portion of the total fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes the finance officer to modify the appropriations by resource or appropriations within funds up to $10,000.

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

The Village of Clemmons will use resources in the following hierarchy: federal funds, State funds, local non-village funds, village funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Village.

## Note A – Summary of Significant Accounting Policies (Continued)

The Village of Clemmons has a fiscal policy that the Village Council annually determines a minimum unassigned fund balance in the general fund. The level of the minimum unassigned fund balance will be determined annually by the Village Council based on anticipated future annual budget needs, emergency funds, and pay as you go financing. The minimum unassigned fund balance for June 30, 2013 is $3,000,000.

## Note B - Deposits

All deposits of the Village are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Village's agent in the Village's name. 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 Village, these deposits are considered to be held by the Village's agent in the Village'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 Village or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Village 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 Village has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Village complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2013, the Village's deposits had a carrying amount of $3,771,964 and a bank balance of $3,784,336. Of the bank balance, $500,000 was covered by federal depository insurance, and the remaining $3,272,188 was covered by collateral held under the Pooling Method. At June 30, 2013, the Village’s petty cash fund totaled $224.

## Note C - Investments

At June 30, 2013, the Village of Clemmons had $4,806,023 invested with the North Carolina Capital Management Trust’s Cash Portfolio which carried a credit rating of AAAm by Standard and Poor’s. The Village has no policy regarding credit risk.

The Village investments at June 30, 2013, consist of the following:

| | Reported Value | Fair Value |
|---|---|---|
| North Carolina Capital Management Trust Cash portfolio | $ 4,806,023 | $ 4,806,023 |

*Interest Rate Risk.* The Village has no formal investment policy regarding interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Village's internal investment policy limits maturities of less than 24 months.

## Note C – Investments (Continued)

*Credit Risk.* The Village has no formal policy regarding credit risk, but has internal management procedures that limit the Village's investment to provisions of G.S. 159-30. The Village's investment in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2013.

## Note D – Accounts Receivable

Accounts receivable consist of the following items at June 30, 2013:

| | State | County | Other Sources | Total |
|---|---|---|---|---|
| **General Fund** | | | | |
| Sales and use tax receivable | $ 177,662 | $ - | $ - | $ 177,662 |
| Utility taxes receivable | 190,092 | - | - | 190,092 |
| Refundable sales tax | 14,285 | - | - | 14,285 |
| Solid waste disposal tax receivable | 1,722 | - | - | 1,722 |
| Hotel occupancy tax | - | 7,057 | - | 7,057 |
| ABC mixed beverage tax receivable | - | - | 48,210 | 48,210 |
| Other | - | 19,018 | 2,557 | 21,575 |
| **Total Account Receivable** | $ 383,761 | $ 26,075 | $ 50,767 | $ 460,603 |
| **Enterprise Fund** | | | | |
| Stormwater fee receivable | $ - | $ 11,269 | $ - | $ 11,269 |
| Interest receivable-stormwater fee | - | 361 | - | 361 |
| Refundable sales tax | 2,757 | - | - | 2,757 |
| Other | - | - | 500 | 500 |
| **Total Account Receivable** | $ 2,757 | $ 11,630 | $ 500 | $ 14,887 |

## Note E – Capital Assets

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

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|---|---|---|---|
| **Governmental activities:** | | | | |
| **Capital assets not being depreciated:** | | | | |
| Land | $ 19,062,648 | $ - | $ - | $ 19,062,648 |
| Land and lake improvements | 376,983 | 75,318 | - | 452,301 |
| Works of Art | 94,549 | - | - | 94,549 |
| Construction in progress | 53,586 | 51,067 | (13,844) | 90,809 |
| Total capital assets not being depreciated | 19,587,766 | 126,385 | (13,844) | 19,700,307 |
| **Capital assets being depreciated:** | | | | |
| Buildings | 1,018,627 | 6,450 | - | 1,025,077 |
| Other improvements | 72,442 | 36,198 | - | 108,640 |
| Equipment, Furniture & Fixtures | 841,812 | 47,880 | (28,437) | 861,255 |
| Vehicles | 1,139,936 | 76,142 | (101,072) | 1,115,006 |
| Computer equipment & software | 94,018 | 3,895 | (26,092) | 71,821 |
| Infrastructure | 38,807,150 | 3,276,081 | - | 42,083,231 |
| Total capital assets being depreciated | 41,973,985 | 3,446,646 | (155,601) | 45,265,030 |
| **Less accumulated depreciation for:** | | | | |
| Buildings | 259,261 | 28,414 | - | 287,675 |
| Other improvements | 38,666 | 4,065 | - | 42,731 |
| Equipment, Furniture & Fixtures | 491,815 | 53,807 | (28,437) | 517,185 |
| Vehicles | 799,598 | 73,689 | (101,072) | 772,215 |
| Computer equipment & software | 77,422 | 5,240 | (26,092) | 56,570 |
| Infrastructure | 17,474,717 | 1,124,660 | - | 18,599,377 |
| Total accumulated depreciation | 19,141,479 | $ 1,289,875 | $ (155,601) | 20,275,753 |
| Total capital assets being depreciated, net | 22,832,506 | | | 24,989,277 |
| **Governmental activity capital assets, net** | $ 42,420,272 | | | $ 44,689,584 |

Depreciation expense was charged to functions/programs of the primary government as follows:

| | |
|---|---|
| Administration | $ 16,703 |
| Public safety | 588 |
| Public Works & Streets | 1,272,584 |
| Total depreciation expense | $ 1,289,875 |

## Note E – Capital Assets (Continued)

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|---|---|---|---|
| **Business-type Activities:** | | | | |
| **Stormwater Fund** | | | | |
| **Capital assets not being depreciated** | | | | |
| Construction in progress Drainage Improv. | $ 67,723 | $ 508 | $ - | $ 68,231 |
| Total Capital assets not being depreciated | $ 67,723 | $ 508 | $ - | $ 68,231 |
| **Capital assets being depreciated** | | | | |
| Building | $ 53,883 | $ - | $ - | $ 53,883 |
| Equipment | 194,827 | - | - | 194,827 |
| Vehicles | 389,842 | 39,084 | - | 428,926 |
| Infrastructure-Drainage | 319,381 | - | - | 319,381 |
| | 957,933 | 39,084 | - | 997,017 |
| **Less accumulated depreciation for:** | | | | |
| Building | $ 822 | $ 779 | $ - | $ 1,601 |
| Equipment | 88,554 | 20,994 | - | 109,548 |
| Vehicles | 219,937 | 38,882 | - | 258,819 |
| Infrastructure-Drainage | 12,135 | 6,828 | - | 18,963 |
| Total accumulated depreciation | 321,448 | $ 67,483 | $ - | 388,931 |
| Total capital assets being depreciated, net | 636,485 | | | 608,086 |
| **Business-type activity capital assets, net** | $ 704,208 | | | $ 676,317 |

## Note F - Liabilities

1. Pension Plan and Postemployment Obligations

a. Local Governmental Employees' Retirement System

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

*Funding Policy*. Plan members are required to contribute six percent of their annual covered salary. The Village is required to contribute at an actuarially determined rate. For the Village, the current rate for employees is 6.74% of annual covered payroll. The contribution requirements of members and of the Village of Clemmons are established and may be amended by the North Carolina General Assembly. The Village's contributions to LGERS for the years ended June 30, 2013, 2012 and 2011 were $66,096, $67,270, and $59,668, and respectively. The contributions made by the Village equaled the required contributions for each year.

## Note F – Liabilities (Continued)

b. Deferred Compensation Pension Plan

The Village sponsors a deferred compensation pension plan (under the provisions of Internal Revenue Code Section 457) through North Carolina Deferred Compensation 457(b) Plan. Assets were transferred from Nationwide Retirement Solutions, administrator for the United States Conference of Mayors 457 Plan. The United States Conference of Mayors changed administrators and the Village decided to change administrators of the plan to North Carolina Deferred Compensation 457(b) Plan. Participants assets transferred during the year amounted to $36,361. The plan covers all full-time employees of the Village who elect to participate in this deferred compensation program.

Plan contributions by employees amounted to $510 during the fiscal year ended June 30, 2013, and ending investment balance in the plan at June 30, 2013, was $36,127. No contribution to the plan was provided by the Village.

The Plan's assets do not appear on the financial statements of the Village. The fiduciary responsibility of the Village is to make regular, periodic payments as required by the plan. These payments are made to North Carolina Deferred Compensation 457(b) Plan, which acts as trustee and administrator for the Plan.

c. Healthcare Benefits

According to a Village resolution, the Village provides post-employment health care benefits to retirees of the Village, provided they are eligible for retirement or disability under the North Carolina Local Governmental Employees' Retirement System (System). Retirees must pay the full cost of the monthly premium for the medical insurance or for the Medicare supplement; this premium is based on an age adjusted rate. Currently there are three retirees that are eligible for post-employment health benefits, however the retirees declined coverage. The Village obtains health care coverage through the North Carolina League of Municipalities. Since the Village of Clemmons only allows retirees access to the group plan at a retiree age adjusted rate without any subsidy from employee premiums, the Village does not have any other post-employment benefits liability.

2. Other Benefits

The Village provided group-term life insurance equal to one times employee salary. The cost of benefits in excess of $50,000 is taxable to the employee as a fringe benefit.

## Note G – Deferred Outflows and Inflows of Resources

The Village has no deferred outflows of resources.

Deferred inflows of resources at year-end is comprised of the following:

| | Unavailable Revenue |
|---|---|
| Taxes receivable, net (General Fund) | $ 25,577 |

## Note H – Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Village obtains general liability and auto liability coverage of $2 million per occurrence, property coverage up to the total insurance values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage up to a $5 million lifetime limit. The pools are reinsured through commercial companies for single occurrence claims against general liability, auto liability and property in excess of $1,000,000 and $500,000 up to statutory limits for workers' compensation. The pools are reinsured for annual employee health claims in excess of $150,000. The property liability pool has an aggregate limit for the total property losses in a single year, with the reinsurance limit based upon a percentage of the total insurance values.

The Village carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Village has flood insurance coverage with the NC League of Municipalities. The total coverage for the Flood Plain Zone the Village resides in is $2,500,000 with a $50,000 deductible.

In accordance with G.S. 159-29, the Village employees that have access to $100 or more at any given time of the Village funds are performance bonded through a commercial surety bond. The finance officer is bonded for $250,000. The remaining employees that have access to funds are bonded under a blanket bond for $100,000.

## Note I – Long Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2013:

| | Balance June 30, 2012 | Increases | Decreases | Balance June 30, 2013 |
|---|---|---|---|---|
| **Governmental activities:** | | | | |
| Compensated absences | $ 75,550 | $ 64,993 | $ 51,850 | $ 88,693 |
| Governmental activity long-term liabilities | $ 75,550 | $ 64,993 | $ 51,850 | $ 88,693 |
| **Business-type activities:** | | | | |
| Compensated absences | 13,666 | 38 | 6,844 | 6,860 |
| Business activity long-term liabilities | $ 13,666 | $ 38 | $ 6,844 | $ 6,860 |

| | |
|---|---|
| **Governmental activities:** | |
| Current portion-compensated absences | $ 62,972 |
| Non-current portion-compensated absences | 25,721 |
| | $ 88,693 |
| **Business activities:** | |
| Current portion-compensated absences | $ 6,174 |
| Non-current portion: | |
| Non-current portion- compensated absences | 686 |
| | $ 6,860 |

Compensated absences for governmental funds typically have been liquidated in the general fund.

## Note J – Interfund Balances and Activity

The composition of interfund receivables and payables at June 30, 2013, is as follows:

Interfund Receivables and Payables at June 30, 2013

| | Interfund Receivables | Interfund Payables |
|---|---|---|
| General Fund | $ 142,401 | $ - |
| Village Point Lake Greenway Project | - | 2,815 |
| Safe Routes to School Capital Project | - | 4,365 |
| Stormwater Fund | - | 135,221 |
| | $ 142,401 | $ 142,401 |

An enterprise fund was set up for the stormwater utility during the fiscal year ended June 30, 2004. In order to operate the utility until a stormwater fee was adopted, a due to the general fund was created. The Stormwater fee was adopted in the fiscal year ended June 30, 2006. The interfund loan balance at June 30, 2013 is $135,221.

