VILLAGE OF CLEMMONS
North Carolina

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2014

Prepared By:
K. Ann Stroud, CPA
Finance Officer

VILLAGE OF
CLEMMONS
NORTH CAROLINA

VILLAGE OF CLEMMONS,
North Carolina

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2014

Village Council Members
Nickolas B. Nelson, Mayor
Michael K. Rogers, Mayor Pro Tem
Mary L. Cameron
Norman K. Denny
William F. Lawry, III
Darrell G. Roark

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

Prepared By:
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Village Finance Officer

VILLAGE OF
CLEMMONS
NORTH CAROLINA

Village of Clemmons, North Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014

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Village of Clemmons
3715 Clemmons Road
Clemmons, NC 27012
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Letter of Transmittal

October 31, 2014

The Honorable Mayor Nickolas Nelson,
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, 2014. 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, 2014.

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, 2014, 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, 2014 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 19,168. 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% 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, and stormwater management. There is a greenway under construction around the lake. The Village has a grant from North Carolina Department of Transportation for sidewalks and greenway that will help connect Clemmons' residents to a Forsyth County Park (Tanglewood Park) that adjoins Clemmons' Village limits and completes pedestrian corridors where sections of sidewalks have been constructed coincidental with development along Clemmons Road. The 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 are provided directly to the citizens from Winston-Salem/Forsyth County Utilities. Fire protection is provided by the Clemmons Fire Department and the Lewisville Fire Department which are separate tax districts. Schools are provided by Forsyth County. North Carolina Department of Transportation maintains some major thoroughfares in Clemmons; Lewisville-Clemmons Road, Clemmons Road, Kinnamon Road, Peacehaven Road, Harper Road and Hampton Road.

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), and historically low investment interest rates. The local economy has seen some improvement; the unemployment rate in Forsyth County has decreased to 6.3% from 8.8% and the planning and stormwater departments have seen increased activity in requests for information and permit applications. Furthermore, Clemmons citizens have voiced their intention to keep taxes low and government small with a charter-mandated restriction of a fifteen cent tax cap and the referendum disapproval of November 2011 bond which would have raised taxes for debt payments. The Village Council and staff are mindful of this cap when discussing services, infrastructure needs and capital needs. With the charter mandated tax cap in place the Village relies heavily on interlocal revenue sources such as sales tax (county), utility taxes (state) and powell bill revenue (state and federal gasoline tax). These limitations may limit the Villages' 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, 2015 is eleven and one-half cents.

Related to the reliance on intergovernmental revenues, the State of North Carolina passed the Tax Simplification and Reduction Act; as a component of that act, there are changes to sales tax and to natural gas and electric utilities taxes, and 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 municipalities 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 strength of the local economy is a diverse economic base including education and health care (26%), professional, scientific and management, and administration (15%), finance and insurance, and real estate (11%) and manufacturing (12%). Clemmons major growth area is in the education and health care area with Novant emergency room, Wake Forest Baptist Medical Center office and outpatient services, and Frank Morgan Elementary school. Future plans include a Novant regional hospital and additional medical offices. The local availability of health care and a number of retirement and rehabilitation centers will help Clemmons tap into the aging population. Our residential communities provide for families and we have seen an increase in small houses and lot sizes for both singles and people downsizing.

Historically 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".

Financial Information

The financial reporting entity includes all funds of the Village, more detailed information on the funds can be found in the Notes.

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 stormwater utility fund. 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. 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 annually determines a minimum unassigned fund balance. 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. This is part of the Village's commitment to provide services while being mindful of our tax cap; contracting with the County provides the service with lower cost than the Village operating a police department.

Streets:

The Village continues a program to maintain streets within its boundaries based on a street condition evaluation performed by US Infrastructure which was updated this current year. From the last evaluation the Village increased from an 87.4 % pavement condition rating to an 88.9 % rating. The evaluation ensures that we maintain our streets at a high standard and that we are on a schedule to resurface streets based on these objective standards. In order to improve the condition of our streets the Village resurfaced 4.1 miles this year and has budgeted to resurface 5.9 miles in the fiscal year ending June 30, 2015. Intergovernmental revenue from the State (powell bill) funds our street maintenance program.

Sidewalks & Transportation: (Village Transportation Plan and Village Comprehensive Plan)

The Village anticipates completing the Middlebrook Drive sidewalk extension of 1,200 feet and an associated crosswalk connection from the sidewalk on Middlebrook Drive to existing sidewalk on Hwy 158. The Village

received an 80% funded federal grant administered by the North Carolina Department of Transportation for this project, which has been delayed due to a right of way issue. 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. This enables the Village to provide sidewalks while being mindful of our revenue source limitations. The Village was approved for NC Department of Transportation grant for a pedestrian connector from Village Hall to Tanglewood Park, sidewalk along Harper and a portion of the Tanglewood greenway. 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 major projects in the Transportation Plan because of 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 greenway construction is in progress and will be completed in the fiscal year ending June 30, 2015. The lake has a fishing pier which was installed with a grant from NC Department of Wildlife and the Village continues a fish stocking program. 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 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, to ensure that we keep the appearance and safety at a level that our citizens expect. The North Carolina Department of Transportation participates in our rezoning and site plan process and the Village incorporates North Carolina Department of Transportation recommendations on any site plans that affect their roads.

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 existing business districts the Village is exploring the viability of 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. A balanced tax base combining a healthy mix of residential, commercial and industrial base helps provide prosperity for the whole community. The business community has concerns about traffic and traffic flow on major roads within the Village. Most of Clemmons commercial development is on North Carolina Department of Transportation roads, which is out the Village's control; however the Village maintains an open dialog with the local division. The Village also partners with them when possible as with the traffic signal addition at Lewisville-Clemmons Road and Village Point. The Village continues to explore options for traffic flow and safety issues.

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, 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, 2014 or budgeted for in fiscal year ending June 30, 2015. Two capital projects were completed this year, Quinn and Gardenspring, and three capital improvement projects are appropriated for in the fiscal year ending June 30, 2015 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 our web page is currently being redesigned to promote easier navigation and better communication. Another way the Village shares information with our citizens is Time Warner Cable channel six. The Village clerk maintains up to date information on the web page and channel six. Citizens are also encouraged to attend regularly scheduled council meetings which are on the second and fourth Mondays of the month (schedule with specific dates posted www.clemmons.org). The Council welcomes direct communication from citizens, the mayor and council contact information may be accessed on our web page or obtained from Village Hall at 336-766-7511. The Council and staff 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 civic organizations 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 donates fresh vegetables to the Clemmons Food Pantry. The Village has also partnered with Forsyth County and started a farmers market located at Tanglewood Park (County Park adjacent to Clemmons boundaries). The farmers market is held on Thursday and Saturday in the summer with average of 17 vendors on Saturday and 6 vendors on Thursday. The farmers market promotes 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, 2013. This was the sixth 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
Village Manager

K. Ann Stroud, CPA
Village Finance Officer

VILLAGE OF CLEMMONS, NORTH CAROLINA

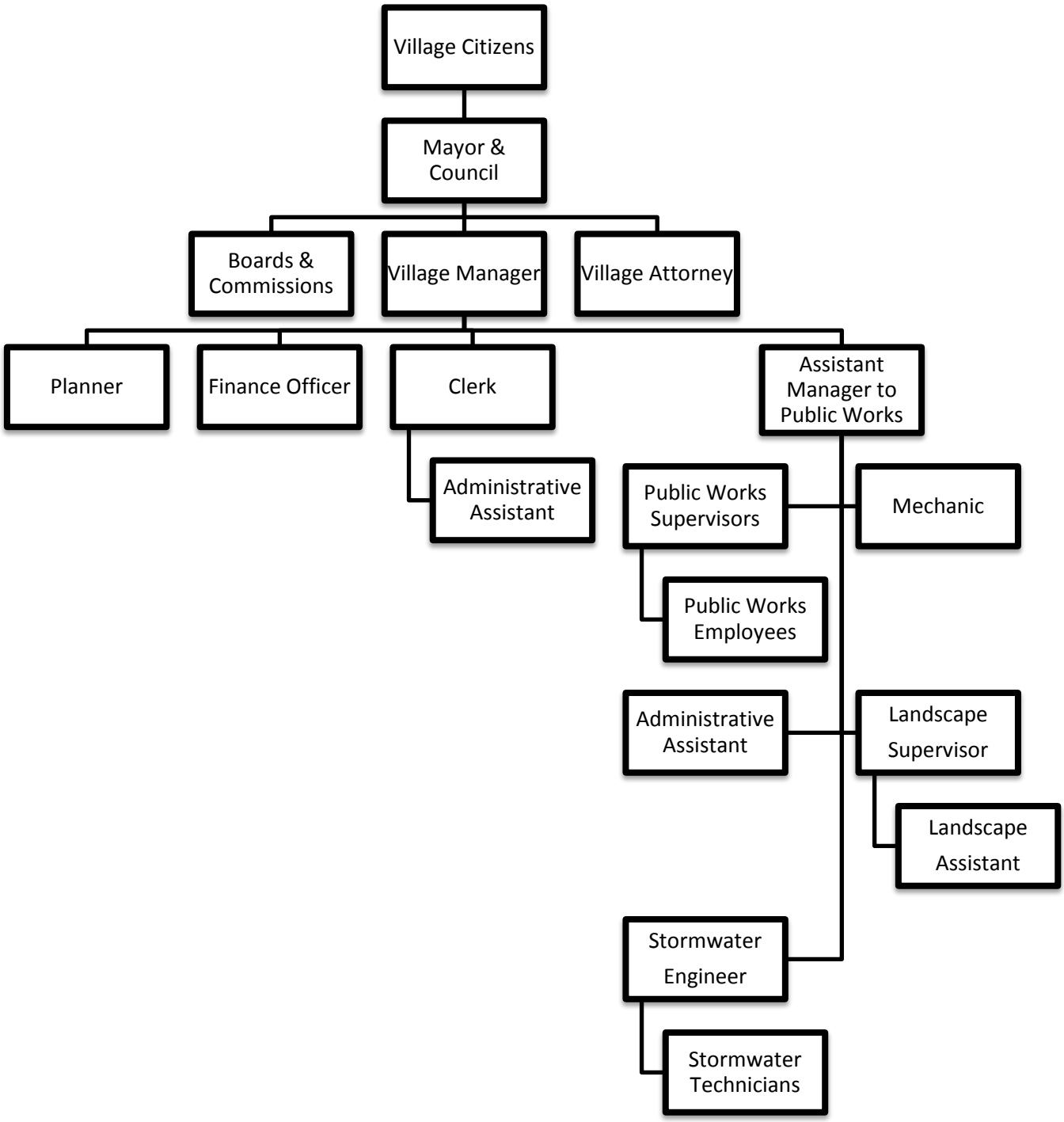
PRINCIPAL OFFICIALS

MEMBERS OF COUNCIL

From left to right seated:
Mayor pro-tem Michael K. Rogers, Mayor Nickolas B. Nelson, Darrell G. Roark
From left to right standing:
William F. Lawry III, Mary L. Cameron, Norman K. Denny

Nickolas B. Nelson_____Mayor
Gary M. Looper_____Village Manager
Kasper & Payne_____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, 2013

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, 2014, 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.

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www.cannonandcompanyllp.com

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, 2014, 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.

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 15, 2014 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 15, 2014

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, 2014. 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 $54,116,335*(net position)*. Of this amount, $ 7,156,426 may be used to meet the Villages' ongoing obligations to citizens and creditors, and $ 44,638,778 is invested in capital assets and is not available for future spending.

- The government's total net position increased by $72,012 which consisted of a decrease in governmental activities of $167,799 and increase in business type activities of $238,811. The decrease in governmental activities consists of increase in fund balance of $614,148 with a net adjustment of ($781,947) (*Exhibit 4).* The net adjustment includes reclassification of capital outlay to capital assets, depreciation expense, donations of infrastructure; trade in value of old tractor for new tractor attachment.

- As of the close of the current fiscal year, the Village of Clemmons' governmental funds reported combined ending fund balances of $8,326,953, with a net change of $614,148 in fund balance. Approximately 1% of this total amount, or $62,213, is non-spendable; and 28%, or $2,321,131, is restricted.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $5,218,676 and assigned or committed fund balance was $716,501. The unassigned fund balance was 89 % of the general fund budget for the fiscal year June 30, 2015, which is $5,892,710.

- Property taxes accounted for 47% of general fund revenue that provides services to citizens and the community in 2014. The Village's tax rate for the fiscal year 2014 was $0.115. The collection rate for the Village was 99.2% which is higher than the previous year collection rate of 98.93%. The increase in collection rate is mainly due to change of collection method for registered motor vehicles; which are now collected by North Carolina Division of Motor Vehicles when tag is renewed.

- The Village of Clemmons has no general fund debt.

