

County of Guilford, North Carolina
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2019



COVER

Guilford County Seal

The official seal, executed by the York Herald of the Royal College of Arms in London, England (the registrar of official coats of arms), was created under the direction of James G. W. MacLamroc, a County Historian.

The seal is unique to Guilford County as it combines elements from the coats-of-arms of Dr. David Caldwell, colonial patriot, educator, minister, physician and statesman; Revolutionary War General Nathanael Greene, who led the American colonial troops at the Battle of Guilford Courthouse and for whom the county seat of Greensboro was named; and the first and second Earls of Guilford, after whom the county was named. The motto "Courage and Faith" was considered characteristic of the early settlers of the County.

Old Guilford County Courthouse

(Photo by Sheryl McKenney)

Designed by Architect Harry Barton, construction of this building began in 1918 with completion in 1920. In the April 1, 1920 Greensboro Daily News article announcing the formal opening exercises of the "new temple of justice", this structure was ascribed as "the marvel and the pride of the county's 75,000 or more inhabitants." The building not only housed the courtrooms, but also all of the County offices, education offices, the jail and jailer's quarters.

Currently, the Old Courthouse is the public meeting house for the Board of County Commissioners and continues to provide office space for some of the County's departments including County Administration.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2019



**Harley L. Will, CPA
Finance Director**

**Marty K. Lawing
County Manager**

**Prepared by
Guilford County Finance Department**

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Introductory Section

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Guilford County

November 25, 2019

The Board of County Commissioners
and Mr. Marty K. Lawing, County Manager
Guilford County, North Carolina

The Comprehensive Annual Financial Report (CAFR) of Guilford County, North Carolina, for the fiscal year ended June 30, 2019, is hereby submitted. This report was prepared by the County's Finance Department and consists of management's representations concerning the finances of Guilford County. Responsibility for the reliability, completeness, and fairness of the presentation of all of the information presented in this report rests with the County. In order to provide a reasonable basis for making these representations, management of Guilford County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Guilford County's financial statements in conformity with generally accepted accounting principles in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, Guilford County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. I believe this financial report is complete and reliable in all material respects.

This report is divided into three sections:

The **Introduction** includes this letter of transmittal, Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting, a list of the County's principal officials, and an organizational chart of Guilford County government.

The **Financial Section** contains the report of independent auditor, Management's Discussion and Analysis, and the basic financial statements including the accompanying notes to the financial statements. In addition, there is required supplementary information presenting certain disclosures, combining and individual fund financial statements and schedules, and additional financial data.

The **Statistical Section** provides selected financial trends; revenue and debt capacity; and demographic, economic and operating information for the past ten years.

North Carolina General Statutes Chapter 159, the Local Government Budget and Fiscal Control Act, requires that units of local governments have an audit of their accounts including a complete set of financial statements presented in conformity with GAAP as soon as possible after the close of each fiscal year by a certified public accountant. The audited financial report is submitted to the Local Government Commission (LGC), which is established by statute to oversee local government financial affairs. The Commission is authorized to issue rules and regulations regarding such audits. The LGC approves all audit contracts for audits of units of local government. LGC policy requires audited financial reports to be submitted within four months of the end of the fiscal year. If the audited financial report is submitted later than four months after the end of the fiscal year the audit contract must be amended, and that amendment approved by the LGC before final payment is made to the auditor.

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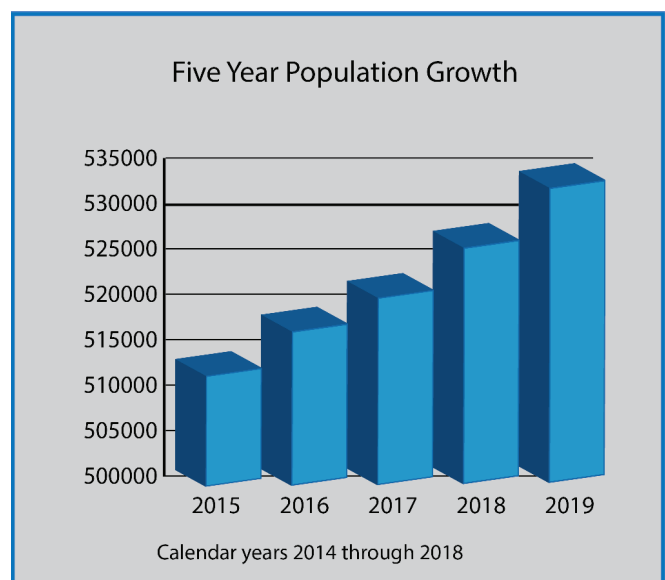
Cherry Bekaert LLP, a firm of licensed certified public accountants, has audited Guilford County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of Guilford County for the fiscal year ended June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Guilford County's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The report of independent auditor is presented as the first component of the financial section of this report. The independent audit of the financial statements of Guilford County was part of a broader, Federal and State of North Carolina mandated "Single Audit" designed to meet the special needs of Federal and State grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal and State awards. These reports are available in Guilford County's separately issued Single Audit Report.

As required by GAAP, this CAFR includes all of the funds of the County and its component units, legally separate entities for which the County is financially accountable. The Greensboro/Guilford County Tourism Development Authority is a discretely presented component unit which is reported separately within Guilford County's financial statements to emphasize it is legally separate from the primary government. Additional information on the Authority can be found in Note I. A. in the notes to the financial statements.

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. Guilford County's MD&A can be found immediately following the report of the independent auditors.

County Government Profile

In January of 1771, the North Carolina General Assembly passed an act creating Guilford County. The new county was named after Francis North, first Earl of Guilford, whose son Frederick was Prime Minister of Great Britain at the time of the county's creation. In 1779, the southern portion of Guilford was taken to form Randolph County, and six years later the northern part was cut off to create Rockingham County, leaving Guilford with its present dimensions. Guilford County, with a population of 533,670, is the most populous county of the Piedmont Triad region. The Piedmont Triad is a twelve-county area with a population of 1.7 million located in the north central portion of North Carolina between the Blue Ridge Mountains and the coastal plains. A moderate year-round climate enhances the lifestyle of the area. The County's 651 square miles contain ten municipalities including two of the state's nine largest cities.



The Board of County Commissioners is the chief administrative and policymaking body of Guilford County government, and consists of nine members, eight of whom are elected from districts and one

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is elected at-large. Board members serve four-year staggered terms. The Board chooses a Chairman and Vice Chairman from among its membership during its first meeting in December.

Major duties of the Board of County Commissioners include:

1. Adoption of an annual budget.
2. Establishment of an annual property tax rate for the County.
3. Appointment of various officials and the following County employees - County Manager, County Attorney, Tax Director and Clerk to the Board.
4. Regulation of land use and zoning outside the jurisdiction of incorporated municipalities.
5. Enactment of local ordinances.
6. Enactment of policies concerning the operation of the County.
7. Planning for County needs.

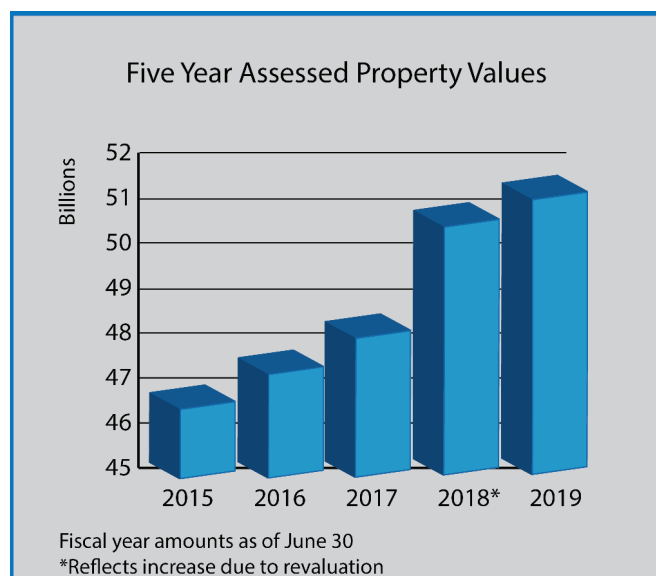
The Board of County Commissioners does not have complete authority over all the services provided within the County. Many County activities are administered by boards with varying degrees of autonomy and by elected officials who receive their instructions from laws passed by the General Assembly. Some examples are the boards of education, mental health, elections, register of deeds, and sheriff. State law requires the Commissioners to appropriate funds in the areas of health, mental health, social services, and public schools. They must also provide for the operation of the offices of the Register of Deeds, Elections, and the Sheriff, and are required to allocate funds for the building and maintenance of courtrooms and facilities to house county departments. In addition, Guilford County provides services in the areas of health and human services, emergency services, juvenile detention, planning and zoning, building inspections, animal services, and parks and recreation.

Guilford County was a pioneer among North Carolina counties when it adopted the county manager form of government in 1928. The County Manager is responsible to the Board for carrying out its policies and ordinances, administration of county affairs, and supervising and coordinating the activities of county departments.

Guilford County continues to have an excellent financial reputation receiving a AAA bond rating from Standard & Poor's Corporation, Aaa from Moody's, and AAA from Fitch Ratings on all of its outstanding general obligation bonded debt. The County issued its first series of limited obligation bonds in fiscal 2012; the \$16,845,000 issue was rated AA+ by Standard and Poors, Aa1 by Moody's and AA+ by Fitch Ratings.

County Budget

The North Carolina Local Government Budget and Fiscal Control Act governs all local governments and their agencies in North Carolina. All moneys received or spent by local governments must be budgeted, disbursed and accounted for in accordance with this act. The annual budget serves as the foundation for Guilford County's financial planning and control. All departments and agencies of Guilford County are required to submit requests for appropriation to the Budget, Management, and Evaluation Department. The offices of Budget, Management, and Evaluation Department and County Manager use these requests as the starting point for developing a proposed budget. The County Manager presents the



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proposed budget to the Board of County Commissioners by June 1. The Board of County Commissioners is required to hold a public hearing on the proposed budget and to adopt the budget ordinance making appropriations and setting the tax rate no later than July 1, the first day of Guilford County's fiscal year.

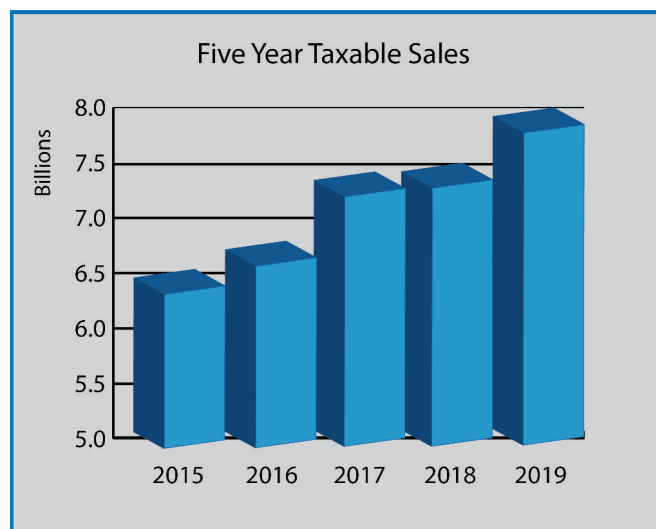
Appropriations in the various funds are formally budgeted on a departmental basis except for the Rural Fire District Fund appropriations, which are by rural fire tax or protection service district; and the Room Occupancy/Tourism Tax Fund, which is on a fund basis. The County Manager is authorized by the budget ordinance to make intrafund transfers of appropriations up to \$30,000 for each transaction, except that funds transferred cannot be used to create unauthorized positions or to raise salaries and that funds appropriated for merit raises can be used solely for that purpose. In addition, the County Manager has the authority to transfer funds budgeted in General Fund insurance, salaries and benefits, energy, technology, and facility expense accounts to the same accounts in other departments within the General Fund to adjust for projected expenditure patterns. Each such transfer must be reported to the Board of Commissioners at its next regular meeting. Any revisions that alter total appropriations of any fund must be approved by the Board. All annual appropriations lapse at each fiscal year end and open encumbrances representing legal obligations at June 30 are re-appropriated in the following fiscal year's budget. Concurrent with the adoption of the annual budget ordinance the County approves a balanced financial plan for the Internal Service Fund. Any change in the financial plan during the year must be approved by the Board of County Commissioners. Guilford County appropriates funds for most capital projects and some grants through project and grant ordinances. This process is authorized under North Carolina law as an alternative to budgeting capital projects and grants in the annual budget ordinance. Under this process a project or grant ordinance is in effect as a legal appropriation until the project or grant is completed.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 10 as part of the basic financial statements for the governmental funds. For other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 75. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each governmental fund for which a project-length budget has been adopted and a more detailed comparison of General Fund expenditures by department, the legally adopted control level. The proprietary fund subsection beginning on page 89 presents budget-to-actual comparisons of the approved financial plan for the Internal Service Fund.

Factors Affecting Financial Condition

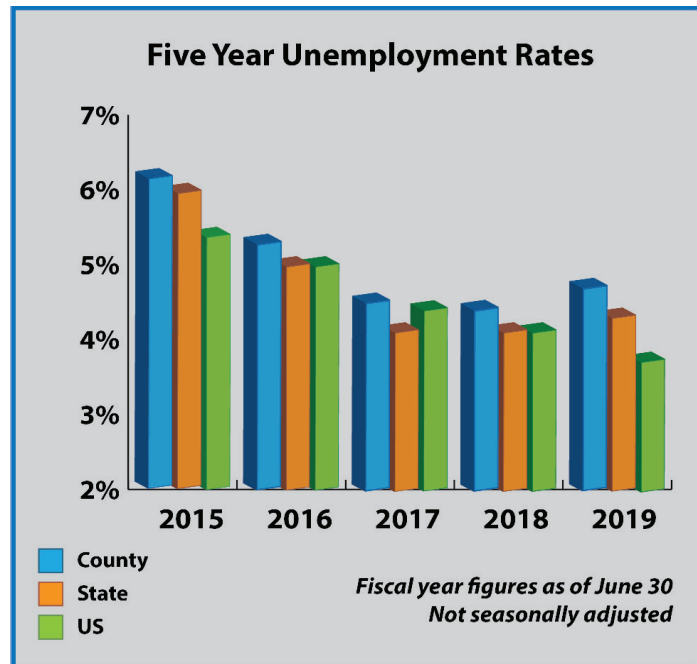
The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Guilford County operates.

Local economy. Guilford County generally enjoys a favorable economic environment. While gross retail sales information is unavailable due to the national streamlined sales tax initiative, comparable State taxable sales figures are available to approximate retail sales growth. State taxable sales for Guilford County increased 6.8% in fiscal year 2019 after increases of 1.1%, 9.64%, and 3.98% in fiscal years 2018, 2017, and 2016, respectively. Taxable sales are \$7.94 billion for fiscal year 2019 as compared to \$7.43 billion for fiscal year 2018. Guilford



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County has a labor force of approximately 252,000. Since 2009, the County's unemployment rate has exceeded both state and national averages. The accompanying graph shows that while Guilford County's year over year unemployment rate has trended downward since 2015, in the most recent year it has increased slightly upward. The County, State, and U.S. unemployment rates as of June 30, 2019 are 4.8%, 4.4%, and 3.8%, respectively. Guilford County's economy has continued to change and diversify. In March 2019, manufacturing accounted for 11.8% of the County's jobs compared to 28.6% in 1980. Manufacturing jobs have declined significantly in furniture and textiles but have shown growth in computer and electronic products and electrical equipment. Major employers with headquarters or divisions within Guilford County include semiconductor, communications, chemical, bus, truck, insurance, aircraft manufacturing, and maintenance, healthcare, real estate development, and distribution services. The County is home to two state universities, four private colleges, a private school of law, and a community college with a cumulative enrollment approaching 55,000 students.



In late 2018, Forbes announced that for the second year in a row, North Carolina ranks No. 1 on its annual listing of "The Best States for Business". In March 2019, Chicago based Digital Third Coast ranked Greensboro 17th nationally in its survey of the best cities for manufacturing, based on growth in manufacturing jobs per 100,000 in population, median income, and median housing costs. Also, in March 2019, the Greensboro-High Point Metropolitan Statistical Area was ranked No. 8 nationally among metros in the 200,000 to 1 million population category by the Atlanta based Site Selection Magazine for the year 2018. The Greensboro-High Point Metropolitan Statistical Area has made the top 10 list every year since 2006.

Guilford County is centrally located in the Carolina Core, a corridor stretching across four mega sites, including two in the County, with 7,500+/- acres of certified land for advanced manufacturing, industrial sites, urban research parks, and mixed-use developments. The Carolina Core project is part of an effort to meet the Piedmont Triad Partnership's goal of attracting more than 50,000 jobs to the included area over the next 20 years

The County has a robust transportation and logistics infrastructure, stemming from access to major interstates, airports, railroads, and seaports. This has attracted a continuing inflow of additional capital and job creation in a wide array of existing and new industries, which positions the region to become a global logistics hub of the East Coast. The Greensboro/High Point/Guilford County Workforce Development Board reported a workforce totaling 252,000 in Guilford County as of June 2019, with 2,885 more people working compared to the same period one year ago.

In May 2019, Amazon confirmed it is building a 1 million-square-foot, \$150 million fulfillment center in Kernersville. The new facility is slated to open by 2020 and is expected to bring 1,000 new full-time jobs. The site is located in the Triad Business Park, which adjoins the western border of Guilford County. In addition, Amazon signed a 10-year lease for 38 acres in the Piedmont Corporate Park, located within Guilford County.

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In August 2018, it was announced that Publix Super Markets will build a \$400 million distribution center in eastern Greensboro, which will employ 1,000 people with an average salary of \$45,000 by 2025. Construction of the 1.8 million square-foot center, one of the largest distribution centers in the Piedmont Triad region, will be located on 350 acres in eastern Greensboro and will be completed in two phases. Slated to begin in the first half of 2020, the \$300 million Phase One is expected to create 600 jobs. Guilford County and the City of Greensboro are granting approximately \$35 million in tax incentives over the next 10 years, while the State is providing a \$15.9 million in tax breaks, utility grants, and training programs. A City of Greensboro report indicates the project will create an approximate \$20 million increase in tax revenue over the next 10 years. An \$8.3 million widening of U.S. 70 to accommodate the distribution center is projected to be completed in early 2022. The nation's biggest employee-owned company, Publix had 38 stores in North Carolina, 42 in Tennessee, and 10 in Virginia as of mid-September 2018, compared with 788 in Florida. In Guilford County, Publix has a High Point retail location and is constructing a new retail facility in Jamestown.

The Piedmont Triad International Airport (PTIA), which has immediate interstate access and other existing infrastructure, including aerospace manufacturing and the Mid-Atlantic FedEx Hub, recently completed a \$20 million taxiway-bridge that will connect a planned \$16 million taxiway at the airport to 1,000 acres of developable land across Bryan Boulevard. The developable land is considered central to attracting another MRO (maintenance, repair, overhaul) or OEM (original, equipment manufacturer) such as current PTI tenants HAECO Americas and Honda Aircraft. Completion of the taxiway will result in full access to the land from the airport.

The taxiway and taxiway bridge are part of a broader \$176 million I-73 project from the airport to a new interstate system that will span North Carolina. A third runway added in 2002 at PTIA to accommodate FedEx was considered key in attracting aviation entities Honda Aircraft Co. and HAECO America, creating thousands of jobs.

Greensboro based HAECO Americas, an aircraft maintenance and overhaul company, completed construction of a \$60 million, 250,000 square-foot hangar in April 2018. At full capacity, the \$60 million, 250,000 square foot hangar will employ an additional 500 aircraft technicians and support staff. In April 2019, it was announced HAECO will expand its composite services business from China to North America. The expansion at its PTIA campus will enable HAECO to restore and maintain aircraft built from composite materials.

In May 2019, Honda Aircraft Co. announced a \$15.5 million project to add 82,000 square feet to its Honda Jet campus, with completion scheduled for July 2020. Since 2007, Honda Aircraft Co. has grown its workforce to more than 1,800 and invested approximately \$160 million into its world headquarters campus near PTIA. Greensboro-based Honda Aircraft Co. led in deliveries in the very light jet category for the second consecutive year, delivering its 100th jet in 2018. Honda Jet has received type certification in Japan, Argentina, India, and Panama. It occupies more than 680,000 square feet at its headquarters and manufacturing campus on a 130-acre site, which includes a customer service center, a research and development center, and a productions facility.

The FedEx Express mid-Atlantic air hub at PTIA expanded its operations in September 2018 with approximately 400 new employees and eight new daily cargo flights. Later in the year, FedEx acknowledged plans for another ground hub to result in an unspecified number of jobs in Whitsett, which is located in the eastern part of the County.