The interfund balances due to/from Village Point Lake Greenway Capital Project and Safe Routes to School Capital Project resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers for Fiscal Year Ended June 30, 2013

| | Transfers In | Transfer Out |
|---|---|---|
| General Fund | $ - | $ 14,634 |
| Village Point Greenway Capital Project | 14,634 | - |
| | $ 14,634 | $ 14,634 |

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided matching funds for various grant programs.

## Note K - Fund Balance

The following schedule provides management and citizens with information on the portion of General fund Balance that is available for appropriation:

| | |
|---|---|
| Total fund balance-General Fund | $ 7,711,496 |
| Less: | |
| Inventories | 47,187 |
| Stabilization by State Statute | 604,204 |
| Streets | 1,508,119 |
| Travel and Tourism | 234,767 |
| Cultural, recreation, and economic development | 77,707 |
| Committed Fund Balance | 513,912 |
| Appropriated fund balance in 2014 budget | 382,360 |
| Fund Balance Policy | 3,000,000 |
| Remaining Fund Balance | 1,343,240 |

The Village Council has determined that the Village's minimum unassigned fund balance should be $3,000,000. This balance is reviewed annually.

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

| Encumbrances | General Fund | Non-Major Funds |
|---|---|---|
| | $0 | $0 |

## Note L – Jointly Governed Organization

The Village, in conjunction with twelve counties and sixty other municipalities established the Piedmont Triad Regional Council. The participating governments established the Council to coordinate various funding received from Federal and State agencies. Each participating government appoints one member to the Council's governing board. The Village paid membership fees of $3,912 to the Council during the fiscal year ended June 30, 2013.

## Note M – Joint Ventures

The Village of Clemmons, the Town of Kernersville, the Town of Lewisville, the Town of Oak Ridge, the Town of Bermuda Run, the Town of Yadkinville and the City of Winston-Salem jointly appoint the nine members of the Forsyth Municipal Alcoholic Beverage Control Board, which operated fourteen liquor stores and one mixed beverage store in Forsyth County. North Carolina General Statute 18B-805 requires the Forsyth Municipal Alcoholic Beverage Control Board to distribute its net income to the municipalities, which appoint the Board, and to Forsyth County. During the fiscal year ended June 30, 2013, the Village received $227,939 in distributed net income. The participating governments do not have any equity interest in the joint venture, so no equity

## Note M – Joint Ventures (Continued)

interest has been reflected in the financial statements at June 30, 2013. The Village does not have a financial responsibility to the ABC Board and is not held responsible for its debts.

Audited financial statements for the Forsyth Municipal Alcoholic Beverage Control Board are available through their administrative offices at 3127 Starlight Drive, Winston-Salem, North Carolina 27107-4141.

## Note N – Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The Village has received proceeds from several federal and State 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. No provision has been made in the accompanying financial statements for the refund of grant moneys.

## Note L – Change in Accounting Principles/Restatement

The Village implemented Governmental Accounting Standards Board (GASB) Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* and Statement 65, *Items Previously reported as Assets and Liabilities,* in the fiscal year ending June 30, 2013. In accordance with GASB Statement of Net Assets has been replaced with the Statement of Net Position. Items on the Statement of Net Position are now classified into Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position. Additional, GASB Statement 65 requires that deferred cost from the refunding of debt, which were previously deferred and amortized, be presented as deferred outflows of resources.

# Major Governmental Funds

## General Fund

**Village of Clemmons, North Carolina** **Exhibit A**
**General Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**
**Budget and Actual**
**For the Fiscal Year Ended June 30, 2013**

| | Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **Revenues** | | | |
| Ad valorem taxes | | | |
| Current year | $ 2,315,000 | $ 2,363,056 | $ 48,056 |
| Prior year | 25,000 | 29,276 | 4,276 |
| Penalties and interest | 5,000 | 7,315 | 2,315 |
| Penalties remitted to school system | - | (607) | (607) |
| Tax refunds & releases | - | (390) | (390) |
| Total | 2,345,000 | 2,398,650 | 53,650 |
| Other taxes and licenses | | | |
| Gross receipts tax on leases vehicles | 2,000 | 2,140 | 140 |
| Licenses | - | 650 | 650 |
| Total | 2,000 | 2,790 | 790 |
| Unrestricted intergovernmental | | | |
| Local option sales tax | 586,900 | 688,248 | 101,348 |
| Beer and wine tax | 84,000 | 76,021 | (7,979) |
| Telecommunication sales tax | 126,000 | 121,809 | (4,191) |
| Utility franchise tax | 539,300 | 556,997 | 17,697 |
| Piped natural gas tax | 60,000 | 66,887 | 6,887 |
| Video programming fee | 224,000 | 198,701 | (25,299) |
| ABC profit distribution | 200,000 | 227,939 | 27,939 |
| Total | 1,820,200 | 1,936,602 | 116,402 |
| Restricted intergovernmental | | | |
| Powell Bill allocation | 495,540 | 512,147 | 16,607 |
| STP-DA grant | 65,760 | - | (65,760) |
| NCDOT grant | - | 1,272 | 1,272 |
| Hotel occupancy tax- cultural, etc. | 26,000 | 27,976 | 1,976 |
| Hotel occupancy tax- tourism | 50,000 | 56,049 | 6,049 |
| Solid waste disposal tax | 13,050 | 10,606 | (2,444) |
| Total | 650,350 | 608,050 | (42,300) |
| Permits and fees | | | |
| Planning & zoning fees | 4,000 | 5,350 | 1,350 |
| Community Garden fee | 525 | 575 | 50 |
| False alarms | 2,500 | 3,850 | 1,350 |
| Public works fees | 3,000 | 9,943 | 6,943 |
| Parking tickets | 500 | 1,025 | 525 |
| Total | 10,525 | 20,743 | 10,218 |
| Investment earnings | 9,000 | 8,617 | (383) |
| Donations | - | 50 | 50 |
| Other revenues | - | 135 | 135 |
| Total Revenues | 4,837,075 | 4,975,637 | 138,562 |

**Village of Clemmons, North Carolina** **Exhibit A**
**General Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)**
**For the Fiscal Year Ended June 30, 2013**

| | | Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|---|
| **Expenditures** | | | | |
| Governing body | | | | |
| Salaries and employee benefits | | | 33,748 | |
| Other operating expenditures | | | 17,751 | |
| Professional services | | | 13,500 | |
| | Total | 69,350 | 64,999 | 4,351 |
| Administration | | | | |
| Salaries and employee benefits | | | 384,869 | |
| Other operating expenditures | | | 183,757 | |
| | Total | 611,605 | 568,626 | 42,979 |
| Public Safety | | | | |
| Contracted services-Forsyth County | | | 874,361 | |
| Other operating expenditures | | | 35,363 | |
| | Total | 962,600 | 909,724 | 52,876 |
| Public Works | | | | |
| Salaries and employee benefits | | | 499,394 | |
| Solid waste & recycling | | | 905,650 | |
| Park annual maintenance | | | 7,658 | |
| Other operating expenditures | | | 354,820 | |
| | Total | 1,892,148 | 1,767,522 | 124,626 |
| Streets (Powell Bill) | | | | |
| Salaries and employee benefits | | | 123,259 | |
| Resurfacing & paving | | | 396,028 | |
| Traffic control | | | 29,903 | |
| Drainage/culvert | | | 30,224 | |
| Other operating expenditures | | | 42,796 | |
| | Total | 656,125 | 622,210 | 33,915 |
| Planning and Zoning | | | | |
| Salaries and employee benefits | | | 88,842 | |
| Other operating expenditures | | | 42,009 | |
| | Total | 165,630 | 130,851 | 34,779 |

**Village of Clemmons, North Carolina** **Exhibit A**
**General Fund** Page 3 of 3
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)**
**For the Fiscal Year Ended June 30, 2013**

| | Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| Culture, Recreation, and Economic Development | | | |
| Tourism | | 55,022 | |
| Tanglewood Dog Park | | 9,200 | |
| Clemmons Library | | 7,000 | |
| YMCA | | 5,000 | |
| Lewisville-Clemmons Chamber | | 2,500 | |
| Arts | | 4,500 | |
| Total | 87,800 | 83,222 | 4,578 |
| Capital Outlay | | | |
| Public Works | | 112,673 | |
| Streets | | 15,244 | |
| Major repairs/renovations | | 6,450 | |
| Total | 254,100 | 134,367 | 119,733 |
| Contingency | 2,702 | - | 2,702 |
| Total Expenditures | 4,702,060 | 4,281,521 | 420,539 |
| **Revenues Over (Under) Expenditures** | 135,015 | 694,116 | 559,101 |
| **Other Financing Sources (Uses)** | | | |
| Transfers (to) from other funds | | | |
| Capital Projects | (341,400) | (14,634) | 326,766 |
| Sale of capital assets | - | 8,657 | 8,657 |
| Total | (341,400) | (5,977) | 335,423 |
| **Restricted Fund Balance Appropriated** | 206,385 | - | (206,385) |
| Total | (135,015) | (5,977) | 129,038 |
| **Net change in fund balance** | $ - | $ 688,139 | $ 688,139 |
| **Fund Balance - Beginning of Year** | | 7,026,036 | |
| Change in inventory | | (2,679) | |
| **Fund Balance - End of Year** | | $ 7,711,496 | |

# Nonmajor Governmental Funds

**Safe Routes to School**

**Village Point Lake Greenways**

**Sidewalk from Village Hall to Asbury Place Drive**

**Tanglewood Greenway & Assorted Sidewalk**

**Village of Clemmons, North Carolina** **Exhibit B**
**Combining Balance Sheet**
**Nonmajor Governmental Funds**
**For the Fiscal Year Ended June 30, 2013**

| | Safe Routes to School Grant | Village Point Greenway | Sidewalk-Village Hall to Asbury | Tanglewood Greenway & Assorted Sidewalks | Total Nonmajor Governmental Funds |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and cash equivalents | $ - | $ - | $ - | $ - | $ - |
| Grant receivable | 4,365 | 10,341 | - | - | 14,706 |
| Due from general fund | - | - | - | - | - |
| **Total assets** | $ 4,365 | $ 10,341 | $ - | $ - | $ - |
| **Liabilities and Fund Balance** | | | | | |
| **Liabilities:** | | | | | |
| Accounts Payable | $ - | $ 7,526 | $ - | $ - | $ - |
| Due to General Fund | 4,365 | 2,815 | - | - | 7,180 |
| **Total Liabilities** | 4,365 | 10,341 | - | - | 7,180 |
| **Fund Balances:** | | | | | |
| Assigned | - | - | - | - | - |
| **Total liabilities and fund balances** | $ 4,365 | $ 10,341 | $ - | $ - | $ 14,706 |

**Village of Clemmons, North Carolina** **Exhibit C**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**

**Nonmajor Governmental Funds**

**For the Fiscal Year Ended June 30, 2013**

| | Safe Routes to School Grant | Village Point Greenway | Sidewalk-Village Hall to Asbury | Tanglewood Greenway & Assorted Sidewalks | Total Nonmajor Governmental Funds |
|---|---|---|---|---|---|
| **Revenues** | | | | | |
| Safe Routes to School Grant | $ 77,343 | $ - | $ - | $ - | $ 77,343 |
| NC DOT Grant | | 58,536 | - | - | 58,536 |
| Total Revenues | 77,343 | 58,536 | - | | 135,879 |
| | | | | | |
| Sidewalk Construction | 77,343 | - | - | - | 77,343 |
| Village Point Greenway Construction | | 51,067 | - | - | 51,067 |
| Construction & Engineering | | | | | |
| Total Expenditures | 77,343 | 51,067 | - | | 128,410 |
| | | | | - | - |
| **Revenues over expenditures** | - | 7,469 | - | - | 7,469 |
| | | | | | |
| **Other Financing Sources** | | | | | |
| Transfers from other funds: | | | | | |
| General Fund | - | 14,634 | - | - | 14,634 |
| Total other financing sources | - | 14,634 | - | - | 14,634 |
| | | | | | |
| Net change in fund balance | - | 22,103 | - | - | - |
| | | | | | |
| **Fund Balance, Beginning** | - | (22,103) | - | - | - |
| **Fund Balance, Ending** | $ - | $ - | $ - | $ - | $ - |