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

Figure 1

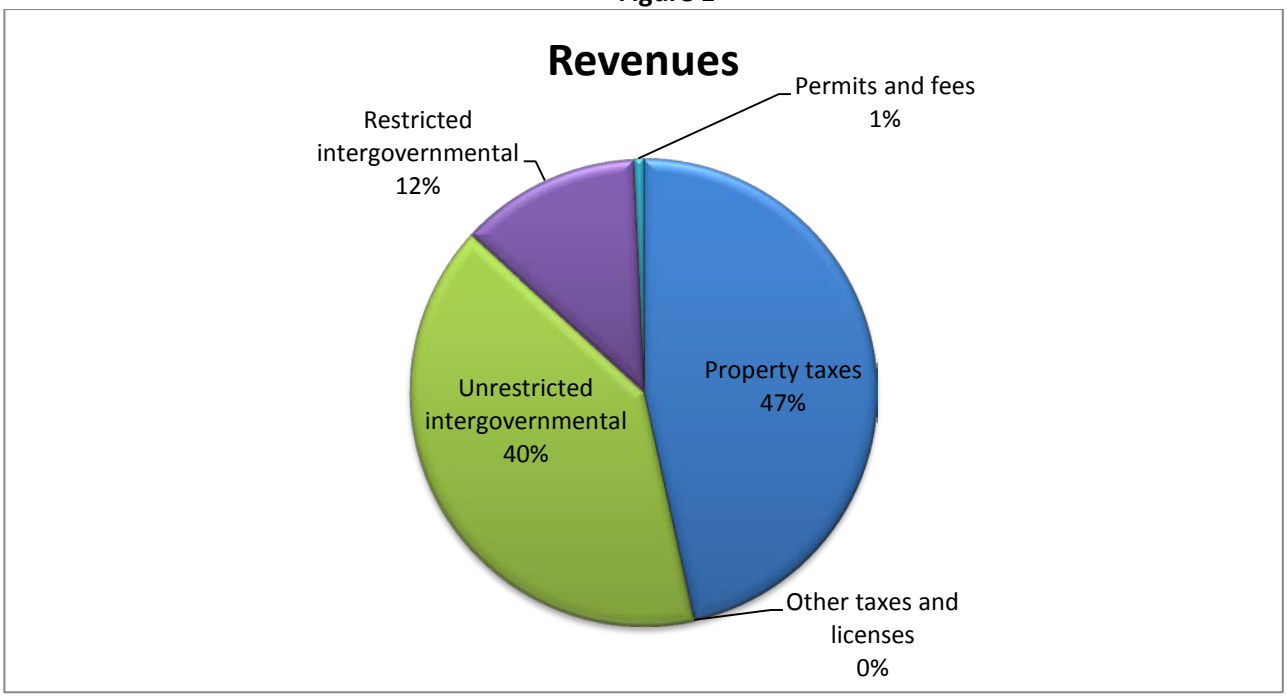
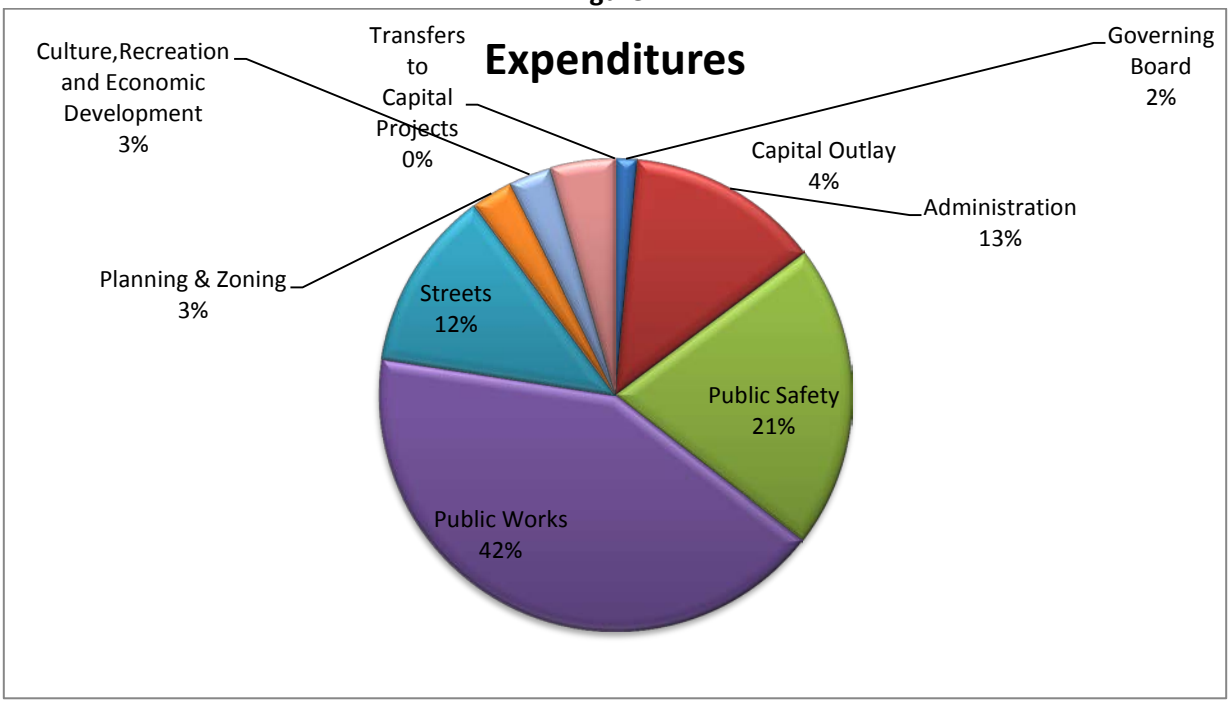


Figure 2

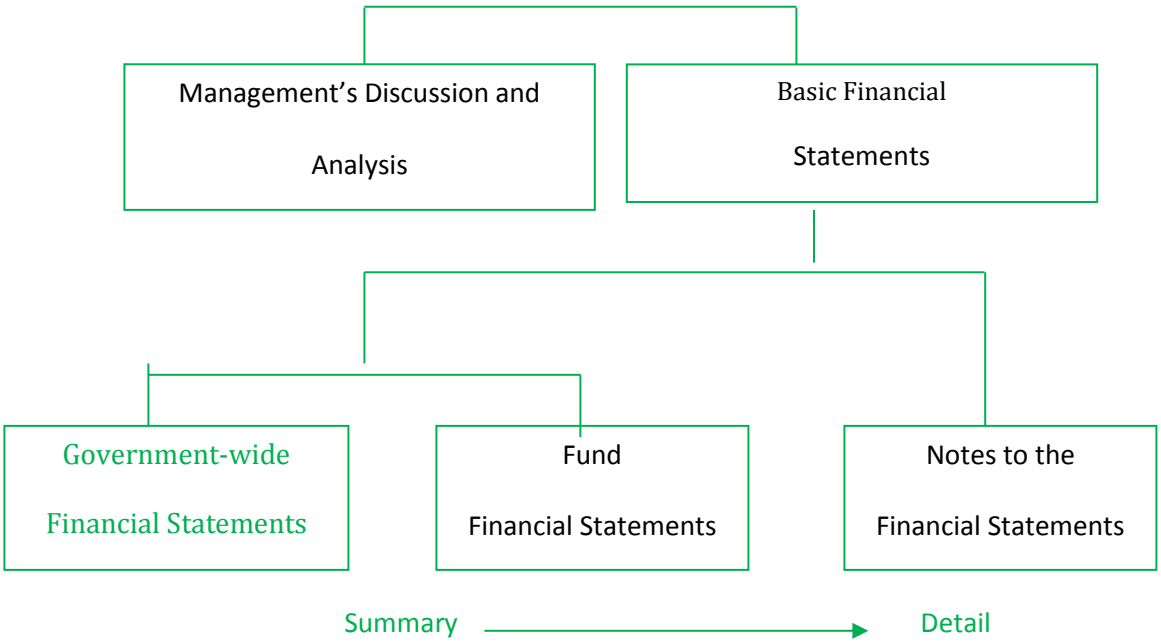


Overview of the Financial Statements

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 3



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 position 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 49-66 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 4

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	$ 8,642,364	$ 7,992,656	$ 1,311,916	$ 1,149,715	$ 9,954,280	$ 9,142,371
Non-current assets	53,221	94,221	(53,221)	(94,221)	-	-
Capital assets	43,922,372	44,689,584	716,406	676,317	44,638,778	45,365,901
Deferred outflow of resources	-	-	-	-	-	-
Total assets and deferred outflows of resourses	52,617,957	52,776,461	1,975,101	1,731,811	54,593,058	54,508,272
Long-term liabilities outstanding	63,554	25,721	3,132	686	66,686	26,407
Other liabilities	384,238	412,776	25,799	24,766	410,037	437,542
Deferred inflows of resources	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	447,792	438,497	28,931	25,452	476,723	463,949
Net position:						
Net investment in capital assets	43,922,372	44,689,584	716,406	676,317	44,638,778	45,365,901
Restricted	2,321,131	2,424,797	-	-	2,321,131	2,424,797
Unrestricted	5,926,662	5,223,583	1,229,764	1,030,042	7,156,426	6,253,625
Total net position	$ 52,170,165	$ 52,337,964	$ 1,946,170	$ 1,706,359	$ 54,116,335	$ 54,044,323

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 $54,116,335 as of June 30, 2014. However, the largest portion $44,638,778 (82%) 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 $2,321,131 is subject to external restriction on how they may be used; the remaining balance of $7,156,426 is unrestricted. The Village's net position increased by $72,012 for the fiscal year ended June 30, 2014. The increase consisted of $614,148 in governmental funds net change in fund balance less depreciation, plus capital outlay and capital infrastructure donations and other reconciling items listed Exhibit 4; and $239,811 net change in position from stormwater fund.

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

- Ad Valorem taxes decreased by $69,142 (3%) due to decrease in assessed valuation of property due to revaluation by Forsyth County. Clemmons has a high collection rate due to Forsyth County diligence and change in collection method of registered motor vehicles. The percentage of collection for fiscal year ending June 30, 2014 is 99.2% which is an increase from 98.93% from the prior year.
- Increase in net position due to donation of land and infrastructure of $338,000.

Government-Wide Financial Analysis (Continued)

- Unrestricted intergovernmental revenue increased by $79,610 (4%)
  - Sales tax increased by $2,622, indication of sluggish economy.
  - Utility taxes increased by $47,364 (5%), weather can have a major impact on this revenue source.
  - ABC Distribution increased $22,708 (10%)
- Expenses increased by $109,724 (2%). Public works added one position, increase in Forsyth County contract for public safety(2%), contracted increase for solid waste and recycling collection(1.9%), local election, increase in retirement rate, increase in health insurance, and cost of living increases.

The Village of Clemmons' Changes in Net Position
Figure 5

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	$ 35,912	$ 20,743	$ 749,310	$ 747,671	$ 785,222	$ 768,414
Operating grants and contributions	625,660	611,158	-	-	625,660	611,158
Capital grants and contributions	376,282	3,432,289	-	-	376,282	3,432,289
General revenues:						
Property taxes	2,323,446	2,392,588	-	-	2,323,446	2,392,588
Other taxes	3,426	2,790	-	-	3,426	2,790
Unrestricted intergovernmental	2,016,212	1,936,602	-	-	2,016,212	1,936,602
Other	13,838	14,351	1,465	2,230	15,303	16,581
Total revenues	5,394,776	8,410,521	750,775	749,901	6,145,551	9,160,422
Expenses:						
Governing Board	66,849	64,999	-	-	64,999	64,999
Administration	606,578	588,189	-	-	588,189	588,189
Public Safety	927,763	910,312	-	-	910,312	910,312
Public Works & Streets	3,750,700	3,674,847	-	-	3,674,847	3,674,847
Planning & Zoning	130,169	131,282	-	-	131,282	131,282
Culture and recreation	80,516	83,222	-	-	83,222	83,222
Stormwater Utility	-	-	510,964	497,430	510,964	497,430
Total expenses	5,562,575	5,452,851	510,964	497,430	5,963,815	5,950,281
Increase (decrease) net position before transfers	(167,799)	2,957,670	239,811	252,471	72,012	3,210,141
Transfers	-	-	-	-	-	-
Increase in net position	(167,799)	2,957,670	239,811	252,471	72,012	3,210,141
Net position, July 1	52,337,964	49,380,294	1,706,359	1,453,888	54,044,323	50,834,182
Net position, June 30	$ 52,170,165	$ 52,337,964	$ 1,946,170	$ 1,706,359	$ 54,116,335	$ 54,044,323

Governmental activities: Governmental activities decreased the Village's net position by $167,779
Key elements of this decrease are as follows:

- Net decrease in net position due to depreciation expense exceeding reclassification of capital outlay to capital assets by $1,110,212.
- Donations of land and infrastructure of $338,000.
- Ad valorem taxes decreased by $69,142, approximately 3%. (This was a revaluation year for County)
- Unrestricted intergovernmental revenue increased by $79,610 approximately 4%.
- Expenses increased by $109,724, approximately 2%. Some of the major factors affecting the increase are as follows:
    - Public works added one position
    - Solid waste and recycling contract increase based on CPI 1.9%
    - Local election year
    - Web page redesign
    - Public safety, Forsyth County contract increase
    - Increase in Council travel, mainly due to new elected official class
    - Retirement rate increase (5%) and health insurance premium increases (19.6%).

Business-type activities: Business-type activities increased the Village's net position by $239,811.
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 position is anticipated in order to accumulate funds to complete future capital projects.
- Only did two capital improvement projects, three were originally budgeted. Project cost for the two projects came in lower than appropriated.

Financial Analysis of the Village's Funds

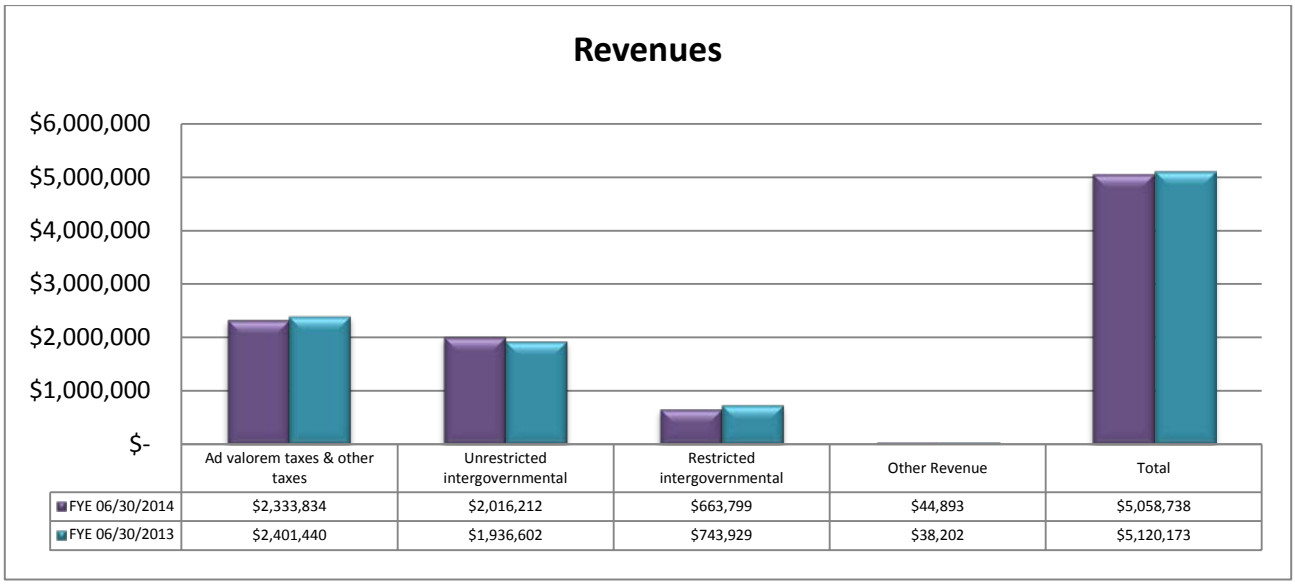
As noted earlier, the Village of Clemmons uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 $5,218,676, while total fund balance was $8,318,521. 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 $7,620,254, with a FBA as a percentage of expenditures of 172.61%. The average fund balance available of cities in the Village's population group for June 30, 2013 was $8,105,796, with a FBA as a percentage of expenditures of 49.97%. The Village also compares unassigned fund balance to total general fund expenditures, the unassigned fund balance as a percentage of expenditures is 118%.