The International Home Furnishings Market, the world's largest wholesale home-furnishings industry trade show, is located in High Point. The market is held twice annually, with an average of 150,000 people attending each year from more than 100 countries, utilizing 12 million square feet of permanent exhibit space in 180 buildings, and displaying furnishings from more than 2,000 exhibitors. Year over year furniture orders were up 7 percent in October 2018.

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A recent report from UNC-Chapel Hill and Duke University's Global Value Chains Center indicates the High Point Market remains the State's largest economic event, bringing in an annual \$6.73 billion, and concludes that the market supports 42,427 jobs and generates \$616 million in tax revenue. In January 2019, the International Market Centers announced a three-year \$280 million-dollar investment in its three markets, one of which is the High Point Market.

In June 2019, the High Point City Council approved the annexation and rezoning of land parcels to move forward with construction of the Oasis Center, a 1.3 million square-foot research park with office and retail space, a 140-unit apartment complex to house researchers and employees, and a 110-room hotel. The proposed research campus is anticipated to result in 1,600 new jobs. In February 2019, Aetna announced plans to expand its presence in High Point with a \$2.5 million investment and 300 new jobs. Currently, Aetna's High Point operations employ 1,230. Hanes brand, Inc., based in Winston-Salem, NC, disclosed in November 2018 that it plans to expand with a new distribution center in High Point, creating 200 new hires.

High Point is undergoing a transformation of its downtown. May 2019 marked the inaugural season of its new \$36 million baseball stadium, BB&T Point. Within the vicinity of the baseball stadium there are plans for a park, 120-room hotel, a mixed-use structure with condos, offices, and retail, an apartment facility with underground parking, a children's museum, and the \$20 million Congdon Events Center.

In downtown Greensboro, the new Carroll at Bellemeade mixed-use development overlooking the First National Bank Baseball Field recently opened a 108-room Hyatt Place Hotel and 289 upscale apartments. Located within walking distance is the planned Steven Tanger Center for the Performing Arts. The \$84 million, 3,000 seat Tanger Center is slated to open in March 2020. South of the Carroll at Bellemeade and Tanger Center locations, a separate parking deck with an overhead walkway to a proposed Westin Hotel is planned. In addition, CN Hotels has begun preparations for the construction of a 120-room Hampton Inn & Suites near the governmental plaza.

In May 2019, plans were announced for a \$140 million development in downtown Greensboro including a 20-story office tower, an Aloft hotel, 280 apartments, a parking deck, and retail spaces such as restaurants, a grocery store, and a conference center. Phase I of the project is anticipated to begin in the spring of 2020.

With the relocation of Greensboro based VF Corporation to Denver, Colorado in August 2018, a new Greensboro based spinoff named Kontoor Brands was created. Consisting of Wrangler, Lee, Rock & Republic, and VF Outlet brands, Kontoor employs approximately 950 employees with plans to hire another 170 in its publicly traded Lee jeans brand.

In October 2018, Conduit Global, based in New York, said it was hiring another 400 through 2019 at its McLeansville call center to facilitate its recent expansion. In May 2019, New York City based apparel firm Centric Brands signed a lease as an anchor tenant in a downtown Greensboro building, estimating it will bring 213 new jobs to the area.

Long-term financial planning. On May 4, 2017, the Guilford County Board of Commissioners approved guidelines to form a Joint Capital/Facilities Planning Committee with the Guilford County Schools Board of Education for planning and contracting for the construction of school facilities. At a meeting of the Committee on January 31, 2019, the MGT Consulting Group presented their finding that included a comprehensive plan to address school capital and facilities needs totaling \$1.5 billion. A joint meeting of the Guilford County Board of Commissioners and the Guilford County Board of Education was held on March 14, 2019, where the plan was reviewed in-depth and the joint committee provided direction as to how to proceed. At present, there are ongoing discussions on how the plan will move forward and how the final level of funding will be determined. School capital and debt service for schools is a significant portion of the County budget; therefore, it is important that

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the Board of Education understands the County's fiscal position and capacity to fund future capital. It is also important that the Board of Commissioners understand the school facility needs and priorities.

The Guilford County Board of Commissioners continued implementation of the County's FY2019-2028 Capital Investment Plan (CIP). The County's work continued on a number of projects for Emergency Services, Guilford Technical Community College, and the Guilford County Schools. Significant steps were taken to move forward with the Law Enforcement Administration and the Animal Shelter Replacement Projects.

The County has historically provided post-retirement healthcare benefits to retirees meeting certain eligibility requirements, as more fully described under the Pension and other post-employment benefits heading below. However, in an effort to address the long-term costs of this benefit, the Board of County Commissioners voted to discontinue all retiree health insurance eligibility for employees hired on or after July 1, 2009. The County funded the annual required contribution (ARC) for the healthcare plan beyond the historical pay-as-you-go amounts by establishing and contributing \$2 million to an irrevocable trust during each of the fiscal years 2010 through 2013. The positive financial impact of these changes was apparent in the actuarial valuation report dated December 31, 2009. At a September 23, 2013 work session, the Board of County Commissioners made additional changes aimed at further managing the cost of this benefit by providing Medicare-eligible retirees a fully insured Medicare advantage plan effective with the 2014 calendar year. This action removed the future claims liability from the self-funded plan. This strategy provided further positive financial benefits through reduced annual claims costs and lower ARC and unfunded actuarial accrued liability amounts as reported in the December 31, 2013 actuarial valuation.

The unassigned fund balance of the General Fund at fiscal year end stood at 12.5% of the subsequent year's budget which exceeds the minimum of 8% recommended by the Local Government Commission and set as a policy guideline by the Board of County Commissioners.

Cash management policies and practices

Cash temporarily idle during the year was invested in fully insured or collateralized certificates of deposit, obligations of the U.S. Treasury and various Federal Agencies, prime quality commercial paper, and demand deposits in a State-authorized money-market mutual fund whose portfolio consists of the types of instruments noted above. Investment income includes changes in the fair value of investments year-over-year. Changes in fair value during the current year, however, do not necessarily represent trends; nor are such amounts usually realized, especially in the case of temporary changes in the fair value of investments that Guilford County intends to hold to maturity. Interest earnings on investments only for the fiscal year ended June 30, 2019 were \$7.43 million on an average invested balance of \$329 million.

Risk management

The County protects itself from the potential financial losses from the various risks it is exposed to using a combination of risk financing methods, which are accounted for in an Internal Service Fund. The County's insurance program consists of liability, property, workers' compensation, and employee healthcare coverage. The program consists of a combination of County funding, employee/retiree premiums, and insurance. Effective July 1, 2017, the County no longer participates in the Local Government Excess Liability, Inc. and the Local Government Property Insurance Deductible Fund, Inc., but collects the deposits in the Funds as investments of these Funds become liquid. Additional information on Guilford County's risk management activity can be found in Note IV. E. of the notes to the financial statements.

LETTER OF TRANSMITTAL

Pension and other post-employment benefits

Guilford County provides pension and death benefits for its employees through the statewide North Carolina Local Governmental Employees' Retirement System (LGERS). LGERS is a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. Guilford County has no obligation in connection with employee benefits offered through this plan beyond making the required contributions as set by the North Carolina General Assembly. The July 1, 2018 contribution rate of 7.75% of salary for general employees and 8.36% for Law Enforcement employees was increased to 9.0% and 9.7%, respectively beginning July 1, 2019. Guilford County administers a public employee retirement plan, the Law Enforcement Officers' Special Separation Allowance, a single-employer defined benefit pension plan that provides benefits to the County's qualified sworn law enforcement officers. The County is required to provide these benefits by the North Carolina General Statutes (Statutes). These benefits are financed with actuarially determined annual required contributions to the Guilford County Local Government Law Enforcement Officers' Special Separation Allowance (LEOSSA) Trust, an irrevocable trust, established by the County to meet the requirements of the governmental accounting standards and IRS regulations. As of June 30, 2019, the balance of the trust was \$2.75 million.

The County contributes to the Supplemental Retirement Income Plan of North Carolina, a defined contribution pension plan administered by the North Carolina Department of State Treasurer and a Board of Trustees. All employees, who are currently members of a state-administered retirement plan, are eligible to participate from their date of employment. The authority to establish and amend benefits rests with the North Carolina General Assembly. The Statutes require that the County contribute monthly 5% of each law enforcement officer's qualified salary. The County has elected to match the employee contribution up to 5% for all other eligible employees. All employees can make contributions to the plan in accordance with Internal Revenue Service Code Section 401(k).

Guilford County also contributes to the Registers of Deeds' Supplemental Pension Fund (Fund), a noncontributory, cost-sharing multiple-employer defined contribution benefit plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental benefits to any county Register of Deeds who is retired under the Local Governmental Employees' Retirement System or an equivalent locally sponsored plan. The authority to establish and amend benefits rests with the North Carolina General Assembly. The County is required to remit 1.5% of certain statutory fees collected by the Register of Deeds monthly to the Fund.

Guilford County offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans permit employees to defer a portion of their salary until future years. All assets and income of the plan are in a trust for the exclusive benefit of the participants and their beneficiaries.

Guilford County also provides post-retirement healthcare benefits through its healthcare plan to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System and their dependents. (The Board of County Commissioners has voted to discontinue all retiree health insurance eligibility for employees hired on or after July 1, 2009.) In September 2013, the Board voted to provide Medicare-eligible retirees a fully insured Medicare advantage plan effective with the 2014 calendar year. For non-Medicare-eligible retirees, the benefit premium charged is the same as for current employees. The County's contribution toward the employer's portion of the premium is determined by the number of years of creditable service. Retirees with less than 20 years creditable service must pay the entire employer's share of the premium in addition to the employee's share. The County pays 50% of the employer's premium for retirees with 20 to 25 years of service, 75% for retirees with 25 to 30 years, and 100% of the employer's premium for retirees with 30 or more years of service and former Commissioners. All but five years of creditable service must be with Guilford County. As of the end of the current fiscal year, these benefits were financed on a pay-as-you-go basis.

LETTER OF TRANSMITTAL

In prior years, \$8.1 million has been contributed to the Guilford County Local Government Other-Post Employment Benefit (OPEB) Trust, an irrevocable trust, established by the County to meet the requirements of the governmental accounting standards and IRS regulations. As of June 30, 2019, the balance of the trust was \$15.2 million including investment earnings on the excess contributions.

Additional information on Guilford County's pension arrangements, post-employment and other employment benefits can be found in Notes IV. A.-D. of the notes to the financial statements and required supplementary information presented immediately following the notes.

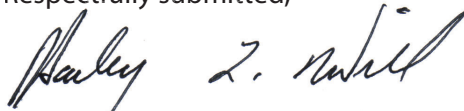
Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Guilford County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2018. This was the thirty-eighth consecutive year that Guilford County has received this prestigious award. In order to be awarded a Certificate of Achievement a governmental unit must publish an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. I would also like to thank the members of the Board of County Commissioners and County Management for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Harley L. Will".

Harley L. Will, CPA
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Guilford County
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

PRINCIPAL OFFICIALS

Board of County Commissioners

Alan Branson
Chairman

Jeff Phillips
Vice Chairman

Melvin “Skip” Alston

Kay S. Cashion

Carolyn Q. Coleman

Justin Conrad

J. Carlvena Foster

Hank Henning

Alan Perdue

County Manager

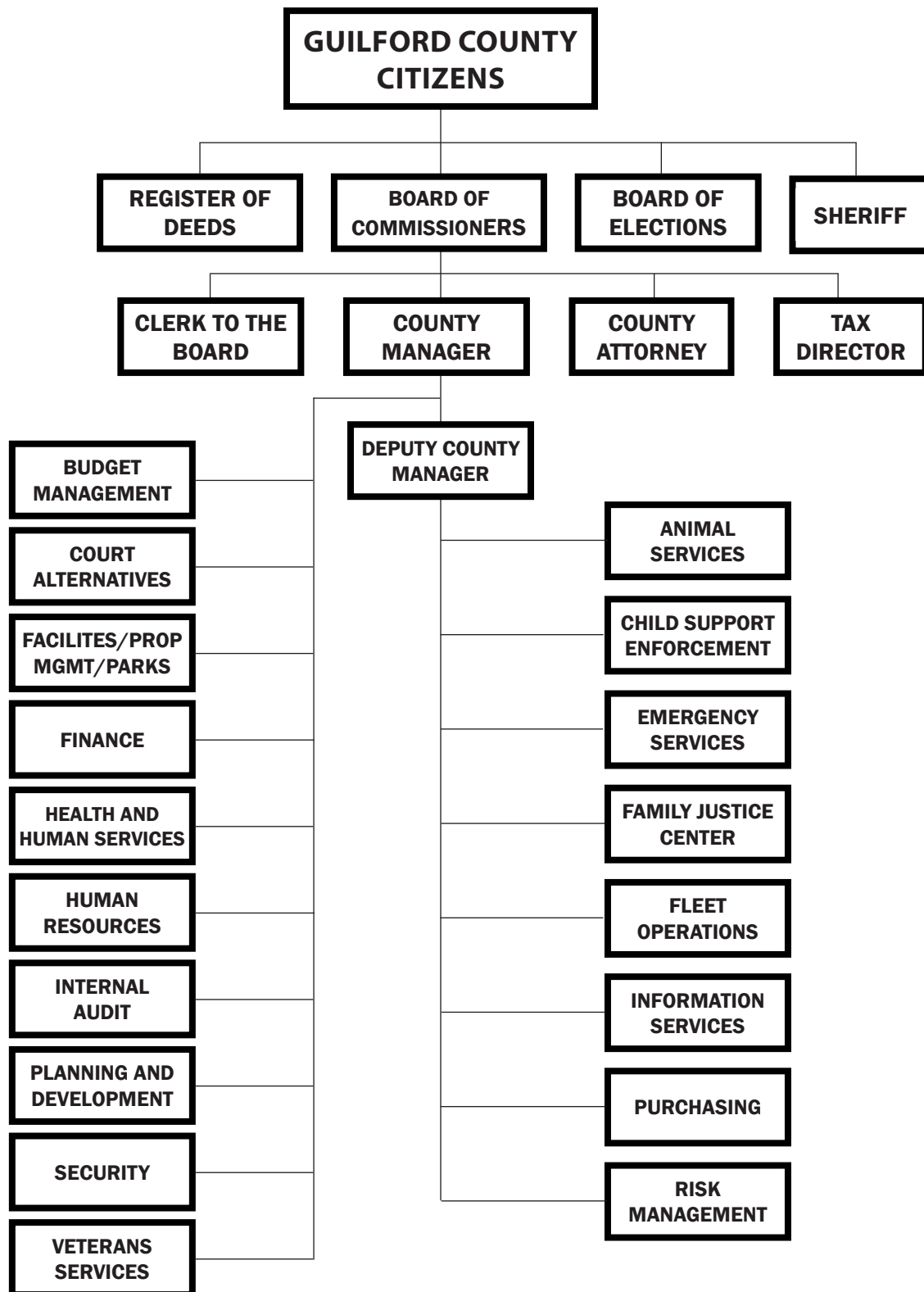
Marty K. Lawing

Finance Director

Harley L. Will, CPA

2018-19 ORGANIZATIONAL CHART

GUILFORD COUNTY, NORTH CAROLINA



Financial Section

Report of Independent Auditor

To the Board of County Commissioners
Guilford County, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Guilford County, North Carolina (the "County"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Greensboro Guilford County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

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 County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2019, and the respective changes in financial position and 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 the Management's Discussion and Analysis and the Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the County. The introductory section, combining and individual fund statements and schedules, additional financial data, and the statistical section 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 and schedules, and additional financial data 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. In our opinion, the combining and individual fund financial statements and schedules and additional financial data are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2019 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Cheryl Bekaert LLP

Raleigh, North Carolina
November 25, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Guilford County, we are presenting to the readers of Guilford County's financial statements this narrative overview and analysis of the financial activities of Guilford County for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the Introductory Section of this report on pages i - ix.

Financial Highlights

Government-Wide

- The liabilities and deferred inflows of Guilford County exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$521.8 million (net position).
- The County's total net position increased by \$43.3 million compared to the prior year. This increase is dampened by spending on education capital projects. The County issues general obligation debt to fund school and community college construction and for which it remains responsible until the bonds are paid. The County School system and community college (separate entities) are the owners of the facilities (assets) that are renovated or constructed from the proceeds. Because the County has no corresponding asset to offset the liability it has incurred, the County's net position is reduced.
- The County's increase in net position was reduced by the \$12.9 million spent on Education capital assets net of dedicated revenues which indicates that the remainder of the County's activities generated offsetting increases in net position of approximately \$56.2 million.
- The County's outstanding debt decreased by \$26.3 million to \$781.8 million during the fiscal year, while its investment in capital assets decreased \$3.4 million to \$239.8 million.

The County's Funds

- At the fiscal year end, Guilford County's governmental funds reported a combined fund balance of \$286.2 million, an increase of \$29.4 million from the previous fiscal year end. Approximately 55% of this combined fund balance, or \$157.4 million, is nonspendable or restricted. The fund balance decreases occurred in the General Fund and Rural Fire districts Special Revenue Fund, while increases in the County Building Construction Capital Outlay, and School Capital Outlay Funds were due mostly to the issuance of new general obligation bonds and related premiums.
- The fund balance of the County's General Fund decreased \$9.1 million as expenditures exceeded revenues by \$5.1 million while net other financing sources and uses consumed another \$4 million.
- The unassigned fund balance for the General Fund (the County's major operating fund) decreased by \$4.7 million to \$78.2 million at fiscal year end equaling 13.2% of the total General Fund expenditures for the year.

Guilford County maintained its AAA, Aaa and AAA ratings assigned to all outstanding general obligation bonded debt issues from Standard & Poor's Corporation, Moody's, and Fitch Ratings, respectively. The County's lone series of limited obligation bonds are rated AA+ by Standard and Poor's, Aa1 by Moody's and AA+ by Fitch Ratings.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Report

This section, management's discussion and analysis along with the transmittal letter, is intended to serve as an introduction to Guilford County's basic financial statements. Guilford County's basic financial statements contain three parts—two kinds of statements that provide two different views of the County, 1) government-wide financial statements and 2) fund financial statements, along with 3) the notes to the financial statements. The report also contains other supplementary information.

Government-wide financial statements. The two *government-wide financial statements* are designed to provide readers with a broad overview of Guilford County's finances as a whole, using accounting methods that are similar to private-sector businesses.

1. The *statement of net position* presents information on all of Guilford County's assets and deferred outflows as well as liabilities and deferred inflows, with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Guilford County is improving or deteriorating.
2. The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. This statement accounts for all of the year's revenues and expenses without regard as to when cash is received or paid. All changes in net position are reported as soon as the underlying event giving rise to the change occurs. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements are divided into three categories: governmental activities, business-type activities, and component units.

Governmental activities - Governmental activities are those functions of the County that are principally supported by taxes and intergovernmental revenues. The governmental activities of Guilford County include general government, human services, public safety, environmental protection, culture-recreation, economic development and assistance, education, and interest on long-term debt.

Business-type activities - Business-type activities are intended to recover all or a significant portion of their costs through user fees and charges. Guilford County has no business-type activities to report.

Component Units - The government-wide financial statements include not only Guilford County (*known as the primary government*), but also Greensboro/Guilford County Tourism Development Authority, a legally separate entity for which Guilford County is financially accountable. Financial information for this *component unit* is reported separately within the government-wide financial statements from the financial information presented for the primary government. The government-wide financial statements can be found on pages 4 and 5 of this report.

Fund financial statements. 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. Guilford County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Guilford County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The fund financial statements provide more detailed information about the County's most significant funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Guilford County maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and two capital projects fund types—the County Building Construction Fund and School Capital Outlay Fund—both of which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation under nonmajor governmental funds.

Guilford County adopts an annual appropriated budget for most of its governmental funds. A budgetary comparison statement with expenditures presented at the functional level has been provided for the General Fund on page 10 as part of the basic financial statements.

The basic governmental fund financial statements can be found on pages 6-10 of this report.

Proprietary funds. There are two different types of proprietary funds. *Enterprise funds* are used to report those functions that are presented as business-type activities in the government-wide financial statements. Guilford County has no enterprise funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Guilford County's various functions. Guilford County uses an internal service fund to account for its risk management services. Because this service only benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

The Internal Service Fund is presented in the proprietary fund financial statements, which can be found on pages 11-13 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support Guilford County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Guilford County has two types of fiduciary funds—two pension trust funds and four agency funds.

The basic fiduciary fund financial statements can be found on pages 14 and 15 of this report.