**Village of Clemmons, North Carolina** **Exhibit D**

**Capital Projects Fund - Safe Routes to School**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**

**Budget to Actual**

**From Inception and For the Fiscal Year Ended June 30, 2013**

| | Project Authorization | Prior Year | Current Year | Total to Date | Variance Positive (Negative) |
|---|---|---|---|---|---|
| **Revenues** | | | | | |
| Safe Routes to School Grant | $ 98,400 | $ 13,844 | $ 77,343 | $ 91,187 | $ 7,213 |
| **Expenditures** | | | | | |
| Design Engineering | 14,500 | 7,890 | 6,585 | 14,475 | 25 |
| Construction Admin | 20,900 | - | 20,892 | 20,892 | 8 |
| Construction | 63,000 | 5,954 | 49,866 | 55,820 | 7,180 |
| Total Expenditures | 98,400 | 13,844 | 77,343 | 91,187 | 7,213 |
| Net change in fund balance | $ - | $ - | $ - | $ - | $ - |
| **Fund Balance, Beginning** | | | - | | |
| **Fund Balance, Ending** | | | $ - | | |

**Village of Clemmons, North Carolina** **Exhibit E**

**Capital Projects Fund - Village Point Greenway**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**

**Budget to Actual**

**From Inception and For the Fiscal Year Ended June 30, 2013**

| | Project Authorization | Prior Year | Current Year | Total to Date | Variance Positive (Negative) |
|---|---|---|---|---|---|
| **Revenues** | | | | | |
| NCDOT Grant | $ 680,000 | $ 4,208 | $ 58,536 | $ 62,744 | $ (617,256) |
| W-S Forsyth County School | 3,300 | - | - | - | (3,300) |
| Total Revenues | 683,300 | 4,208 | 58,536 | 62,744 | (620,556) |
| **Expenditures** | | | | | |
| Village Point Greenway | 855,500 | 32,863 | 51,067 | 83,930 | 771,570 |
| Total Expenditures | 855,500 | 32,863 | 51,067 | 83,930 | 771,570 |
| Revenues under expenditures | (172,200) | (28,655) | 7,469 | (21,186) | 151,014 |
| **Other Financing Sources** | | | | | |
| Transfers from other funds | | | | | |
| General Fund | 172,200 | 6,552 | 14,634 | 21,186 | (151,014) |
| Total other financing sources | 172,200 | 6,552 | 14,634 | 21,186 | (151,014) |
| Net change in fund balance | $ - | $ (22,103) | 22,103 | $ - | $ - |
| **Fund Balance, Beginning** | | | (22,103) | | |
| **Fund Balance, Ending** | | | $ - | | |

**Village of Clemmons, North Carolina** **Exhibit F**
**Capital Projects Fund - Sidewalk-Village Hall to Asbury**
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**
**Budget to Actual**
**From Inception and For the Fiscal Year Ended June 30, 2013**

| | Project Authorization | Prior Year | Current Year | Total to Date | Variance Positive (Negative) |
|---|---|---|---|---|---|
| **Revenues** | | | | | |
| NCDOT Grant | $ 480,000 | $ - | $ - | $ - | $ (480,000) |
| Total Revenues | 480,000 | - | - | - | (480,000) |
| **Expenditures** | | | | | |
| Construction & Engineering | 600,000 | - | - | - | 600,000 |
| Total Expenditures | 600,000 | - | - | - | 600,000 |
| Revenues under expenditures | (120,000) | - | - | - | 143,545 |
| **Other Financing Sources** | | | | | |
| Transfers from other funds | | | | | |
| General Fund | 120,000 | - | - | - | (120,000) |
| Total other financing sources | 120,000 | - | - | - | (120,000) |
| Net change in fund balance | $ - | $ - | - | - | $ - |
| **Fund Balance, Beginning** | | | - | | |
| **Fund Balance, Ending** | | | $ - | | |

**Village of Clemmons, North Carolina** **Exhibit G**

**Capital Projects Fund - Tanglewood Greenway & Assorted Sidewalks**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**

**Budget to Actual**

**From Inception and For the Fiscal Year Ended June 30, 2013**

| | Project Authorization | Prior Year | Current Year | Total to Date | Variance Positive (Negative) |
|---|---|---|---|---|---|
| **Revenues** | | | | | |
| STPDA Grant-NCDOT | $ 1,000,000 | $ - | $ - | $ - | $ (1,000,000) |
| Total Revenues | 1,000,000 | - | - | - | (1,000,000) |
| **Expenditures** | | | | | |
| Construction & Engineering | 1,250,000 | - | - | - | 1,250,000 |
| Total Expenditures | 1,250,000 | - | - | - | 1,250,000 |
| Revenues under expenditures | (250,000) | - | - | - | 143,545 |
| **Other Financing Sources** | | | | | |
| Transfers from other funds | | | | | |
| General Fund | 250,000 | - | - | - | (250,000) |
| Total other financing sources | 250,000 | - | - | - | (250,000) |
| Net change in fund balance | $ - | $ - | $ - | $ - | $ - |
| **Fund Balance, Beginning** | | | - | | |
| **Fund Balance, Ending** | | | $ - | | |

# Major Enterprise Fund

## Stormwater Fund

**Village of Clemmons, North Carolina** **Exhibit H**
**Stormwater Fund**
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**
**For the Fiscal Year Ended June 30, 2013**

| | Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **Operating Revenues** | | | |
| Stormwater Fee | $ 725,000 | $ 733,803 | $ 8,803 |
| Stormwater Permits | 1,500 | 13,868 | 12,368 |
| Net operating revenues | 726,500 | 747,671 | 21,171 |
| **Expenditures** | | | |
| Salaries & fringe benefits | | 300,456 | |
| Professional Services | | 8,428 | |
| Good housekeeping-drainage maintenance | | 42,146 | |
| Other Operating Expenses | | 85,723 | |
| Subtotal | 529,720 | 436,753 | 92,967 |
| Capital Improvement Plan & Capital Outlay | 198,280 | 39,592 | 158,688 |
| Total operating expenses | 728,000 | 476,345 | 251,655 |
| Operating Income | (1,500) | 271,326 | 272,826 |
| **Nonoperating Revenues (Expenditures)** | | | |
| Interest and investment earnings | 1,500 | 2,230 | 730 |
| Repayment of advanced funds | - | - | - |
| Total nonoperating expenditures, net | 1,500 | 2,230 | 730 |
| Revenues over(under) expenditures | - | 273,556 | 273,556 |
| Fund balance appropriated | - | - | - |
| Total | - | 273,556 | 273,556 |
| **Revenues and Other Sources Over Expenditures and Other Uses** | $ - | $ 273,556 | $ 273,556 |
| Reconciliation from budgetary basis modified accrual to full accrual: | | | |
| Decrease in accrued vacation pay | | 6,806 | |
| Depreciation expense | | (67,483) | |
| Capital outlay | | 39,592 | |
| Total reconciling items | | (21,085) | |
| **Change in Net Position** | | $ 252,471 | |

# OTHER SCHEDULES

**Village of Clemmons, North Carolina** **Exhibit I**
**General Fund**
**Schedule of Ad Valorem Taxes Receivable**
**For the Fiscal Year Ended June 30, 2013**

| Fiscal Year | Uncollected Balance June 30, 2012 | Additions | Collections And Credits | Uncollected Balance June 30, 2013 |
|---|---|---|---|---|
| 2012-2013 | $ - | $ 2,388,629 | $ 2,363,052 | $ 25,577 |
| 2011-2012 | 31,639 | - | 25,371 | 6,268 |
| 2010-2011 | 6,195 | - | 2,483 | 3,712 |
| 2009-2010 | 4,593 | - | 1,304 | 3,289 |
| 2008-2009 | 1,223 | - | 131 | 1,092 |
| 2007-2008 | 700 | - | 46 | 654 |
| 2006-2007 | 1,043 | - | 24 | 1,019 |
| 2005-2006 | 942 | - | 44 | 898 |
| 2004-2005 | 1,084 | - | - | 1,084 |
| 2003-2004 | 867 | - | 6 | 861 |
| 2002-2003 | 786 | - | 786 | - |
| | $ 49,072 | $ - | $ 2,393,247 | $ 44,454 |

| | |
|---|---|
| Less allowance for uncollectible accounts | 18,877 |
| Ad valorem taxes receivable - net | $ 25,577 |

Reconcilement with revenues:

| | |
|---|---|
| Ad valorem taxes - General Fund | $ 2,398,650 |
| Reconciling items: | |
| Net interest collected | (7,315) |
| Releases (prior years' taxes) | 128 |
| Refunds Paid | 390 |
| Overpayments of current years taxes | (4) |
| Net (over)underpayments of prior years' taxes | 5 |
| Taxes written off | 786 |
| Penalties paid school system | 607 |
| Subtotal | (5,403) |
| Total collections and credits | $ 2,393,247 |

**Village of Clemmons, North Carolina** **Exhibit J**
**General Fund**
**Village-Wide Levy**
**For the Fiscal Year Ended June 30, 2013**

| | Village-wide | | | Total Levy | |
|---|---|---|---|---|---|
| | Property Valuation | Rate | Total Levy | Property excluding Registered Motor Vehicles | Registered Motor Vehicles |
| Original levy: | | | | | |
| Property taxed at current rate | $ 2,078,938,991 | 0.1150 | $ 2,390,779 | $ 2,194,529 | $ 196,250 |
| Penalties | | | 764 | 764 | |
| Underpayment of taxes | | | (16) | (1) | (15) |
| Total | 2,078,938,991 | | 2,391,527 | 2,195,292 | 196,235 |
| Releases | (2,520,313) | | (2,898) | (683) | (2,215) |
| Total property valuation | $ 2,076,418,678 | | | | |
| Net levy | | | 2,388,629 | 2,194,609 | 194,020 |
| Uncollected taxes at June 30, 2013 | | | (25,577) | (11,200) | (14,377) |
| Current year's taxes collected | | | $ 2,363,052 | $ 2,183,409 | $ 179,643 |
| Current levy collection percentage | | | 98.93% | 99.49% | 92.59% |

# Statistical Section

- Financial Trends
- Revenue Capacity
- Debt Capacity
- Demographics and Economic Condition
- Operating Conditions

This part of the Village of Clemmons' 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 Village's overall financial health.

**Financial Trends**
These schedules contain information to help the reader understand how the Village's financial performance and well-being changed over time.

**Revenue Capacity**
These schedules contain information to help the reader assess the Village's ability to generate its property taxes.

**Debt Capacity**
These schedules contain information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.

**Demographic and Economic Information**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

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

Sources: Unless otherwise noted, the information in these schedules is derived from the basic financial statements for the relevant year. The Village implemented GASB Statement 34 in fiscal year 2004; schedules presenting government-wide information include information beginning in that year.