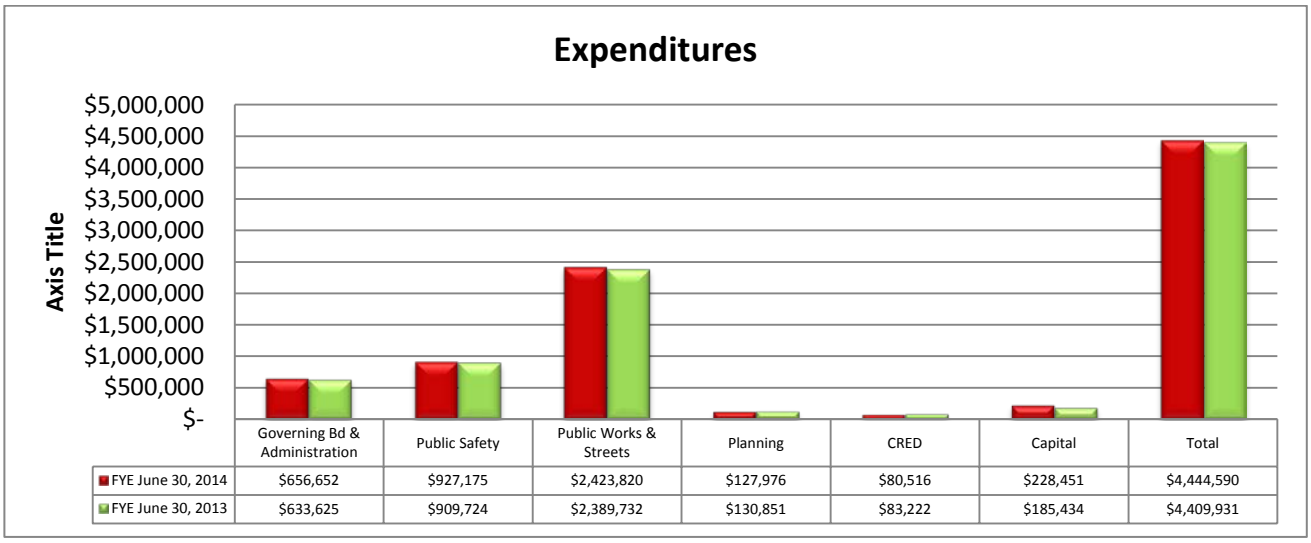
At June 30, 2014, the governmental funds of the Village of Clemmons reported a combined fund balance of $8,326,953. This is a 7% increase over last year. The Village had a net change in fund balance of $614,148 due to delays in capital projects and receipt of portion of school matching portion of greenway.
The following graphs show a comparison of actual governmental funds revenues and actual governmental funds expenditures.

Figure 6



	Ad valorem taxes & other taxes	Unrestricted intergovernmental	Restricted intergovernmental	Other Revenue	Total
FYE 06/30/2014	$2,333,834	$2,016,212	$663,799	$44,893	$5,058,738
FYE 06/30/2013	$2,401,440	$1,936,602	$743,929	$38,202	$5,120,173

Figure 7



	Governing Bd & Administration	Public Safety	Public Works & Streets	Planning	CRED	Capital	Total
FYE June 30, 2014	$656,652	$927,175	$2,423,820	$127,976	$80,516	$228,451	$4,444,590
FYE June 30, 2013	$633,625	$909,724	$2,389,732	$130,851	$83,222	$185,434	$4,409,931

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:

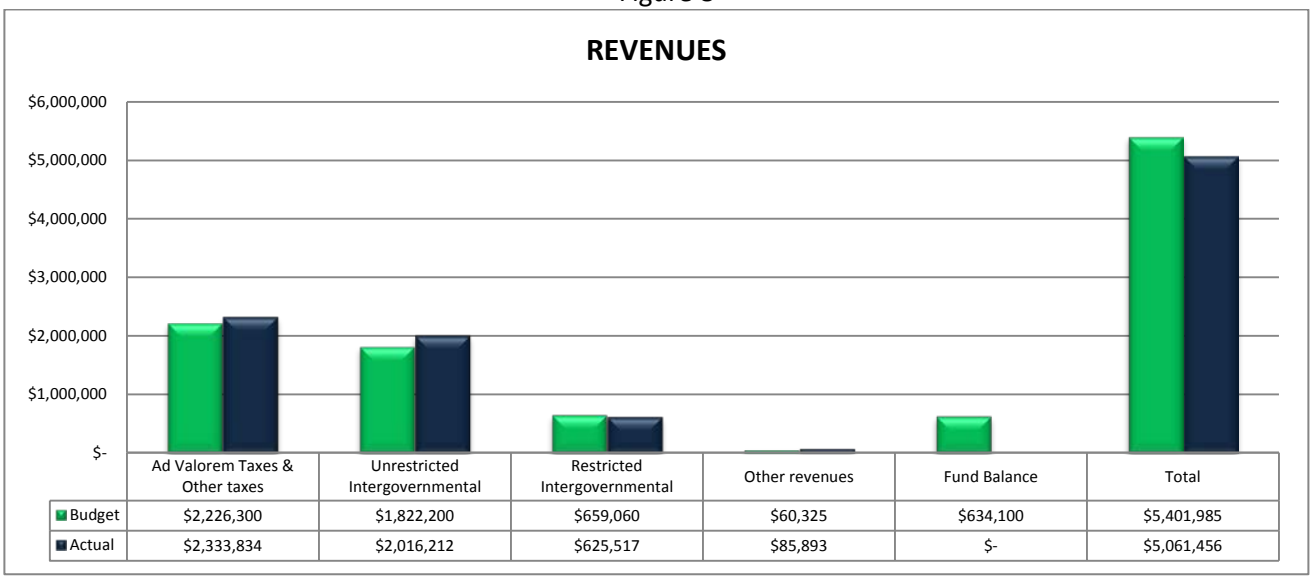
- Increase revenues
  - $10,000 restricted fund balance appropriated-cultural, economic & recreational.

The following expenditure appropriations were amended as follows:

- Increase Cultural, Economic & Recreation by $10,000
  - $2,500- Lewisville-Clemmons Chamber for council approval of advertising for Community Day.
  - $7,500- Southwest Little League request

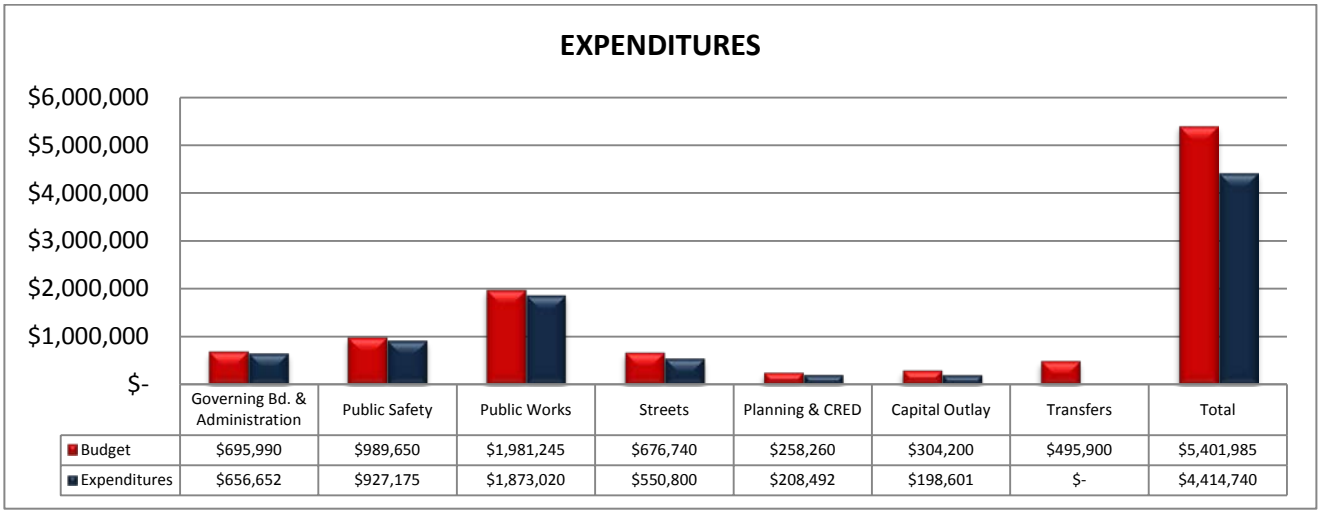
The following graphs show general fund budget to actual comparisons for the fiscal year ended June 30, 2014

Figure 8



	Ad Valorem Taxes & Other taxes	Unrestricted Intergovernmental	Restricted Intergovernmental	Other revenues	Fund Balance	Total
Budget	$2,226,300	$1,822,200	$659,060	$60,325	$634,100	$5,401,985
Actual	$2,333,834	$2,016,212	$625,517	$85,893	$-	$5,061,456

Figure 9



	Governing Bd. & Administration	Public Safety	Public Works	Streets	Planning & CRED	Capital Outlay	Transfers	Total
Budget	$695,990	$989,650	$1,981,245	$676,740	$258,260	$304,200	$495,900	$5,401,985
Expenditures	$656,652	$927,175	$1,873,020	$550,800	$208,492	$198,601	$-	$4,414,740

There is a positive variance for actual expenditures and actual revenues compared to final budget. The actual amount of revenues over expenditures was $646,716. Some of the reasons are as follows:

- Actual revenues had a positive variance from budgeted revenues of $290,071, which is about 6%. Some notable variances are as follows:
  - Ad valorem taxes ended with a $106,508(5%) positive variance, assessed value was higher than County estimate.
  - Investment earnings fell short of budget due to continued low interest rates.
  - Unrestricted intergovernmental revenue ended with a $ 194,012 (11%) positive variance.
    - Positive variance in Forsyth County local option sales tax.
    - Positive variance in ABC profit distribution.
    - Positive variance in state shared utility franchise taxes more than likely due to cold weather January and February.
  - Restricted intergovernmental revenues ended with a $33,543 (5%) negative variance.
    - Negative variance for 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, County hotel occupancy tax and solid waste disposal tax.
  - Permits and fees ended with a positive variance.
    - Increase in rezoning and other planning activities, hopefully a sign of improving economy.
    - Positive variance in public works fees, with a slight increase from fiscal year ending June 30, 2013 actual.
    - Increase in false alarms and parking tickets.
- Actual General Fund expenditures, including transfers to other funds, are 82% of the budget with a positive variance of $987,245.
- Some notable variances are as follows.
  - Capital outlay has a positive variance of $105,559
    - 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. This project was re-appropriated in 2013-2014 budget.
    - Budgeted for greenhouse which was not purchased.
    - Pavement rejuvenation of parking lot instead of resurfacing entire parking lot at Village Hall, therefore the Village came in under budget.
  - Transfers to capital projects has a positive variance of $495,900 :
    - Village Point Lake Greenway project was expected to be completed, however the first bids where over budget and the Village re-bid and then received approval for increased grant funding. Therefore, the remainder of this project was re-appropriated in the 2014-2015 budget.
    - Sidewalks- budgeted to begin in the current year; however this project delayed in order to progress the Village Point Lake greenway project and Middlebrook sidewalk and crosswalk project forward. Transfer is re-appropriated in the 2014-2015 budget.
  - Administrative, public safety, public works, powell bill (streets), and planning and zoning ended with positive variances. The manager and department heads carefully monitor expenditures to ensure that the Village is in compliance with approved budget, and a philosophy of carefully monitoring of expenditures. Actual events do not always occur as forecasted which can create either positive or negative variances. The contract amount for public safety is an estimate and final bill is based on actual cost, during this fiscal year this was

a positive variance. 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 estimated; 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. The Village was unable to complete sidewalk repairs as budgeted due to availability of contractors to perform this service.

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, 2014 amounted to $1,229,764. The total change in net position for the Stormwater Fund is $239,811. 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. There was three capital projects budgeted and only two were complete and the two completed came in under budget. The Stormwater Fund owes the General Fund $94,221 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, 2014, totals $44,638,778 (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**
  - New Holland Tractor & attachments
  - 2014 F350 & attachments
  - Snow plow for the F350
  - Xerox W7855PT copier Village Hall
  - 11 mobile radios and 3 portable
  - Attachment for tractor traded in Ford Tractor
  - Grapple
  - Pavement Rejuvenation, stripping and resurfacing Village Hall parking lot
- **Stormwater Fund**
  - 1 Mobile radio and 1 portable radio
  - Capital Improvement Drainage System-Quinn Street
  - Capital Improvement Drainage System-Gardenspring
  - Construction in progress –capital improvement drainage system Tanglebrook Trail
- **Donations**
  - Donated infrastructure- Lauren Acres- right of way, street and sidewalk
- **Capital Projects**
  - Village Point Lake Greenway construction in progress (80% grant)
  - Traffic Signal

Village of Clemmons' Capital Assets
Figure 10
(net of depreciation)

	Governmental Activities 2014	Business-type Activities 2014	Total 2014
Land & Improvements	$ 19,639,949	$ -	$ 19,639,949
Works of Art	94,549	-	94,549
Construction or Improvements in progress	120,659	67,504	188,163
Building	708,988	51,503	760,491
Improvements other than buildings	66,684	-	66,684
Equipment, furniture & fixtures	420,030	69,456	489,486
Computer equipment & software	21,057	-	21,057
Infrastructure	22,520,611	381,603	22,902,214
Vehicles	329,845	146,340	476,185
Total	$ 43,922,372	$ 716,406	$ 44,638,778

Additional information on the Village's capital assets can be found in *note II A 5* of the Basic Financial Statements.

Long-Term Debt: As of June 30, 2014, 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 $ 161,449,322.

Additional information regarding the Village of Clemmons' long-term debt can be found in *note II B 5* of this report.

Economic Factors and Next Year's Budgets and Rates

The Village was affected by the following key economic indicators.

- Increase in tax base due to very modest growth (1%).
- Projected increase in sales tax due to increase in actual receipts in FYE 06/30/2014 and projected increase of 2% due to indications of improvement in local economy.
- North Carolina Tax Reform affected estimated intergovernmental revenues for natural gas and electricity and increased utility cost on the expenditure side.
- 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, 2014, the unemployment rate for Forsyth County was 6.3% from 8.8% last fiscal year.
- Historically low interest rates.
- Clemmons has a fifteen cents tax cap in our charter.
- Volatile economy due to effect of international and national factors on local economy.
- Locally the Village has seen an increase of rezoning and site plan requests.