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 can be found on pages 16-66 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information regarding Guilford County's progress in funding its obligations to provide certain pension benefits to its qualified employees, Register of Deeds and sworn law enforcement officers as well as other postemployment health care benefits to its retirees and their dependents. This supplementary information is required by generally accepted accounting principles and can be found on pages 67-73 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Guilford County, net position is negatively impacted by the fact that the County issues debt to fund the construction of capital assets that become the assets of other governmental entities upon completion. The County issues general obligation debt to fund the

MANAGEMENT'S DISCUSSION AND ANALYSIS

majority of the cost of constructing these assets. Liabilities and deferred inflows exceeded assets and deferred outflows by \$521.8 million at the close of the most recent fiscal year (net position). Comparative information for net position for the primary government is shown below in summarized form (see Table A-1).

Table A-1 GUILFORD COUNTY'S Net Position (Primary Government)		
	Governmental Activities	
	2019	2018
Current and other assets	\$ 347,753,899	325,279,601
Capital assets	239,782,094	243,165,378
Total assets	587,535,993	568,444,979
Deferred Outflows	53,454,372	27,230,484
Long-term liabilities outstanding	1,109,521,748	1,103,672,020
Other liabilities	34,989,826	36,142,473
Total liabilities	1,144,511,574	1,139,814,493
Deferred Inflows	18,263,138	20,925,590
Net position:		
Net investment in capital assets	163,905,230	161,980,529
Restricted	81,021,480	76,345,568
Unrestricted	(766,711,057)	(803,390,717)
Total net position	\$ (521,784,347)	(565,064,620)

The largest portion of Guilford County's net position reflects its investment in capital assets (e.g., land, buildings, improvements, machinery and equipment, vehicles, and intangibles), less any related outstanding debt used to acquire those assets. Guilford County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although Guilford County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Guilford County, along with many other counties in North Carolina, issues debt to fund school facilities that become assets of the school district and community college facilities that become property of the community college. In addition, Guilford County has issued debt to fund water and sewer lines that become assets of various municipalities. General obligation bonds have been issued by the County to fund the majority of the cost of these assets. The County's liabilities at June 30, 2019 include outstanding general obligation debt of \$568 million and limited obligation bonds of \$16.8 million related to funding these non-county assets. This represents 83.2% of the County's outstanding bonded debt. Because the County does not retain the related assets, this debt liability (less any unspent proceeds) reduces the County's total net position and presents a less favorable picture as compared to governments that do not extensively fund the capital assets of other governmental entities. Comparative information for changes in net position for the primary government is shown below (see Table A-2).

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-2
Changes in GUILFORD COUNTY'S Net Position
 (Primary Government)

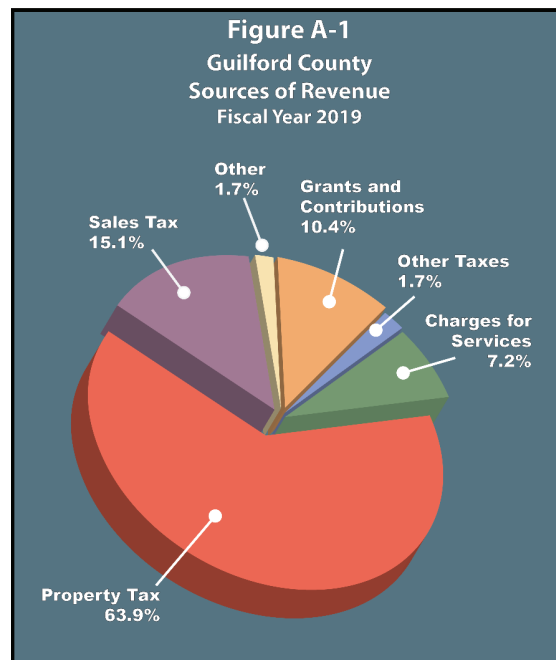
	Governmental Activities	
	2019	2018
Revenues		
Program revenues		
Charges for services	\$ 44,223,413	45,355,646
Operating grants and contributions	62,222,374	61,690,059
Capital grants and contributions	666,692	863,600
General revenues		
Taxes:		
Property taxes for general purposes	378,527,860	371,854,995
Property taxes for fire districts	16,266,746	15,643,378
Sales taxes for general purpose	68,391,928	66,184,418
Sales taxes for fire districts	3,762,396	3,405,002
Sales taxes for school capital/debt	20,995,347	19,741,363
Occupancy taxes for tourism development	6,533,545	5,983,575
Other taxes	4,090,812	3,713,419
Grants and contributions not restricted	1,563,491	1,538,348
Unrestricted investment earnings	7,922,271	5,190,563
Other	2,706,593	338,138
Total revenues	617,873,468	601,502,504
Expenses		
General government	45,193,085	45,157,062
Human services	119,369,932	113,292,511
Public safety	139,126,261	134,222,836
Environmental protection	1,959,082	1,920,573
Culture and recreation	7,364,358	7,349,892
Economic development/urban redevelopment	7,491,888	7,228,783
Education	231,624,769	251,422,951
Interest on long-term debt	22,463,821	23,866,360
Total expenses	574,593,196	584,460,968
Changes in net position	43,280,273	17,041,536
Net position at beginning of year	(565,064,620)	(437,111,538)
Restatement	-	(144,994,618)
Net position at end of year	\$ (521,784,347)	(565,064,620)

As noted in the highlights, Guilford County's net position increased \$43.3 million during the current fiscal year primarily as a result of decreased expenses for school and community college facilities paid from bond proceeds and other sources. The expenses under the education activity include \$12.9 million in capital spending with \$10.2 million for school facilities and \$2.7 million for community college facilities. The increased net position is primarily a result of the decreased education capital spending, down \$27.4 million from the prior fiscal year's \$40.4 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Aspects of the County's financial operations that influenced the change in the County's net position include:

- Guilford County's activities would increase net position even more if the expenses related to capital funding provided to outside entities and debt and restricted revenue supporting these expenses were eliminated.
- Program revenues covered 18.6% of program expenses, decreasing 0.1% from last year, with both program expenses and program revenues decreasing slightly.
- Program revenues totaled \$107.1 million decreasing by \$0.8 million from the previous year. Charges for services decreased relative to the prior year \$1.1 million to \$44.2 million, operating grants from the State and Federal government increased \$0.5 million to \$62.2 million while capital grants and contributions decreased \$0.2 million. Human Services, and Public Safety reported the most change in charges for services. Human Services was down \$2.6 million, while Public Safety was up \$1.8 million. The most significant decrease in Human Services was \$2.7 million in Public Health while Public Safety increases were mainly in Emergency Services (\$1.4 million) and Law Enforcement (\$0.3 million). The net decreases in departmental charges for services and operating and capital grants are due principally to the same changes in governmental fund charges for services and intergovernmental revenues that are more fully discussed under this section.
- General revenues totaled \$510.8 million increasing by \$17.2 million over the previous year. Property tax revenue increased \$7.3 million to \$394.8 million as the assessed value increased \$614.5 million through general growth in property investment. Five of the Fire districts had minor tax rate increases while the County-wide tax rate remained steady at \$.7305 per hundred of assessed value. Sales tax revenue increased \$3.8 million to \$93.1 million. Investment earnings increased \$2.7 million to \$7.9 million. The remaining general revenues increased \$3.3 million primarily associated with the sale of real estate.
- Expenses decreased 1.7% or \$9.9 million to 574.6 million. Education expenses were down \$19.8 million or 7.9% due to a decrease in capital funds expended by the schools and community college of \$27.5 million while operating expenses increased \$7.8 million. Interest on long-term debt decreased \$1.4 million or 5.9% due mainly to the prior year refunding activities that reduced interest rates and restricted our debt service payments. Human services expenses increased \$6 million driven by an increase in health care costs of \$1.9 million (\$1 million social services and \$0.7 million public health) paid from the internal service fund and an additional \$0.3 million and \$0.6 million for OPEB expenses charged to Public Health and Social Services for the change in the net OPEB obligation. The remaining increase was driven by increased expenses paid from the general fund for operations mainly in the department of social services. Public safety expenses increased \$4.9 million or 3.7% also driven by an increase in health care costs of \$1.7 million (\$1.1 million law enforcement and \$0.4 emergency services) paid from the internal service fund. Other increases in public safety expenses were \$1.4 million for Emergency Services department operations costs driven by increased payroll costs and



MANAGEMENT'S DISCUSSION AND ANALYSIS

\$0.2 million for depreciation in public safety projects. General government, Environmental protection, Culture – recreation, and Economic development had minor increases in expenses compared to FY2018.

- Net position increased \$43.3 million versus a \$17 million increase in the previous year. Increased general revenues net of decreased program revenues and increased expenses other than capital funding provided to outside entities continues to generate net position.

Financial Analysis of the Government's Funds

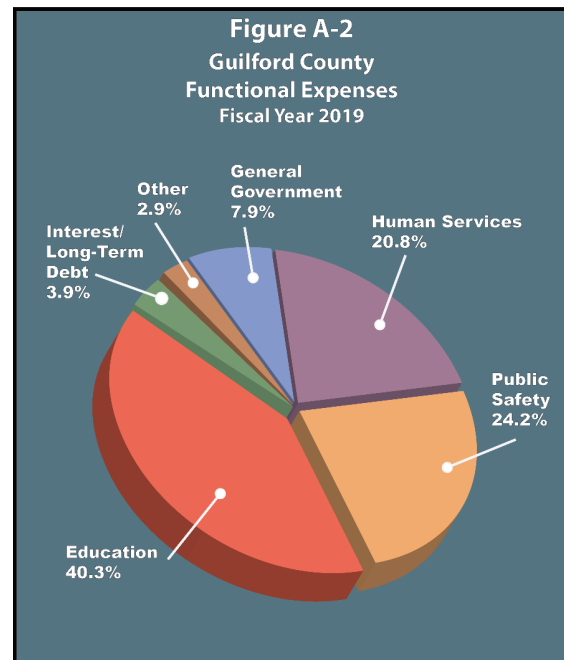
As noted earlier, Guilford County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Guilford County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Guilford County's financing requirements. In particular, fund balance available for appropriation may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Guilford County's governmental funds reported combined ending fund balances of \$286.2 million, an increase of \$29.4 million in comparison with the prior year. Most of the increase is attributable to the sale of general obligation bonds and a property at 201 North Eugene Street netting an increase of \$34.6 million as well as a \$5.1 million reduction from General Fund operations. Net capital funding of \$34.3 million and \$4.6 million is provided by County capital activity and school and community college capital activity, respectively. The fund balance available for appropriation, which is not reserved under North Carolina general statutes, makes up 77.2% of the total or \$220.8 million. The remainder of fund balance is reserved to indicate that it is not available for general purposes because it is legally restricted or has been contractually committed: (1) non spendable prepaid expenses and inventories (\$1 million), (2) to liquidate contracts and purchase orders of the prior period (\$22 million), or (3) reserved under other state statutory requirements (\$42.4 million).

Approximately \$92.1 million of the available fund balance is restricted for a specific purpose, mainly capital, while another \$12.9 million has been committed for a specific purpose, again mainly capital. Assigned fund balance of \$38.8 million has for the most part been appropriated in the FY2020 budget or assigned towards capital projects. The unassigned fund balance totals \$77 million.

The General Fund is the chief operating fund of Guilford County. At the end of the current fiscal year, fund balance available in the General Fund was \$120.9 million, down \$10.3 million, while total fund balance dropped \$9.1 million to \$170.4 million. Fund balance may be available for restricted, committed, assigned or general purposes. As a measure of the General Fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures. Available fund balance represents 20.5% of total General Fund expenditures, while total fund balance represents 28.8% of that same amount. The Local Government Commission (LGC), which is established by statute to oversee local government financial affairs, has recommended that the General Fund undesignated fund balance (as defined prior to GASB Statement No. 54) be maintained at a minimum level of eight percent of the subsequent year's budget. This undesignated fund balance, or Guilford County's current unassigned fund balance of \$78.2 million is equal to 12.5% of the fiscal year 2019-20 General Fund budget.



MANAGEMENT'S DISCUSSION AND ANALYSIS

The fund balance of Guilford County's General Fund decreased \$9.1 million during the current fiscal year. Revenues of \$585.7 million were less than expenditures by \$5.1 million and other financing sources and uses consumed another \$4 million. Revenue was up 2% overall, increasing by \$11.5 million compared to last fiscal year. General Fund revenue activities are as follows:

- Property tax revenue increased to \$378.6 million, up \$6.2 million or 1.7% due to an increase in collections for current year property taxes and vehicle taxes. This increase can be attributed to the overall assessed value increase from \$50.7 billion to \$51.3 billion while the County-wide tax rate remained the same at \$.7305 per hundred of assessed value.
- Sales tax revenue in the General Fund increased by \$3.5 million or 4% to \$89.4 million as taxable retail sales increased by \$504 million to \$7.9 billion, a 6.8% increase over the prior year.
- Excise tax revenue saw an 9.9% increase to \$3.2 million, an increase of \$0.3 million as the real estate market experienced modest growth.
- Intergovernmental revenue increased \$0.5 million or 0.8% to \$62.8 million. This net increase across 87 sources is quite modest after the \$27.4 million decrease in the prior year due to the change in Social Services related to Child Day Care payments taken over by the State as well as Medicaid eligibility and services.
- Charges for services decreased \$1.2 million to \$38.4 million, down 2.9%. The most significant decrease was in Public Health for \$2.1 million and the most significant increases were an increase in EMS Fees of \$1 million along with an increase in Law Enforcement for \$0.8 million. The balance of the \$0.9 million decrease in charges for service is spread among the 105 fee codes throughout other departments. The Public Health decrease was due to decreased Medicaid services and to the State settling and paying less Medicaid Cost Report funds due to the County. Jail fees for holding State and Federal were up in Law Enforcement. EMS Fee increases were for Ambulance Fees, Contracted Services and Special Events.
- Investment income for the General Fund increased by \$1.9 million to \$5.8 million, up 49.1% due to interest rate increases during the fiscal year.
- Other revenues increased \$0.4 million, up 4.2%.

General Fund expenditures were \$590.8 million, increasing \$11.8 million or 2% from last year. Highlights of significant areas of change include:

- General Government expenditures increased \$1.7 million. The most significant increases occurred in Information Services and Tax of \$1.3 million and \$0.4 million, respectively, these were somewhat offset by a \$0.7 million decrease in Facilities. Information Services increases were mainly in software and/or equipment maintenance/repair costs. Tax increases were for software, collection fees, and foreclosure-related costs. The Facilities Department experienced a reduction in professional services contracts and also a reduction in special facilities maintenance and report. The balance of the increases and decreases netting to \$0.7 million are generally spread among most of the departments.
- Human Services expenditures increased \$1.7 million, up 1.6% from last fiscal year. Expenditures increased \$1.9 million in Social Services and \$0.7 million in Public Health. Decreases in Cooperative Extension expenditures totaled \$0.8 million. Most of the Human Services increases were associated with compensation increases. These were primarily merit increases and over-time costs to respond to program workloads.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Public Safety expenditures increased \$0.9 million to \$108 million, a .8% increase. Emergency Services has the most significant increase of \$1.4 million or 4.7% over the prior year due to increased compensation costs of \$0.7 million with another \$0.3 million increase in the cost of services purchased. The balance of the increase in Emergency Services comes from the \$0.2 million in supplies and materials, equipment, and vehicle purchases. These increased costs can be attributed to the steady increase in demand for emergency services by the community. Law Enforcement Department expenditures decreased \$0.6 million or 1%. Law Enforcement's most notable decrease was overtime salary costs as vacancies in detention facilities have been more difficult to fill during FY2019. Other Public Safety increases and decreases were generally spread among the remaining departments.
- Debt service costs decreased \$0.6 million to \$95.4 million due mainly to the FY2018 re-funding of variable rate general obligation bonds. As part of a structured financing intended to level the future budgetary impact from bonds issued during fiscal year 2017, \$23.1 million of premium was to be budgeted from restricted fund balance over the next three fiscal years such that the increased debt service requirements would have minimal impact on the General Fund's unassigned fund balance. As such, \$7 million was budgeted in fiscal year 2019 from this restricted fund balance to partially cover the increase in debt service costs.
- Economic Development and Assistance expenditures decreased \$0.1 million to \$1 million from decreased economic incentive payments and agency funding.
- Education expenditures increased \$7.8 million as the Guilford Technical Community College funding increased \$1 million to \$16.2 million while the Guilford County Schools amount increased \$6.8 million to \$202.6 million.

The other major governmental funds are County Building Construction Fund and School Capital Outlay Fund. The County Building Construction Fund primarily handles capital projects in which the assets are retained entirely or in part by the County. The School Capital Outlay Fund, funds the construction of school buildings and facilities for the Guilford County Board of Education and Guilford Technical Community College.

The County Building Construction Fund fund balance increased \$34.3 million to \$80.3 million. The increase was driven by the issuance of \$30 million in bonds and the sale of the Bellemeade building. Other revenue sources included \$1.6 million from several sources and \$2 million transfer of County funds from the General Fund for pay-as-you-go financing of capital projects. Expenditures of \$5.4 million included general government projects of \$1.3 million mainly for courthouse renovations. Public safety projects of \$3.5 million included \$2.1 million for the EMS Facility projects, \$0.8 million for the 800 MHz Infrastructure project, and \$0.5 million for the County Animal Shelter Replacement. The Mental Health Facility Replacement project expended \$0.4 million, while park projects with total expenditures of \$0.2 million were mainly for the Open Space Acquisition project.

The School Capital Outlay Fund fund balance increased by \$4.6 million from \$27.8 million to \$32.4 million due mainly to the current expenditure of previously issued general obligation bonds for both Guilford County Schools and Guilford Technical Community College purposes. Other financing sources were \$7.5 million transfers in from the General Fund. Expenditures of \$12.9 million consisted of \$10.1 million and \$2.8 million for Guilford County Schools and Guilford Technical Community College projects, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Proprietary funds. Guilford County's only proprietary fund is its Internal Service Fund. Because the operations of this fund are consolidated with governmental activities, information concerning Guilford County's proprietary funds is found only in the fund financial statements.

Operating revenues of internal service operations were less than operating expenses by \$4.1 million. Nonoperating revenue (net investment gain) added \$1 million resulting in an overall loss of \$3.1 million. The County originally anticipated using up to \$2.3 million to reduce excess reserves based on the original annual financial plan. The sole purpose of the fund is the operation of the County's risk management programs. The overall loss was generated from Health Care and Wellness programs with a \$4.1 million loss as unusually high claim expenses exceeded revenues, while Risk Retention programs (Liability, Property and Workers' Compensation) premium and other revenues exceeded claims, insurance, professional services, and other revenue by \$1 million.

General Fund Budgetary Highlights

The final General Fund budget for fiscal year 2018-19 was \$628.3 million, an increase of \$12 million from the original budget of \$616.3 million which is a 1.9% increase.

Table A-3 Summary of GUILFORD COUNTY'S Additional Appropriations (General Fund)			
	Sources		Uses
Fund Balance	\$ 9,977,573	Information Services	\$ 1,011,035
		Facilities	(658,992)
Intergovernmental Revenue	1,862,767	Public Health	1,921,850
		Social Services	1,696,919
Charges for Services	51,600	Law Enforcement	2,597,682
		Emergency Services	632,929
Other Sources	99,710	Recreation - Parks	1,045,484
		Economic Development & Assistance	2,631,972
		Other Uses	1,112,771
	<u>\$ 11,991,650</u>		<u>\$ 11,991,650</u>

The County amends its budget each year to carry forward outstanding encumbrances from the prior year utilizing fund balance. The carry forward budget amendment for the fiscal year ending June 30, 2019 was \$9.4 million for all General Fund departments. This accounts for most of the \$10 million additional fund balance appropriation, representing 83.2% of the budget increase. Guilford County typically increases its budget appropriation as a result of additional State and Federal funding received during the fiscal year. This increase in the Intergovernmental Revenue budget was \$1.9 million in FY2019. The most significant increases in budgeted federal funds occurred in Social Services for Crisis Intervention Payments of \$0.5 million and Department of Health Older Adults Division Home Community Block Grants in \$0.2 million. Other significant increases occurred in Law Enforcement with budget increase of \$0.4 million of state funds for Crime Control and \$0.2 million for HIDTA grants. Other departments account for smaller individual increases and decreases in the Intergovernmental Revenue budget totaling an overall net increase of \$0.6 million in budgets.