**Village of Clemmons, North Carolina**
**Net Assets by Component**
**Last Ten Fiscal Years**
***(Accrual Basis of Accounting)***

**Schedule 1**

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Net Position** | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Invested in capital assets, net of related debt | $32,914,588 | $32,890,064 | $33,155,265 | $37,459,230 | $39,703,514 | $40,092,683 | $39,293,658 | $38,604,247 | $42,420,272 | **$44,689,584** |
| Restricted | 889,928 | 845,774 | 922,880 | 1,192,071 | 1,347,210 | 1,435,983 | 1,485,530 | 2,340,251 | 2,568,105 | **2,424,797** |
| Unrestricted | 4,405,144 | 4,886,758 | 5,232,220 | 5,556,033 | 5,192,030 | 4,940,335 | 4,997,784 | 4,409,510 | 4,391,917 | **5,223,583** |
| Total governmental activities net position | $38,209,660 | $38,622,596 | $39,310,365 | $44,207,334 | $46,242,754 | $46,469,001 | $45,776,972 | $45,354,008 | $49,380,294 | **$52,337,964** |
| Business-type activities: | | | | | | | | | | |
| Invested in capital assets, net of related debt | $ - | $ - | $ 98,731 | $ 192,474 | $ 153,332 | $ 190,998 | $ 423,601 | $ 511,412 | $ 704,208 | **$ 676,317** |
| Unrestricted | (81,154) | (227,766) | (40,875) | 162,700 | 360,581 | 417,318 | 448,460 | 634,508 | 749,680 | **1,030,042** |
| Total business-type activities net position | $ (81,154) | $ (227,766) | $ 57,856 | $ 355,174 | $ 513,913 | $ 608,316 | $ 872,061 | $ 1,145,920 | $ 1,453,888 | **$ 1,706,359** |
| Primary government | | | | | | | | | | |
| Invested in capital assets, net of related debt | $32,914,588 | $32,890,064 | $33,253,996 | $37,651,704 | $39,856,846 | $40,283,681 | $39,717,259 | $39,115,659 | $43,124,480 | **$45,365,901** |
| Restricted | 889,928 | 845,774 | 922,880 | 1,192,071 | 1,347,210 | 1,435,983 | 1,485,530 | 1,687,118 | 2,568,105 | **2,424,797** |
| Unrestricted | 4,323,990 | 4,658,992 | 5,191,345 | 5,718,733 | 5,552,611 | 5,357,653 | 5,446,244 | 5,697,151 | 5,141,597 | **6,253,625** |
| Total primary government net position | $38,128,506 | $38,394,830 | $39,368,221 | $44,562,508 | $46,756,667 | $47,077,317 | $46,649,033 | $46,499,928 | $50,834,182 | **$54,044,323** |

**Village of Clemmons, North Carolina**
**Changes in Net Position**
**Last Ten Fiscal Years**
***(Accrual Basis of Accounting)***

**Schedule 2**

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Expenses** | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Governing board | $ 50,708 | $ 51,569 | $ 53,544 | $ 50,356 | $ 61,759 | $ 60,696 | $ 60,240 | $ 58,446 | $ 65,060 | **$ 64,999** |
| Administration | 424,616 | 448,465 | 464,088 | 491,474 | 568,872 | 560,319 | 555,040 | 598,315 | 636,056 | **588,189** |
| Public safety | 527,058 | 558,137 | 593,788 | 730,635 | 818,000 | 830,861 | 893,079 | 845,102 | 822,679 | **910,312** |
| Public works | 2,656,945 | 2,743,769 | 3,031,825 | 3,041,440 | 3,446,078 | 3,629,761 | 3,486,600 | 3,422,984 | 3,702,409 | **3,674,847** |
| Planning and zoning | 63,343 | 45,193 | 50,436 | 78,793 | 232,863 | 243,842 | 286,315 | 246,813 | 123,555 | **131,282** |
| Cultural and recreation | 40,359 | 102,503 | 109,565 | 41,185 | 31,014 | 61,657 | 35,315 | 31,048 | 61,029 | **83,222** |
| Total governmental activities expenses | 3,763,029 | 3,949,636 | 4,303,246 | 4,433,883 | 5,158,586 | 5,387,136 | 5,316,589 | 5,202,708 | 5,410,788 | **5,452,851** |
| Business-type activities: | | | | | | | | | | |
| Stormwater | 81,154 | 146,612 | 167,760 | 174,386 | 323,134 | 387,775 | 353,049 | 387,142 | 420,007 | **497,430** |
| Total primary government expenses | $3,844,183 | $ 4,096,248 | $ 4,471,006 | $4,608,269 | $ 5,481,720 | $ 5,774,911 | $ 5,669,638 | $ 5,589,850 | $5,830,795 | **$ 5,950,281** |
| **Program revenues** | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Public Safety | $ 4,280 | $ 4,690 | $ 2,575 | $ 2,659 | $ 3,195 | $ 2,085 | $ 4,950 | $ 7,130 | $ 5,025 | **$ 4,875** |
| Public works | 41,250 | 48,077 | 46,273 | 50,717 | 5,544 | 12,699 | 10,182 | 38,878 | 10,782 | **9,943** |
| Planning and zoning | - | - | - | - | 7,365 | 17,100 | 4,692 | 6,598 | 4,710 | **5,925** |
| Operating grants and contributions: | | | | | | | | | | |
| Public works | 460,053 | 524,814 | 548,989 | 564,706 | 647,199 | 660,781 | 604,297 | 498,014 | 531,912 | **527,133** |
| Planning and Zoning | - | - | - | - | - | - | - | 29,240 | - | **-** |
| Cultural, recreation & economic development | | 35,000 | 72,658 | 82,934 | 88,763 | 64,021 | 51,246 | 70,917 | 80,329 | **84,025** |
| Capital grants and contributions: | | | | | | | | | | |
| Public works | 2,836,949 | 758,071 | 1,054,017 | 4,948,114 | 2,656,905 | 1,143,342 | - | 8,366 | 4,538,630 | **3,432,289** |
| American recovery and reinvestment act | | | | | | | 197,584 | | | |
| Total governmental activities program revenues | $3,342,532 | $ 1,370,652 | $ 1,724,512 | $5,649,130 | $ 3,408,971 | $ 1,900,028 | $ 872,951 | $ 659,143 | $5,171,388 | **$ 4,064,190** |
| Business-type activities: | | | | | | | | | | |
| Stormwater: | | | | | | | | | | |
| Charges for services | | | 483,782 | 497,990 | 508,159 | 515,433 | 651,808 | 658,193 | 725,809 | **747,671** |
| Total business-type activities program revenues | - | - | 483,782 | 497,990 | 508,159 | 515,433 | 651,808 | 658,193 | 725,809 | **747,671** |
| Total primary government program revenues | $3,342,532 | $ 1,370,652 | $ 2,208,294 | $6,147,120 | $ 3,917,130 | $ 2,415,461 | $ 1,524,759 | $ 1,317,336 | $5,897,197 | **$ 4,811,861** |

**Village of Clemmons, North Carolina**
**Changes in Net Assets**
**Last Ten Fiscal Years**
**(Accrual Basis of Accounting)**

**Schedule 2**

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total net (expense) revenue by program:** | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Governing Board | $ (50,708) | $ (51,569) | $ (53,544) | $ (50,356) | $ (61,759) | $ (60,696) | $ (60,240) | $ (58,446) | $ (65,060) | **$ (64,999)** |
| Administration | (424,616) | (448,465) | (464,088) | (491,474) | (568,872) | (560,319) | (555,040) | (598,315) | (636,056) | **(588,189)** |
| Public safety | (522,778) | (553,447) | (591,213) | (727,976) | (814,805) | (828,776) | (888,129) | (837,972) | (817,654) | **(905,437)** |
| Public works | 681,307 | (1,412,807) | (1,382,546) | 2,522,097 | (136,430) | (1,821,275) | (2,872,122) | (2,912,726) | 1,378,865 | **294,518** |
| Planning and zoning | (63,343) | (45,193) | (50,436) | (78,793) | (225,498) | (226,742) | (281,623) | (210,975) | (118,845) | **(125,357)** |
| Cultural and recreation | (40,359) | (100) | (36,907) | 41,749 | 57,749 | 2,364 | 15,931 | 39,869 | 19,300 | **803** |
| American recovery and reinvestment act | - | - | - | - | - | - | 197,584 | - | - | **-** |
| Business-type activities: | | | | | | | | | | |
| Stormwater | (81,154) | (146,612) | 316,022 | 323,604 | 185,025 | 127,658 | 298,759 | 271,051 | 305,802 | **250,241** |
| Total net program (expense) revenue | $ (501,651) | $(2,725,596) | $(2,262,712) | $1,538,851 | $(1,564,590) | $(3,367,786) | $(4,144,880) | $(4,307,514) | $ 66,352 | **$(1,138,420)** |
| **General revenues and transfers** | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property taxes, levied for general purposes | $1,266,733 | $ 1,323,989 | $ 1,483,998 | $1,676,300 | $ 1,743,984 | $ 1,823,239 | $ 1,991,829 | $ 2,331,349 | $2,359,674 | **$ 2,392,588** |
| Other taxes | 69,573 | 2,808 | 3,140 | 2,540 | 2,422 | 2,135 | 2,134 | 2,793 | 3,299 | **2,790** |
| Unrestricted intergovernmental | 1,430,627 | 1,505,831 | 1,588,331 | 1,689,396 | 1,786,595 | 1,707,759 | 1,681,423 | 1,781,264 | 1,886,530 | **1,936,602** |
| Investment earnings, unrestricted | 42,083 | 90,510 | 148,831 | 271,438 | 200,709 | 117,452 | 38,327 | 20,268 | 13,139 | **7,876** |
| Donations | | | | | | 250 | 248 | 100 | 500 | **50** |
| Miscellaneous | 2,771 | 1,379 | 1,203 | 1,048 | 10,325 | 450 | 128 | 825 | 2,594 | **6,425** |
| Gain on sale of fixed assets | - | - | - | - | - | 21,070 | - | 19,002 | - | **-** |
| Transfers | | | 41,000 | 41,000 | 41,000 | 41,000 | 37,521 | - | - | **-** |
| Total governmental activities general revenues | $2,811,787 | $ 2,924,517 | $ 3,266,503 | $3,681,722 | $ 3,785,035 | $ 3,713,355 | $ 3,751,610 | $ 4,155,601 | $4,265,736 | **$ 4,346,331** |
| Business-type activities: | | | | | | | | | | |
| Stormwater: | | | | | | | | | | |
| Investment earnings, unrestricted | - | - | 10,600 | 14,714 | 14,714 | 4,745 | 2,507 | 2,808 | 2,166 | **2,230** |
| Gross Proceeds from insurance | - | - | - | - | - | 3,000 | - | - | - | **-** |
| Transfers | - | - | (41,000) | (41,000) | (41,000) | (41,000) | (37,521) | - | - | **-** |
| Total business-type activities general revenues | - | - | (30,400) | (26,286) | (26,286) | (33,255) | (35,014) | 2,808 | 2,166 | **2,230** |
| Total net program (expense) revenue | (501,651) | (2,725,596) | (2,262,712) | 1,538,851 | (1,564,590) | (3,367,786) | (4,144,880) | (4,307,514) | 66,352 | **(1,138,420)** |
| **Change in net position:** | | | | | | | | | | |
| Governmental activities | 2,391,290 | 412,936 | 687,769 | 4,896,969 | 2,035,420 | 226,247 | (692,029) | (422,964) | 4,026,286 | **2,957,670** |
| Business-type activities | (81,154) | (146,612) | 285,622 | 297,318 | 158,739 | 94,403 | 263,745 | 273,859 | 307,968 | **252,471** |
| Total primary government | $2,310,136 | $ 266,324 | $ 973,391 | $5,194,287 | $ 2,194,159 | $ 320,650 | $ (428,284) | $ (149,105) | $4,334,254 | **$ 3,210,141** |