Budget Highlights for the Fiscal Year Ending June 30, 2015

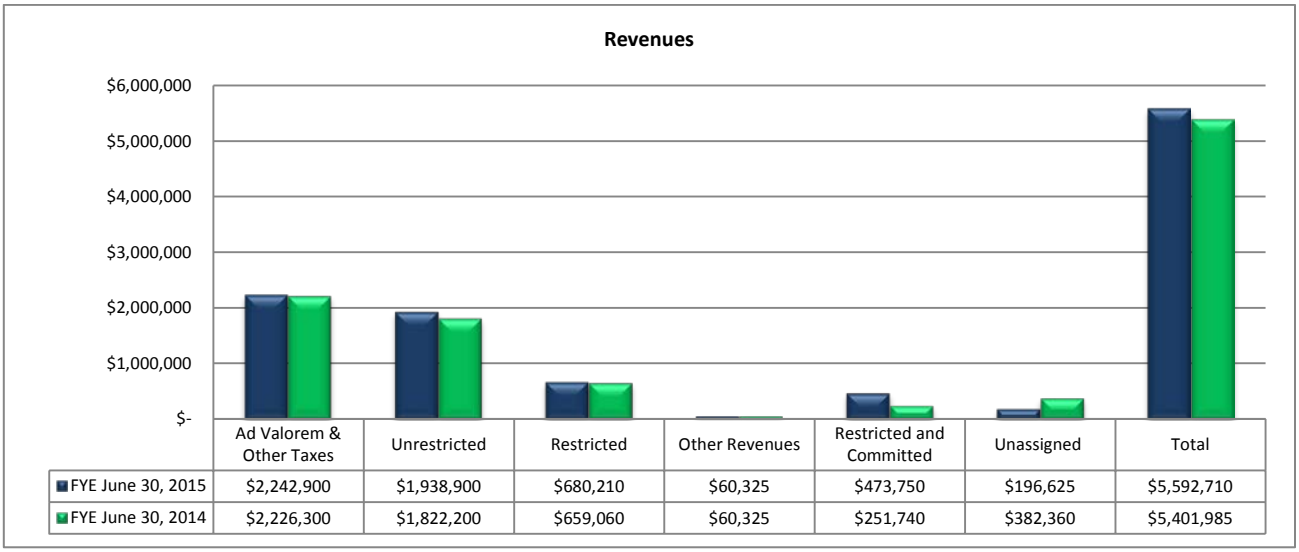
Governmental Activities: The Village's budget for Fiscal Year Ending June 30, 2015 is $5,892,710 which is an increase of 9 % from Fiscal Year Ended June 30, 2014.
Factors contributing to this increase are as follows.

- Assessed property values increase by 1%
- Sales tax distribution increased by 9%; based on actual receipts plus 2% estimated increase
- ABC distribution increased due to estimated actual receipts for FYE June 30, 2014.
- Powell Bill and occupancy tax increased 3% based on FYE June 30, 2014 actual receipts and powell bill estimate.
- Governing board decreased $21,800 (29%) due to council changes to board travel.
- Administration increased by $6,710 (1%).
    - Personnel cost of living , offset by change in health insurance carrier
    - Slight increase of collection cost for motor vehicle tax collection
    - Not a local election year
- Public Safety increase by $105,300 (10%) due to increase of contract with Forsyth County.
- Public Works increased by $71,405 (4%)
    - Personnel cost of living and some merit offset by change in health insurance carrier
    - Solid Waste Contract 1%
    - Utility due to tax increase on electricity and natural gas
    - ADA Sidewalk at Lake
- Powell Bill increased by $130,160 (17%)
    - Increase in street paving, addressing all poor rated streets
- Planning increased by $3,350 (2%)
    - Increase in City-County Inspections enforcement due to some code violations
- Cultural, Economic & Recreation decreased by $5,000 (6%).
    - Matched estimated Occupancy Tax Revenue
- Capital Outlay $375,500.
    - Shed for Public Works Facility –Committed Fund Balance
    - Financial Software
    - Re-appropriated crosswalk and section of Middlebrook Sidewalk (80% funded by grant)
- Transfers for capital projects
    - Complete Greenway, this was re-appropriated from June 30, 2014 and increased by $60,000 due to bids received. Budgeted $60,000 from Restricted-cultural, economic & recreational to offset the increase
    - Begin Sidewalk project

The Village appropriated $ 196,625 from unassigned fund balance which is shown on Exhibit 3 as assigned fund balance. The Village appropriated $ 353,750 from restricted fund balance streets, $360,000 from committed fund balance, and $ 60,000 from restricted fund balance cultural, economic and recreational.

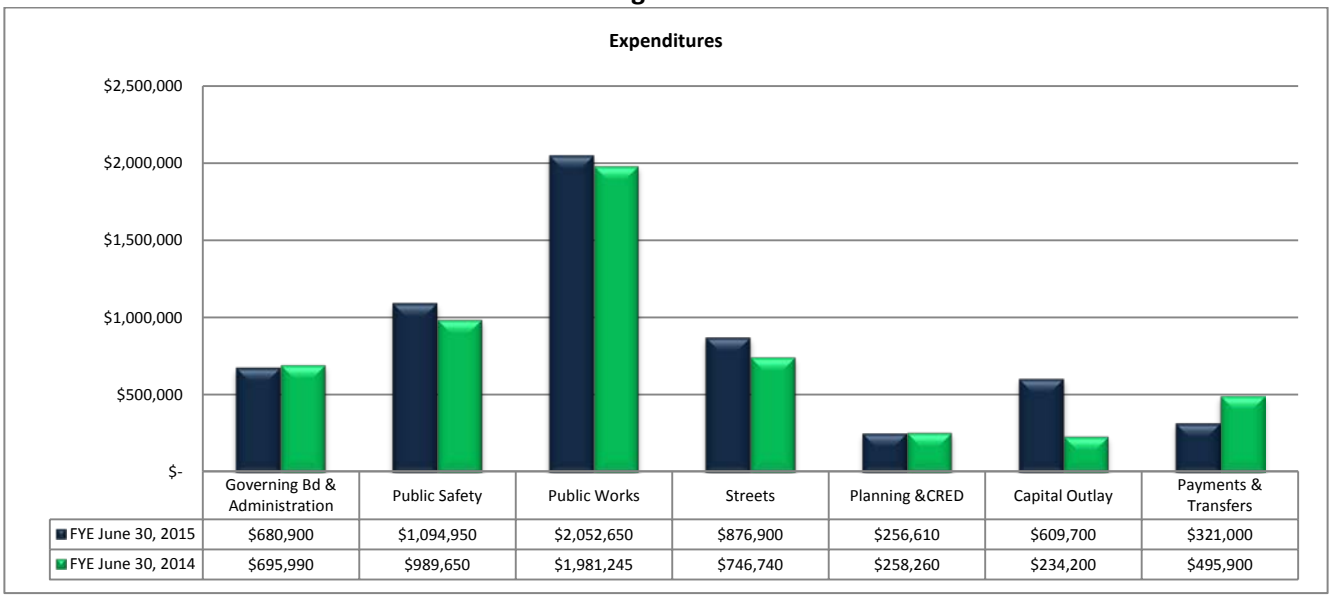
The following graphs compares the general fund budget for fiscal year ending June 30, 2015 to the general fund budget for fiscal year ended June 30, 2014

Figure 11



	Ad Valorem & Other Taxes	Unrestricted	Restricted	Other Revenues	Restricted and Committed	Unassigned	Total
FYE June 30, 2015	$2,242,900	$1,938,900	$680,210	$60,325	$473,750	$196,625	$5,592,710
FYE June 30, 2014	$2,226,300	$1,822,200	$659,060	$60,325	$251,740	$382,360	$5,401,985

Figure 12



	Governing Bd & Administration	Public Safety	Public Works	Streets	Planning &CRED	Capital Outlay	Payments & Transfers
FYE June 30, 2015	$680,900	$1,094,950	$2,052,650	$876,900	$256,610	$609,700	$321,000
FYE June 30, 2014	$695,990	$989,650	$1,981,245	$746,740	$258,260	$234,200	$495,900

Business – type Activities: The Stormwater Utility budget decreased 2% to $1,029,450. The decrease is due to fluctuations in the capital improvement projects to be completed in the fiscal year. The Village plans to do three capital improvement plan projects during the fiscal year ending June 30, 2015. 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, 2015 is $736,000. This fee structure will continue to allow the Stormwater Utility to repay the general fund. The fiscal year ending June 30, 2015 budget includes funding for the capital improvement plan and capital outlay of $400,000.

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, 3715 Clemmons Road, Clemmons, NC 27012, 336-766-7511, or astroud@clemmons.org.

VILLAGE OF
CLEMMONS
NORTH CAROLINA

Basic Financial Statements

Village of Clemmons, North Carolina
Statement of Net Position
June 30, 2014

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets:			
Cash and cash equivalents	$ 6,291,026	$ 1,323,077	$ 7,614,103
Property tax receivable	18,615	-	18,615
Accounts receivable	672	200	872
Due from other governments	548,393	20,589	568,982
Inventories	48,496	4,572	53,068
Security Deposit	1,200	-	1,200
Prepaid insurance	13,717	4,478	18,195
Internal Balances	41,000	(41,000)	-
Restricted cash and cash equivalents	1,679,245	-	1,679,245
Total current assets	8,642,364	1,311,916	9,954,280
Non-current Assets:			
Internal Balances	53,221	(53,221)	-
Capital assets (Note II. A. 5):			
Land, improvements, and non-depreciable assets	19,734,498	-	19,734,498
Construction in progress	120,659	67,504	188,163
Other capital assets, net of depreciation	24,067,215	648,902	24,716,117
Total capital assets	43,922,372	716,406	44,638,778
Total noncurrent assets	43,975,593	663,185	44,638,778
Total assets	52,617,957	1,975,101	54,593,058
Deferred Outflows of Resources			
Total deferred outflows of resources	-	-	-
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	346,402	21,813	368,215
Current portion of long-term liabilities	34,221	3,986	38,207
Accounts payables from restricted cash	3,615	-	3,615
Total current liabilities	384,238	25,799	410,037
Noncurrent liabilities			
Due in more than one year	63,554	3,132	66,686
Total liabilities	447,792	28,931	476,723
Deferred Inflows of Resources			
Total deferred inflows of resources	-	-	-

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

Net Position			
Net investment in capital assets	43,922,372	716,406	44,638,778
Restricted for:			
Stabilization by State Statute	636,054	-	636,054
Culture, recreational, and tourism	269,138	-	269,138
Transportation	1,415,939	-	1,415,939
Unrestricted	5,926,662	1,229,764	7,156,426
Total net position	$ 52,170,165	$ 1,946,170	$ 54,116,335

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, 2014

Exhibit 2

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Primary government:							
Governmental Activities:							
Governing Board	$ 66,849	$ -	$ -	$ -	$ (66,849)	$ -	$ (66,849)
Administration	606,578	-	-	-	(606,578)	-	(606,578)
Public Safety	927,763	6,310	-	-	(921,453)	-	(921,453)
Public Works	3,750,700	16,077	532,661	376,282	(2,825,680)	-	(2,825,680)
Planning & Zoning	130,169	13,525	-	-	(116,644)	-	(116,644)
Cultural and recreation	80,516	-	92,999	-	12,483	-	12,483
Total governmental activities	5,562,575	35,912	625,660	376,282	(4,524,721)	-	(4,524,721)
Business-type activities:							
Stormwater Utility	510,964	749,310	-	-	-	238,346	238,346
Total business-type activities	510,964	749,310	-	-	-	238,346	238,346
Total primary government	$ 6,073,539	$ 785,222	$ 625,660	$ 376,282	$ (4,524,721)	$ 238,346	$ (4,286,375)
General revenues:							
Taxes:							
Property taxes, levied for general purpose					2,323,446	-	2,323,446
Other taxes and licenses					3,426	-	3,426
Unrestricted intergovernmental					2,016,212	-	2,016,212
Unrestricted investment earnings					4,676	1,465	6,141
Donations					305	-	305
Miscellaneous					8,857	-	8,857
Total general revenues not including transfers					4,356,922	1,465	4,358,387
Transfers from other funds					-	-	-
Total general revenues, special items, and transfers					4,356,922	1,465	4,358,387
Change in net position					(167,799)	239,811	72,012
Net position-beginning					52,337,964	1,706,359	54,044,323
Net position-ending					$ 52,170,165	$ 1,946,170	$ 54,116,335

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

Village of Clemmons, North Carolina
Balance Sheet
Governmental Funds
June 30, 2014

Exhibit 3

	Major Fund		
	General	Total Non-Major Funds	Total Governmental Funds
Assets			
Cash and investments	$ 6,291,026	$ -	$ 6,291,026
Cash and investments-restricted	1,679,245	-	1,679,245
Property taxes receivable	18,615	-	18,615
Accounts receivable	672	-	672
Due from other governments	528,459	19,934	548,393
Due (to) from other funds	11,502	(11,502)	-
Advance to other funds	94,221	-	94,221
Inventories	48,496	-	48,496
Prepaid Items	13,717		13,717
Security Deposit	1,200	-	1,200
Total assets	$ 8,687,153	8,432	$ 8,695,585
Liabilities			
Accounts payable and accrued liabilities	$ 346,402	$ -	$ 346,402
Accounts payable from restricted assets	3,615	-	3,615
Total liabilities	350,017	-	350,017
Deferred Inflows of Resources			
Property taxes receivable	18,615	-	18,615
Total deferred inflows of resources	18,615	-	18,615
Fund Balance			
Non spendable:			
Inventories	$ 48,496	-	$ 48,496
Prepaid items	13,717	-	13,717
Restricted:			
Stabilization by State Statute	636,054	-	636,054
Streets	1,415,939	-	1,415,939
Travel and Tourism	194,396	-	194,396
Cultural, recreational, and economic development	74,742	-	74,742
Committed:			
Future facilities	513,965	-	513,965
Recreation-Payment in lieu	5,911	-	5,911
Assigned:			
Subsequent year's expenditures	196,625	-	196,625
Greenway	-	8,432	8,432
Unassigned:	5,218,676	-	5,218,676
Total fund balances	8,318,521	8,432	8,326,953
Total liabilities, deferred inflows of resources and fund balance	$ 8,687,153	$ 8,432	

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

Village of Clemmons, North Carolina
Balance Sheet
Governmental Funds (Continued)
June 30, 2014

Exhibit 3

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

Total fund balance, Governmental funds		$ 8,326,953
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	$ 65,479,910	
Accumulated depreciation	(21,557,538)	43,922,372
Liabilities for earned revenues considered deferred inflows of resources in fund statements		18,615
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds		
Compensated absences		(97,775)
		$ 52,170,165