The final General Fund budget for fiscal year 2018-19 was \$628.3 million, decreasing \$196.2 million due to a prior year bond refunding opportunity. This can be attributed to decreasing \$208.8 million from a prior bond refunding and swap termination and increasing \$12.8 million from regular operations versus the previous year's final budget. Human Services increased \$4.5 million due to a \$3.9 million

MANAGEMENT'S DISCUSSION AND ANALYSIS

increase in Public Health and \$0.7 million in the Social Services Division with a \$0.7 million decrease in Cooperative Extension Services. Significant increases also occurred in General Government, Public Safety, and Education. General Government departments increased \$2.5 million mainly by \$1.3 million in Human Resources with another \$0.8 million in Information Services with the remaining \$0.4 million generally spread among most of the other departments. Public Safety departments increased \$1.6 million mainly in Emergency Services by \$1.5 million with additional increases spread among most of the other departments. The Emergency Services increase funded mainly personnel services and professional services as well as Equipment Pair and Special Facilities Maintenance and Repairs. The largest share of the increase costs occurred in the Emergency Med Services section which accounted for \$1.1 million of the total increase. Education increased \$7.8 million for Guilford County Schools (GCS) and Guilford Technical Community College (GTCC) operations by \$6.8 million and \$1 million, respectively. Debt Service decreased \$4.9 million due mainly to refunding activity and the efforts to restructure the debt service to avoid dramatic swings in the debt service payments. General Fund expenditures and other uses for the 2019 fiscal year were 95.5% of the final budget, down from 96.5% from fiscal year 2018.

The resulting \$28 million variance in the actual expenditures and other uses from the final budget versus \$29.8 million in the prior fiscal year continues to exceed the typical range. Variances usually result from conservative budget practices such as, budgeting fully for positions in many departments; the need to allow for fluctuation in Public Assistance, grant programs, and management of the large number of service contracts in the Human Services area and capital purchases which are not completed at year end. The variances above the typical range occurred in Social Services and Debt Service although most of the reduction in the overall variance occurred in Debt Service. Variances generally remained steady at all functional levels of the General Fund except for a \$7.8 million decrease in Debt Service due to refunding and restructuring bonds in the prior year.

Capital Asset and Debt Administration

Capital assets. Guilford County's investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$239.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, vehicles, intangibles, and construction in progress. Infrastructure capital assets at the County's park facilities and watershed facilities have been included under improvements since the amounts are relatively insignificant. Guilford County's net decrease in its investment in capital assets was \$3.4 million during the current fiscal year.

Construction in progress increased \$4.5 million before transfers, mainly for the major renovations and repairs to several Greensboro and High Point general government and courthouse buildings, several public safety related buildings/facilities, Cooperative Extension's Administrative building, and the Bur Mil Park Clubhouse. Buildings decreased \$2.8 million before depreciation from the sale of the Bellemeade Building, which was partially offset by \$4.8 million of additions from closing projects out of construction in progress. The County has a Capital Project ordinance to replace the Bellemeade Building that was sold and is being leased back. Improvements other than buildings increased \$2.6 million before depreciation, mainly for several Human Service and Park related projects. Machinery and equipment increased \$1 million before depreciation as additions of \$2.2 million mainly for public safety communication and other equipment outpaced disposals. Vehicles increased \$1.5 million, before depreciation as additions of \$4.1 million mainly for Fleet, Transportation, Law Enforcement and Emergency Services outpaced disposals as well.

Additional information on Guilford County's capital assets can be found in Note III. C. on pages 33 and 34 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-4
GUILFORD COUNTY'S Capital Assets
 (Net of Accumulated Depreciation)

	Governmental Activities	
	2019	2018
Land	\$ 51,182,244	51,154,319
Buildings	147,506,481	150,914,266
Improvements other than buildings	11,709,866	10,123,347
Machinery and equipment	14,843,541	15,478,927
Vehicles	6,620,985	5,829,118
Construction in progress	5,941,300	7,549,563
Intangibles	1,977,677	2,115,838
Total	\$ 239,782,094	243,165,378

Debt Administration. At the end of the current fiscal year, Guilford County had total bonded debt outstanding of \$703.2 million, \$686.3 million of which were general obligation bonds backed by the full faith and credit of the County and \$16.8 million of which were limited obligation bonds backed by collateral. In addition, there were \$81.6 million in unamortized bond issuance premiums all net of interest rate swap termination charges of \$2.9 million. Guilford County's total debt decreased \$26.3 million during the fiscal year. In fiscal year 2019, the County issued a total of \$40 million in debt consisting of fixed rate general obligation bonds at a \$5.8 million premium. The new bonds authorized under North Carolina General Statutes 159-49 are commonly referred to as 2/3's bonds because they can be issued at up to 2/3's of the general obligation bonds principal paid off in the prior year. Additionally, the County retired \$62.4 million with scheduled principal payments on general obligation bonds and other debt.

Guilford County maintains its "triple A" rating with all three ratings agencies on all outstanding general obligation bonded debt. The County's limited obligation bonds are rated AA+ by Standard and Poors, Aa1 by Moody's and AA+ by Fitch Ratings.

State statutes limit the amount of general obligation debt a governmental entity may issue to eight percent of its total assessed valuation. The current debt limitation for Guilford County is \$4.1 billion, which is significantly in excess of Guilford County's outstanding and unissued general obligation debt.

Additional information on Guilford County's long-term debt can be found in Note III. E. on pages 36-38 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-5
GUILFORD COUNTY'S Outstanding Debt

	Governmental Activities	
	2019	2018
General obligation bonds	\$ 686,340,000	708,735,000
Plus bond issuance premiums	81,550,915	86,286,946
Less swap termination fees	(2,893,739)	(3,687,370)
Limited obligation bonds	16,845,000	16,845,000
Total	\$ 781,842,176	808,179,576

Economic Factors and Next Year's General Fund Budget and Rates

- The County's fiscal 2020 General Fund budget has increased by \$12.1 million from the fiscal year 2019 original budget to \$628.4 million, a 2% increase.
- The General Fund appropriated fund balance of \$30.4 million for the fiscal year 2020 is \$0.6 million less than last year's original General Fund budget, and maintains a stable unassigned fund balance at June 30, 2019 of 12.5% of the 2020 budget, down from the 13.4% at June 30, 2018. Increases to appropriations from generally available fund balance were \$0.3 million while decreases to appropriations from restricted, committed and assigned funding sources accounted for \$0.9 million. The most significant change is the reduction in the planned use of Public Health Medicaid Maximization funds by \$1.4 million after the prior year's expansion of services as well as one-time major maintenance on facilities used by the restricted programs. This increase was offset mainly by a \$0.5 million reduction in the budget of bond premiums from the 2017 issue restricted as to use for bond interest, all structured to level the impact of increases in the debt service budget.
- The General Fund ad valorem tax rate levied for fiscal year 2020 remained unchanged from the prior year at \$.7305 per \$100 valuation. The steady rate combined with a 1.9% increase in the County's estimated tax base to \$52.5 billion will add \$8 million in current tax revenue, a 2.1% increase over the previous year. Anticipated collections of prior years' tax revenue remained steady. Estimated sales tax revenue of \$91 million for the fiscal year 2020 is projected to remain steady from last year's original General Fund budget. Intergovernmental revenue are budgeted to increase by \$1.1 million. The increase is due to the normal variation in revenues for Public Health and Social Services operations in addition to the \$0.3 million in new grants for the Family Justice Center and Law Enforcement.
- The General Fund department's budget with the most significant decrease was Transportation, which had a budget decrease of \$0.5 million or 31.5% due to the removal of vehicle replacement funds in the current year in accordance with the state replacement schedule. In FY2019, Economic Development and Incentive saw a \$0.4 million or 27% reduction in their FY2020 budget which was due to decreased obligations from economic incentive agreements. The budget also reduced the annual cash transfer from the General Fund to the County Building and Construction Fund from \$2 million to \$1.1 or million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The reduction will be offset by \$0.5 million of interest earnings that will be allocated to capital funds. This transfer is typically used to support the Capital Investment Plan which will be deferred in favor of other community service priorities.

- The 2020 General Fund budgets with the most significant increases over the 2019 amounts remain Education related as operating support increased \$4.5 million or 2% to \$223.3 million with appropriations to Guilford County Schools up \$4 million to \$206.6 million and to Guilford Technical Community College up \$0.5 million to \$16.7 million. Capital support for Guilford County Schools increased \$0.1 million to \$6.1 million while Community College support for capital declined with a \$0.5 million shift from capital to operations. The Emergency Services' budget increase of \$1.8 million or 6% is due to \$0.9 million for 15 new positions along with routine merit and personnel pay adjustments. Another \$0.8 million is associated with increases in professional fees for Guilford-Metro 911 costs, medical examiner fees, and contracted billing services. Human Resources is up \$1.6 million or 18.1% due to the provision for the outcome of the County's salary study. The Law Enforcement budget for FY2020 is up \$1 million or 1.3% to \$69.3 million. The increase in the Law Enforcement budget can be tied to \$0.75 million in Other Services & Charges tied to multiple contractual and grant-related expenses. Additionally, Personnel Services increased by \$0.2 million due to county-wide merit increases and various changes in staff positions. Social Services increased \$1.1 million or 1.8% to \$59.9 million mostly due to personnel costs from additional and transferred positions as well as routine county-wide personnel adjustments including merit. Information Service's budget saw an increase of \$1 million associated with a number of projects in various departments that were approved by the Information Technology Advisory Committee for FY2020. Other notable but less significant budget increases include the County Commissioners' budget which was increased due to the reassignment of the historical Inmate Welfare fund balance and appropriation of that assigned fund balance for Public Safety, Behavioral Health, and Community Welfare needs. The Board of Elections' budget increase is associated with the increased cost associated with the two municipal elections and a presidential primary that will occur in FY2020. The Security Department's budget increase was primarily associated with the increase in annual contract costs for company police, and armed and unarmed security services at various County facilities.

Requests for Information

This financial report is designed to provide a general overview of Guilford County's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Harley L. Will, Finance Director, Guilford County Finance Department, P.O. Box 3427, Greensboro, NC 27402.

Basic Financial Statements

The Basic Financial Statements consist of the government-wide financial statements which display all the financial activities except fiduciary activities of the County and its discretely presented component units; the fund financial statements which provide information about the County's funds, including its fiduciary funds; and the notes to the financial statements. They present the financial position of Guilford County, North Carolina as of June 30, 2019, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

GUILFORD COUNTY, NORTH CAROLINA
Statement of Net Position
June 30, 2019

Exhibit 1

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental</u>	<u>Greensboro/Guilford</u>
	<u>Activities</u>	<u>County Tourism</u>
		<u>Development Authority</u>
Assets		
Cash and cash equivalents/investments	\$ 295,633,305	5,080,334
Receivables:		
Property taxes (net)	5,806,340	-
Accrued interest on property taxes (net)	1,132,026	-
Other taxes	586,972	-
Due from governmental units and agencies	38,506,129	88,908
Due from primary government	-	353,307
Service fees (net)	3,534,870	-
Special assessments	737,845	-
Accrued interest on investments	455,510	7,925
Other	-	1,819
Total receivables	<u>50,759,692</u>	<u>451,959</u>
Deposits and other assets	657,317	-
Net pension asset - restricted	<u>703,585</u>	<u>-</u>
Total non-capital assets	<u>347,753,899</u>	<u>5,532,293</u>
Non-depreciable capital assets	57,347,544	-
Depreciable capital assets (net)	<u>182,434,550</u>	<u>47,781</u>
Total capital assets	<u>239,782,094</u>	<u>47,781</u>
Total assets	<u>587,535,993</u>	<u>5,580,074</u>
Deferred Outflows of Resources		
Unamortized bond refunding charges	3,468,237	-
Related to pension plans and other benefits	<u>49,986,135</u>	<u>-</u>
Total deferred outflows of resources	<u>53,454,372</u>	<u>-</u>
Liabilities		
Accounts payable and accrued liabilities	33,842,489	139,140
Due to component unit	353,307	-
Deposits	794,030	-
Current portion of long-term liabilities	66,288,877	-
Noncurrent portion of long-term liabilities	<u>1,043,232,871</u>	<u>-</u>
Total liabilities	<u>1,144,511,574</u>	<u>139,140</u>
Deferred Inflows of Resources		
Unearned revenue	2,127,424	-
Related to pension plans and other benefits	<u>16,135,714</u>	<u>-</u>
Total deferred inflows of resources	<u>18,263,138</u>	<u>-</u>
Net Position		
Net investment in capital assets	163,905,230	47,781
Restricted for:		
Stabilization by State statute	65,387,840	661,749
Public Health programs	7,918,598	-
Guilford County Schools capital outlay	2,779,815	-
Other purposes	4,935,227	-
Unrestricted (deficit)	<u>(766,711,057)</u>	<u>4,731,404</u>
Total net position	<u>\$ (521,784,347)</u>	<u>5,440,934</u>

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

GUILFORD COUNTY, NORTH CAROLINA
Statement of Activities
For the fiscal year ended June 30, 2019

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	Greensboro/Guilford County Tourism Development Authority
Primary Government:						
Governmental activities:						
General government	\$ 45,193,085	6,122,263	52,470	250,000	(38,768,352)	-
Human services	119,369,932	8,290,517	51,999,561	368,779	(58,711,075)	-
Public safety	139,126,261	28,630,222	1,785,538	58,497	(108,652,004)	-
Environmental protection	1,959,082	31,945	889,838	-	(1,037,299)	-
Culture - recreation	7,364,358	1,129,517	9,575	-	(6,225,266)	-
Economic development and assistance	7,491,888	18,949	8,755	-	(7,464,184)	-
Education	231,624,769	-	-	-	(231,624,769)	-
Interest on long-term debt	22,463,821	-	7,466,053	-	(14,997,768)	-
Total primary government	\$ 574,593,196	44,223,413	62,211,790	677,276	(467,480,717)	-
Component Unit:						
Greensboro/Guilford Co Tourism Dev Authority:						
Tourism promotion and development	\$ 6,298,922	85,000	5,732,975	-	-	(480,947)
General revenues:						
Taxes:						
Property taxes, levied for general purposes					378,527,860	-
Property taxes, levied for fire districts					16,266,746	-
Sales taxes, levied for general purposes					68,391,928	-
Sales taxes, levied for fire districts					3,762,396	-
Sales taxes, levied for school capital and/or debt					20,995,347	-
Occupancy taxes, levied for tourism development					6,533,545	-
Excise tax					3,156,667	-
Local gross receipts taxes					934,145	-
Grants and contributions not restricted to specific programs					1,563,491	-
Unrestricted investment earnings net of fair value increase of investment derivatives					7,922,271	124,125
Other					2,706,594	-
Total general revenues					510,760,990	124,125
Change in net position					43,280,273	(356,822)
Net position at beginning of year					(565,064,620)	5,797,756
Net position at end of year					\$ (521,784,347)	5,440,934

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

GUILFORD COUNTY, NORTH CAROLINA
Balance Sheet
Governmental Funds
June 30, 2019

Exhibit 3

	General	County Building Construction	School Capital Outlay	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents/investments	\$ 143,148,329	81,772,462	34,438,839	2,607,375	261,967,005
Receivables:					
Property taxes (net)	5,664,324	-	-	142,016	5,806,340
Accrued interest on property taxes (net)	1,132,026	-	-	-	1,132,026
Other taxes	82,247	-	-	504,725	586,972
Due from governmental units and agencies	36,590,175	25,396	665,463	1,176,285	38,457,319
Service fees (net)	2,952,833	-	-	-	2,952,833
Special assessments (net)	-	737,845	-	-	737,845
Accrued interest on investments	289,320	91,605	-	2,121	383,046
Total receivables	46,710,925	854,846	665,463	1,825,147	50,056,381
Deposits and other assets	968,077	30,000	-	-	998,077
Total assets	\$ 190,827,331	82,657,308	35,104,302	4,432,522	313,021,463
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 11,807,156	1,661,043	2,666,105	151,539	16,285,843
Due to component unit	-	-	-	353,307	353,307
Deposits	794,030	-	-	-	794,030
Total liabilities	12,601,186	1,661,043	2,666,105	504,846	17,433,180
Deferred Inflows of Resources	7,788,971	737,845	-	885,237	9,412,053
Fund balances:					
Non spendable	968,077	30,000	-	-	998,077
Restricted	69,711,905	57,088,610	26,093,534	3,547,164	156,441,213
Committed	2,539	5,925,474	7,010,125	-	12,938,138
Assigned	21,514,258	17,214,336	-	-	38,728,594
Unassigned	78,240,395	-	(665,462)	(504,725)	77,070,208
Total fund balances (deficits)	170,437,174	80,258,420	32,438,197	3,042,439	286,176,230
Total liabilities, deferred inflows of resources and fund balances	\$ 190,827,331	82,657,308	35,104,302	4,432,522	313,021,463

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

GUILFORD COUNTY, NORTH CAROLINA
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2019

Exhibit 4

Total fund balances - total governmental funds (Exhibit 3)	\$ 286,176,230
Amounts reported for governmental activities in the statement of net position are different because (see also Note II.A.):	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	239,782,094
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows of resources in the funds. (Note II.A.1.)	7,676,211
Net pension asset - NC Register of Deeds' Supplemental Pension	703,585
Deferred outflows (asset-like charges) as used in governmental activities are not financial resources and therefore are not reported in the funds. (Note II.A.2.)	53,416,909
The Internal Service Fund is used by management to charge the costs of risk management and insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the statement of net position. (See Exhibit 8)	25,824,494
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (Note II.A.3.)	(1,119,228,742)
Deferred inflows (liability-like credits) as used in governmental activities are not financial uses and therefore are not reported in the funds. (Note II.A.4.)	<u>(16,135,128)</u>
Total net position of governmental activities (Exhibit 1)	\$ <u>(521,784,347)</u>

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

GUILFORD COUNTY, NORTH CAROLINA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2019

Exhibit 5

	General	County Building Construction	School Capital Outlay	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes:					
Property taxes	\$ 378,038,659	-	-	16,251,165	394,289,824
Sales tax	89,387,275	-	-	3,762,396	93,149,671
Occupancy taxes	-	-	-	6,533,545	6,533,545
Excise tax	3,156,667	-	-	-	3,156,667
Local gross receipts tax	934,145	-	-	-	934,145
Licenses and permits	2,156,449	-	-	-	2,156,449
Intergovernmental	62,807,555	-	-	8,755	62,816,310
Charges for services	38,431,219	228,112	-	-	38,659,331
Investment earnings	5,809,569	1,074,179	-	10,712	6,894,460
Other	4,995,223	292,007	-	-	5,287,230
Total revenues	<u>585,716,761</u>	<u>1,594,298</u>	<u>-</u>	<u>26,566,573</u>	<u>613,877,632</u>
Expenditures					
Current:					
General government	47,988,036	-	-	-	47,988,036
Human services	111,103,757	-	-	-	111,103,757
Public safety	108,014,114	-	-	20,507,997	128,522,111
Environmental protection	1,868,297	-	-	-	1,868,297
Culture - recreation	6,722,677	-	-	-	6,722,677
Economic development and assistance	949,588	-	-	6,542,300	7,491,888
Intergovernmental:					
Education	218,760,398	-	12,864,371	-	231,624,769
Capital outlay	-	5,398,174	-	-	5,398,174
Debt service:					
Principal retirement	62,395,000	-	-	-	62,395,000
Interest and fiscal charges	32,666,880	-	-	-	32,666,880
Bond issuance costs	340,951	-	-	-	340,951
Total expenditures	<u>590,809,698</u>	<u>5,398,174</u>	<u>12,864,371</u>	<u>27,050,297</u>	<u>636,122,540</u>
Excess (deficiency) of revenues over expenditures	<u>(5,092,937)</u>	<u>(3,803,876)</u>	<u>(12,864,371)</u>	<u>(483,724)</u>	<u>(22,244,908)</u>
Other Financing Sources (Uses)					
General obligation bonds issued	-	30,000,000	10,000,000	-	40,000,000
Premiums on general obligation bonds issued	5,179,881	633,362	-	-	5,813,243
Transfers in	-	2,000,000	7,500,000	-	9,500,000
Transfers out	(9,500,000)	-	-	-	(9,500,000)
Sale of capital assets	323,678	5,500,000	-	-	5,823,678
Total other financing sources (uses)	<u>(3,996,441)</u>	<u>38,133,362</u>	<u>17,500,000</u>	<u>-</u>	<u>51,636,921</u>
Net changes in fund balances	(9,089,378)	34,329,486	4,635,629	(483,724)	29,392,013
Fund balances at beginning of year	179,526,552	45,928,934	27,802,568	3,526,163	256,784,217
Fund balances (deficits) at end of year	<u>\$ 170,437,174</u>	<u>80,258,420</u>	<u>32,438,197</u>	<u>3,042,439</u>	<u>286,176,230</u>

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

GUILFORD COUNTY, NORTH CAROLINA
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the fiscal year ended June 30, 2019