**Village of Clemmons, North Carolina** **Schedule 3**

**Fund Balance - Governmental Funds**

**Last Ten Fiscal Years**

***(modified accrual basis of accounting)***

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | **2013** |
|---|---|---|---|---|---|---|---|---|---|---|
| Fund Balance | | | | | | | | | | |
| General Fund | | | | | | | | | | |
| Non spendable | | | | | | | | | | |
| Inventories | $ - | $ 33,352 | $ 38,224 | $ 23,666 | $ 28,599 | $ 41,815 | $ 39,506 | $ 38,663 | $ 49,866 | **$ 47,187** |
| Restricted | | | | | | | | | | |
| Stabilization by State Statute | 453,824 | 599,466 | 629,763 | 709,468 | 672,690 | 667,798 | 819,717 | 653,133 | 626,117 | **604,204** |
| Streets | 774,031 | 729,976 | 843,989 | 1,071,432 | 1,168,822 | 1,255,231 | 1,288,847 | 1,462,065 | 1,630,317 | **1,508,119** |
| Travel and Tourism | 91,740 | 95,483 | 53,859 | 90,088 | 133,166 | 126,662 | 139,559 | 173,733 | 233,740 | **234,767** |
| Cultural, recreation and economic dev. | 24,158 | 20,315 | 25,032 | 30,551 | 45,222 | 54,090 | 57,124 | 51,320 | 77,931 | **77,707** |
| Flags | 61 | 61 | 61 | 61 | 61 | 61 | 61 | - | - | **-** |
| Committed | | | | | | | | | | |
| Village facilities | 290,089 | 296,047 | 1,013,177 | 1,066,512 | 503,092 | 511,795 | 512,754 | 513,383 | 513,675 | **513,912** |
| Assigned | | | | | | | | | | |
| Subsequent year's expenditures | 431,050 | 72,330 | 380,960 | 245,925 | 666,310 | 467,380 | 743,335 | 760,768 | - | **382,360** |
| Equipment | 18,000 | 18,000 | - | - | - | - | - | - | - | **-** |
| Public Safety | 79,900 | 79,900 | - | - | - | - | - | - | - | **-** |
| Sidewalks | 39,250 | 39,250 | 39,250 | 39,250 | 12,491 | 12,491 | 12,491 | - | - | **-** |
| Unassigned | 3,121,381 | 3,778,294 | 3,162,981 | 3,504,426 | 3,338,412 | 3,272,808 | 2,902,206 | 3,136,439 | 3,894,390 | **4,343,240** |
| Total general fund | $ 5,323,484 | $ 5,762,474 | $ 6,187,296 | $ 6,781,379 | $ 6,568,865 | $ 6,410,131 | $ 6,515,600 | $ 6,789,504 | $ 7,026,036 | **$ 7,711,496** |
| All other governmental funds | | | | | | | | | | |
| Unassigned capital projects | - | - | - | - | - | - | - | - | (22,103) | **-** |
| Total all other governmental funds | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ (22,103) | **$ -** |

**Village of Clemmons, North Carolina** **Schedule 4**

**Changes in Fund Balance - Governmental Funds**

**Last Ten Fiscal Years**

***(modified accrual basis of accounting)***

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | **2013** |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | | |
| Taxes | $ 1,267,652 | $ 1,324,682 | $ 1,484,236 | $ 1,673,659 | $ 1,742,603 | $ 1,817,325 | $ 1,985,536 | $ 2,329,835 | $ 2,361,116 | **$ 2,398,650** |
| Other Taxes & Licenses | 3,286 | 2,808 | 3,139 | 2,540 | 2,422 | 2,135 | 2,134 | 2,793 | 3,299 | **2,790** |
| Unrestricted Intergovernmental | 1,430,627 | 1,505,831 | 1,588,332 | 1,689,396 | 1,786,596 | 1,707,759 | 1,681,423 | 1,781,264 | 1,886,530 | **1,936,602** |
| Restricted Intergovernmental | 519,101 | 611,243 | 588,806 | 595,579 | 685,415 | 711,654 | 850,929 | 596,504 | 626,456 | **743,929** |
| Permits & Fees | 10,155 | 15,517 | 8,498 | 11,427 | 16,105 | 23,548 | 19,824 | 17,606 | 20,517 | **20,743** |
| Sales & services | 35,375 | 37,250 | 40,350 | 41,950 | - | - | - | - | - | **-** |
| Investment Earnings | 49,322 | 106,484 | 181,671 | 323,498 | 251,254 | 138,936 | 40,525 | 21,935 | 14,064 | **8,617** |
| Other revenues | 2,371 | 1,379 | 1,103 | 1,048 | 74 | 700 | 376 | 925 | 594 | **185** |
| Total revenues | 3,317,889 | 3,605,194 | 3,896,135 | 4,339,097 | 4,484,469 | 4,402,057 | 4,580,747 | 4,750,862 | 4,912,576 | **5,111,516** |
| **Expenditures** | | | | | | | | | | |
| Governing Board | 50,708 | 51,569 | 53,543 | 50,356 | 61,759 | 60,696 | 60,240 | 58,446 | 65,060 | **64,999** |
| Administration | 402,385 | 428,254 | 439,702 | 474,167 | 550,223 | 540,427 | 537,673 | 579,298 | 615,888 | **568,626** |
| Public Safety | 522,409 | 553,488 | 589,139 | 726,046 | 816,782 | 829,659 | 891,948 | 844,165 | 821,742 | **909,724** |
| Public Works | 1,689,448 | 1,780,729 | 1,977,100 | 1,931,004 | 2,306,330 | 2,431,169 | 1,905,458 | 1,983,906 | 2,122,777 | **1,767,522** |
| Powell Bill Streets | - | - | - | - | - | - | 394,792 | 228,462 | 170,806 | **622,210** |
| Planning & zoning | 63,343 | 45,193 | 50,436 | 78,793 | 232,348 | 241,433 | 285,376 | 246,142 | 123,570 | **130,851** |
| Cultural & recreation | 40,359 | 102,503 | 109,565 | 41,185 | 31,014 | 61,657 | 35,315 | 31,048 | 61,029 | **83,222** |
| Capital outlay | 186,143 | 237,820 | 297,800 | 469,906 | 754,710 | 480,466 | 399,688 | 505,650 | 743,170 | **262,777** |
| Total expenditures | 2,954,795 | 3,199,556 | 3,517,285 | 3,771,457 | 4,753,166 | 4,645,507 | 4,510,490 | 4,477,117 | 4,724,042 | **4,409,931** |
| Excess (deficiency) of revenues over expenditures | 363,094 | 405,638 | 378,850 | 567,640 | (268,697) | (243,450) | 70,257 | 273,745 | 188,534 | **701,585** |
| **Other financing source (uses):** | | | | | | | | | | |
| Operating transfers | - | - | 41,000 | 41,001 | 41,000 | 41,000 | 37,521 | - | - | **-** |
| Sale of Capital Assets | - | - | - | - | 10,251 | 30,500 | - | 1,002 | 14,693 | **8,657** |
| Total other financing sources (uses) | - | - | 41,000 | 41,001 | 51,251 | 71,500 | 37,521 | 1,002 | 14,693 | **8,657** |
| Net change in fund balance | $ 363,094 | $ 405,638 | $ 419,850 | $ 608,641 | $ (217,446) | $ (171,950) | $ 107,778 | $ 274,747 | $ 203,227 | **$ 710,242** |
| Debt service as a percentage of noncapital expenditures | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

**Village of Clemmons, North Carolina** **Schedule 5**
**Program Revenues by Function**
**Last Ten Fiscal Years**
***(accrual basis of accounting)***

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|
| Governmental activities: | | | | | | | | | | |
| Public safety | $ 4,280 | $ 4,690 | $ 2,575 | $ 2,659 | $ 3,195 | $ 2,085 | $ 4,950 | $ 7,130 | $ 5,025 | **$ 4,875** |
| Public works & streets | 3,338,252 | 1,330,962 | 1,649,279 | 5,563,537 | 3,309,648 [1] | 1,816,822 | 812,063 | 545,258 | 5,081,774 | **3,969,365** |
| Planning & Zoning | | | | | 7,365 [2] | 17,100 | 4,692 | 35,838 | 4,710 | **5,925** |
| Cultural,recreational & economic | - | 35,000 | 72,658 | 82,934 | 88,763 | 64,021 | 51,246 | 70,917 | 80,329 | **84,025** |
| Subtotal for governmental activities | 3,342,532 | 1,370,652 | 1,724,512 | 5,649,130 | 3,408,971 | 1,900,028 | 872,951 | $ 659,143 | $ 5,171,838 | **$ 4,064,190** |
| Business-type activities | | | | | | | | | | |
| Stormwater | $ - | $ - | $ 483,782 | $ 497,990 | $ 508,159 | $ 515,433 | $ 651,808 | $ 658,193 | $ 725,809 | **$ 747,671** |
| Total primary government | $ 3,342,532 | $ 1,370,652 | $ 2,208,294 | $ 6,147,120 | $ 3,917,130 | $ 2,415,461 | $ 1,524,759 | $ 1,317,336 | $ 5,897,647 | **$ 4,811,861** |

1. The Village discontinued fee based leaf/limb service and provided Village-wide service provided by taxes and stormwater fee.
2. The Village adopted a planning fee schedule in concurrence with developing an in house planning department.

**Village of Clemmons, North Carolina** **Schedule 6**
**General Governmental Tax Revenues by Source**
**Last Ten Fiscal Years**
***(modified accrual basis of accounting)***

| Fiscal Year | Ad Valorem Taxes | Sales Taxes | Franchise Taxes | Beer and Wine Tax | Occupancy Tax | Solid Waste Disposal Tax | Total |
|---|---|---|---|---|---|---|---|
| 2004 | $ 1,267,652 | $ 419,909 | $ 697,245 | $ 70,219 | $ 66,287 | $ - | $ 2,521,312 |
| 2005 | 1,324,682 | 444,507 | 739,815 | 73,224 | 67,403 | - | 2,649,631 |
| 2006 | 1,484,236 | 485,449 | 775,876 | 74,920 | 72,658 | - | 2,893,139 |
| 2007 | 1,673,659 | 546,849 | 828,371 | 77,876 | 82,934 | - | 3,209,689 |
| 2008 | 1,742,603 | 602,306 | 902,111 | 81,308 | 88,762 | - | 3,417,090 |
| 2009 | 1,817,325 | 494,826 | 935,186 | 80,442 | 64,021 | 8,336 | 3,400,136 |
| 2010 | 1,985,536 | 507,463 | 968,438 | 25,942 | 51,246 | 12,395 | 3,551,020 |
| 2011 | 2,239,835 | 558,441 | 965,956 | 82,396 | 70,917 | 12,673 | 3,930,218 |
| 2012 | 2,361,116 | 671,762 | 918,288 | 80,970 | 80,329 | 12,760 | 4,125,225 |
| **2013** | **2,398,650** | **688,248** | **944,394** | **76,021** | **84,025** | **10,606** | **4,201,944** |
| Change | | | | | | | |
| 2004-2013 | 47.2% | 39.0% | 26.2% | 7.6% | 21.1% | 21.4% | 21.3% |
| 2008-2013 | 27.4% | 12.5% | 4.5% | -7.0% | -5.6% | 21.4% | 18.7% |

In North Carolina, property tax would be considered an own-source revenue. Information about the tax rate and assessed value is found in the Revenue Capacity tables in the Statistical Section.

Included intergovernmental taxes due to the Village's dependency on these revenues.

Local sales tax levied by Forsyth County and distributed to Clemmons by an ad valorem distribution formula.
Franchise taxes levied by North Carolina; telecommunications sales tax, utility franchise tax, piped natural gas tax and video franchise fee .
Please note the video franchise fee was started in 2007.

A city or county is eligible to share in beer or wine excise tax revenues if beer or wine may legally be sold within its boundaries.
The State withheld a portion of this tax in 2010.

Occupancy tax is levied on hotels within Forsyth County and the County shares a portion of this tax with the municipalities within the County.
Decreased revenue in 2010 was due to financial difficulties of two of the hotels within Clemmons.

The solid waste disposal tax is an excise tax that went into effect July 1, 2008 with a portion of the proceeds distributed back to the municipality to promote recycling.