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

Village of Clemmons, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2014

Exhibit 4

	Major Fund		
	General Fund	Total Non-Major Funds	Total Governmental Funds
Revenues			
Ad valorem taxes	$ 2,330,408	$ -	$ 2,330,408
Other taxes and licenses	3,426	-	3,426
Unrestricted intergovernmental	2,016,212	-	2,016,212
Restricted intergovernmental	625,517	38,282	663,799
Permits and fees	35,912	-	35,912
Investment earnings	4,819	-	4,819
Donations	305	-	305
Other revenues	357	-	357
Total Revenues	5,016,956	38,282	5,055,238
Expenditures			
Governing Board	66,849	-	66,849
Administration	589,803	-	589,803
Public Safety	927,175	-	927,175
Public Works	1,873,020	-	1,873,020
Powell Bill (Streets)	550,800	-	550,800
Planning & Zoning	127,976	-	127,976
Culture, recreation and economic development	80,516	-	80,516
Capital Outlay	198,601	-	198,601
Village Point Greenway	-	4,352	4,352
Traffic Signal	-	25,498	25,498
Total Expenditures	4,414,740	29,850	4,444,590
Excess (deficiency) of Revenues Over Expenditures	602,216	8,432	610,648
Other Financing Sources (Uses)			
Transfers (to) or from other funds	-	-	-
Sales of capital assets	3,500	-	3,500
Total other financing sources	3,500	-	3,500
Net change in fund balance	605,716	8,432	614,148
Fund Balance - Beginning of Year	7,711,496	-	7,711,496
Change in reserve for inventories	1,309	-	1,309
Fund Balance - End of Year	$ 8,318,521	$ 8,432	$ 8,326,953

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		$ 614,148
Change in fund balance due to change in reserve for inventory		1,309
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	$ 228,451	
Depreciation expense for governmental assets	(1,338,663)	(1,110,212)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Trade-in of tractor for attachement for new tractor	$ 5,000	
Donations of infrastructure and related right of way	338,000	
Change in unavailable revenue for tax revenues	(6,962)	336,038
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		(9,082)
Total changes in net position of governmental activities		$ (167,799)

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, 2014

	General Fund			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Ad valorem taxes	$ 2,223,900	$ 2,223,900	$ 2,330,408	$ 106,508
Other taxes and licenses	2,400	2,400	3,426	1,026
Unrestricted intergovernmental	1,822,200	1,822,200	2,016,212	194,012
Restricted intergovernmental	659,060	659,060	625,517	(33,543)
Permits and fees	13,325	13,325	35,912	22,587
Investment earnings	6,000	6,000	4,819	(1,181)
Donations	-	-	305	305
Other	-	-	357	357
Total revenues	4,726,885	4,726,885	5,016,956	290,071
Expenditures				
Governing Board	76,350	76,350	66,849	9,501
Administration	619,640	619,640	589,803	29,837
Public Safety	989,650	989,650	927,175	62,475
Public Works	1,981,245	1,981,245	1,873,020	108,225
Powell Bill (Streets)	676,740	676,740	550,800	125,940
Planning & Zoning	174,260	174,260	127,976	46,284
Cultural and recreation	74,000	84,000	80,516	3,484
Capital Outlay	304,200	304,200	198,601	105,599
Total expenditures	4,896,085	4,906,085	4,414,740	491,345
Revenues over (under) expenditures	(169,200)	(179,200)	602,216	781,416
Other financing sources (uses):				
Transfer to other funds	(495,900)	(495,900)	-	495,900
Interfund loan proceeds	41,000	41,000	41,000	-
Sale of capital assets	-	-	3,500	3,500
Total other financing sources (uses)	(454,900)	(454,900)	44,500	499,400
Restricted fund balance appropriated	241,740	251,740	-	(251,740)
Unassigned fund balance appropriated	382,360	382,360	-	(382,360)
Total fund balance appropriated	624,100	634,100	-	(634,100)
Net change in fund balance	$ -	$ -	646,716	$ 646,716
Fund balances, beginning of year			7,711,496	
Interfund loan proceeds			(41,000)	
Change in reserve for inventories			1,309	
Fund balances, end of year			$ 8,318,521	

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

Village of Clemmons, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2014

Exhibit 6

	Stormwater Fund	Total Proprietary Funds
Assets		
Current Assets:		
Cash	$ 1,323,077	$ 1,323,077
Accounts receivable	200	200
Due from other governments	20,589	20,589
Inventory	4,572	4,572
Prepaid insurance	4,478	4,478
Total current assets	1,352,916	1,352,916
Noncurrent assets:		
Capital assets:		
Construction in progress	67,504	67,504
Capital assets, net of depreciation	648,902	648,902
Total noncurrent assets	716,406	716,406
Total assets	$ 2,069,322	$ 2,069,322
Liabilities		
Current liabilities:		
Accounts payable	$ 11,904	$ 11,904
Accrued payroll liabilities	9,909	9,909
Compensated absences-current	3,986	3,986
Advance from general fund	41,000	41,000
Total current liabilities	66,799	66,799
Noncurrent liabilities:		
Advance from general fund	53,221	53,221
Compensated absences - noncurrent	3,132	3,132
Total noncurrent liabilities	56,353	56,353
Total liabilities	123,152	123,152
Net Position		
Net investment in capital assets	716,406	716,406
Unrestricted	1,229,764	1,229,764
Total net position	$ 1,946,170	$ 1,946,170
Net position of business-type activities		$ 1,946,170

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, 2014

	Stormwater Fund	Total Proprietary Funds
Operating Revenues		
Stormwater fee	$ 734,606	$ 734,606
Stormwater permits	14,704	14,704
Total operating revenues	749,310	749,310
Operating Expenses		
Salaries & fringe benefits	332,854	332,854
Minor capital improvements	38,075	38,075
Other operating expenses	90,169	90,169
Depreciation	49,866	49,866
Total operating expenses	510,964	510,964
Total operating income	238,346	238,346
Nonoperating Revenues (Expenses)		
Investment earnings	1,465	1,465
Total nonoperating revenues (expenses)	1,465	1,465
Income (loss) before contributions and transfers	239,811	239,811
Change in net position	239,811	239,811
Net Position-Beginning of Year	1,706,359	1,706,359
Net Position-End of Year	$ 1,946,170	$ 1,946,170
Net position - business-type activities		$ 1,946,170

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

Village of Clemmons, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

Exhibit 8

	Stormwater Fund	Total Proprietary Funds
Cash Flows from Operating Activities		
Cash received from customers	$ 754,722	$ 754,722
Cash paid for goods and services	(132,824)	(132,824)
Cash paid to or on behalf of employees for services	(334,848)	(334,848)
Net cash provided (used) by operating activities	287,050	287,050
Cash Flows from Noncapital Financing Activities		
Repayment of advanced funds	(41,000)	(41,000)
Total cash flows from noncapital financing activities	(41,000)	(41,000)
Cash Flows From Capital and Related Financing Activities		
Acquisition of capital assets	(100,580)	(100,580)
Net cash provided (used) by capital and related financing activities	(100,580)	(100,580)
Cash Flows from Investing Activities		
Interest	1,779	1,779
Net cash provided (used) by investing activities	1,779	1,779
Net increase (decrease) in cash and cash equivalents	147,249	147,249
Balances-beginning of the year	1,175,828	1,175,828
Balances-end of the year	$ 1,323,077	$ 1,323,077
Reconciliation of operating income to net cash provided by operating activities		
Operating Income	$ 238,346	$ 238,346
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	49,866	49,866
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	4,409	4,409
(increase) decrease in prepaid expenses	(4,478)	(4,478)
(increase) decrease in inventory	(4,572)	(4,572)
Increase (decrease) in accounts payable and accrued liabilities	994	994
Increase (decrease) in accrued vacation pay	258	258
Increase(decrease) in accrued salaries & benefits	2,227	2,227
Total adjustments	48,704	48,704
Net cash provided (used) by operating activities	$ 287,050	$ 287,050

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

I. 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:

A. Reporting Entity

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

B. 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.

I. 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:

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.
Sidewalks & Tanglewood Greenway Capital Project Fund**.** This fund is to account for sidewalk construction from Village Hall on Highway 158 to Tanglewood, assorted other connections of sidewalk, and greenway at Tanglewood Park as part of NC Department of Transportation grant with 20% match from general fund.
Traffic Signal Capital Project Fund**.** This fund is to account for traffic signal on Lewisville-Clemmons Road and Village Point Drive as part of NC Department of Transportation grant.

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.

C. 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.

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.

I. Summary of Significant Accounting Policies (continued)

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 for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collection the property taxes on registered motor vehicles on behalf of all municipalities. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes 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.

D. 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. The capital projects funds are appropriated on a project-length basis. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the department 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 departments within a fund up to $10,000; however, any revisions that alter total expenditures of any fund or that change department appropriations by more than

I. Summary of Significant Accounting Policies (continued)

$10,000 must be approved by the governing board. During the year, the Village had only one amendment to the original budget. 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.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. 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.

2. 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.

I. Summary of Significant Accounting Policies (continued)

3. 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.

General Fund Restricted Cash	
Powell bill	$ 1,419,553
Occupancy tax-tourism	188,001
Occupancy tax-cultural, recreational, and economic development	71,691
Total restricted cash	$ 1,679,245

4. 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, 2013.

5. 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.

6. Inventories and Prepaid Items

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.

The inventories of the Village's enterprise funds consist of materials and supplies held for subsequent use. The cost of these inventories is expensed when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

I. Summary of Significant Accounting Policies (continued)

7. 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	Useful Lives
Buildings and system	50
Infrastructure	35-50
Improvements	30
Vehicles and motorized equipment	6-10
Furniture and equipment	7-15
Computer equipment and software	4-5

8. 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 not 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.

9. 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. 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.

I. Summary of Significant Accounting Policies (continued)

10. 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.

11. Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified a 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.

Prepaid Items – portion of fund balance that is not an available resource because it represents the year-end balance of cost applicable to future account periods, which are not spendable resources.

I. Summary of Significant Accounting Policies (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 of Village of Clemmons' Council either 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.

Recreation – Payments in lieu of subdivision open space requirement per the Clemmons Unified Development Ordinance (UDO), restricted for recreation. Requires an amendment of the UDO to remove or change.

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.

I. Summary of Significant Accounting Policies (continued)

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.

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, 2014 is $3,000,000.

II. Detailed Notes on All Funds

A. Assets

1. 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, 2014, the Village's deposits had a carrying amount of $3,879,182 and a bank balance of $3,883,011. Of the bank balance, $500,000 was covered by federal depository insurance, and the remaining $3,883,011 was covered by collateral held under the Pooling Method. At June 30, 2014, the Village’s petty cash fund totaled $245.

II. Detailed Notes on All Funds (continued)

2. *Investments*

At June 30, 2014, the Village of Clemmons had $5,413,922 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, 2014, consist of the following:

	Reported Value	Fair Value
North Carolina Capital Management Trust		
Cash portfolio	$ 5,413,922	$ 5,413,922

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.

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, 2014.

3. *Receivables-Allowances for Doubtful Accounts*

The amounts presented in the Balance sheet and the Statement of Net Position is net of the following allowances for doubtful accounts:

Fund	06/30/2014
General Fund:	
Taxes Receivable	$ 22,080

II. Detailed Notes on All Funds (continued)

4. *Due from Other Governments and Accounts Receivable*

Accounts due from other governmental agencies and accounts receivable consist of the following items at June 30, 2014:

	State	County	Other Sources	Total
Governmental Activities				
Due from other governments				
Property taxes collections	$ -	$ 26,499	$ -	$ 26,499
Gross receipts tax	-	280	-	280
Sales and use tax	188,547	-	-	188,547
Utility taxes and fees	223,844	-	-	223,844
Refundable sales tax	20,271	-	-	20,271
Solid waste disposal tax	2,659	-	-	2,659
NCDOT grants	13,934	-	-	13,934
Winston-Salem Forsyth County School	-	6,000	-	6,000
Hotel occupancy tax	-	9,446	-	9,446
ABC mixed beverage tax	-	-	56,913	56,913
Total due from other governments	$ 449,255	$ 42,225	$ 56,913	$ 548,393
Accounts receivable				
Reimbursements	$ -	$ -	$ 661	$ 661
Interest receivable	-	-	11	11
Total accounts receivable	$ -	$ -	$ 672	$ 672
Enterprise Fund				
Due from other governments:				
Stormwater fee receivable	$ -	$ 5,857	$ -	$ 5,857
Interest receivable-stormwater fee	-	47	-	47
Refundable sales tax	4,060	-	-	4,060
Reimbursement City of Winston-Salem	-	-	10,625	10,625
Total due from other governments	$ 4,060	$ 5,904	$ 10,625	$ 20,589
Accounts receivable				
Reimbursements	$ -	$ -	$ 200	$ 200
Total accounts receivable	$ -	$ -	$ 200	$ 200

II. Detailed Notes on All Funds (continued)

5. *Capital Assets*

Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2014, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 19,062,648	$ 125,000	$ -	$ 19,187,648
Land and lake improvements	452,301	-	-	452,301
Works of Art	94,549	-	-	94,549
Construction in progress	90,809	29,850	-	120,659
Total capital assets not being depreciated	19,700,307	154,850	-	19,855,157
Capital assets being depreciated:				
Buildings	1,025,077	-	-	1,025,077
Other improvements	108,640	7,338	-	115,978
Equipment, Furniture & Fixtures	861,255	132,689	(12,568)	981,376
Vehicles	1,115,006	50,579	(26,880)	1,138,705
Computer equipment & software	71,821	12,995	(17,430)	67,386
Infrastructure	42,083,231	213,000	-	42,296,231
Total capital assets being depreciated	45,265,030	416,601	(56,878)	45,624,753
Less accumulated depreciation for:				
Buildings	287,675	28,414	-	316,089
Other improvements	42,731	6,563	-	49,294
Equipment, Furniture & Fixtures	517,185	56,729	(12,568)	561,346
Vehicles	772,215	63,525	(26,880)	808,860
Computer equipment & software	56,570	7,189	(17,430)	46,329
Infrastructure	18,599,377	1,176,243	-	19,775,620
Total accumulated depreciation	20,275,753	$ 1,338,663	$ (56,878)	21,557,538
Total capital assets being depreciated, net	24,989,277			24,067,215
Governmental activity capital assets, net	$ 44,689,584			$ 43,922,372

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

Administration	$ 16,827
Public safety	588
Public Works & Streets	1,321,248
Total depreciation expense	$ 1,338,663

II. Detailed Notes on All Funds (continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type Activities:				
Stormwater Fund				
Capital assets not being depreciated				
Construction in progress Drainage Improv.	$ 68,231	$ 610	$ (1,337)	$ 67,504
Total Capital assets not being depreciated	$ 68,231	$ 610	$ (1,337)	$ 67,504
Capital assets being depreciated				
Building	$ 53,883	$ -	$ -	$ 53,883
Equipment	194,827	2,045	-	196,872
Vehicles	428,926	-	-	428,926
Infrastructure-Drainage	319,381	88,637	-	408,018
	997,017	90,682	-	1,087,699
Less accumulated depreciation for:				
Building	$ 1,601	$ 779	$ -	$ 2,380
Equipment	109,548	17,868	-	127,416
Vehicles	258,819	23,767	-	282,586
Infrastructure-Drainage	18,963	7,452	-	26,415
Total accumulated depreciation	388,931	$ 49,866	$ -	438,797
Total capital assets being depreciated, net	608,086			648,902
Business-type activity capital assets, net	$ 676,317			$ 716,406

B. 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 7.07% 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, 2014, 2013 and 2012 were $73,531, $66,096, and $67,270 respectively. The contributions made by the Village equaled the required contributions for each year.