Exhibit 6

Net changes in fund balances - total governmental funds (Exhibit 5)	\$ 29,392,013
Amounts reported for governmental activities in the statement of activities are different because (see also Note II.B.):	
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. (Note II.B.1.)	(178,499)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to decrease net position. (Note II.B.2.)	(3,204,785)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds until they are available. (Note II.B.3.)	285,862
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal consumes the current financial resources. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (Note II.B.4.)	16,581,756
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 the governmental funds. Some expenditures reported in the governmental funds do require the use of current financial resources because items are prepaid using the purchases method and, therefore, are not reported as expenses in the statement of activities. (Note II.B.5.)	3,486,609
The Internal Service Fund is used by management to charge the costs of risk management and insurance to individual funds. The net gain (loss) of the Internal Service Fund is reported with governmental activities. (See Exhibit 9)	<u>(3,082,683)</u>
Change in net position of governmental activities (Exhibit 2)	\$ <u>43,280,273</u>

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

GUILFORD COUNTY, NORTH CAROLINA

General Fund

Exhibit 7

**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the fiscal year ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary and GAAP Basis	Final Budget Positive (Negative)
Revenues				
Taxes:				
Property taxes	\$ 373,070,000	373,070,000	376,621,012	3,551,012
Interest on delinquent property taxes	1,407,000	1,407,000	1,417,647	10,647
Total property taxes	374,477,000	374,477,000	378,038,659	3,561,659
Sales tax	90,975,000	90,975,000	89,387,275	(1,587,725)
Excise tax	2,650,000	2,650,000	3,156,667	506,667
Local gross receipts tax	850,000	850,000	934,145	84,145
Licenses and permits	1,904,000	1,904,000	2,156,449	252,449
Intergovernmental	66,595,893	68,458,660	62,807,555	(5,651,105)
Charges for services	37,960,419	38,012,019	38,431,219	419,200
Investment earnings	5,336,353	5,336,353	5,809,569	473,216
Other	4,445,989	4,545,699	4,995,223	449,524
Total revenues	585,194,654	587,208,731	585,716,761	(1,491,970)
Expenditures				
Current:				
General government	54,070,316	54,653,201	47,988,036	6,665,165
Human services	118,828,141	122,656,858	111,103,757	11,553,101
Public safety	109,944,112	113,744,935	108,014,114	5,730,821
Environmental protection	1,913,919	2,011,187	1,868,297	142,890
Culture - recreation	6,284,602	7,330,086	6,722,677	607,409
Economic development and assistance	1,553,500	4,185,472	949,588	3,235,884
Intergovernmental:				
Education	218,760,398	218,760,398	218,760,398	-
Debt service:				
Principal retirement	62,495,000	62,395,000	62,395,000	-
Interest and fiscal charges	32,963,012	32,667,513	32,666,880	633
Bond issuance costs	-	400,000	340,951	59,049
Total expenditures	606,813,000	618,804,650	590,809,698	27,994,952
Excess (deficiency) of revenues over expenditures	(21,618,346)	(31,595,919)	(5,092,937)	26,502,982
Other Financing Sources (Uses)				
Premiums on general obligation bonds issued	-	-	5,179,881	5,179,881
Transfers out	(9,500,000)	(9,500,000)	(9,500,000)	-
Sale of capital assets	108,059	108,059	323,678	215,619
Total other financing sources (uses)	(9,391,941)	(9,391,941)	(3,996,441)	5,395,500
Net change in fund balances	(31,010,287)	(40,987,860)	(9,089,378)	31,898,482
Fund balances at beginning of year	179,526,552	179,526,552	179,526,552	-
Fund balances at end of year	\$ 148,516,265	138,538,692	170,437,174	31,898,482

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

GUILFORD COUNTY, NORTH CAROLINA
Statement of Net Position
Proprietary Funds - Internal Service Fund
June 30, 2019

Exhibit 8

	Governmental Activities
Assets	
Current assets:	
Cash and cash equivalents/investments	\$ 33,666,300
Receivables:	
Due from governmental units and agencies	48,810
Service fees (net)	582,037
Accrued interest on investments	72,464
Total receivables	703,311
Deposits and other assets	570,538
Total assets	34,940,149
 Deferred Outflows of Resources	
Related to pension plans	37,463
 Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	7,793,369
Compensated absences	5,328
Total current liabilities	7,798,697
Noncurrent liabilities:	
Compensated absences	3,164
Net pension liability	47,791
Total noncurrent liabilities	50,955
Total liabilities	7,849,652
 Deferred Inflows of Resources	
Unearned revenues	1,302,880
Related to pension plans	586
Total deferred inflows of resources	1,303,466
 Net Position	
Restricted for self-funded insurance deposits	569,218
Unrestricted	25,255,276
Total net position	\$ 25,824,494

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

GUILFORD COUNTY, NORTH CAROLINA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds - Internal Service Fund
For the fiscal year ended June 30, 2019

Exhibit 9

	Governmental Activities
Operating revenues:	
Charges for services	\$ 43,252,279
Total operating revenues	<u>43,252,279</u>
Operating expenses:	
Personal services	214,452
Other direct service costs	11,119
Professional services	1,457,211
Claims, premiums and bonding	<u>45,702,978</u>
Total operating expenses	<u>47,385,760</u>
Operating loss	(4,133,481)
Nonoperating revenues:	
Net investment gain	<u>1,050,798</u>
Change in net position	(3,082,683)
Net position at beginning of year	<u>28,907,177</u>
Net position at end of year	\$ <u><u>25,824,494</u></u>

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

GUILFORD COUNTY, NORTH CAROLINA
Statement of Cash Flows
Proprietary Funds - Internal Service Fund
For the fiscal year ended June 30, 2019

Exhibit 10

	Governmental Activities
Increase (decrease) in cash and cash equivalents:	
Cash flows from operating activities:	
Cash received from user departments and participants	\$ 43,131,977
Cash paid to employees for services	(211,916)
Cash paid to suppliers, participants and others	<u>(46,553,732)</u>
Net cash used by operating activities	<u>(3,633,671)</u>
Cash flows from investing activities:	
Interest and dividends on investments	<u>1,016,536</u>
Net decrease in cash and cash equivalents	(2,617,135)
Cash and cash equivalents at beginning of year	<u>36,283,435</u>
Cash and cash equivalents at end of year	\$ <u><u>33,666,300</u></u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ <u>(4,133,481)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Change in assets, deferred outflows, liabilities and deferred inflows:	
Decrease in accounts receivable	127,929
Increase in deposits and other assets	(72,706)
Increase in deferred outflows of resources - related to pension plans	(13,975)
Increase in accounts payable	559,745
Increase in accrued salaries and benefits payable	870
Decrease in accrued vacation and compensatory benefits	(904)
Increase in net pension liability	17,593
Decrease in deferred inflows of resources - unearned revenues	(117,694)
Decrease in deferred inflows of resources - related to pension plans	<u>(1,048)</u>
Total adjustments	<u>499,810</u>
Net cash used by operating activities	\$ <u><u>(3,633,671)</u></u>

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

GUILFORD COUNTY, NORTH CAROLINA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

Exhibit 11

	<u>Pension / OPEB Trust Funds</u>	<u>Agency Funds</u>
Assets		
Cash and cash equivalents/investments	\$ -	\$ 1,098,647
Guilford County Law Enforcement Officers' Special Separation Allowance (LEOSSA) Accounts:		
Demand deposits	6,329	-
N.C. Capital Management Trust Cash Portfolio	982,052	-
State Treasurer's Local Government Law Enforcement Officers' Special Separation Allowance (LEOSSA) Fund:		
Short-Term LEOSSA Fund	1,284,201	-
LEOSSA Equity Fund	502,563	-
State Treasurer's Local Government Other Post Employment Benefits (OPEB) Fund:		
Short-Term OPEB Fund	3,439,798	-
Long-Term OPEB Fund	1,067,252	-
OPEB Equity Fund	10,676,591	-
Cash and cash equivalents/investments	17,958,786	1,098,647
Receivables:		
Accrued interest on investments	489	-
Total assets	<u>17,959,275</u>	<u>\$ 1,098,647</u>
Liabilities		
Accounts payable and accrued liabilities	26,017	\$ 407,924
Representative payee clients payable	-	371,492
Due to other taxing units	-	163,987
Inmate trust funds payable	-	155,244
Total liabilities	<u>26,017</u>	<u>\$ 1,098,647</u>
Net Position		
Restricted for pension / OPEB	<u>\$ 17,933,258</u>	

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

GUILFORD COUNTY, NORTH CAROLINA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Pension / OPEB Trust Funds
For the fiscal year ended June 30, 2019

Exhibit 12

	Pension / OPEB Trust Funds
Additions	
Employer contributions	\$ 9,415,838
Retiree contributions	2,437,678
Investment income	827,067
Investment expenses	(1,878)
Total additions	<u>12,678,705</u>
Deductions	
Benefits	11,193,460
Administrative expenses	334,882
Total deductions	<u>11,528,342</u>
Change in net position	1,150,363
Net position at beginning of year	<u>16,782,895</u>
Net position at end of year	\$ <u>17,933,258</u>

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

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Guilford County and its component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

Guilford County, North Carolina (the County) is governed by an elected Board of Commissioners with nine members. The accompanying financial statements present the County and its component units, legally separate entities for which the County is considered to be financially accountable. The County has no component units which are required to be blended with data of the primary government. The discretely presented component unit presented below is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County.

Discretely presented component units.

Greensboro/Guilford County Tourism Development Authority

The Greensboro/Guilford County Tourism Development Authority (the Authority) is a public authority under the North Carolina General Statutes, created to promote activities and programs which encourage travel and tourism to the area. The County is financially accountable for the Authority because it levies the occupancy tax which is the major source of the Authority's revenues and has final approval over the annual budget. The Authority, which has a June 30 year end, is presented as a governmental fund type. Of the \$6,533,545 County levied occupancy taxes earned and included as an economic development and assistance expense of the County, \$4,573,482 is reported as part of the Authority's operating grants and contributions program revenue along with \$1,159,493 from a separate City of Greensboro levy. The complete financial statements of the Authority may be obtained from its administrative office at Greensboro/Guilford County Tourism Development Authority, 2411 West Gate City Boulevard, Greensboro, North Carolina 27403.

Guilford County Industrial Facility and Pollution Control Financing Authority

Guilford County Industrial Facility and Pollution Control Financing Authority (the Authority) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority is governed by a seven-member board of commissioners, all of whom are appointed by the county commissioners. The County can remove any commissioner of the Authority with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the government-wide financial statements. The Authority does not issue separate financial statements.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the County) and its component unit (the Authority). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements report the County's governmental activities which generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. The County has no business-type activities, financed in whole or in part by fees charged to external parties, to report.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for the Authority. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. No indirect expense allocations have been made in the funds which

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

require reversal for the statement of activities. 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 County's funds, including its fiduciary funds. Separate statements for each fund category—*governmental, proprietary, and fiduciary*—are presented. The emphasis of the County's fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. The County has no enterprise funds on which to report.

Proprietary funds distinguish *operating* from *nonoperating* revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues, mainly charges for services and materials, result from exchange transactions associated with the principal activities of the fund where each party receives and gives up essentially equal values. Operating expenses include professional and other services costs; claims, premiums and bonding; and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County reports the following major governmental funds:

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

The *County Building Construction Fund*, a capital projects fund type, accounts for the financing and construction of various capital assets and improvements thereto of the County. Financing is provided principally by operating transfers from the General Fund, interest on investments, and proceeds of general obligation bonds when issued.

The *School Capital Outlay Fund*, a capital projects fund type, accounts for the County's portion of the financing of school capital assets for the Guilford County Public School System and Guilford Technical Community College. Financing is provided principally by operating transfers from the General Fund, the North Carolina Public School Building Capital Fund (Average Daily Membership and Lottery), and proceeds of general obligation bonds when issued by Guilford County.

The County also reports *Other Governmental Funds*, which are individually nonmajor, in total. The Rural Fire Districts, Room Occupancy/Tourism Developmental Tax, and Community Development Funds are all special revenue fund types. They are used to account for the proceeds of specific revenue sources, other than major capital projects, that are legally restricted to expenditures for specific purposes.

Additionally, the County reports the following fund types:

Proprietary fund:

The *Internal Service Fund* accounts for risk retention services, health care and wellness programs provided to other departments of the County on a cost reimbursement basis.

Fiduciary funds:

Pension/OPEB Trust Funds are used to account for activities which accumulate resources for post-employment benefits to qualified individuals. The County's pension/OPEB trust funds are the Law Enforcement Officers' Special Separation Allowance (LEOSSA) Fund and the Other Post-Employment Benefits Fund. The LEOSSA Fund accounts for the activities of a single employer, public retirement system, and accumulates resources for pension benefit payments to qualified law enforcement officers. The Other Post-Employment Benefits Fund accounts for the activities of a single employer defined benefit Health Care

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

Plan and provides postemployment healthcare benefits to eligible retirees of the County who participate in the North Carolina Local Government Employees' Retirement System.

Agency Funds are used to account for assets held by the County on behalf of others. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County maintains the following agency funds: the Tax Collection Fund, which accounts for property, occupancy, and/or privilege taxes collected by the County Tax Collector in his capacity as agent for various municipalities, a special district, and an authority; the Fines and Forfeitures Fund, which accounts for fines and forfeitures collected by the County that are required to be remitted to the Guilford County Board of Education; the Representative Payee Fund, which accounts for funds deposited with the Social Services Department for the benefit of specified clients being served by the County; and the Inmate Trust Fund, which accounts for funds deposited with the Law Enforcement Department by or for the benefit of inmates incarcerated in the County Detention Centers.

C. Measurement Focus, Basis of Accounting

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

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for the agency funds which have no measurement focus. 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 County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues, except for property taxes, to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, property taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. See also Note I.E.2 for additional explanation. Those revenues susceptible to accrual are sales taxes, collected and held by the State at year end on behalf of the County, certain intergovernmental revenues and charges for services, and interest on investments. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amount will be reimbursed to the County; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

if the susceptible to accrual criteria are met. Some types of charges for services are susceptible to accrual. Human Services Departments' client and contract fees and Emergency Services Department ambulance fees net of an adjustment for estimated uncollectible fees are recognized when earned because they are considered both measurable and available. All other charges for services as well as licenses and permits and other revenues are not susceptible to accrual because generally, they are not measurable until received in cash.

D. Budgetary Control

In compliance with the North Carolina Local Government Budget and Fiscal Control Act, the County adopts an annual budget ordinance for all funds except certain projects within the County Building Construction and School Capital Outlay Capital Projects Funds authorized by project ordinance; the projects within the Community Development Special Revenue Fund authorized by grant ordinances, the Internal Service Fund and Trust and Agency Funds. The budget ordinance must be adopted by July 1 of the fiscal year or the Board of County Commissioners must adopt an interim budget that covers that time until the annual ordinance can be adopted.

The appropriations in the General Fund and annually budgeted projects in the Capital Projects Funds are formally budgeted and legally controlled on a departmental basis. Projects in the Capital Projects Funds with project-length budgets are controlled by project. The legal level of control varies for the Special Revenue Funds. Appropriations in the Rural Fire District Fund are by rural fire tax or protection service district while the appropriations in the Room Occupancy/Tourism Development Tax Fund are on a fund basis. Appropriations in the Community Development Fund are controlled by project. The annual budget is prepared on the modified accrual basis of accounting as required by North Carolina law and consistent with generally accepted accounting principles. It is amended for supplemental appropriations during the fiscal year by the Board of County Commissioners. The County Manager is authorized by the budget ordinance to make intrafund transfers of appropriations up to \$30,000 for each transaction, except that funds transferred cannot be used to create unauthorized positions or to raise salaries and that funds appropriated for merit raises can be used solely for that purpose. In addition, the County Manager has the authority to transfer funds budgeted in General Fund insurance, salaries and benefits, energy, technology, and facility expense accounts to the same accounts in other departments within the General Fund to adjust for projected expenditure patterns. Each such transfer must be reported to the Board of Commissioners at its next regular meeting. Any revisions that alter total appropriations of any fund must be approved by the Board. All annual appropriations lapse at each fiscal year end and open encumbrances are reappropriated in the following fiscal year's budget.

Concurrent with the adoption of the annual budget ordinance, the County approves a balanced financial plan for the Internal Service Fund. A financial plan is balanced when estimated expenses do not exceed estimated revenues. Any change in the financial plan during the year must be approved by the Board of County Commissioners.

E. Assets, Liabilities and Equity

1. Cash and Cash Equivalents/Investments

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

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

All deposits of the County and Authority are made in board-designated official depositories and are secured as required by General Statute 159-31. The County and Authority may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County and Authority may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

General Statute 159-30.2 allows local governments to establish a Law Enforcement Officers Special Separation Allowance (LEOSSA) Trust Fund managed by the staff of the Department of the State Treasurer and operated in accordance with State laws and regulations. General Statute 159-30(h) allows the County to make contributions to the Fund. The Fund is not registered with the SEC. The State Treasurer in his discretion may invest the proceeds in equities of certain publicly held companies and long- or short-term fixed income investments as detailed in General Statutes 147-69.2(b)(1-6) and (8). Funds submitted are held in the State Treasurer's STIF account consisting of short to intermediate treasuries, agencies and corporate issues authorized by General Statute 147-69.1 and BlackRock's MSCI All Country World Index (ACWI) Equity Index Non-Lendable Class B Fund under General Statute 147-69.2(b)(8). Under the authority of General Statute 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund. In addition to the STIF account, a portion of the Trust assets are invested in the North Carolina Capital Management Trust (NCCMT) Government Portfolio.

General Statute 159-30.1 allows local governments to establish an Other Post Employment Benefits (OPEB) Trust Fund managed by the staff of the Department of the State Treasurer and operated in accordance with State laws and regulations. General Statute 159-30(g) allows the County to make contributions to the Fund. The Fund is not registered with the SEC. The State Treasurer in his discretion may invest the proceeds in equities of certain publicly held companies and long- or short-term fixed income investments as detailed in General Statutes 147-69.2(b)(1-6) and (8). Funds submitted are managed in three different sub-funds, the State Treasurer's Short Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by General Statute 147-69.1; the Bond Index Fund (BIF) consisting of high quality debt securities, eligible under General Statute 147-69.2(b)(1)-(6); and BlackRock's MSCI All Country World Index (ACWI) Equity Index Non-Lendable Class B Fund under General Statute 147-69.2(b)(8). Under the authority of General Statute 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund.

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost which approximates fair value. Investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. The securities of the North Carolina Capital Management Trust (NCCMT) Government Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. Funds in the NCCMT Government Portfolio are available for same-day redemption with notice by noon on the day of withdrawal. The NCCMT Term Portfolio's securities are valued at fair value. In accordance with State law, the County has invested in securities which are callable and may provide for periodic interest rate increases in specific increments until maturity; these and all other investments are stated at fair value. As to the LEOSSA Funds, see the above comments regarding the NCCMT Government Portfolio. The STIF securities are reported at fair value. As to the OPEB Trust funds, the STIF and the BIF securities are reported at fair value. The BlackRock MSCI ACWI Equity Index Fund is valued at net asset value.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

2. *Property Taxes Receivable*

The County's property tax is levied each July 1 on the assessed value as of the prior January 1, for all taxable real and personal property (except registered motor vehicles) located in the County. Property taxes attach as an enforceable lien on real property as of the listing date. Assessed personal property values are established annually at estimated market value. A revaluation of all real property is required to be performed no less than every eight years. On February 6, 2014, the Board of Commissioners approved the policy of conducting future revaluations every five years. The revaluation affecting the fiscal year 2018 levy was completed as of January 1, 2017. North Carolina General Statutes require that property taxes levied as of the beginning of the fiscal year are due September 1. Taxes are collected net of a ½% discount during July and August, in full from September 1 through January 5 and with additional penalties and interest accrued beginning January 6.

Prior to September 1, 2013, Guilford County was responsible for billing and collecting motor vehicle property taxes on behalf of all municipalities and special tax districts in the County. Vehicles were registered with the State's Division of Motor Vehicles under a staggered system and property taxes were due the first day of the fourth month after registration. In 2005, the N.C. General Assembly adopted House Bill 1779 effective September 1, 2013, which states that the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Any motor vehicle property taxes collected by the State prior to June 30 which are not remitted to the County until after the fiscal year end are reported as collected property taxes at year end by the County. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates when significant are shown as a receivable in these financial statements and are offset by the deferred inflows of resources.

Property taxes receivable in the governmental fund financial statements are not recognized as revenue because the amount is not susceptible to accrual. At June 30, 2019, property taxes receivable are materially past due and, consequently, cannot be considered an available resource with which to pay liabilities of the current period, although the amount due is measurable. Therefore, all property taxes receivable are recorded net of an allowance for estimated uncollectible delinquent taxes, with the net receivable recorded as deferred inflows of resources.

3. *Allowances for Doubtful Accounts*

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. Allowances are based on collection experience and management's evaluation of the current status of existing receivables.

4. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated life in excess of two years. Intangible assets, which are generally classified as capital assets, have a threshold of \$100,000 and an estimated life in excess of two years. Capital assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of the donation. Public domain (infrastructure) capital assets consisting of certain improvements, including roads, bridges, curbs and gutters, water and sewer systems, school improvements, streets and sidewalks, drainage systems, and lighting systems, either have not been capitalized because the County does not own them or are included under improvements due to relatively insignificant amounts.