**Village of Clemmons, North Carolina** **Schedule 7**
**Assessed and Estimated Actual Value of Taxable Property**
**Last Ten Fiscal Years**

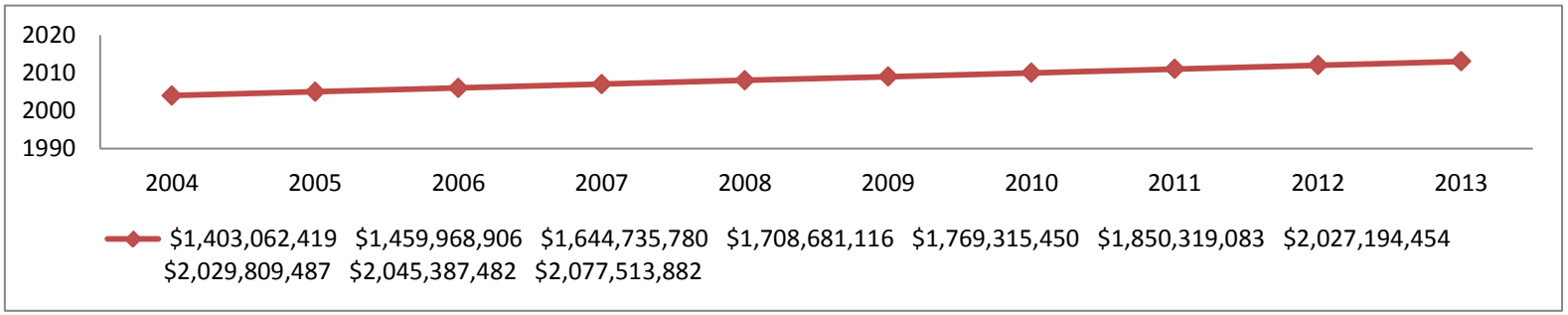
| Fiscal Year Ended June 30 | (1)Tax Year Ended December 31 | Real Property | Personal Property | Registered Vehicles | Public Service Companies | Total | (2) Ratio of Assessed Value Estimated Actual Value | (3) Total Direct Tax Rate |
|---|---|---|---|---|---|---|---|---|
| 2004 | 2003 | $ 1,175,763,700 | $ 61,318,200 | $ 148,115,770 | $ 17,864,749 | $ 1,403,062,419 | 100% | 0.09 |
| 2005 | 2004 | $ 1,223,426,450 | $ 67,927,880 | $ 151,523,570 | $ 17,091,006 | $ 1,459,968,906 | 100% | 0.09 |
| 2006 | 2005 | $ 1,400,359,550 | $ 70,419,950 | $ 156,082,710 | $ 17,873,570 | $ 1,644,735,780 | 100% | 0.09 |
| 2007 | 2006 | $ 1,454,107,770 | $ 73,331,170 | $ 162,735,340 | $ 18,506,836 | $ 1,708,681,116 | 100% | 0.0985 |
| 2008 | 2007 | $ 1,505,819,100 | $ 79,120,010 | $ 162,865,210 | $ 21,511,130 | $ 1,769,315,450 | 100% | 0.0985 |
| 2009 | 2008 | $ 1,570,250,537 | $ 83,852,680 | $ 161,436,580 | $ 34,779,286 | $ 1,850,319,083 | 100% | 0.0985 |
| 2010 | 2009 | $ 1,758,282,315 | $ 83,669,070 | $ 151,018,435 | $ 34,224,634 | $ 2,027,194,454 | 100% | 0.0985 |
| 2011 | 2010 | $ 1,769,329,193 | $ 78,301,710 | $ 145,386,218 | $ 36,792,366 | $ 2,029,809,487 | 100% | 0.115 |
| 2012 | 2011 | $ 1,776,480,273 | $ 77,426,430 | $ 156,444,674 | $ 35,036,105 | $ 2,045,387,482 | 100% | 0.115 |
| **2013** | **2012** | **$ 1,796,528,413** | **$ 79,050,350** | **$ 166,698,350** | **$ 35,236,769** | **$ 2,077,513,882** | **100%** | **0.115** |

Source: TR-1 reports compiled by the Forsyth County Tax Department on a calendar year basis to meet reporting requirements of the Tax Research Division of the North Carolina Department of Revenue, this page does not agree with Exhibit I, Exhibit I is on fiscal year basis.

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

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

(3) Tax rates per $100 valuation. Direct Rate shown does not include Fire District Rates.
See Schedule 10 for complete Direct and Overlapping Tax Rates



**Property Tax Rates - Direct and Overlapping Governments** **Schedule 8**
**(Per $100 of Assessed Value)**
**Last Ten Fiscal Years**

| Fiscal Year | Village of Clemmons | (3) Total Village Direct Rate | Forsyth County | (1) Clemmons Fire District | (1) Lewisville Fire District | (2) Total Combined Tax Rate Clemmons Fire District | (2) Total Combined Tax Rate Lewisville Fire District |
|---|---|---|---|---|---|---|---|
| 2004 | 0.0900 | 0.0900 | 0.692 | 0.05 | 0.05 | 0.8320 | 0.8320 |
| 2005 | 0.0900 | 0.0900 | 0.708 | 0.05 | 0.05 | 0.8480 | 0.8480 |
| 2006 | 0.0900 | 0.0900 | 0.666 | 0.05 | 0.05 | 0.8060 | 0.8060 |
| 2007 | 0.0985 | 0.0985 | 0.666 | 0.05 | 0.06 | 0.8145 | 0.8245 |
| 2008 | 0.0985 | 0.0985 | 0.696 | 0.05 | 0.06 | 0.8445 | 0.8545 |
| 2009 | 0.0985 | 0.0985 | 0.696 | 0.05 | 0.06 | 0.8445 | 0.8545 |
| 2010 | 0.0985 | 0.0985 | 0.674 | 0.05 | 0.06 | 0.8225 | 0.8325 |
| 2011 | 0.1150 | 0.1150 | 0.674 | 0.05 | 0.06 | 0.8390 | 0.8490 |
| 2012 | 0.1150 | 0.1150 | 0.674 | 0.05 | 0.06 | 0.8390 | 0.8490 |
| 2013 | 0.1150 | 0.1150 | 0.674 | 0.05 | 0.06 | 0.8390 | 0.8490 |

Source: Forsyth County Tax Department and Village of Clemmons adopted budget.
Note: (1) The Forsyth County Board of Commissioners sets each Fire Tax District Rate.
(2) Part of the Village is in Clemmons Fire District and part is in Lewisville Fire District
(3) The Village of Clemmons has a fifteen cents tax cap included in its charter.
Changing the tax cap requires voter approval or legislation from the NC State Legislature

**Village of Clemmons, North Carolina**
**Property Tax Levies and Collections**
**Last Ten Fiscal Years**

**Schedule 9**

| Fiscal Year | Net Tax Levy | Collection on Current Year Levy | | Collection and Credits on Prior Years' Levies | Total Tax Collections | Total Tax Collections to Net Tax Levy | Outstanding Delinquent Taxes |
|---|---|---|---|---|---|---|---|
| | | Amount | Percent | | | | |
| 2004 | $ 1,267,793 | $ 1,251,525 | 98.72% | $ 15,407 | $ 1,266,932 | 99.93% | $ 861 |
| 2005 | $ 1,325,209 | $ 1,309,634 | 98.82% | $ 14,491 | $ 1,324,125 | 99.92% | $ 1,084 |
| 2006 | $ 1,482,608 | $ 1,467,271 | 98.97% | $ 14,439 | $ 1,481,710 | 99.94% | $ 898 |
| 2007 | $ 1,675,199 | $ 1,657,221 | 98.93% | $ 16,959 | $ 1,674,180 | 99.94% | $ 1,019 |
| 2008 | $ 1,745,019 | $ 1,725,659 | 98.89% | $ 18,706 | $ 1,744,365 | 99.96% | $ 654 |
| 2009 | $ 1,821,306 | $ 1,796,026 | 98.61% | $ 24,188 | $ 1,820,214 | 99.94% | $ 1,092 |
| 2010 | $ 1,993,719 | $ 1,962,148 | 98.42% | $ 28,282 | $ 1,990,430 | 99.84% | $ 3,289 |
| 2011 | $ 2,329,594 | $ 2,296,513 | 98.58% | $ 29,369 | $ 2,325,882 | 99.84% | $ 3,712 |
| 2012 | $ 2,359,777 | $ 2,328,138 | 98.66% | $ 25,371 | $ 2,353,509 | 99.73% | $ 6,268 |
| **2013** | **$ 2,388,629** | **$ 2,363,052** | **98.93%** | **$ -** | **$ 2,363,052** | **98.93%** | **$ 25,577** |

Source Exhibit H-Village of Clemmons CAFR
Village of Clemmons property taxes are collected by the Forsyth County Tax Department.

**Village of Clemmons, North Carolina**
**Principal Taxpayers For the Year**
**Fiscal Years Ended June 30, 2013 and 2008**

**Schedule 10**

| | | Fiscal Year 2013 | |
|---|---|---|---|
| **Taxpayer** | **Type of Enterprise** | **Assessed Valuation** | **Percent of Total Assessed Valuation** |
| Hayward Industries Inc. | Manufacturer | $ 45,431,658 | 2.19% |
| Bellsouth Telephone Co. | Communications | 21,368,361 | 1.03% |
| Chamberlain Place Apartments | Apartments | 18,931,100 | 0.91% |
| Clemmons Medical Park | Health Care | 13,417,400 | 0.65% |
| Hubbard Realty of WS, Inc. | Real Estate Developer/Contractor | 10,891,291 | 0.52% |
| Tanglewood Ht LLC | Real Estate Developer | 9,193,600 | 0.44% |
| Morgan Place Apartments | Apartments | 8,997,700 | 0.43% |
| Concord Five LLC | Real Estate Developer | 8,499,700 | 0.41% |
| Piedmont National Gas | Utilities | 7,673,855 | 0.37% |
| Ellis Properties | Real Estate Developer | 7,629,400 | 0.37% |
| Total Top Ten | | $ 152,034,065 | 7.32% |
| Total Levy Schedule 7 | | $ 2,074,513,882 | |

| | | Fiscal Year 2008 [1] | |
|---|---|---|---|
| **Taxpayer** | **Type of Enterprise** | **Assessed Valuation** | **Percent of Total Assessed Valuation** |
| Hayward Industries Inc. | Manufacturer | $ 41,558,388 | 2.35% |
| Hubbard Realty of WS | Real Estate Developer/Contractor | 15,365,133 | 0.87% |
| Western Enterprises | Real Estate Developer/Contractor | 9,074,128 | 0.51% |
| Tanglewood Retail | Real Estate Developer/Retail | 8,782,100 | 0.50% |
| Morgan Place Partnership | Apartments | 8,524,300 | 0.48% |
| Ellis Properties | Real Estate Developer | 8,239,399 | 0.47% |
| Duke Energy | Utility | 7,064,233 | 0.40% |
| Piedmont Natural Gas | Utility | 6,979,291 | 0.39% |
| Clemmons Apartment David Drye Co. | Apartments | 6,720,000 | 0.38% |
| Bellsouth Telephone | Utility | 6,548,393 | 0.37% |
| Total Top Ten | | $ 118,855,365 | 6.72% |
| Total Levy Schedule 7 | | $ 1,769,315,450 | |

Source: Forsyth County Tax Department.
1. Fiscal year 2004 was unavailable , Fiscal Year 2008 was the first CAFR that the Village prepared.

**Village of Clemmons, North Carolina** **Schedule 11**

**Legal Debt Margin Information**

**Last Ten Fiscal Years**

| | |
|---|---|
| **Legal Debt Margin Calculation for Fiscal Year 2012** | |
| **Assessed Value of Taxable Property** | **$ 2,076,418,678** |
| **Debt Limit = Eight percent (8%) of assessed value** | **166,113,494** |
| **Debt applicable to limit:** | |
| | - |
| **Total debt applicable to legal debt limit** | - |
| **Legal debt margin** | **$ 166,113,494** |

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|
| Debt Limit | $ 112,330,844 | $ 117,591,408 | $ 131,667,644 | $ 136,978,222 | $ 141,600,325 | $ 147,852,751 | $ 161,872,812 | $ 162,016,626 | $ 163,874,435 | **$ 166,113,494** |
| Total net debt applicable to limit | - | - | - | - | - | - | - | - | - | **-** |
| Legal debt margin | $ 112,330,844 | $ 117,591,408 | $ 131,667,644 | $ 136,978,222 | $ 141,600,325 | $ 147,852,751 | $ 161,872,812 | $ 162,016,626 | $ 163,874,435 | **$ 166,113,494** |
| Total net debt applicable to the limit as a percentage of debt limit | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | **0.000%** |

Note: Under North Carolina state law, the Village'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. All debt issued for Clemmons' governmental activities has been installment contract financing and capital leases, where the financed asset is collateral for the debt

Excludes business -type activities.