II. Detailed Notes on All Funds (continued)

b. Defined Contribution Pension and Deferred Compensation Pension Plan

The Village of Clemmons contributes to the North Carolina 401K and 457 plans. The 4019k) is a defined contribution pension plan in accordance with Internal Revenue Code (IRC) Section 401(k) in which the employees can defer a portion of his or her salary; then the Village will match the employee contribution up to 5%. The 457 plan is a uniform Deferred Compensation Plan in accordance with Internal Revenue Code (IRC) Section 457. The 457 Plan permits each participating employees to defer a portion of his or her salary until future years by having the funds invested in various instruments that make up the North Carolina Public Employee Deferred Compensation Trust Fund. This fund is held in trust by the 457 Plan for the exclusive benefit of participating employees and their beneficiaries. The deferred compensation plan is available to employees upon separation from service, death, disability, retirement, or financial hardships with approval. The plan covers all employees of the Village who are members of Local Governmental Employees' Retirement System who elect to participate. The 401(k) and 457 plans financial statements are available by contacting the NC Department of State Treasurer, 325 North Salisbury Street, Raleigh, NC 27603-1385. Other information on the plans may be found in the State's CAFR. That report may be obtained by writing to the Office of State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, www.osc.nc.gov, or by calling (919) 981-5454

Plan contributions to the 401(k) plan amounted to $98,849 during the fiscal year ended June 30, 2014. Employee contributions of $60,344 with Village match of $38,484. Plan contributions by employees to the 457 plan amounted to $775 during the fiscal year ended June 30, 2014. 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 the North Carolina 401(k) Plan and Deferred Compensation 457(b) Plan, which acts as trustee and administrator for the Plan.

c. Other Postemployment Benefits

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.

II. Detailed Notes on All Funds (continued)

3. Deferred Outflows and Inflows of Resources

The Village has no deferred outflows of resources.

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

	Unavailable Revenue
Taxes receivable, net (General Fund)	$ 18,615

4. 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 carries commercial insurance coverage which provides for the following times of major coverage for the amount of retained risk noted: general liability ($1,000,000),law enforcement liability ($1,000,000), public officials' liability ($1,000,000), employment practices liability ($1,000,000), auto liability $1,000,000), commercial excess liability ($1,000,000) inland machine ($781,582), and commercial property ($1,539,626). The Village participates in two self-funded risk-financing pools administered by the North Carolina League of Municipalities workers' compensation and group health insurance 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 carries flood insurance coverage up to a limit of coverage of $894,722 with a $50,000 deductible per covered location; the annual aggregate is $894,722.

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.

II. Detailed Notes on All Funds (continued)

5. Long Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2014:

	Balance June 30, 2013	Increases	Decreases	Balance June 30, 2014
Governmental activities:				
Compensated absences	$ 88,693	$ 59,498	$ 50,416	$ 97,775
Governmental activity long-term liabilities	$ 88,693	$ 59,498	$ 50,416	$ 97,775
Business-type activities:				
Compensated absences	$ 6,860	$ 8,775	$ 8,517	$ 7,118
Business activity long-term liabilities	$ 6,860	$ 8,775	$ 8,517	$ 7,118

Governmental activities:	
Current portion-compensated absences	$ 34,221
Non-current portion-compensated absences	63,554
	$ 97,775
Business activities:	
Current portion-compensated absences	$ 3,986
Non-current portion- compensated absences	3,132
	$ 7,118

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

C. Interfund Balances and Activity

Interfund Receivables and Payables at June 30, 2014

	Interfund Receivables	Interfund Payables
General Fund	$ 105,723	$ -
Village Point Lake Greenway Project	-	944
Traffic Signal	-	10,558
Stormwater Fund	-	94,221
	$ 105,723	$ 105,723

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, 2014 is $94,221.

The interfund balances due to/from Village Point Lake Greenway Capital Project and Traffic Signal 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.

II. Detailed Notes on All Funds (continued)

Transfers for Fiscal Year Ended June 30, 2014

	Transfers In	Transfer Out
General Fund	$ -	$ -
Village Point Greenway Capital Project	-	-
	$ -	$ -

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.

D. 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	$ 8,318,521
Less:	
Inventories	48,496
Prepaid items	13,717
Stabilization by State Statute	636,054
Streets	1,415,939
Travel and Tourism	194,396
Cultural, recreation, and economic development	74,742
Committed Fund Balance	519,876
Appropriated unassiged fund balance	196,625
Fund Balance Policy	3,000,000
Remaining Fund Balance	2,218,676

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

E. 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 $3,982 to the Council during the fiscal year ended June 30, 2014.

F. 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, 2014, the Village received $250,647 in distributed net income. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2014. 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.

G. 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.

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, 2014

	Budget	Actual	Variance Positive (Negative)
Revenues			
Ad valorem taxes			
Current year	$ 2,017,900	$ 2,156,350	$ 138,450
Current year- tax & tag	176,000	146,702	(29,298)
Prior year	25,000	19,779	(5,221)
Penalties and interest	5,000	9,587	4,587
Penalties remitted to school system	-	(713)	(713)
Tax refunds & releases	-	(1,297)	(1,297)
Total	2,223,900	2,330,408	106,508
Other taxes and licenses			
Gross receipts tax on leases vehicles	2,400	2,381	(19)
Licenses	-	1,045	1,045
Total	2,400	3,426	1,026
Unrestricted intergovernmental			
Local option sales tax	625,000	690,870	65,870
Beer and wine tax	82,000	82,937	937
Telecommunication sales tax	110,000	108,083	(1,917)
Utility franchise tax	558,000	613,264	55,264
Piped natural gas tax	58,000	73,867	15,867
Video programming fee	188,200	196,544	8,344
ABC profit distribution	201,000	250,647	49,647
Total	1,822,200	2,016,212	194,012
Restricted intergovernmental			
Powell Bill allocation	505,000	520,934	15,934
STP-DA grant	65,760	-	(65,760)
Hotel occupancy tax- cultural, etc.	26,000	31,034	5,034
Hotel occupancy tax- tourism	50,000	61,965	11,965
Solid waste disposal tax	12,300	11,584	(716)
Total	659,060	625,517	(33,543)
Permits and fees			
Planning & zoning fees	4,000	12,990	8,990
Planning & zoning fees payment in lieu	-	5,911	5,911
Community Garden fee	525	535	10
False alarms	1,800	4,950	3,150
Public works fees	6,500	10,166	3,666
Parking tickets	500	1,360	860
Total	13,325	35,912	22,587
Investment earnings	6,000	4,819	(1,181)
Donations	-	305	305
Other revenues	-	357	357
Total Revenues	4,726,885	5,016,956	290,071

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, 2014

		Budget	Actual	Variance Positive (Negative)
Expenditures				
Governing body				
Salaries and employee benefits			34,146	
Other operating expenditures			19,203	
Professional services			13,500	
	Total	76,350	66,849	9,501
Administration				
Salaries and employee benefits			402,246	
Other operating expenditures			187,557	
	Total	619,640	589,803	29,837
Public Safety				
Contracted services-Forsyth County			895,539	
Other operating expenditures			31,636	
	Total	989,650	927,175	62,475
Public Works				
Salaries and employee benefits			559,999	
Solid waste & recycling			940,891	
Park annual maintenance			17,295	
Other operating expenditures			354,835	
	Total	1,981,245	1,873,020	108,225
Streets (Powell Bill)				
Salaries and employee benefits			133,761	
Resurfacing & paving			341,568	
Traffic control			14,465	
Snow removal			17,791	
Other operating expenditures			43,215	
	Total	676,740	550,800	125,940
Planning and Zoning				
Salaries and employee benefits			93,999	
Other operating expenditures			33,977	
	Total	174,260	127,976	46,284

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, 2014

	Budget	Actual	Variance Positive (Negative)
Culture, Recreation, and Economic Development			
Tourism		34,016	
Southwest Little League		25,000	
Clemmons Library		7,000	
YMCA		5,000	
Lewisville-Clemmons Chamber-Community Day		5,000	
Arts		4,500	
Total	84,000	80,516	3,484
Capital Outlay			
Administration		12,995	
Public Works		115,811	
Streets		62,457	
Major repairs/renovations		7,338	
Total	304,200	198,601	105,599
Total Expenditures	4,906,085	4,414,740	491,345
Revenues Over (Under) Expenditures	(179,200)	602,216	781,416
Other Financing Sources (Uses)			
Transfers (to) from other funds			
Capital Projects	(495,900)	-	495,900
Interfund loan proceeds	41,000	41,000	-
Sale of capital assets	-	3,500	3,500
Total	(454,900)	44,500	499,400
Fund balance appropriated	382,360	-	(382,360)
Restricted fund balance appropriated	251,740	-	(251,740)
Total	634,100	-	(634,100)
Net change in fund balance	$ -	$ 646,716	646,716
Fund Balance - Beginning of Year		7,711,496	
Interfund loan proceeds		(41,000)	
Change in inventory		1,309	
Fund Balance - End of Year		$ 8,318,521	

NONMAJOR GOVENMENTAL FUNDS

VILLAGE POINT LAKE GREENWAY

SIDEWALKS AND TANGLEWOOD GREENWAY

TRAFFIC SIGNAL

Village of Clemmons, North Carolina **Exhibit B**
Combining Balance Sheet
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2014

	Village Point Greenway	Sidewalks & Tanglewood Greenway	Traffic Signal	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	$ -	$ -	$ -	$ -
Grant receivable	3,376	-	10,558	13,934
School Match Receivable	6,000			6,000
Due from general fund	-	-	-	-
Total assets	$ 9,376	$ -	$ -	$ 19,934
Liabilities and Fund Balance				
Liabilities:				
Accounts Payable	$ -	$ -	$ -	$ -
Due to General Fund	944	-	10,558	11,502
Total Liabilities	944	-	-	11,502
Fund Balances:				
Assigned	8,432	-	-	8,432
Total liabilities and fund balances	$ 9,376	$ -	$ -	$ 19,934

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, 2014

	Village Point Greenway	Sidewalk & Tanglewood Greenway	Traffic Signal	Total Nonmajor Governmental Funds
Revenues				
NC DOT Grant	$ 3,481	$ -	$ 25,498	$ 28,979
School Matching	9,303	-	-	9,303
Total Revenues	12,784	-		38,282
Greenway	4,352	-	-	4,352
Construction & Engineering	-	-	25,498	25,498
Total Expenditures	4,352	-	25,498	29,850
Revenues over expenditures	8,432	-	-	8,432
Other Financing Sources				
Transfers from other funds:				
General Fund	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	8,432	-	-	8,432
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	$ 8,432	$ -	$ -	$ 8,432

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

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, 2014

	Project Authorization	Actual Prior Year	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues					
NCDOT Grant	$ 908,000	$ 62,744	$ 3,481	$ 66,225	$ (841,775)
W-S Forsyth County School	3,300	-	9,303	9,303	6,003
Total Revenues	911,300	62,744	12,784	75,528	(835,772)
Expenditures					
Village Point Greenway	1,143,500	83,930	4,352	88,282	1,055,218
Total Expenditures	1,143,500	83,930	4,352	88,282	1,055,218
Revenues under expenditures	(232,200)	(21,186)	8,432	(12,754)	219,446
Other Financing Sources					
Transfers from other funds					
General Fund	232,200	21,186	-	21,186	(211,014)
Total other financing sources	232,200	21,186	-	21,186	(211,014)
Net change in fund balance	$ -	$ -	8,432	$ 8,432	$ -
Fund Balance, Beginning			-		
Fund Balance, Ending			$ 8,432		

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

Capital Projects Fund - Sidewalks & Tanglebrook Greenway

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget to Actual

From Inception and For the Fiscal Year Ended June 30, 2014

	Project Authorization	Actual Prior Year	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues					
NCDOT Grant	$ 1,480,000	$ -	$ -	$ -	$ (1,480,000)
Total Revenues	1,480,000	-	-	-	(1,480,000)
Expenditures					
Construction & Engineering	1,850,000	-	-	-	1,850,000
Total Expenditures	1,850,000	-	-	-	1,850,000
Revenues under expenditures	(370,000)	-	-	-	370,000
Other Financing Sources					
Transfers from other funds					
General Fund	370,000	-	-	-	(370,000)
Total other financing sources	370,000	-	-	-	(370,000)
Net change in fund balance	$ -	$ -	-	-	$ -
Fund Balance, Beginning			-		
Fund Balance, Ending			$ -		

Village of Clemmons, North Carolina **Exhibit F**
Capital Projects Fund - Traffic Signal
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
From Inception and For the Fiscal Year Ended June 30, 2014

	Project Authorization	Actual Prior Year	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues					
NCDOT WBS-41350	$ 200,000	$ -	$ 25,498	$ 25,498	$ (174,502)
Total Revenues	200,000	-	25,498	25,498	(174,502)
Expenditures					
Construction & Engineering	200,000	-	25,498	25,498	174,502
Total Expenditures	200,000	-	25,498	25,498	174,502
Revenues under expenditures	-	-	-	-	-
Other Financing Sources					
Transfers from other funds					
General Fund	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Net change in fund balance	$ -	$ -	$ -	$ -	$ -
Fund Balance, Beginning			-		
Fund Balance, Ending			$ -		

MAJOR ENTERPRISE FUND

STORMWATER

Village of Clemmons, North Carolina **Exhibit G**
Stormwater Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2014

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Stormwater Fee	$ 725,000	$ 734,606	$ 9,606
Stormwater Permits	5,000	14,704	9,704
Net operating revenues	730,000	749,310	19,310
Expenditures			
Salaries & fringe benefits		332,596	
Other operating expenses		90,169	
Minor capital improvements		38,075	
Subtotal	528,405	460,840	67,565
Capital Improvement Plan & Capital Outlay	474,000	89,955	384,045
Total operating expenses	1,002,405	550,795	451,610
Operating Income	(272,405)	198,515	470,920
Nonoperating Revenues (Expenditures)			
Interest and investment earnings	1,000	1,465	465
Repayment of advanced funds	(41,000)	(41,000)	-
Total nonoperating expenditures, net	(40,000)	(39,535)	465
Revenues over(under) expenditures	(312,405)	158,980	471,385
Fund balance appropriated	314,405	-	(314,405)
Total	2,000	158,980	156,980
Revenues and Other Sources Over Expenditures and Other Uses	$ 2,000	$ 158,980	$ 156,980
Reconciliation from budgetary basis modified accrual to full accrual:			
Repayment of advance funds		41,000	
Increase in accrued vacation pay		(258)	
Depreciation expense		(49,866)	
Capital assets		89,955	
Total reconciling items		80,831	
Change in Net Position		$ 239,811	