GUILFORD COUNTY, NORTH CAROLINA
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Property, plant, equipment and intangibles of the primary government as well as the component unit are depreciated or amortized using the straight-line method over the following estimated useful lives:

Primary Government		Authority	
Buildings	45 years	Furniture and fixtures	7 years
Improvements other than buildings	20 years	Equipment	5 years
Machinery and equipment	10 years	Vehicles	5 years
Intangibles - software	10 years		
Vehicles	3 years		

5. Vacation, Compensatory and Sick Leave Benefits

The County's vacation policy allows full time and fractional (but no part-time) employees to accumulate a maximum of thirty (30) days leave which, if not used, will be paid to employees upon separation from County service at the rates of pay then in effect. Any excess over the 30 days is transferred annually to sick leave as of the end of the leave accrual year.

According to the provisions of The Fair Labor Standards Act, nonexempt employees may earn compensatory time at the rate of one and one-half hours for each hour worked in excess of specified limits. However, the Board of County Commissioners approved a revision to the personnel regulations effective August 30, 2009, that provided payment of overtime for non-exempt employees in lieu of compensatory time accrual. Further, the revision requires nonexempt employees to use compensatory balances prior to using other types of leave. The personnel regulations revision also eliminated compensatory time for exempt employees. Accumulated compensatory benefits that have not been used for both exempt and nonexempt employees are payable upon separation from County services at the rate of pay that was in effect on August 30, 2009, the date of the effective revision.

Accumulated vacation and compensatory benefits are accrued when incurred in the government-wide and proprietary fund financial statements. Benefits are considered to be taken on a first in, first out basis for determining the current portion of the liability. A liability for those amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

The County'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 County has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave is made.

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for *Deferred Outflows of Resources*, which represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion—unearned revenues from prepaid property taxes and grants received in advance of being earned; and pension and post employment benefits related deferrals of pension and OPEB expense. In addition to the above unearned revenues, the governmental funds also report unavailable revenues receivable from the following sources: property taxes and accrued interest, thereon and special assessments. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The proprietary fund type reports unearned revenues from prepaid healthcare premiums.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

7. 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 or proprietary fund type statement of net position. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Termination fees for swaps on effective hedges are deferred and amortized over the life of the associated refunding bonds using the effective interest method. Bonds payable are reported net of the applicable bond premiums and swap termination fees. Bond issuance costs are expensed in the reporting period in which they are incurred.

8. Net Position/Fund Balances

Net Position

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

Fund Balances

In the 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:

- **Nonspendable Fund Balance** – Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- **Restricted Fund Balance** - Amounts are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balance** - Amounts are committed when Guilford County's Board of County Commissioners (the highest level of decision-making authority) formally places a constraint on the use of the County's own resources for a particular purpose. A majority vote is required to set aside fund balance for the specific purpose by adoption of an ordinance, and once adopted, the limitation can only be changed or amended with a similar action by the County's Board of Commissioners.
- **Assigned Fund Balance** - Amounts are assigned when they are constrained by the County's *intent* to use for specific purposes, but are neither restricted nor committed. Intent relative to assigned fund balances has been established by actions of the Board of County Commissioners. It includes all remaining positive balances not classified as assigned, restricted or committed and reported in governmental funds other than the General Fund.
- **Unassigned Fund Balance** - Amounts are unassigned to represent the residual classification for the General Fund as the balance has not been restricted, committed, or assigned to specific purposes. It includes all remaining negative balances not classified as restricted or committed and reported in governmental funds other than the General Fund.

Restricted for Stabilization by State Statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

The amount of fund balance not available for appropriation is what is known as “restricted by State statute.” *RSS appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is “imposed by law through constitutional provisions or enabling legislation.” RSS is reduced by inventories and prepaids as they are classified as non-spendable. Outstanding encumbrances are included within RSS. RSS is included as a component of restricted net position and restricted fund balance on the face of the balance sheet.

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources (other than RSS) first, then unrestricted resources as they are needed. The Finance Director may deviate from this policy where it is in the best interest of the County but generally, restricted revenues that must be expended to be received/earned typical of Federal and State grants are expended first followed by bond proceeds, other restricted revenues, local non-County funds and County funds. For purposes of net position/fund balance classification, expenditures are from restricted net position/fund balance first, followed in order by committed, assigned and unassigned fund balance.

The County has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that unassigned fund balance be set and maintained at a minimum of no less than 8% of budgeted expenditures.

9. Defined Benefit Pension Plans and OPEB Plans

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees’ Retirement System (LGERS) and the Registers of Deeds’ Supplemental Pension Fund (RODSPF) (collectively, the “state-administered defined benefit pension plans”). The County also administers a single-employer defined benefit pension plan that provides retirement benefits to the County’s qualified sworn law enforcement officers, the Law Enforcement Officers’ Special Separation Allowance (LEOSSA) and one other post employment benefit plan (OPEB), a single-employer defined benefit Health Care Plan (the HC Plan). For purposes of measuring the net pension asset/liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans’ fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County’s employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the HC Plan and additions to/deductions from the HC Plan’s fiduciary net position of the same basis as they are reported by the HC Plan. For this purpose, the HC Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments for all plans are reported at fair value.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

II. Reconciliation of government-wide and fund financial statements

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

The governmental fund balance sheet includes a reconciliation between total *fund balances—total governmental funds* and *net position of governmental activities* as reported in the government-wide statement of net position. The details of selected elements of that reconciliation are further explained as follows:

1. "Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows of resources in the funds."	
Property taxes receivable (net)	\$ 5,806,340
Accrued interest on property taxes receivable (net)	1,132,026
Special assessments receivable (net)	<u>737,845</u>
Net adjustment to increase total fund balances - total governmental funds to arrive at net position of governmental activities	<u>\$ 7,676,211</u>
2. "Deferred outflows (asset-like charges) as used in governmental activities are not financial resources and therefore are not reported in the funds."	
Contributions to LEOSSA pension plan in current fiscal year	\$ 534,119
Contributions to NCLGERS pension plan in current fiscal year	9,610,528
Contributions to NCROD pension plan in current fiscal year	35,305
LEOSSA other pension plan related resources	990,950
NCLGERS other pension plan related resources	24,118,449
NCROD other pension plan related resources	172,558
OPEB related resource deferrals	14,524,226
Unamortized bond refunding charges	<u>3,468,237</u>
Subtotal	53,454,372
Less: NCLGERS plan contributions and other resources of the Internal Service Fund	<u>(37,463)</u>
Net adjustment to increase total fund balances - total governmental funds to arrive at net position of governmental activities	<u>\$ 53,416,909</u>
3. "Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds."	
General obligation bonds payable	\$ 686,340,000
Less: Interest rate swap termination payment (to be amortized as interest expense)	(2,893,739)
Plus: Issuance premiums (to be amortized against interest expense)	81,550,915
Accrued interest payable	9,763,277
Limited obligation bonds payable	16,845,000
Accrued compensated absences payable	9,402,624
Net pension liability - Law Enforcement Officers' Special Separation Allowance	8,798,798
Net pension liability - NC Local Government Employees' Retirement System	43,027,641
Net other postemployment benefits liability - Health Care Benefits Plan	<u>266,450,509</u>
Subtotal	1,119,285,025
Less: accrued compensated absences payable of the Internal Service Fund	(8,492)
Less: NCLGERS net pension liability of the Internal Service Fund	<u>(47,791)</u>
Net adjustment to decrease total fund balances - total governmental funds to arrive at net position of governmental activities	<u>\$ 1,119,228,742</u>
4. "Deferred inflows (liability-like credits) as used in governmental activities are not financial uses and therefore are not reported in the funds."	
LEOSSA pension related resource deferrals	\$ 845,030
NCLGERS pension related resource deferrals	527,433
NCROD pension related resource deferrals	32,942
OPEB related resource deferrals	<u>14,730,309</u>
Subtotal	16,135,714
Less: NCLGERS pension resource deferrals of the Internal Service Fund	<u>(586)</u>
Net adjustment to decrease total fund balances - total governmental funds to arrive at net position of governmental activities	<u>\$ 16,135,128</u>

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances—total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. The details of selected elements of that reconciliation are further explained as follows:

1. "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 (net of Internal Service Fund amount of \$-0-)	\$ 12,632,909
Less: depreciation expense (net of Internal Service Fund amount of \$-0-)	<u>(12,811,408)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ (178,499)</u>

2. "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to decrease net position."

In the statement of activities, only the gain or loss on the disposal of capital assets is reported. However, in the governmental funds, only the proceeds from a sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost net of accumulated depreciation of the capital assets disposed.

	\$ (3,238,599)
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	<u>33,814</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ (3,204,785)</u>

3. "Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds until they are available."

Property taxes receivable (net)	\$ 422,234
Accrued interest on property taxes receivable (net)	82,547
Special assessments receivable (net)	<u>(218,919)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ 285,862</u>

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

4. "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal consumes the current financial resources. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities."

Debt issued or incurred:

Issuance of general obligation bonds	\$ (40,000,000)
Less: premiums on general obligation bonds issued	(5,813,244)

Principal repayments:

General obligation bonds	<u>62,395,000</u>
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Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	\$ <u><u>16,581,756</u></u>
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5. "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 the governmental funds. Some expenditures reported in the governmental funds do require the use of current financial resources because items are prepaid using the purchases method and, therefore, are not reported as expenses in the statement of activities."

Accrued interest	\$ 927,941
Compensated absences	1,135,879)
Amortization of deferred charge on refunding	(489,896)
Amortization of interest rate swap termination payment	(793,631)
Amortization of bond premiums	10,549,275
Net other postemployment benefits obligation - Health Care Benefits Plan	(6,238,399)
Law Enforcement Officers' Special Separation Allowance pension expense	589,715
NC Local Government Employees' Retirement System pension expense	(2,089,267)
NC Register of Deeds' Supplemental pension expense	<u>(105,008)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	\$ <u><u>3,486,609</u></u>

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Cash Equivalents/Investments

As previously discussed, cash for all County funds is pooled for investment purposes. With the exception of a separate checking account, the Greensboro/Guilford County Tourism Development Authority (Authority) uses the County's pool for its investment purposes. At June 30, 2019, the cash and investments included the following:

Account Balances		Ownership of Funds	
		Primary Government - Guilford County	
Petty cash/cash on hand	\$ 86,170	Governmental Funds	\$ 261,967,005
Demand deposits	2,327,069	Internal Service Fund	33,666,300
Pooled investments	295,477,127	Total Governmental Activities	295,633,305
Pooled Funds	297,890,366		
Investments in custody of Local Government Excess Liability Fund	3,928,249		
Pension Trust Fund investments:		Pension Trust Funds	17,958,786
LEOSSA Trust:		Agency Funds	1,098,647
N.C. Capital Management Trust Government Portfolio	982,052		
State Treasurer's Local Government LEOSSA Trust Fund	1,786,764	Primary Government - Guilford County	314,690,738
OPEB Trust - State Treasurer's Local Government OPEB Trust Fund	15,183,641	Component Unit – Authority	5,080,334
	<u>\$ 319,771,072</u>		<u>\$ 319,771,072</u>

Deposits

The deposits of the County's pool are governed by North Carolina General Statutes which allow depositories to collateralize excess deposits above Federal depository insurance coverage by one of two methods. Under the Dedicated Method, all deposits exceeding the Federal depository insurance coverage are collateralized with securities held by the County's agent in the County'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 County, these deposits are considered to be held by the County's agent in the County's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the Department of State Treasurer of North Carolina has indicated they enforce strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. In addition, the County monitors the financial soundness of any financial institution holding County deposits. The County does not have a policy regarding custodial risk for deposits.

At year-end, the deposit portion of pooled cash and investments had a carrying amount of \$2,294,206 and a bank balance of \$4,719,090. Of the bank balance, \$279,120 was covered by Federal depository insurance, and \$4,439,969 in non-interest-bearing deposits were covered by collateral held under the Pooling Method.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

Deposits of the Authority not included with the pool had a carrying amount of \$32,864 and a bank balance of \$104,394 which was fully covered by Federal depository insurance.

Investments

Pooled Investments

North Carolina General Statute 159-30(c) authorizes the County and Authority 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 nonguaranteed Federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

At June 30, 2019, the County's pooled investments were summarized by type as follows:

Investment Type	Valuation Measurement Method	Fair Value	Weighted Average Maturity (Months)
U.S. Government Agencies	Fair Value - Level 2	\$ 105,169,911	24.59
Commercial Paper and Bankers' Acceptances	Amortized Cost	<u>33,852,574</u>	2.14
		139,022,485	19.12
N.C. Capital Management Trust			
Government Portfolio	Fair Value - Level 1	15,001,774	Demand
Term Portfolio*	Fair Value - Level 1	<u>141,452,868</u>	1.32
Total Pooled Investments		\$ <u>295,477,127</u>	
Investments in custody of Local Government Excess Liability fund:			
U.S. Government Agencies	Fair Value - Level 2	\$ <u>3,928,249</u>	35.41

* Investments in the NCCMT Term Portfolio are available next day but the fund has a duration of .11 years.

Valuation. Investments with less than one year to maturity at time of purchase and with no call features are priced at amortized cost. The level of fair value hierarchy is as follows: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2: Valued using metrics that may include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.

Interest Rate Risk. In accordance with its investment policy, the County manages its exposure to declines in fair value by limiting investments with maturities beyond one year to 50% of the portfolio. No investment may be purchased with a maturity greater than five years from date of purchase.

Credit Risk. The County's investment policy incorporates State laws concerning allowable investments and imposes additional restrictions on concentration in certain types of investments and on allowable maturities. North Carolina General Statutes limits investment in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2019, the County's investments in commercial paper were rated A1 or better by Moody's Investors Service and P1 by Standard and Poors and F1 or better by Fitch Ratings. The County's investments in the NCCMT Government Portfolio were valued at \$1 per share and carried a credit rating of AAAM by Standard & Poor's as of June 30, 2019. The County's investment in the NC Capital Management Trust Term Portfolio had a value of \$9.68 per share and was unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes

GUILFORD COUNTY, NORTH CAROLINA
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159-30 as amended. The County's investments in U.S. Agencies (Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation) are rated AA+ by Standard & Poor's and Aaa by Moody's.

Custodial Credit Risk. Custodial credit risk is risk that the County will not be able to recover the value of its investments that are in the possession of its safekeeping custodian. To minimize this risk, the County's investment policy requires that all negotiable instruments shall be held in safekeeping in the trust department of a bank. The County's investments are held in the County's name by a safekeeping agent that is independent of all counterparties.

Concentration of Credit Risk. The County's investment policy limits investment in any one commercial paper issuer to no more than 15% of the total portfolio, which is defined by the County's investment policy to include interest-bearing bank deposits. As of June 30, 2019, the following investment categories account for more than 5% of the County's investments as reported herein: Federal Home Loan Mortgage Corporation, 14.1% and Federal Home Loan Bank, 14.8%, and Federal Farm Credit Bank, 6.7%.

Investments in Custody of Local Government Excess Liability Fund

In July 2017, the County ceased its participation in the Local Government Excess Liability Fund (ELF). Subsequently, the County received its pro-rata share of the liquid investments. Rather than realizing a loss on the remaining longer-dated investments, the County and ELF mutually agreed to leave them with the ELF until such time as they matured.

Valuation. At June 30, all investments in the custody of the ELF had been purchased with more than a year to maturity. These investments were valued using Level 2 methodology,

Interest Rate Risk. Investments in the ELF are purchased to provide a laddered portfolio to meet funding needs covering the historical claims trend. As such, investments may be placed beyond the five-year maximum maturity allowable in the County's investment policy.

Credit Risk. The ELF follows the guidelines of North Carolina General Statutes 159-30 as amended. The County's funds in the custody of the ELF are invested in U.S. Agencies (Federal Home Loan Bank, Federal Farm Credit Bank, and Federal National Mortgage Association) and are rated AA+ by Standard & Poor's and Aaa by Moody's.

Custodial Credit Risk. Custodial credit risk is risk that the County will not be able to recover the value of its investments that are in the possession of its safekeeping custodian. To minimize this risk, all of the ELF's negotiable instruments are held in safekeeping in the trust department of a bank. The ELF's investments are held in the ELF's name by a safekeeping agent that is independent of all counterparties.

Concentration of Credit Risk. As of June 30, 2019, the following investment categories account for more than 5% of the County's investments in custody of the ELF; Federal National Loan Mortgage Association, 50% and Federal Home Loan Bank, 31.3% and Federal Farm Credit Bank, 18.7%.

LEOSSA Trust Funds

At June 30, 2019, the Guilford County Law Enforcement Officers' Separation Allowance (LEOSSA) Fund had \$6,329 in pooled demand deposits (checking), \$982,052 invested in the N.C. Capital Management Trust (NCCMT) Government Portfolio and \$1,786,764 invested in the State Treasurer's Local Government Law Enforcement Officers' Special Separation Allowance (LEOSSA) Fund pursuant to General Statute 159-30.2. The State Treasurer's LEOSSA Fund may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year end, 71.87% of the LEOSSA funds in the State Treasurer's (LEOSSA) Fund were invested in the State Treasurer's Short-Term Investment Fund (STIF) and 28.13% were invested in the BlackRock MSCI All Country World Index (ACWI)

GUILFORD COUNTY, NORTH CAROLINA
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Equity Index Non-Lendable Class B Fund (the equities were split with 55.39% in domestic securities and 44.7% in international securities).

Level of the fair value hierarchy: The NCCMT Government Portfolio is valued at fair value. Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs – other than quoted prices – included in Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF is unrated and had a weighted average maturity at June 30 of 1.3 years.

The BlackRock MSCI ACWI Fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The Fund's fair value is the number of shares times the net asset value as determined by a third party. At June 30 the fair value of the funds was \$22.56 per share. Fair value for this Blackrock fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation Technique: North Carolina Department of State Treasurer LEOSSA investments are measured using the market approach: using prices or other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Interest Rate Risk. The County does not have a formal investment interest rate policy regarding the LEOSSA Fund that manages its exposure to fair value losses arising from increasing interest rates. The NCCMT Cash Portfolio funds are available on demand.

Credit Risk. The County does not have a formal investment policy regarding credit risk for the LEOSSA Fund. The County's investments in the NCCMT Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2019. The STIF is unrated and authorized under NC General Statute 147-69.1. The STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate treasuries, agencies, and money market instruments.

OPEB Trust Funds

At June 30, 2019, the Guilford County Health Care Plan (the HC Plan) Fund had \$15,183,641 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Fund pursuant to General Statute 159-30.1. The State Treasurer's OPEB Fund may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year end, 22.65% of the HC Plan funds were invested in the State Treasurer's STIF, 7.03% were invested in the State Treasurer's Bond Index Fund (BIF) and 70.32% were invested in the BlackRock MSCI All Country World Index (ACWI) Equity Index Non-Lendable Class B Fund (the equities were split with 55.3% in domestic securities and 44.7% in international securities).

Level of the fair value hierarchy: Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs – other than quoted prices – included in Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF is unrated and had a weighted average maturity at June 30 of 1.3 years.

Ownership of the BIF is determined monthly at fair value using the same Level 2 hierarchy as the STIF and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. At year end the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 7.81 years.

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The BlackRock MSCI ACWI Fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The Fund's fair value is the number of shares times the net asset value as determined by a third party. At June 30 the fair value of the funds was \$22.56 per share. Fair value for this Blackrock fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation Technique: North Carolina Department of State Treasurer OPEB investments are measured using the market approach: using prices or other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Interest Rate Risk. The County does not have a formal investment interest rate policy regarding the HC Plan Fund that manages its exposure to fair value losses arising from increasing interest rates. The STIF is unrated and had a weighted average maturity of 1.2 years at June 30, 2019. The BIF is unrated and had a weighted average maturity of 7.81 years at June 30, 2019.

Credit Risk. The County does not have a formal investment policy regarding credit risk for the HC Plan Fund. The STIF is unrated and authorized under NC General Statute 147-69.1. The STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate treasuries, agencies, and money market instruments. The BIF is unrated and authorized under N.C. General Statutes 147-69.1-2 and invests in U.S. Treasuries, agencies, and corporate bonds with longer-term maturities eligible under G.S. 147-69.2(b)(1)-(6).