**Village of Clemmons, North Carolina** **Schedule 12**
**Computation of Direct and Overlapping Governmental Activities Debt**
**For the Fiscal Year Ended June 30, 2013**

| Jurisdiction | Outstanding Debt | Percentage Applicable to Clemmons | Amount Applicable to Clemmons |
|---|---|---|---|
| **Forsyth County** | | | |
| General obligation debt | $ 483,060,000 | | |
| Certificates of Participation | 48,570,000 | | |
| Limited obligation bonds | 29,040,000 | | |
| Installment Purchase Contracts | 2,141,650 | | |
| | $ 562,811,650 | 6.021% | 33,886,105 |
| Subtotal, overlapping debt | | | 33,886,105 |
| Total direct and overlapping debt | | | $ 33,886,105 |

Sources:
Assessed valuation used to determine percentages from TR-1 report provided by Forsyth County Tax Assessor
Debt information from Forsyth County Finance Office
The Village of Clemmons has no governmental activities debt
The purpose of this schedule is recognize that the entire debt burden borne by the residents and businesses should be taken into account when calculating the government's ability to issue and repay long-term debt.

The percentage of overlapping debt applicable to the Village of Clemmons is estimated using taxable assessed value information. Property tax is the largest governmental activities revenue source for these units and the rates are adopted by the governing boards in their annual budgets.

**Village of Clemmons, North Carolina**
**Ratios of Outstanding Debt**
**For the last ten fiscal years**

**Schedule 13**

| | Governmental Activities | | | | Business Type Activities | | | Primary Government | |
|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year | Capital Lease | Installment Financing | Outstanding Debt per Capita | Ratio of Outstanding Debt to Estimated Actual Value of Taxable Property | Capital Lease | Outstanding Debt per Capita | Ratio of Outstanding Debt to Estimated Actual Value of Taxable Property | Total Primary Government Debt | Total Outstanding Debt per Capita |
| 2004 | - | - | - | 0.00% | $ - | - | 0.00% | $ - | - |
| 2005 | - | - | - | 0.00% | $ - | - | 0.00% | $ - | - |
| 2006 | - | - | - | 0.00% | $ - | - | 0.00% | $ - | - |
| 2007 | - | - | - | 0.00% | $ - | - | 0.00% | $ - | - |
| 2008 | - | - | - | 0.00% | $ - | - | 0.00% | $ - | - |
| 2009 | - | - | - | 0.00% | $ 102,159 | 6 | 0.01% | $ 102,159 | 6 |
| 2010 | - | - | - | 0.00% | $ 69,574 | 4 | 0.00% | $ 69,574 | 4 |
| 2011 | - | - | - | 0.00% | $ 35,543 | 2 | 0.00% | $ 35,543 | 2 |
| 2012 | - | - | - | 0.00% | $ - | - | 0.00% | $ - | - |
| 2013 | - | - | - | 0.00% | $ - | - | 0.00% | $ - | - |

Population data is shown on the Demographic Statistics schedule.

See the schedule of Assessed and Estimated Actual Value of Taxable Property in the Revenue Capacity section.

Total personal income is not available for the Village of Clemmons.

**Village of Clemmons, North Carolina** **Schedule 14**
**Ratio of Annual Debt Service Expenditures**
**Total Noncapital General Governmental Expenditures**
**Last Ten Fiscal Years**

| Fiscal Year | Principal | Interest | Total Debt Service | Noncapital General Governmental Expenditures | Ratio of Debt Service to Noncapital Expenditures |
|---|---|---|---|---|---|
| 2004 | $ 361 | $ 3 | $ 364 | $ 2,768,652 | 0.01% |
| 2005 | $ - | $ - | $ - | $ 2,961,736 | 0.00% |
| 2006 | $ - | $ - | $ - | $ 3,219,485 | 0.00% |
| 2007 | $ - | $ - | $ - | $ 3,301,551 | 0.00% |
| 2008 | $ - | $ - | $ - | $ 3,998,456 | 0.00% |
| 2009 | $ - | $ - | $ - | $ 4,645,507 | 0.00% |
| 2010 | $ - | $ - | $ - | $ 4,510,490 | 0.00% |
| 2011 | $ - | $ - | $ - | $ 3,971,467 | 0.00% |
| 2012 | $ - | $ - | $ - | $ 4,186,872 | 0.00% |
| **2013** | **$ -** | **$ -** | **$ -** | **$ 4,147,154** | **0.00%** |

Includes installment debt and capital leases.

**Village of Clemmons, North Carolina**
**Demographic Statistics**
**Last Ten Fiscal Years**

**Schedule 15**

| | Clemmons | | Forsyth County | | | | |
|---|---|---|---|---|---|---|---|
| **Fiscal Year** | **Population (1)** | **Median Age (1)** | **Population (1)** | **Median Age (1)** | **Total Personal Income (2) (Thousands of Dollars)** | **Per Capita Income (1)** | **Unemployment Rate (3)** |
| 2002 | 16294 | | 313803 | | $ 9,847,688 | $ 31,372 | 6.1 |
| 2003 | 16350 | | 316323 | | $ 10,088,416 | $ 31,915 | 6.2 |
| 2004 | 16543 | | 319220 | | $ 11,236,419 | $ 34,558 | 5.6 |
| 2005 | 16962 | | 306274 | | $ 11,707,040 | $ 35,313 | 5.1 |
| 2006 | 17234 | | 330935 | | $ 12,435,483 | $ 36,576 | 4.6 |
| 2007 | 17648 | | 337159 | | $ 13,003,878 | $ 37,372 | 4.7 |
| 2008 | 18161 | | 342976 | | $ 13,443,142 | $ 39,041 | 5.8 |
| 2009 | 18695 | | 347332 | | $ 12,979,660 | $ 36,223 | 10.2 |
| 2010 | 18627 | 40.6 | 350670 | 37.2 | $ 13,022,068 | $ 37,059 | 10.3 |
| 2011 | 18688 | | 356243 | | $ 13,489,313 | $ 38,003 | 10.6 |
| 2012 | 18829 | | 360679 | | (4) | (4) | 9.5 |
| **2013** | **18960** | | **365106** | | **(4)** | **(4)** | **8.8** |

Source:
(1) Office of Budget and Management for the State of North Carolina
(2) U.S. Bureau of Economic Analysis
(3) The Employment Security Commission of North Carolina
(4) Information is unavailable

**Village of Clemmons, North Carolina**
**Principal Employers For the Year**
**Fiscal Year Ended June 30, 2013**

**Schedule 16**

| Employers | | 2013 [1] | | | 2003[2] | | |
|---|---|---|---|---|---|---|---|
| **Forsyth County** | **Type of Enterprise** | **Approximate Number of Employees** | **Rank** | **Percentage of Total County Employment** | **Approximate Number of Employees** | **Rank** | **Percentage of Total County Employment** |
| Wake Forest University Baptist Medical Center[2] formally NC Baptist Hospitals , Inc | Education & Health Services | 12,837 | 1 | 7.84% | 11,121 | 1 | 7.09% |
| Novant Health and Affiliates | Education & Health Services | 8,145 | 2 | 4.97% | 7,000 | 3 | 4.46% |
| Winston-Salem/Forsyth County Schools[3] | Education & Health Services | 7,600 | 3 | 4.64% | 7,020 | 2 | 4.48% |
| Reynolds America, Inc . Formally RJ Reynolds Tobacco Co. | Manufacturing | 3,000 | 4 | 1.83% | 5,930 | 5 | 3.78% |
| Wells Fargo, formally Wachovia Corporation | Financial Activities | 2,800 | 5 | 1.71% | | | |
| City of Winston-Salem | Public Administration | 2,660 | 6 | 1.62% | | | |
| Hanesbrands, Inc formally Sara Lee Personal Products | Manufacturing | 2,500 | 7 | 1.53% | 6,000 | 4 | 3.83% |
| BBT | Financial Activities | 2,200 | 8 | 1.34% | N/A | | 0.00% |
| Forsyth County | Public Administration | 2,029 | 9 | 1.24% | 1,859 | 9 | 1.19% |
| Wake Forest University | Education & Health Services | 1,680 | 10 | 1.03% | 1,581 | 10 | 1.01% |
| US Airways | Aviation | | | | 1,885 | 8 | 1.20% |
| **Total** | | 45,451 | | 27.75% | 42,396 | | 27.03% |
| Total Employed County[4] | | | | | 156,819 | | |
| **Village of Clemmons[3]** | | | 2,013 | | | 2,012 | |
| Hayward Pools | Manufacturing | 600 | 1 | 0.37% | 600 | 1 | 0.37% |
| Winston-Salem Forysth County Schools | Education & Health Services | 266 | 2 | 0.16% | 380 | 2 | 0.23% |
| Triumph Actuation Systems LLC | Manufacturing | 220 | 3 | 0.14% | 200 | 3 | 0.12% |
| Lowes Food | Retail | 184 | 4 | 0.11% | 110 | 6 | 0.07% |
| Sheffield Financial | Financial Activities | 170 | 5 | 0.10% | 150 | 4 | 0.09% |
| Food Lion 2 locations | Retail | 124 | 6 | 0.08% | 118 | 5 | 0.07% |
| Novant-Emergency Room Services | Education & Health Services | 110 | 7 | 0.07% | | | |
| Sylvester and Cockrum, Inc. | Energy | 105 | 8 | 0.06% | | | |
| Elms at Tanglewood | Education & Health Services | 90 | 9 | 0.06% | 90 | 7 | 0.06% |
| Clemmons Village I & II Assisted Living | Education & Health Services | 90 | 10 | 0.06% | 85 | 8 | 0.05% |
| Duke Energy | Utilites | | | | 85 | 9 | 0.05% |
| Golding Farms Food | Food Services | | | | 80 | 10 | 0.05% |
| **Total** | | 1,959 | | 1.21% | 1,898 | | 1.17% |
| **Total Employed County[4]** | | 163,781 | | | 162,419 | | |

[1]estimates as of February 2013: Source: The Greater Winston Salem Chamber of Commerce

[2] estimates as of June 2003: Source: Forsyth County

[3] estimates as of June 30, 2013: Source: individual employers per call by Finance office