OTHER SCHEDULES

Village of Clemmons, North Carolina **Exhibit H**
General Fund
Schedule of Ad Valorem Taxes Receivable
For the Fiscal Year Ended June 30, 2014

Fiscal Year	Uncollected Balance June 30, 2013	Additions	Collections And Credits	Uncollected Balance June 30, 2014
2013-2014	$ -	$ 2,321,667	$ 2,303,052	$ 18,615
2012-2013	25,577	48	18,408	7,217
2011-2012	6,268	-	1,033	5,235
2010-2011	3,712	-	406	3,306
2009-2010	1,747	-	120	1,627
2008-2009	1,092	-	18	1,074
2007-2008	654	-	21	633
2006-2007	1,019	-	13	1,006
2005-2006	898	-	-	898
2004-2005	1,084	-	-	1,084
2003-2004	861	-	861	-
	$ 42,912	$ 2,321,715	$ 2,323,932	$ 40,695

Less allowance for uncollectible accounts	22,080
Ad valorem taxes receivable - net	$ 18,615

Reconcilement with revenues:

Ad valorem taxes - General Fund	$ 2,330,408
Reconciling items:	
Net interest collected	(9,587)
Releases (prior years' taxes)	236
Refunds Paid	1,297
Net (over)underpayments of prior years' taxes	4
Taxes written off	861
Penalties paid school system	713
Subtotal	(6,476)
Total collections and credits	$ 2,323,932

Village of Clemmons, North Carolina **Exhibit I**
General Fund
Village-Wide Levy
For the Fiscal Year Ended June 30, 2014

	Village-wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current rate	$ 2,032,800,000	0.1150	$ 2,337,720	$ 2,076,100	$ 261,620
Penalties			844	844	
Underpayment of taxes			(11)	(2)	(9)
Total	2,032,800,000		2,338,553	2,076,942	261,611
Releases	(14,683,478)		(16,886)	(15,482)	(1,404)
Total property valuation	$ 2,018,116,522				
Net levy			2,321,667	2,061,460	260,207
Uncollected taxes at June 30, 2014			(18,615)	(12,742)	(5,873)
Current year's taxes collected			$ 2,303,052	$ 2,048,718	$ 254,334
Current levy collection percentage			99.20%	99.38%	97.74%

STATISTICAL SECTION

* **Financial Trend**
* **Revenue Capacity**
* **Debt Capacity**
* **Demographics and Economic Condition**
* **Operating Conditions**

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

Schedule 1

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net Position										
Governmental activities:										
Net investment in capital assets	$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	**$43,922,372**
Restricted	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	**2,321,131**
Unrestricted	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	**5,926,662**
Total governmental activities net position	$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	**$52,170,165**
Business-type activities:										
Net investment in capital assets	$ -	$ 98,731	$ 192,474	$ 153,332	$ 190,998	$ 423,601	$ 511,412	$ 704,208	$ 676,317	**$ 716,406**
Unrestricted	(227,766)	(40,875)	162,700	360,581	417,318	448,460	634,508	749,680	1,030,042	**1,229,764**
Total business-type activities net position	$ (227,766)	$ 57,856	$ 355,174	$ 513,913	$ 608,316	$ 872,061	$ 1,145,920	$ 1,453,888	$ 1,706,359	**$ 1,946,170**
Primary government										
Net investment in capital assets	$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	**$44,638,778**
Restricted	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	**2,321,131**
Unrestricted	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	**7,156,426**
Total primary government net position	$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	**$54,116,335**

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

Schedule 2

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
Governing board	$ 51,569	$ 53,544	$ 50,356	$ 61,759	$ 60,696	$ 60,240	$ 58,446	$ 65,060	$ 64,999	**$ 66,849**
Administration	448,465	464,088	491,474	568,872	560,319	555,040	598,315	636,056	588,189	**606,578**
Public safety	558,137	593,788	730,635	818,000	830,861	893,079	845,102	822,679	910,312	**927,763**
Public works	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	**3,750,700**
Planning and zoning	45,193	50,436	78,793	232,863	243,842	286,315	246,813	123,555	131,282	**130,169**
Cultural and recreation	102,503	109,565	41,185	31,014	61,657	35,315	31,048	61,029	83,222	**80,516**
Total governmental activities expenses	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	**5,562,575**
Business-type activities:										
Stormwater	146,612	167,760	174,386	323,134	387,775	353,049	387,142	420,007	497,430	**510,964**
Total primary government expenses	$ 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	**$ 6,073,539**
Program revenues										
Governmental activities:										
Charges for services:										
Public Safety	$ 4,690	$ 2,575	$ 2,659	$ 3,195	$ 2,085	$ 4,950	$ 7,130	$ 5,025	$ 4,875	**$ 6,310**
Public works	48,077	46,273	50,717	5,544	12,699	10,182	38,878	10,782	9,943	**16,077**
Planning and zoning	-	-	-	7,365	17,100	4,692	6,598	4,710	5,925	**13,525**
Operating grants and contributions:										
Public works	524,814	548,989	564,706	647,199	660,781	604,297	498,014	531,912	527,133	**532,518**
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	**92,999**
Capital grants and contributions:										
Public works	758,071	1,054,017	4,948,114	2,656,905	1,143,342	-	8,366	4,538,630	3,432,289	**376,282**
American recovery and reinvestment act						197,584				
Total governmental activities program revenues	$ 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	**$ 1,037,711**
Business-type activities:										
Stormwater:										
Charges for services		483,782	497,990	508,159	515,433	651,808	658,193	725,809	747,671	**749,310**
Total business-type activities program revenues	-	483,782	497,990	508,159	515,433	651,808	658,193	725,809	747,671	**749,310**
Total primary government program revenues	$ 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	**$ 1,787,021**

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

Schedule 2

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total net (expense) revenue by program:										
Governmental activities:										
Governing Board	$ (51,569)	$ (53,544)	$ (50,356)	$ (61,759)	$ (60,696)	$ (60,240)	$ (58,446)	$ (65,060)	$ (64,999)	**$ (66,849)**
Administration	(448,465)	(464,088)	(491,474)	(568,872)	(560,319)	(555,040)	(598,315)	(636,056)	(588,189)	**(606,578)**
Public safety	(553,447)	(591,213)	(727,976)	(814,805)	(828,776)	(888,129)	(837,972)	(817,654)	(905,437)	**(921,453)**
Public works	(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	**(2,825,680)**
Planning and zoning	(45,193)	(50,436)	(78,793)	(225,498)	(226,742)	(281,623)	(210,975)	(118,845)	(125,357)	**(116,644)**
Cultural and recreation	(100)	(36,907)	41,749	57,749	2,364	15,931	39,869	19,300	803	**12,483**
American recovery and reinvestment act	-	-	-	-	-	197,584	-	-	-	**-**
Business-type activities:										
Stormwater	(146,612)	316,022	323,604	185,025	127,658	298,759	271,051	305,802	250,241	**238,346**
Total net program (expense) revenue	$(2,725,596)	$(2,262,712)	$1,538,851	$(1,564,590)	$(3,367,786)	$(4,144,880)	$(4,307,514)	$ 66,352	$(1,138,420)	**$(4,286,375)**
General revenues and transfers										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	$ 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	**$ 2,323,446**
Other taxes and licenses	2,808	3,140	2,540	2,422	2,135	2,134	2,793	3,299	2,790	**3,426**
Unrestricted intergovernmental	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	**2,016,212**
Investment earnings, unrestricted	90,510	148,831	271,438	200,709	117,452	38,327	20,268	13,139	7,876	**4,676**
Donations	-	-	-	-	250	248	100	500	50	**305**
Miscellaneous	1,379	1,203	1,048	10,325	450	128	825	2,594	6,425	**8,857**
Gain on sale of capital assets	-	-	-	-	21,070	-	19,002	-	-	**-**
Transfers		41,000	41,000	41,000	41,000	37,521	-	-	-	**-**
Total governmental activities general revenues	$ 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	**$ 4,356,922**
Business-type activities:										
Stormwater:										
Investment earnings, unrestricted	-	10,600	14,714	14,714	4,745	2,507	2,808	2,166	2,230	**1,465**
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	**1,465**
Total net program (expense) revenue	(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)	**(4,286,375)**
Change in net position:										
Governmental activities	412,936	687,769	4,896,969	2,035,420	226,247	(692,029)	(422,964)	4,026,286	2,957,670	**(167,799)**
Business-type activities	(146,612)	285,622	297,318	158,739	94,403	263,745	273,859	307,968	252,471	**239,811**
Total primary government	$ 266,324	$ 973,391	$5,194,287	$ 2,194,159	$ 320,650	$ (428,284)	$ (149,105)	$4,334,254	$ 3,210,141	**$ 72,012**

Village of Clemmons, North Carolina **Schedule 3**
Fund Balance - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	**2014**
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	**$ 48,496**
Prepaid items	-	-	-	-	-	-	-	-	-	**13,717**
Restricted										
Stabilization by State Statute	599,466	629,763	709,468	672,690	667,798	819,717	653,133	626,117	604,204	**636,054**
Streets	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	**1,415,939**
Travel and Tourism	95,483	53,859	90,088	133,166	126,662	139,559	173,733	233,740	234,767	**194,396**
Cultural, recreation and economic dev.	20,315	25,032	30,551	45,222	54,090	57,124	51,320	77,931	77,707	**74,742**
Flags	61	61	61	61	61	61	-	-	-	**-**
Committed										
Village facilities	296,047	1,013,177	1,066,512	503,092	511,795	512,754	513,383	513,675	513,912	**513,965**
Recreation-payment in lieu	-	-	-	-	-	-	-	-	-	**5,911**
Assigned										
Subsequent year's expenditures	72,330	380,960	245,925	666,310	467,380	743,335	760,768	-	382,360	**196,625**
Equipment	18,000	-	-	-	-	-	-	-	-	**-**
Public Safety	79,900	-	-	-	-	-	-	-	-	**-**
Sidewalks	39,250	39,250	39,250	12,491	12,491	12,491	-	-	-	**-**
Unassigned	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	**5,218,676**
Total general fund	$ 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	**$ 8,318,521**
All other governmental funds										
Assigned-Greenway	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 8,432**
Unassigned capital projects	-	-	-	-	-	-	-	(22,103)	-	**-**
Total all other governmental funds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (22,103)	$ -	**$ 8,432**

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

Changes in Fund Balance - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	**2014**
Revenues										
Taxes	$ 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	**$ 2,330,408**
Other Taxes & Licenses	2,808	3,139	2,540	2,422	2,135	2,134	2,793	3,299	2,790	**3,426**
Unrestricted Intergovernmental	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	**2,016,212**
Restricted Intergovernmental	611,243	588,806	595,579	685,415	711,654	850,929	596,504	626,456	743,929	**663,799**
Permits & Fees	15,517	8,498	11,427	16,105	23,548	19,824	17,606	20,517	20,743	**35,912**
Sales & services	37,250	40,350	41,950	-	-	-	-	-	-	**-**
Investment Earnings	106,484	181,671	323,498	251,254	138,936	40,525	21,935	14,064	8,617	**4,819**
Other revenues	1,379	1,103	1,048	74	700	376	925	594	185	**662**
Total revenues	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	**5,055,238**
Expenditures										
Governing Board	51,569	53,543	50,356	61,759	60,696	60,240	58,446	65,060	64,999	**66,849**
Administration	428,254	439,702	474,167	550,223	540,427	537,673	579,298	615,888	568,626	**589,803**
Public Safety	553,488	589,139	726,046	816,782	829,659	891,948	844,165	821,742	909,724	**927,175**
Public Works	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	**1,873,020**
Powell Bill Streets	-	-	-	-	-	394,792	228,462	170,806	622,210	**550,800**
Planning & zoning	45,193	50,436	78,793	232,348	241,433	285,376	246,142	123,570	130,851	**127,976**
Cultural & recreation	102,503	109,565	41,185	31,014	61,657	35,315	31,048	61,029	83,222	**80,516**
Capital outlay	237,820	297,800	469,906	754,710	480,466	399,688	505,650	743,170	262,777	**228,451**
Total expenditures	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	**4,444,590**
Excess (deficiency) of revenues over expenditures	405,638	378,850	567,640	(268,697)	(243,450)	70,257	273,745	188,534	701,585	**610,648**
Other financing source (uses):										
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	**3,500**
Total other financing sources (uses)	-	41,000	41,001	51,251	71,500	37,521	1,002	14,693	8,657	**3,500**
Net change in fund balance	$ 405,638	$ 419,850	$ 608,641	$ (217,446)	$ (171,950)	$ 107,778	$ 274,747	$ 203,227	$ 710,242	**$ 614,148**
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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Public safety	$ 4,690	$ 2,575	$ 2,659	$ 3,195	$ 2,085	$ 4,950	$ 7,130	$ 5,025	$ 4,875	**$ 6,310**
Public works & streets	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	**925,020**
Planning & Zoning				7,365	[2] 17,100	4,692	35,838	4,710	5,925	**13,525**
Cultural,recreational & economic	35,000	72,658	82,934	88,763	64,021	51,246	70,917	80,329	84,025	**92,999**
Subtotal for governmental activities	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	**$1,037,854**
Business-type activities										
Stormwater	$ -	$ 483,782	$ 497,990	$ 508,159	$ 515,433	$ 651,808	$ 658,193	$ 725,809	$ 747,671	**$ 749,310**
Total primary government	$ 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	**$1,787,164**

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	Utility Taxes	Beer and Wine Tax	Occupancy Tax	Solid Waste Disposal Tax	Total
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
2014	**2,330,408**	**690,870**	**991,758**	**82,937**	**92,999**	**11,584**	**4,200,556**
Change							
2005-2014	43.2%	35.7%	25.4%	11.7%	27.5%	28.0%	36.9%
2008-2014	25.2%	12.8%	9.0%	2.0%	4.6%	28.0%	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