B. Receivables

Receivables are recorded net of an allowance for estimated uncollectible accounts at June 30, 2019 in the County's individual funds as follows:

	General Fund	County Building Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Fund
Allowance for uncollectible accounts on:					
Property taxes	\$ 4,961,749	-	97,364	5,059,113	-
Accrued interest on property taxes	2,898,394	-	-	2,898,394	-
Service fees	25,882,747	-	-	25,882,747	32,138
Special assessments	-	377,169	-	377,169	-
	<u>\$ 33,742,890</u>	<u>377,169</u>	<u>97,364</u>	<u>34,217,423</u>	<u>32,138</u>

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019 follows:

Primary Government – Governmental Activities

A summary of changes in capital assets, net of accumulated depreciation, for the fiscal year ended June 30, 2019 follows:

	Balance July 1, 2018	Increases	Decreases	Transfers	Balance June 30, 2019
Non-depreciable capital assets:					
Land	\$ 51,154,319	87,837	(59,912)	-	51,182,244
Construction in progress	7,549,563	4,540,742	-	(6,149,005)	5,941,300
Intangibles - non-depreciable	224,000	-	-	-	224,000
Total non-depreciable capital assets	58,927,882	4,628,579	(59,912)	(6,149,005)	57,347,544
Depreciable capital assets:					
Buildings	238,518,369	503,241	(7,645,506)	4,321,658	235,697,762
Improvements other than buildings	25,800,736	757,617	-	1,827,347	28,385,700
Machinery and equipment	46,364,930	2,178,347	(1,193,085)	-	47,350,192
Vehicles	33,265,476	4,110,474	(2,580,919)	-	34,795,031
Intangibles - depreciable	9,469,658	488,465	(7,996)	-	9,950,127
Total depreciable capital assets	353,419,169	8,038,144	(11,427,506)	6,149,005	356,178,812
Less accumulated depreciation for:					
Buildings	(87,604,103)	(5,072,162)	4,484,984	-	(88,191,281)
Improvements other than buildings	(15,677,389)	(998,445)	-	-	(16,675,834)
Machinery and equipment	(30,886,003)	(2,797,068)	1,176,420	-	(32,506,651)
Vehicles	(27,436,358)	(3,317,107)	2,579,419	-	(28,174,046)
Intangibles	(7,577,820)	(626,626)	7,996	-	(8,196,450)
Total accumulated depreciation	(169,181,673)	(12,811,408)	8,248,819	-	(173,744,262)
Total depreciable capital assets (net)	184,237,496	(4,773,264)	(3,178,687)	6,149,005	182,434,550
Governmental activities capital assets (net)	\$ 243,165,378	(144,685)	(3,238,599)	-	239,782,094

The above summary of changes in capital assets, net of accumulated depreciation, includes the sale of the Bellemeade Center building and associated land. The property had a net book value of \$3,160,523 (\$7,645,506 cost less \$4,484,984 accumulated depreciation) for \$5,500,000. The County recognized a \$2,339,478 gain from the sale. The revenues are recorded in other revenues on Exhibit 2.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

Depreciation expense was charged to the primary government governmental activities as follows:

Function/Program	
General government	\$ 2,553,849
Human services	1,302,463
Public safety	7,695,096
Environmental protection	73,692
Culture - recreation	1,186,308
Total governmental activities depreciation expense	<u>\$ 12,811,408</u>

Guilford County's construction in progress at June 30, 2019 is composed of the following:

Project Name	Project Authorization ⁽¹⁾	Expended to June 30, 2019	Placed in Service in FY 2019	Remaining CIP Balance June 30, 2019	Estimated Costs to Complete	Required Future Financing
Northeast Park	\$ 3,589,009	3,500,727	3,500,727	-	88,282	-
High Point Courthouse Renovations	968,626	881,094	881,094	-	87,532	-
Greene Street Center	638,180	538,490	538,490	-	99,690	-
Hagan-Stone Park	64,000	35,094	35,094	-	28,906	-
EMS Maintenance/Logistics Facility	13,416,463	1,751,515	-	1,751,515	11,664,948	-
Law Enforcement Special Op Building	3,950,000	3,918,573	3,918,573	-	31,427	-
Hagan-Stone Park Swimming Pool	2,000,000	1,988,548	1,988,548	-	11,452	-
Bryan Park Expansion	100,000	-	-	-	100,000	-
Bur Mil Park Clubhouse Renovation	1,283,000	1,224,269	1,224,269	-	58,731	-
County Animal Shelter Replacement	9,773,217	514,104	-	514,104	9,259,113	-
High Point Parking Deck Repairs	2,542,000	1,682,533	1,682,482	51	859,467	-
HP Justice Complex HVAC System	1,350,000	1,123,250	1,012,041	111,209	226,750	-
Mental Health Facility	1,400,000	422,804	-	422,804	977,196	-
Old Courthouse Renovations	3,500,000	2,178,673	-	2,178,673	1,321,327	-
Bur Mil Park Improvements	130,000	122,664	122,664	-	7,336	-
Greensboro Courthouse HVAC	1,150,000	1,100,565	1,020,836	79,729	49,435	-
Law Enforcement Admin Bld Renov	550,000	460,090	-	460,090	89,910	-
Agriculture Center HVAC ⁽²⁾	965,069 ⁽²⁾	864,102	864,102	-	100,967	-
Greene Street Center HVAC Addition ⁽²⁾	333,897 ⁽²⁾	304,451	304,451	-	29,446	-
HP Public Health HVAC Renovation ⁽²⁾	1,492,070 ⁽²⁾	52,320	-	52,320	1,439,750	-
Bur Mil Operations Maintenance Shop ⁽²⁾	38,946 ⁽²⁾	2,138	-	2,138	36,808	-
IS Client Services ⁽²⁾	149,505 ⁽²⁾	136,990	-	136,990	12,515	-
Clinical MedMax ⁽²⁾	458,250 ⁽²⁾	-	-	-	458,250	-
Child Support ⁽²⁾	7,500 ⁽²⁾	-	-	-	7,500	-
Dental ⁽²⁾	479,800 ⁽²⁾	231,677	-	231,677	248,123	-
	<u>\$ 50,329,532</u>	<u>23,034,671</u>	<u>17,093,371</u>	<u>5,941,300</u>	<u>27,294,861</u>	<u>-</u>

(1) Project Authorization and costs exclude amounts associated with land, land improvements, purchased buildings, and non-capital costs.

(2) The Project is funded through annual appropriation and is not part of a Capital Project Ordinance.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

Discretely Presented Component Unit – Greensboro/Guilford County Tourism Development Authority

A summary of changes in capital assets, net of accumulated depreciation, for the fiscal year ended June 30, 2019 follows:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Depreciable capital assets:				
Furniture, fixtures and equipment	\$ 319,373	21,738	(4,146)	336,965
Less accumulated depreciation	(265,731)	(27,599)	4,146	(289,184)
Tourism Authority capital assets, net	<u>\$ 53,642</u>	<u>(5,861)</u>	<u>-</u>	<u>47,781</u>

D. Accounts Payable and Accrued Liabilities

Primary Government – Governmental Activities

Accounts payable and accrued liabilities at June 30, 2019 includes the following balances:

	Vendors	Salaries, Benefits Accrued & Withheld	Accrued Interest	Due to Gov. Units, Districts & Agencies	Other	Total
Major Governmental Funds:						
General	\$ 5,104,500	5,789,385	-	824,073	89,198	11,807,156
County Building Construction	1,661,043	-	-	-	-	1,661,043
School Capital Outlay (1)	-	-	-	2,666,105	-	2,666,105
Nonmajor Governmental Funds	121	-	-	151,418	-	151,539
Internal Service Fund (2)	43,484	6,777	-	-	7,743,108	7,793,369
Reconciliation of balances in fund financial statements to government-wide financial statements	<u>-</u>	<u>-</u>	<u>9,763,277</u>	<u>-</u>	<u>-</u>	<u>9,763,277</u>
Total - Governmental Activities	<u>\$ 6,809,148</u>	<u>5,796,162</u>	<u>9,763,277</u>	<u>3,641,596</u>	<u>7,832,306</u>	<u>33,842,489</u>

(1) Capital funding due to Guilford Technical Community College and Guilford County Schools.

(2) Other payable is County's insurance claims liability, all due within one year, of \$7,743,108. See Note IV. E. 4.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

E. Long-term Liabilities

Primary Government – Governmental Activities

A summary of changes in long-term liabilities for the fiscal year ended June 30, 2019 follows:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Current Portion of Balance
Bonds payable:					
General obligation bonds	\$ 708,735,000	40,000,000	(62,395,000)	686,340,000	61,885,000
Plus bond issuance premiums	86,286,946	5,813,244	(10,549,275)	81,550,915	-
Less swap termination fees	(3,687,370)	-	793,631	(2,893,739)	-
Total bonds payable	791,334,576	45,813,244	(72,150,644)	764,997,176	61,885,000
Limited obligation bonds	16,845,000	-	-	16,845,000	-
Compensated absences	10,539,407	5,933,529	(7,070,312)	9,402,624	4,403,877
Net pension liability - LGERS	27,990,635	15,037,006	-	43,027,641	-
Net pension liability - LEOSA	8,798,451	1,467,188	(1,466,841)	8,798,798	-
Net other postemployment benefits liability	248,163,951	35,370,207	(17,083,649)	266,450,509	-
Total	\$ 1,103,672,020	103,621,174	(97,771,446)	1,109,521,748	66,288,877

The County issues general obligation bonds to provide funds for the acquisition, development, and construction of major capital facilities and to provide funding for Guilford County Schools and Guilford Technical Community College facilities. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the County and principal and interest requirements are appropriated in the General Fund when due. The remaining long-term liabilities of the governmental activities are generally liquidated by the General Fund also. The limited obligation bonds are collateralized by school facilities which are not owned by the County. The Internal Service Fund predominantly serves the governmental funds, therefore, any long-term liabilities are included as part of the above totals for governmental activities. At year end this amounted to \$8,492 of the compensated absences balance and \$47,791 of the Local Government Employees' Retirement System net pension liability. Any capital leases that finance equipment used in Internal Service Fund operations are reported as long-term debt in the Fund when issued and are retired by its resources.

Of total governmental activities debt of \$778,373,939, only \$134,613,121 relates to assets to which the County holds title. Unexpended debt proceeds related to this debt amount to \$58,736,257.

The County is subject to the Local Government Bond Act of North Carolina which limits the amount of net debt, exclusive of funding and refunding bonds, bonds issued for water, gas, or electric power purposes, and bonds issued for certain other specified purposes. The County may have outstanding and unissued, an amount not to exceed 8% of the appraised value of property subject to taxation. At June 30, 2019, such statutory limit for the County was \$4.1 billion providing a debt margin of approximately \$3.4 billion.

The County has no authorized and unsecured bonds at June 30, 2019.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

Long-term liabilities outstanding as of June 30, 2019 include the following:

General Obligation Bonds:

April 2010 \$82,500,000 Public Improvement serial bonds due in annual installments of \$8,250,000 through August 2020; interest at 5.00%.	\$ 16,500,000
April 2010 \$82,500,000 taxable Build America Bonds (Public Improvement) due in annual installments of \$8,250,000 from August 2021 through 2030; interest at 4.541% to 5.461%.	82,500,000
April 2010 \$84,775,000 General Obligation Refunding Bonds due in annual installments of \$6,000,000 through February 2020; interest at 3.00% .	6,000,000
April 2010 \$51,215,000 General Obligation Refunding Bonds due in annual installments of \$10,190,000 to \$10,325,000 from August 2018 through 2022; interest at 5.00%.	41,060,000
April 2012 \$133,745,000 Public Improvement serial bonds due in annual installments of \$2,000,000 to \$9,705,000 through March 2024; interest at 2.00% to 5.00%.	35,295,000
April 2012 \$17,145,000 Taxable General Obligation Qualified School Construction bonds due March 2032; interest at 3.934%. Sinking fund installments of \$1,408,258 to \$3,900,000 begin March 2028.	17,145,000
April 2012 \$25,500,000 General Obligation Refunding Bonds due in annual installments of \$3,610,000 to \$7,065,000 through October 2020; interest at 2.00% to 4.00%.	10,675,000
April 2016 \$92,930,000 General Obligation Refunding Bonds due in annual installments of \$7,490,000 to \$13,345,000 from October 2019 through 2028; interest at 1.50% to 5.00%.	92,710,000
April 2017 \$27,195,000 Public Building serial bonds due in annual installments of \$1,360,000 to \$1,455,000 through 2037; interest at 3.00% to 5.00%.	25,240,000
April 2017 \$160,070,000 Public Improvement serial bonds due in annual installments of \$3,765,000 to \$11,650,000 through 2037; interest at 3.00% to 5.00%.	151,370,000
November 2017 \$179,785,000 General Obligation Refunding Serial Bonds due in annual installments of \$270,000 to \$35,640,000 through 2030; interest at 1.50% to 5.00%.	167,845,000
June 2019 \$40,000,000 General Obligation Serial Bonds due in annual installments of zero to \$2,225,000 from May 2020 through 2039; interest at 3.00% to 5.00%.	40,000,000
Total general obligation bonds	\$ <u>686,340,000</u>
Limited Obligation Bonds:	
April 2012 \$16,845,000 Taxable Limited Obligation Qualified School Construction bonds due April 2032; interest at 4.564%. Sinking fund installments of \$100,000 to \$3,875,000 began April 2014.	\$ <u>16,845,000</u>

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

Debt Service Requirements

As of June 30, 2019, aggregate debt service requirements on the County's debt are as follows, including interest payments of \$204,840,531.

Year Ending June 30	General Obligation Bonds		Limited Obligation Bonds, Capital Leases, and Installment Financings		Total
	Principal	Interest	Principal	Interest	
2020	\$ 61,885,000	30,417,260	-	768,806	93,071,066
2021	61,500,000	27,902,180	-	768,806	90,170,986
2022	67,085,000	25,133,788	-	768,806	92,987,594
2023	70,615,000	21,864,631	-	768,806	93,248,437
2024	66,190,000	18,781,136	-	768,806	85,739,942
2025-2029	228,145,000	52,454,415	-	3,844,029	284,443,444
2030-2034	91,770,000	15,503,418	16,845,000	2,306,416	126,424,834
2035-2039	39,150,000	2,789,228	-	-	41,939,228
	<u>\$ 686,340,000</u>	<u>194,846,056</u>	<u>16,845,000</u>	<u>9,994,475</u>	<u>908,025,531</u>

Federal legislation currently provides for a rebate of 35% of interest paid on the County's taxable 2010 Build America Bonds and 100% of the interest paid on the 2012 Qualified School Construction Bond (QSCB) issues. If unchanged, this rebate would be \$2,901,766 in fiscal year 2020 and would provide a total rebate of \$29,233,424 over the remaining life of the bonds. Historically, some amounts received through fiscal 2019 have been reduced from 6.2% to 8.7% due to the budget sequestration; future amounts will also be reduced until the federal budget impasse is resolved. The IRS has announced that rebates will be reduced by 5.9% in the Federal budget year beginning October 1, 2019. The rebate is not reflected in the above table.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

F. Deferred Outflows and Deferred Inflows of Resources

1. Related to Pension Plans and Other Benefits

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pension plans and other benefits from the following sources:

	<u>NCLGERS</u>	<u>LEOSSA</u>	<u>RODSPF</u>	<u>OPEB</u>	<u>Total</u>
Deferred Outflows of Resources					
Differences between expected and actual experience	\$ 6,638,143	757,389	6,202	-	7,401,734
Changes of assumptions	11,417,875	72,569	33,091	14,524,226	26,047,761
Net difference between projected and actual earnings on plan investments	5,906,416	160,992	112,145	-	6,179,553
Changes in proportion and differences between County contributions and proportionate share of contributions	156,015	-	21,120	-	177,135
County contributions subsequent to the measurement date	9,610,528	534,119	35,305	-	10,179,952
Total	<u>\$ 33,728,977</u>	<u>1,525,069</u>	<u>207,863</u>	<u>14,524,226</u>	<u>49,986,135</u>

Deferred Inflows of Resources

Differences between expected and actual experience	\$ 222,743	-	32,114	6,400,773	6,655,630
Changes of assumptions	-	845,030	-	8,246,640	9,091,670
Net difference between projected and actual earnings on plan investments	-	-	-	82,896	82,896
Changes in proportion and differences between County contributions and proportionate share of contributions	304,690	-	828	-	305,518
Total	<u>\$ 527,433</u>	<u>845,030</u>	<u>32,942</u>	<u>14,730,309</u>	<u>16,135,714</u>

Benefits:

NCLGERS - North Carolina Local Governmental Employees' Retirement System. See Note IV. A. 1.

LEOSSA - Law Enforcement Officers' Special Separation Allowance. See Note IV. A. 2.

RODSPF - Register of Deeds' Supplemental Pension Fund. See Note IV. A. 4.

OPEB - Other Postemployment Benefit - Guilford County Health Care Plan. See Note IV. C. 1.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

2. Related to Revenues

The Government-wide financial statements, like the Governmental Funds and the Internal Service Fund, defer revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds also defer revenue recognition in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

Deferred inflows of resources at June 30, 2019 is composed of the following unearned and unavailable revenues:

	Major Governmental		Nonmajor	
	General	County	Governmental	Total
	Fund	Building	and Other	
		Construction	Funds	
		Fund		
Governmental Funds:				
Unearned revenues:				
Property tax collections not yet earned	\$ 740,376	-	8,910	749,286
Federal, State and private foundation grants received in advance	252,245	-	734,311	986,556
Total unearned revenues	992,621	-	743,221	1,735,842
Unavailable revenues:				
Property taxes receivable (net)	5,664,324	-	142,016	5,806,340
Accrued interest on property taxes receivable (net)	1,132,026	-	-	1,132,026
Special assessments receivable (net)	-	737,845	-	737,845
Total unavailable revenues	6,796,350	737,845	142,016	7,676,211
Total deferred inflows of resources - Governmental Funds	\$ 7,788,971	737,845	885,237	9,412,053

Internal Service Fund:

Unearned revenues:			
Service fees collected in advance from external sources	\$	391,582	391,582
Service fees collected in advance from internal sources ⁽¹⁾		911,298	911,298
Total unearned revenues - Internal Service Fund	\$	1,302,880	1,302,880

⁽¹⁾ The Internal Service Fund service fees collected in advance from internal sources are eliminated or reclassified when combined with the Governmental Funds to report the Primary Government's Governmental Activities.

Governmental Activities:

Unearned revenues:		
Governmental Funds per above	\$	1,735,842
Internal Service Fund (from external sources) per above		391,582
Total unearned revenues - Governmental Activities	\$	2,127,424

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

G. Net Position/Fund Balances

The following are summaries of Guilford County's net position restricted for stabilization by State statute, restricted for other purposes, and unrestricted, as of June 30, 2019:

Net position restricted for stabilization by State statute	Amount
Reserved for encumbrances	\$ 22,009,593
Reserved by State statute	43,378,247
Net position restricted for stabilization by State statute	<u>\$ 65,387,840</u>
Net position restricted for other purposes	Amount
Rural Fire Districts	\$ 2,006,049
Net pension asset - Register of Deeds Supplemental Pension Fund	703,585
Law Enforcement	807,092
Register of Deeds automation enhancement	451,205
Self-funded insurance deposits	569,218
Other	398,078
Net position restricted for other purposes	<u>\$ 4,935,227</u>
Unrestricted net position (liabilities)	Amount
Water and sewer	\$ (859,617)
Guilford County Schools	(522,105,268)
Guilford Technical Community College	(83,597,037)
Other	(160,149,135)
Unrestricted net position	<u>\$ (766,711,057)</u>

Guilford County's unrestricted net position includes several categories which do not create capital assets owned by the County and therefore are individually unrestricted net liabilities as follows:

- The County had contracts with certain municipalities for the joint financing of new water and sewer lines in areas adjacent to the municipalities. All water and sewer line expenses incurred by the County are owned by the participating municipalities upon completion. The related bonds payable are reported as part of unrestricted net position above.
- All Guilford County Schools and Guilford Technical Community College capital projects expenses incurred by the County fund capital assets owned by the respective schools. Their shares of unspent County designated funding as well as remaining County issued debt proceeds net of bonds payable are reported as part of unrestricted net position above.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

The following are details of Guilford County's fund balances as of June 30, 2019:

	General	County Building Construction	School Capital Outlay	Nonmajor Governmental Funds	Total Governmental Funds
Non spendable:					
Prepays reserve ⁽¹⁾	\$ 917,453	30,000	-	-	947,453
Inventories reserve ⁽¹⁾	50,624	-	-	-	50,624
Total non spendable ⁽¹⁾	968,077	30,000	-	-	998,077
Restricted:					
State statute reserve ⁽¹⁾	39,914,575	117,001	665,463	1,683,131	42,380,170
Encumbrance reserve ⁽¹⁾	8,658,438	13,351,155	-	-	22,009,593
Total stabilization by State statute ⁽¹⁾	48,573,013	13,468,156	665,463	1,683,131	64,389,763
Public Health programs	7,918,598	-	-	-	7,918,598
Social Services - Adoption Incentive	203,456	-	-	-	203,456
Law Enforcement	807,092	-	-	-	807,092
Animal Shelter - Susie's Fund	14,607	-	-	-	14,607
Register of Deeds automation enhancement	451,205	-	-	-	451,205
Debt service	11,585,638	-	-	-	11,585,638
Public building projects	-	42,114,591	-	-	42,114,591
Law Enforcement projects	-	432,516	-	-	432,516
Park projects	-	1,073,347	-	-	1,073,347
Guilford County Schools projects	-	-	24,453,202	-	24,453,202
Guilford Technical Community College projects	-	-	974,869	-	974,869
Rural fire districts	-	-	-	1,864,033	1,864,033
Other	158,296	-	-	-	158,296
Total restricted	69,711,905	57,088,610	26,093,534	3,547,164	156,441,213
Committed:					
Public Health programs	2,539	-	-	-	2,539
County building projects	-	5,925,474	-	-	5,925,474
Guilford County Schools projects	-	-	4,970,136	-	4,970,136
Guilford Technical Community College projects	-	-	2,039,989	-	2,039,989
Total committed	2,539	5,925,474	7,010,125	-	12,938,138
Assigned:					
Law Enforcement	662,763	-	-	-	662,763
Family Justice Center	72,902	-	-	-	72,902
Cooperative Extension	78,152	-	-	-	78,152
Other	61,241	-	-	-	61,241
Appropriated in subsequent year's budget ⁽²⁾	20,639,200	-	-	-	20,639,200
Remaining positive balance	-	17,214,336	-	-	17,214,336
Total assigned	21,514,258	17,214,336	-	-	38,728,594
Unassigned	78,240,395	-	(665,462)	(504,725)	77,070,208
Total fund balance	\$ 170,437,174	80,258,420	32,438,197	3,042,439	286,176,230

- (1) Reserved fund balances not available for appropriation under North Carolina General Statute 159.8(a). Reserved fund balance equals total fund balance minus (cash and investments minus the sum of liabilities, encumbrances and deferred revenues arising from cash receipts). The statute requires this computation at the end of each fiscal year and thus the amount can increase or decrease each year based on the computation. Stabilization amounts cannot be expended because they are not available for appropriation under the statute.