Total Employed in Clemmons not available

[4] Source: Employment Security Commission

**Village of Clemmons, North Carolina**
**Operating Indicators by Function**
**Last Ten Fiscal Years**

**Schedule 17**

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | **2013** |
|---|---|---|---|---|---|---|---|---|---|---|
| **Public Safety: Per Forsyth County Sheriff's Department** | | | | | | | | | | |
| Total Offenses (1) | N/A | N/A | N/A | N/A | 2,687 | 2,452 | 2372 | 2557 | 2159 | **n/a** |
| Total Part 1 Crimes | N/A | N/A | N/A | N/A | (8) | 553 | 550 | 592 | 482 | **n/a** |
| Part 1 Crimes per 1000 population | N/A | N/A | N/A | N/A | (8) | 30 | 29 | 32 | 26 | **n/a** |
| Total Calls For Service | N/A | N/A | N/A | N/A | (8) | 9,477 | 9082 | 12135 | 10342 | **n/a** |
| CID Assigned Cases | N/A | N/A | N/A | N/A | 114 | 190 | 292 | 341 | 231 | **n/a** |
| Closed/Cleared | N/A | N/A | N/A | N/A | 72 | 86 | 49 | 52 | 53 | **n/a** |
| **Public Works:** | | | | | | | | | | |
| Streets Resurfaced (feet)(2) | 40,355 | 24,592 | 16,322 | 9,435 | 18,661 | 12,986 | 9853 | 4518 | 5565 | **23940** |
| Pavement Condition Rating per US Infrastructure Survey | | | 91.5% | | | | 87.4% | | | |
| NC Statewide Pavement Condition Rating | | | 85.0% | | | | 80.0% | | | |
| Sanitation Disposal (tons)(3) | 4,049 | 7,047 | 5,282 | 7,034 | 6,601 | 6,326 | 6034 | 5687 | 6077 | **4386** |
| Sanitation Recycling (tons)(3) | 1,107 | 1,084 | 1,112 | 951 | 1,135 | 1,303 | 1087 | 1090 | 1125 | **1386** |
| Tonnage Leaf/Limb(3) | 777 | 1,690 | 2,269 | 2,105 | 3,741 | 4,363 | 3912 | 4511 | 4313 | **4945** |
| **Planning & Zoning** | | | | | | | | | | |
| Zoning Cases(4) | 5 | 7 | 13 | 14 | 3 | 5 | 5 | 3 | 2 | **3** |
| Subdivision Review(4) | 2 | 2 | 0 | 3 | 0 | 1 | 0 | 0 | 0 | **1** |
| Planning Board Review(4) | 4 | 0 | 2 | 1 | 3 | 7 | 1 | 2 | 0 | **0** |
| UDO amendments | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 2 | 3 | **1** |
| Zoning Enforcement Hours Contracted (5) | 209 | 243 | 385 | 339 | 304 | 246.25 | 267.75 | 422.75 | 279 | **245.75** |
| City-County Inspections permits issued | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 334 | 290 | **311** |
| Code violations open | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 86 | 81 | **66** |
| Code violations closed | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 84 | 75 | **48** |
| **Administration** | | | | | | | | | | |
| Certificate Achievement for Excellence in Financial Reporting | CAFR first prepared and submitted 06/30/2008 | | | | x | x | x | x | x | |
| **Stormwater** | | | | | | | | | | |
| Participants of Clean up days (2) | | | | | | | | | | 165 |
| Stormwater permits issued | N/A | N/A | N/A | N/A | N/A | 10 | 11 | 12 | 9 | 11 |
| Goodhousekeeping/ non capital projects | N/A | N/A | N/A | N/A | 2 | 2 | 4 | 10 | 7 | 21 |

Sources:
From Village Staff unless otherwise noted
1. Forsyth County Sheriff's Department- as of 5/2012, the sheriff's office no longer provides this information to Clemmons due to no staff allocated for this.
2 . Annual Powell Bill Report
3 Solid Waste Annual Report- as of 6/30/2013, the Village no longer provided commercial trash pickup to apartments
4. Planning Staff Histories from City/County Planning Board/ information starting in 2008 provided by Village Planner
5. City of Winston-Salem billing statement for inspection service contracted with City/County Inspections

## Village of Clemmons, North Carolina
## Full-Time City Government Employees by Function
## Last Ten Fiscal Years

**Schedule 18**

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|
| General Government | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 5 | **5** |
| Public Works (1) | 7 | 8 | 8 | 11 | 11 | 11 | 12 | 12 | 12 | **12** |
| General Fund | 11 | 12 | 12 | 16 | 16 | 16 | 17 | 17 | 17 | **17** |
| Enterprise Fund-Stormwater | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | **3** |
| Village total | 12 | 13 | 13 | 17 | 17 | 17 | 18 | 19 | 19 | **20** |

Source: Village of Clemmons budget.

This schedule includes only regular full-time employees. During fiscal year 2013 there was one regular part-time employee.

1. Public Works employees assist in the enterprise fund, during 2013 .

**Village of Clemmons, North Carolina**
**Capital Asset Statistics by Function/Program**
**Last Ten Fiscal Years**

**Schedule 19**

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|
| Municipal Buildings | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | **3** |
| Sheds | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | **2** |
| Public Safety: | | | | | | | | | | |
| Detective Vehicle(1) | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | **0** |
| Public Works: | | | | | | | | | | |
| Rolling Stock | 44 | 46 | 46 | 48 | 48 | 48 | 49 | 49 | 49 | **47** |
| Streets (Miles-Paved) | 67.29 | 70.27 | 71.66 | 72.63 | 74 | 75.79 | 76.37 | 76.37 | 79.08 | **79.57** |
| Streets (Miles-Unpaved) | 0.08 | 0.08 | 0.29 | 0.11 | 0.11 | 0.11 | 0 | 0 | 0 | **0** |
| Sidewalks(Miles) (2) | n/a | n/a | n/a | n/a | n/a | 13.20 | 14.29 | 14.29 | 16.10 | **16.32** |
| Street Lights | n/a | n/a | 705 | 713 | 727 | 733 | 735 | 735 | 794 | **794** |
| Culture and Recreation: | | | | | | | | | | |
| Park Acreage | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | **1.5** |
| Lake | | | | | | | | | 1 | **1** |
| Pier | | | | | | | | | 1 | **1** |
| Enterprise Fund: | | | | | | | | | | |
| Stormwater: | | | | | | | | | | |
| Vehicle (3) | n/a | n/a | n/a | 1 | 1 | 1 | 1 | 2 | 2 | **3** |
| Capital Improvement Projects | n/a | n/a | n/a | 0 | 0 | 1 | 0 | 1 | 1 | **0** |

1. The Village of Clemmons contracts with Forsyth County Sheriff's Department for public safety, all other vehicles are owned and maintained by the Forsyth County Sheriff Department.
2. Sidewalks had not been measured before this year, however added in previous years.
3. One-half of the cost of the street sweeper, one leaf vacuum and one knuckle boom truck was purchased by the Stormwater Utility the count of these vehicles are included under Public Works.

Sources: Various Village Departments.
Miles of Streets from Powell Bill Reports.

# Compliance Section

- Report On Internal Control Over Financial Reporting and on Compliance and Other Matters Based on Audit of Financial Statements Performed in Accordance with Government Auditing Standards
- Report On Compliance with Requirements Applicable to Each Major State Program and Internal Control over Compliance In Accordance With Applicable Sections of OMB Circular A-133 and The State Single Audit Implementation Act
- Schedule of Findings and Questioned Costs
- Corrective Action Plan
- Summary Schedule of Prior Year Audit Findings
- Schedule of Expenditures of Federal and State Awards

cannon&company L.L.P.
Certified Public Accountants

# 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*

## Independent Auditors' Report

To the Honorable Mayor and
Members of the Village Council
Village of Clemmons, 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 accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Clemmons, North Carolina, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprises the Village of Clemmons' basic financial statements, and have issued our report thereon dated October 8, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Clemmons' 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 Village of Clemmons' internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

Our consideration of internal control was for limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control that we consider to be material weaknesses.

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 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. We consider the deficiency described in the accompanying schedule of findings and responses as finding 13-1 to be a material weakness.

2160 Country Club Road / Winston-Salem, NC 27104 / 336-725-0635 / Fax 336-725-0630
219 Moore Road / P.O. Box 330 / King, NC 27021 / 336-983-5985 / Fax 336-983-5935
www.cannonandcompanyllp.com

Compliance and Other Matters

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

Village of Clemmons' Response to Findings

The Village of Clemmons' response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Village's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cannon & Company, L.L.P.

Winston-Salem, NC
October 8, 2013

cannon&company L.L.P.
Certified Public Accountants

**Report On Compliance For Each Major State Program; Report on Internal Control Over Compliance; In accordance with OMB Circular A-133; and the State Single Audit Implementation Act**

**Independent Auditor's Report**

To the Honorable Mayor and
Members of the City Council
Village of Clemmons, North Carolina

Report on Compliance for Each Major State Program

We have audited the Village of Clemmons, North Carolina, 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 Village of Clemmons' major state programs for the year ended June 30, 2013. The Village of Clemmons' major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and responses.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Village of Clemmons' 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Village of Clemmons' 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 Village of Clemmons' compliance.

2160 Country Club Road / Winston-Salem, NC 27104 / 336-725-0635 / Fax 336-725-0630
219 Moore Road / P.O. Box 330 / King, NC 27021 / 336-983-5985 / Fax 336-983-5935
www.cannonandcompanyllp.com

Opinion on Each Major State Program

In our opinion, the Village of Clemmons 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 program for the year ended June 30, 2013.

Report on Internal Control Over Compliance

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

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. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and responses as item 13-1 to be material weakness.

The Village of Clemmons' response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and responses and corrective action plan. The Village of Clemmons' 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Cannon & Company, L.L.P.

Winston-Salem, NC
October 8, 2013

**Village of Clemmons, North Carolina**
**Schedule of Findings and Responses**
**For the Year Ended June 30, 2013**

**Section I - Summary of Auditors' Results**

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness (es) identified? __X__ Yes _____ No
- Significant Deficiency (s) identified that are not considered material weakness? _____Yes __X___ none reported
- Noncompliance material to financial statements noted _____ Yes ___X___ No

State Awards

Internal control over major state programs:

- Material weakness (es) identified? __X__ Yes _____ No
- Significant Deficiency (s) identified that are not considered material weakness? _____Yes __X___ none reported
- Noncompliance material to financial statements noted _____ Yes ___X___ No

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

Identification of major State programs:

Program Name
Powell Bill

**Section II - Financial Statement Findings**

MATERIAL WEAKNESS

13-1 Segregation of Duties

Criteria: Duties should be segregated to provide reasonable assurance that transactions are handled appropriately.

Condition: There is a lack of segregation of duties among Village personnel.

Effect: Transactions could be mishandled.

Cause: There are a limited number of personnel for certain functions.

Recommendation: The duties should be separated as much as possible and alternative controls should be used to compensate for lack of separation.

Management Response: The Village agrees that there is a lack of segregation of duties due to one person finance staff and has segregated functions with the administrative assistant when possible. Review procedures are in place that are performed by the Manager and Mayor, however the Village also recognizes that reasonable assurance takes into consideration that the cost of the control should not exceed the benefits. The council also receives a monthly financial report and check register.

**Section III- Federal Awards Findings and Questioned Costs**

Not applicable

**Section IV – State Awards Findings and Questioned Costs**

Not applicable

**Section II – Financial Statement Findings**

REPORTABLE CONDITION/MATERIAL WEAKNESS

13-1 Segregation of Duties

| | |
|---|---|
| Name of contact person: | Gary M. Looper, Village Manager |
| Corrective Action: | The duties will be separated as much as possible with limited staff and alternative controls will be used to compensate for lack of separation of duties. However the Village also recognizes that reasonable assurance takes into consideration that the cost of the control should not exceed the benefits |
| Proposed Completion Date: | The Village will implement the above procedure immediately. |

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

Not Applicable

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

Not Applicable

Finding: 12-1

Status: Duties are being separated as much as possible and alternative controls are being implemented to compensate for lack of separation. The Village staff is segregating duties as much as feasible.

**Village of Clemmons, North Carolina**
**Schedule of Expenditures of Federal and State Awards**
**For the Year Ended June 30, 2013**

| Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Federal Expenditures | State Expenditures |
|---|---|---|---|
| **Federal Awards:** | | | |
| Cash Programs: | | | |
| U.S. Department of Transportation Federal Highway Administration | | | |
| Passed-through the NC Department of Transportation | | | |
| Transportation Improvement Program (Greenway) | 20.205 | $ 51,067 | |
| Transportation Improvement Program ( Sidewalk & Crosswalk 15) | 20.205 | - | |
| Safe, Accountable, Flexible, Efficient Transportation Equity Act-A legacy for Users (Safe Routes to School) | 20-205 | 77,343 | |
| Safe, Accountable, Flexible, Efficient Transportation Equity Act-A legacy for Users (Landscaping) | 20-205 | 1,272 | |
| | **Total Federal** | $ 129,682 | |
| **State Awards:** | | | |
| Cash Assistance: | | | |
| N.C. Department of Transportation | | | |
| Powell Bill | 38570 | | $ 637,454 |
| | **Total State** | | 637,454 |
| | **TOTAL ASSISTANCE** | $ 129,682 | $ 637,454 |

**Note to the Schedule of Expenditures of State Financial Awards:**

The accompanying schedule of expenditures of Federal and State awards includes the Federal and State grant activity of the Village of Clemmons and is presented on the modified accrual basis of accounting.