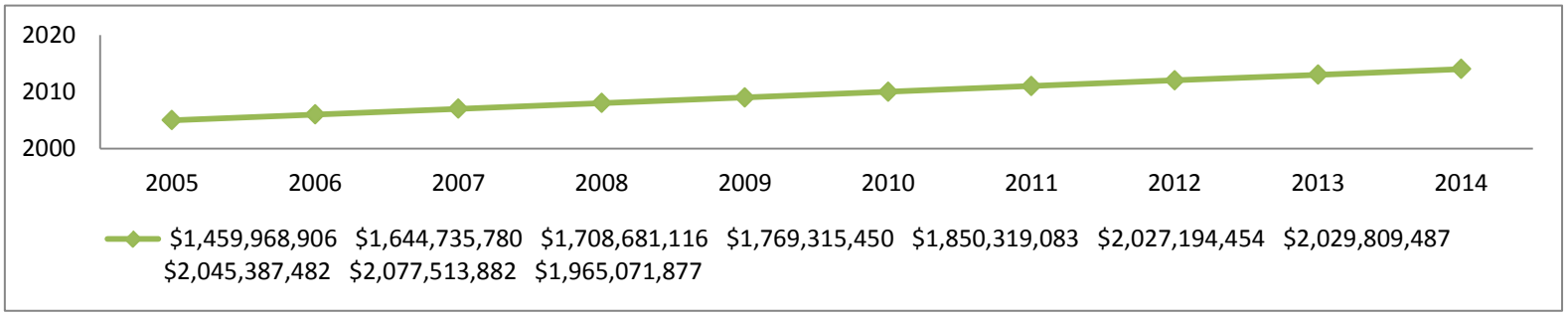
Fiscal Year Ended June 30	(1)Tax Year Ended December 31	Real Property	Personal Property	Registered Vehicles	Public Service Companies	Total	(2) Ratio of Assessed Value Estimated Actual Value	(3) Total Direct Tax Rate
2005	2004	$ 1,223,426,450	$ 67,927,880	$ 151,523,570	$ 17,091,006	$ 1,459,968,906	100%	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
2014	**2013**	**$ 1,676,562,086**	**$ 80,889,620**	**$ 173,493,537**	**$ 34,126,634**	**$ 1,965,071,877**	**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 2005, 2009, and 2013. As of September 1, 2013 registered motor vehicles are assessed when vehicle tag is renewed. 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
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
2014	**0.1150**	**0.1150**	**0.7168**	**0.05**	**0.074**	**0.8818**	**0.9058**

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				
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%	$ 16,972	$ 1,674,193	99.94%	$ 1,006
2008	$ 1,745,019	$ 1,725,659	98.89%	$ 18,727	$ 1,744,386	99.96%	$ 633
2009	$ 1,821,306	$ 1,796,026	98.61%	$ 24,206	$ 1,820,232	99.94%	$ 1,074
2010	$ 1,992,177	$ 1,962,148	98.42%	$ 28,402	$ 1,990,550	99.92%	$ 1,627
2011	$ 2,329,594	$ 2,296,513	98.58%	$ 29,775	$ 2,326,288	99.86%	$ 3,306
2012	$ 2,359,777	$ 2,328,138	98.66%	$ 26,404	$ 2,354,542	99.78%	$ 5,235
2013	$ 2,388,677	$ 2,363,052	98.93%	$ 18,408	$ 2,381,460	99.70%	$ 7,217
2014	**$ 2,321,667**	**$ 2,303,052**	**99.20%**	**$ -**	**$ 2,303,052**	**99.20%**	**$ 18,615**

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 **Schedule 10**
Principal Taxpayers For the Year
Fiscal Years Ended June 30, 2014 and 2008

		Fiscal Year 2014	
Taxpayer	**Type of Enterprise**	**Assessed Valuation**	**Percent of Total Assessed Valuation**
Hayward Industries Inc.	Manufacturer	$ 46,854,570	2.26%
Bellsouth Telephone Co.	Communications	19,993,729	0.96%
Chamberlain Place Apartments	Apartments	19,045,000	0.92%
Clemmons Medical Park	Health Care	15,689,100	0.76%
Novant Health	Health Care	14,128,960	0.72%
Hubbard Realty of WS, Inc.	Real Estate Developer/Contractor	10,072,105	0.48%
Concord Five LLC	Real Estate Developer	9,178,800	0.44%
Tanglewood Ht LLC	Real Estate Developer	8,962,900	0.43%
Morgan Place Apartments	Apartments	8,905,900	0.43%
Kinnamon Village LLC	Real Estate Developer	7,796,300	0.38%
Piedmont Natural Gas	Utilites	6,988,270	0.34%
Total Top Ten		$ 167,615,634	8.07%
Total Levy Schedule 7		$ 1,965,071,877	

		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 2014	
Assessed Value of Taxable Property	**$ 2,018,116,522**
Debt Limit = Eight percent (8%) of assessed value	**161,449,322**
Debt applicable to limit:	
	-
Total debt applicable to legal debt limit	**-**
Legal debt margin	**$ 161,449,322**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	$ 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	**$ 161,449,322**
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	**-**
Legal debt margin	$ 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	**$ 161,449,322**
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, 2014

Jurisdiction	Outstanding Debt	Percentage Applicable to Clemmons	Amount Applicable to Clemmons
Forsyth County			
General obligation debt	$ 467,559,237		
Certificates of Participation	37,650,582		
Limited obligation bonds	29,874,372		
Installment Purchase Contracts	9,620,166		
	$ 544,704,357	6.165%	33,582,052
Subtotal, overlapping debt			33,582,052
Total direct and overlapping debt			$ 33,582,052

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**
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%	$ -	-
2014	**-**	**-**	**-**	**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
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%
2014	**$ -**	**$ -**	**$ -**	**$ 4,216,139**	**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 (2)**	**Population (1)**	**Median Age (1)**	**Total Personal Income (2) (Thousands of Dollars)**	**Per Capita Income (1)**	**Unemployment Rate (3)**
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	$ 12,958,800	$ 36,879	10.3
2011	18688		351380		$ 14,437,625	$ 37,911	10.6
2012	18829		353949		$ 14,176,253	$ 39,583	9.5
2013	18960		353949		(4)	(4)	8.8
2014	**19168**		**357483**		**(4)**	**(4)**	**6.3**

Source:
(1) Office of Budget and Management for the State of North Carolina
(2) U.S. Bureau of Economic Analysis and 2010 Census Information
(3) The Employment Security Commission of North Carolina
(4) Information is unavailable

Village of Clemmons, North Carolina
Principal Employers For the Year
Current Year and Ten Years Ago

Schedule 16

Employers	Type of Enterprise	2014 [1] Approximate Number of Employees	Rank	Percentage of Total County Employment	2005[2] Approximate Number of Employees	Rank	Percentage of Total County Employment
Forsyth County							
Wake Forest University Baptist Medical Center[2]	Education & Health Services	13,398	1	8.01%	11,240	1	7.17%
Forsyth Medical Center an Affilates (Novant)	Education & Health Services	8,145	2	4.87%	7,300	2	4.66%
Winston-Salem Forsyth County School System	Education & Health Services	7,600	3	4.54%	6,690	3	4.27%
Wells Fargo, formally Wachovia Corporation	Financial Activities	2,800	4	1.67%	3,850	7	2.46%
City of Winston-Salem	Public Administration	2,660	5	1.59%	2,335	8	1.49%
Reynolds Americas formally R.J. Tobacco Company	Manufacturing	2,500	6	1.49%	5,930	4	3.78%
Wake Forest University	Education & Health Services	2,401	7	1.43%	1,670	10	1.06%
Hanesbrands, Inc formally Sara Lee Personal Products	Manufacturing	2,230	8	1.33%	5,500	5	0.00%
BB&T	Financial Activities	2,200	9	1.31%	N/A		N/A
Forsyth County	Public Administration	2,029	10	1.21%	1,900	9	1.21%
National Textiles	Aviation	N/A			4,100	6	2.61%
Total		45,963		27.47%	50,515		28.71%
Total Employed County[4]		167,344			157,899		
Village of Clemmons[3]		**2,014**			**2,012**		
Hayward Pools	Manufacturing	600	1	0.37%	600	1	0.37%
Winston-Salem Forysth County Schools	Education & Health Services	298	2	0.18%	380	2	0.23%
Triumph Actuation Systems LLC	Manufacturing	230	3	0.14%	200	3	0.12%
Lowes Food	Retail	181	4	0.11%	110	6	0.07%
Sheffield Financial	Financial Activities	175	5	0.11%	150	4	0.09%
Trinity Elms and Trinity Rehab	Education & Health Services	130	6	0.08%	90	7	0.06%
Food Lion 2 locations	Retail	125	7	0.08%	118	5	0.07%
Novant-Emergency Room Services	Education & Health Services	110	8	0.07%	N/A		N/A
Sylvester and Cockrum, Inc.	Energy	99	9	0.06%	N/A		N/A
Clemmons Village I & II Assisted Living	Education & Health Services	90	10	0.06%	85	8	0.05%
Duke Energy	Utilites	N/A		N/A	85	9	0.05%
Golding Farms Food	Food Services	N/A		N/A	80	10	0.05%
Total		2,038		1.25%	1,898		1.17%
Total Employed County[4]		167,344			162,419		

[1]estimates as of July 2014: Source: Forsyth County which source is The Greater Winston Salem Chamber of Commerce

[2] estimates as of June 2005: 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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	**2014**
Public Safety: Per Forsyth County Sheriff's Department										
Total Offenses (1)	N/A	N/A	N/A	2,687	2,452	2372	2557	2159	n/a	**n/a**
Total Part 1 Crimes	N/A	N/A	N/A	(8)	553	550	592	482	n/a	**n/a**
Part 1 Crimes per 1000 population	N/A	N/A	N/A	(8)	30	29	32	26	n/a	**n/a**
Total Calls For Service	N/A	N/A	N/A	(8)	9,477	9082	12135	10342	n/a	**n/a**
CID Assigned Cases	N/A	N/A	N/A	114	190	292	341	231	n/a	**n/a**
Closed/Cleared	N/A	N/A	N/A	72	86	49	52	53	n/a	**n/a**
Public Works:										
Streets Resurfaced miles(2)	4.66	3.09	1.79	3.53	2.46	1.87	0.86	1.05	4.53	**4.11**
Pavement Condition Rating per US Infrastructure Survey		91.5%				87.4%				**88.9%**
NC Statewide Pavement Condition Rating		85.0%				80.0%				**68.9%**
Sanitation Disposal (tons)(3)	7,047	5,282	7,034	6,601	6,326	6034	5687	6077	4386	**4936**
Sanitation Recycling (tons)(3)	1,084	1,112	951	1,135	1,303	1087	1090	1125	1386	**1416**
Tonnage Leaf/Limb(3)	1,690	2,269	2,105	3,741	4,363	3912	4511	4313	4945	**6451***
Planning & Zoning										
Zoning Cases(4)	7	13	14	3	5	5	3	2	3	**3**
Subdivision Review and final development plan (4)	2	0	3	0	1	0	0	0	1	**3**
Planning Board Review(4)	0	2	1	3	7	1	2	0	0	**2**
UDO amendments	N/A	N/A	N/A	N/A	N/A	N/A	2	3	1	**2**
Zoning Enforcement Hours Contracted (5)	243	385	339	304	246.25	267.75	422.75	279	245.75	**235.5**
City-County Inspections permits issued	N/A	N/A	N/A	N/A	N/A	N/A	334	290	311	**297**
Code violations open	N/A	N/A	N/A	N/A	N/A	N/A	86	81	66	**45**
Code violations closed	N/A	N/A	N/A	N/A	N/A	N/A	84	75	48	**28**
Administration										
Certificate Achievement for Excellence in Financial Reporting	CAFR first prepared and submitted 06/30/2008			x	x	x	x	x	x	
Stormwater										
Participants of Clean up days (2)									165	**150**
Miles of street- trash picked up clean up day										**31**
Stormwater permits issued	N/A	N/A	N/A	N/A	10	11	12	9	11	**17**
Non capital drainage improvements	N/A	N/A	N/A	2	2	4	10	7	21	**25**

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
* Increase due to snow and ice winter 2014

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

Schedule 18

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	4	4	5	5	5	5	5	5	5	**5**
Public Works (1)	8	8	11	11	11	12	12	12	12	**13**
General Fund	12	12	16	16	16	17	17	17	17	**18**
Enterprise Fund-Stormwater	1	1	1	1	1	1	2	2	3	**3**
Village total	13	13	17	17	17	18	19	19	20	**21**

Source: Village of Clemmons budget.

This schedule includes only regular full-time employees. During fiscal year 2014 there was one regular part-time employee.

1. Public Works employees assist in the enterprise fund, during 2014 .

Village of Clemmons, North Carolina **Schedule 19**

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Municipal Buildings	2	2	2	2	2	2	2	3	3	**3**
Sheds	1	1	1	1	2	2	2	2	2	**2**
Public Safety:										
Detective Vehicle(1)	1	1	1	0	0	0	0	0	0	**0**
Public Works:										
Rolling Stock	46	46	48	48	48	49	49	49	47	**47**
Streets (Miles-Paved)	70.27	71.66	72.63	74	75.79	76.37	76.37	79.08	79.57	**79.73**
Streets (Miles-Unpaved)	0.08	0.29	0.11	0.11	0.11	0	0	0	0	**0**
Sidewalks(Miles) (2)	n/a	n/a	n/a	n/a	13.20	14.29	14.29	16.10	16.32	**16.48**
Street Lights	n/a	705	713	727	733	735	735	794	794	**860**
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	**1**
Pier								1	1	**1**
Enterprise Fund:										
Stormwater:										
Vehicle (3)	n/a	n/a	1	1	1	1	2	2	3	**3**
Capital Improvement Projects	n/a	n/a	0	0	1	0	1	1	0	**2**

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, 2014, 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 15, 2014.

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 14-1 to be a material weakness.

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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 15, 2014

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, 2014. 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.

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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, 2014.

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.

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 14-1 to be material weakness.

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 above, we identified a certain deficiency in internal control over compliance that we consider to be a 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 15, 2014

Village of Clemmons, North Carolina
Schedule of Findings and Responses
For the Year Ended June 30, 2014

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? reported _____Yes __X___ none
- 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? reported _____Yes __X___ none
- 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

14-1 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. The manager receives direct confirmation from the County for County collected revenues that are direct deposited to the Village.

Section III- Federal Awards Findings and Questioned Costs

Not applicable

Section IV – State Awards Findings and Questioned Costs

Not applicable

Village of Clemmons, North Carolina
Corrective Action Plan
For the Year Ended June 30, 2014

Section II – Financial Statement Findings

REPORTABLE CONDITION/MATERIAL WEAKNESS

14-1 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. At this time the Village's work load does not necessitate additional personnel and it would be cost prohibitive to add personnel just for separation of duties; the Village 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

Village of Clemmons, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2014

Finding: 13-1

Status: Duties are being separated as much as possible and alternative controls with management review processes implemented to compensate for lack of separation. The Village staff is segregating duties as much as feasible. The manager receives direct confirmation from the County for taxes, stormwater fees, and occupancy tax collected by the County and direct deposited to the Village.

Village of Clemmons, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2014

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	$ 4,352	
Transportation Improvement Program (Sidewalk & Crosswalk 15)	20.205	-	
	Total Federal	$ 4,352	
State Awards:			
Cash Assistance:			
N.C. Department of Transportation			
Locally Administered Project (Mast arm signal)	41350		$ 25,498
Powell Bill	38570		613,257
	Total State		638,755
	TOTAL ASSISTANCE	$ 4,352	$ 638,755

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.