- (2) Excludes appropriated in subsequent year's budget from specific restricted, committed and assigned fund balances.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

Computation of fund balance that is available for appropriation as of June 30, 2019 under North Carolina General Statute 159.8(a):

	<u>General</u>
Total fund balance	\$ 170,437,174
Less reserves by State statute:	
Non spendable	(968,077)
Restricted	<u>(48,573,013)</u>
Fund balance available for appropriation	<u>120,896,084</u>
Available for restricted purposes:	
Total restricted sources	21,138,892
Appropriated in subsequent year's budget	<u>(9,652,935)</u>
Available for restricted purposes	<u>11,485,957</u>
Available for committed purposes:	
Total committed sources	2,539
Appropriated in subsequent year's budget	<u>(2,538)</u>
Available for committed purposes	<u>1</u>
Available for assigned purposes:	
Total assigned	21,514,258
Appropriated in subsequent year's budget:	
From assigned sources	(78,243)
From unassigned sources	<u>(20,667,400)</u>
Available for assigned purposes	<u>796,815</u>
Available for unassigned purposes:	
Total unassigned	78,240,395
Board minimum - 8% of subsequent year's budget	<u>(50,272,084)</u>
Available for unassigned purposes	<u>27,968,311</u>
Fund balance available for appropriation	120,896,084
Appropriated in subsequent year's budget	(30,401,116)
Board minimum - 8% of subsequent year's budget	<u>(50,272,084)</u>
Total available for restricted, committed, assigned and unassigned purposes	<u>\$ 40,222,884</u>

H. Interfund Transfers

The following is a summary of interfund transfers for Guilford County for the fiscal year ended June 30, 2019:

	<u>Transfers Out</u>
	Major Governmental Funds
	<u>General</u>
<u>Transfers In</u>	
Major Governmental Funds:	
County Building Construction	\$ 2,000,000
School Capital Outlay	<u>7,500,000</u>
Total	<u>\$ 9,500,000</u>

GUILFORD COUNTY, NORTH CAROLINA
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Transfers of \$2 million from the General Fund to the County Building Construction Fund are for funding general government construction projects per the Guilford County Capital Improvement Plan.

Transfers from the General Fund to the School Capital Outlay Fund are for funding the Guilford County Schools Capital Maintenance FY2019 project totaling \$6 million and the Guilford Technical Community College Capital Maintenance FY2019 project in the amount of \$1.5 million.

There were no interfund receivables or payables at June 30, 2019.

IV. OTHER INFORMATION

A. Employees Retirement Systems and Plans

Primary Government

1. North Carolina Local Governmental Employees' Retirement System

Plan Description

Guilford County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of General Statute Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided

The LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation.

Plan members who are general employees are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions

Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Plan members are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2019 was 8.36% of compensation for law enforcement officers and 7.75% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. The County's contributions to the LGERS for the years ended June 30, 2019, \$9,610,528. The contributions made by the County equaled the required contributions for each year.

Refunds of Contributions

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

LGERS-Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the County reported a liability of \$43,027,641 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions.

The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2019, the County's proportion was 1.814% (measured as of June 30, 2018), which was a decrease of 0.018% from its proportion as of June 30, 2018 (measured as of June 30, 2017). For the year ended June 30, 2019, the County recognized pension expense of \$11,702,365. At

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,638,143	222,743
Changes of assumptions	11,417,875	-
Net difference between projected and actual earnings on pension plan investments	5,906,416	-
Changes in proportion and differences between County contributions and proportionate share of contributions	156,015	304,690
County contributions subsequent to the measurement date	9,610,528	-
Total	<u>\$ 33,728,977</u>	<u>527,433</u>

The \$9,610,528 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ 11,440,065
2021	7,349,909
2022	1,363,336
2023	3,437,706
Total	<u>\$ 23,591,016</u>

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 to 8.1 percent, including 3.5 percent inflation and productivity factor
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

GUILFORD COUNTY, NORTH CAROLINA
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The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100.0%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2017 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 103,356,122	\$ 43,027,641	\$ (7,383,781)

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

2. Law Enforcement Officers' Special Separation Allowance

Plan Description

Guilford County administers a public employee retirement system, the Law Enforcement Officers' Special Separation Allowance (LEOSSA), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The LEOSSA is a monthly benefit paid to officers retired under the North Carolina Local Government Employees' Retirement System until age 62. The benefit is equal to .85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of General Statute Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The plan does not issue a separate stand-alone financial report. The Separation Allowance is included in the County's Comprehensive Annual Financial Report as a pension trust fund.

All full-time County law enforcement officers are covered by the LEOSSA. At December 31, 2017, the LEOSSA's membership consisted of:

Inactive members/beneficiaries receiving benefits	48
Active plan members	<u>261</u>
Total	<u>309</u>

Summary of Significant Accounting Policies:

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

Method Used to Value Investments – Investments are reported at fair value.

GUILFORD COUNTY, NORTH CAROLINA
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Contributions

The County is required by Article 12D of General Statute Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the current year, the County contributed \$1,284,119 or 8.09% of annual covered payroll. There were no contributions made by employees. Contributions equaled the required contributions for each year. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the LEOSSA are financed through investment earnings.

The annual required contribution for the current year was determined as part of the December 31, 2017 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 5.75% investment rate of return and (b) projected salary increases ranging from 3.50% to 7.35% per year. Both (a) and (b) included an inflation component of 3%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability was being amortized as a level dollar on a closed basis. The remaining amortization period at December 31, 2017 was 13 years.

LEOSSA - Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions

At June 30, 2019, the County reported a net pension liability of \$8,798,798. The net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$694,404. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 757,389	-
Changes of assumptions	72,569	845,030
Net difference between projected and actual earnings on pension plan investments	160,992	-
County contributions subsequent to the measurement date	534,119	-
Total	<u>\$ 1,525,069</u>	<u>845,030</u>

The \$534,119 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2020	\$	(51,387)
2021		(58,635)
2022		66,706
2023		160,857
2024		13,958
Thereafter		14,421
	<u>\$</u>	<u>145,920</u>

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

Actuarial Assumptions. The entry age normal cost method was used. The total pension liability in the December 31, 2017 actuarial valuation. The total pension liability was determined on December 31, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.50 to 7.35 percent, average, including inflation
Investment rate of return	5.75 percent, net of pension plan investment expense, including inflation

The rates of mortality for the period after service retirement are according to the RP-2014 Healthy Annuitant base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015. Rates are adjusted by 104% for males and 100% for females.

The long-term expected rate of return on pension plan investments is assumed to be 5.75% annually.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset provided by the County is summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Short Term Investment	20%	2.12%
Equity Index	65%	7.96%
Bond Index	<u>15%</u>	1.88%
Total	<u>100%</u>	

Discount rate. The discount rate used to measure the total pension liability was 5.75%. The discount rate determination as of the measurement date does not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that the County would contribute the actuarially determined contribution in the future. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members through 2055. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's net pension liability to changes in the discount rate. The following presents the County's net pension liability calculated using the discount rate of 5.75 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	1% Decrease (4.75%)	Discount Rate (5.75%)	1% Increase (6.75%)
County's net pension liability	\$ 9,634,964	\$ 8,798,798	\$ 8,032,511

GUILFORD COUNTY, NORTH CAROLINA
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Changes in the net pension liability. The following presents a schedule of the changes in the County's net pension liability:

	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance as of December 31, 2017	\$ 10,942,765	2,144,314	8,798,451
Changes for the year:			
Service Cost	278,928	-	278,928
Interest	601,487	-	601,487
Difference between expected and actual experience	584,658	-	584,658
Contributions employer	-	1,433,864	(1,433,864)
Net investment income	-	32,977	(32,977)
Benefit payments	(964,241)	(964,241)	-
Plan administrative expenses	-	(2,115)	2,115
Net changes	<u>500,832</u>	<u>500,485</u>	<u>347</u>
Balance as of December 31, 2018	<u>\$ 11,443,597</u>	<u>2,644,799</u>	<u>8,798,798</u>

As of December 31, 2017, the most recent actuarial valuation date, the plan was 23.1% funded. As of the December 31, 2018 measurement date, the actuarial accrued liability for benefits was \$11,443,597 and the actuarial value of assets was \$2,644,799, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,798,798. The covered payroll (annual payroll of active employees covered by the plan) was \$15,869,582, and the ratio of the UAAL to the covered payroll was 55.44%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value plan assets are increasing or decreasing over time relative to actuarial accrued liability for benefits.

GUILFORD COUNTY, NORTH CAROLINA
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The following are financial statements for the Law Enforcement Officers' Special Separation Allowance Pension Trust Fund included as Fiduciary Funds in Exhibits 11 and 12 at June 30, 2019:

Statement of Plan Net Position
June 30, 2019

	<u>Law Enforcement Officers' Special Separation Allowance</u>
Assets	
Current assets:	
Demand deposits	\$ 6,329
N.C. Capital Management Trust Cash Portfolio	982,052
State Treasurer's Local Government Law Enforcement Officers' Special Separation Allowance (LEOSSA) Fund:	
Short-Term LEOSSA Fund	1,284,201
LEOSSA Equity Fund	<u>502,563</u>
Cash and cash equivalents/investments	2,775,145
Receivables:	
Accrued interest on investments	<u>489</u>
Total assets	<u>2,775,634</u>
Liabilities	
Accounts payable and accrued liabilities	<u>26,017</u>
Net Position	
Held in trust for pension benefits	<u>\$ 2,749,617</u>

Statement of Changes in Plan Net Position
For the fiscal year ended June 30, 2019

	<u>Law Enforcement Officers' Special Separation Allowance</u>
Additions	
Employer contributions	\$ 1,284,119
Net investment income	84,342
Investment expenses	<u>(43)</u>
Total additions	<u>1,368,418</u>
Deductions	
Benefits	956,850
Administrative expenses	<u>2,095</u>
Total deductions	<u>958,945</u>
Change in net position	409,473
Net position at beginning of year	<u>2,340,144</u>
Net position at end of year	<u>\$ 2,749,617</u>

3. Supplemental Retirement Income Plan

Plan Description

The County contributes to the Supplemental Retirement Income Plan of North Carolina (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. All law enforcement officers and any other employees, who are currently members of a state-administered retirement plan, are eligible to participate from the date of employment. Article 5 of General Statute 135 assigns the authority to establish and amend benefit provisions

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

to the North Carolina General Assembly. The Plan is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan. 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

Article 12E of General Statute Chapter 143 requires that the County contribute each month an amount equal to 5% of each law enforcement officer's qualified salary. During the year ended June 30, 2019, the County also elected to contribute up to a 5% match of qualified salaries for all other eligible employees. All covered employees may make voluntary contributions to the Plan. All contributions and investment earnings allocated to the employees' accounts are fully vested immediately. County contributions for the year ended June 30, 2019, to law enforcement officers' accounts and other employees' accounts were \$752,206 and \$3,281,516, respectively. Voluntary contributions to the Plan were \$5,109,985.

4. Registers of Deeds' Supplemental Pension Fund

Plan Description

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

Benefits Provided

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

Contributions

Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County pursuant to Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution for this fiscal year and the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. For the fiscal year ended June 30, 2019, the County's required and actual contributions to the RODSPF were \$35,305.

GUILFORD COUNTY, NORTH CAROLINA
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ROD-Pension Liabilities, Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the County reported an asset of \$703,585 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2018, the County's proportion was 4.248%, which was a decrease of 0.143% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$140,313. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,202	32,114
Changes of assumptions	33,091	-
Net difference between projected and actual earnings on pension plan investments	112,145	-
Changes in proportion and differences between County contributions and proportionate share of contributions	21,120	828
County contributions subsequent to the measurement date	35,305	-
Total	<u>\$ 207,863</u>	<u>32,942</u>

The \$35,305 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ 70,393
2021	18,757
2022	33,049
2023	17,417
Total	<u>\$ 139,616</u>

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.75 percent, including 3.5 percent inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

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

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2019 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

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

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (554,737)	\$ (703,585)	\$ (829,111)

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

GUILFORD COUNTY, NORTH CAROLINA
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B. Deferred Compensation Plans

1. Guilford County

Guilford County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. All assets and income of the plan are in a trust for the exclusive benefit of the participants and their beneficiaries and therefore are not a part of the County's financial statements. The compensation deferred for the fiscal year ended June 30, 2019 was \$40,550.

2. Discretely Presented Component Unit

Greensboro Area Convention and Visitors Bureau Deferred Compensation Plan

The Authority offers its employees a Deferred Compensation Plan (Plan) created in accordance with Internal Revenue Code 457. The Plan, available to all full-time employees who have completed one year of service and are at least 21 years old, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement or death. The Authority has complied with changes in the laws that govern deferred compensation plans, requiring all assets of the plan to be held in trust for the exclusive benefit of the participants and their beneficiaries.

The Authority makes a matching contribution in an amount equal to the employees deferred contribution up to a maximum of 6%. All employees may defer amounts up to the maximum allowed by the Internal Revenue Service each year. Employees' contributions vest immediately. The Authority's contributions are fully vested after five years of continuous service. The employee receives credit for his contribution as well as the Authority's, and benefits are based on the total assets owned in the employee's individual accounts. Authority and employee contributions for the fiscal year ended June 30, 2019 were \$49,294 and \$67,475, respectively.

C. Other Postemployment Benefits (OPEB)

1. Health Care Benefits

Plan Description

Under the terms of a County resolution, Guilford County administers a single-employer defined benefit Health Care Plan (the HC Plan). This plan provides postemployment healthcare benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System). Employees hired or rehired on or after July 1, 2009 are not eligible for these benefits with limited exceptions. The County's contribution is determined by the number of years of creditable service prior to retirement. Non-Medicare eligible retirees with at least 30 years of creditable service and their dependents may participate with the County contributing the normal employer share of the premium and the retiree paying the normal employee share of the premium. Non-Medicare eligible retirees with at least 25 years of creditable service and their dependents may participate with the County contributing 75 percent of the employer's share and the retiree paying the balance of the employer's share of the premium as well as the normal employee share of the premium. Non-Medicare eligible retirees with at least 20 years of creditable service and their dependents may participate with the County contributing 50 percent of the employees share and the retiree paying the balance of the employer's share of the premium as well as the normal employee share of the premium. Prior to January 1, 2014, Medicare-eligible retirees who are enrolled in both Medicare Parts A and B are eligible to participate with the County contributing a flat amount for retirees with 30 years of creditable service, 75 percent of that rate for retirees with at least 25 years of creditable service and 50 percent of that rate for retirees with at least 20 years of creditable service. Effective January 1, 2014, all Medicare-eligible participants are covered by a fully insured Medicare Advantage Plan with the County contributing the same percentages of the premium as noted

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above for retirees with at least 30 years, 25 years, and 20 years of creditable service. Employer and participants' costs for the fiscal year ending June 30, 2019 were \$1,858,700 and \$868,786. Medicare-eligible participants receive secondary coverage. A separate report was not issued for the plan.

Membership of the HC Plan consisted of the following at June 30, 2018, the date of the latest actuarial valuation:

	<u>Total</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	1,085
Active Employees*	<u>1,074</u>
Total Membership	<u>2,159</u>

* Excludes 1,354 active members who will not receive benefits due to the July 1, 2009 closure of the plan.

Funding Policy

As noted above, the County pays its share of the cost of coverage (premiums) for the healthcare benefits provided to qualified retirees under a County resolution that can be amended by the Board of County Commissioners. The County's members pay their share of the premiums as noted above. The County has chosen to fund the healthcare benefits on a pay-as-you-go basis with an additional amount to prefund benefits as determined annually by the Board of County Commissioners.

For the current year, the County contributed \$8,131,719 (retiree claims paid, insurance and other costs less premiums received) or 13.92% of annual covered payroll. The contribution for fiscal year 2019 did not include an additional amount to prefund benefits deposited in the Guilford County Local Government Other Post-Employment Benefit (OPEB) Trust, an irrevocable trust, to meet the requirements of the governmental accounting standards and IRS regulations. The County provides healthcare coverage through self-insurance. The County's required contributions, under a County resolution establishing premium amounts for different coverages, for employees and retirees were 44.8% and 9.9% of covered payroll, respectively. Contributions (premiums) made by employees and retirees were 10.2% and 4.2% of covered payroll, respectively. The County's obligation to contribute to the HC Plan is established and may be amended by the County's Board of County Commissioners.

Summary of Significant Accounting Policies:

Postemployment expenditures for the County's portion of the premiums and the prefunded benefits are made from the General Fund, which is maintained on the modified accrual basis of accounting, to the Internal Service Fund and the Other Post-Employment Benefits Trust Fund, respectively, which are maintained on the full accrual basis of accounting. Funds are appropriated annually for the County's portion of the premiums and the prefunded benefits. The employee, retiree and County premiums are revenues that finance this self-funded HC Plan reported in the Internal Service Fund. Claims benefits and administrative costs are expensed as they are incurred.

Investments

Solely for purposes of investing County contributions in the Guilford County OPEB Trust, the County's investment policy shall allow placement of assets in the OPEB investment fund managed by the State Treasurer's office, as initially authorized by the Board of County Commissioners on November 6, 2008 in addition to investments authorized by NC General Statute 159-30. Placement of County contributions in the State Treasurer's OPEB investment fund shall be at the discretion of the Board of Trustees, as shall be the allocation of assets within that fund. The Board may at its discretion hold contributions in cash or cash equivalents accounts for a time prior to

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investing the funds as authorized above. The target allocations are based on the initial allocation approved and made during our recent re-enrollment in the fund.

Asset Class	Target Allocation	10 Year Expected Arithmetic Real Rate of Return
Short Term Investment	20%	2.12%
Equity Index	65%	7.96%
Bond Index	15%	1.88%
Total	<u>100%</u>	

Rate of Return. For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 5.13 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The components of the net OPEB liability at June 30, 2019, the measurement date is presented in the table below:

Total OPEB liability	\$ 281,634,150
Plan fiduciary net position	<u>15,183,641</u>
Net OPEB liability	<u>\$ 266,450,509</u>
Ratio of fiduciary net position to total OPEB liability	5.39%

Actuarial Methods and Assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions and other inputs:

Inflation	2.50%
Real wage growth	1.00%
Wage inflation	3.50%
Salary increases, including wage inflation	
General Employees	3.50% - 7.75%
Law Enforcement Officers	3.50% - 7.35%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including price inflation	5.75%
Municipal Bond Index Rate	
Prior Measurement Date	3.89%
Measurement Date	3.50%
Year FNP is projected to be depleted	
Prior Measurement Date	2019
Measurement Date	2021
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior Measurement Date	3.91%
Measurement Date	3.52%
Health Care Cost Trends	
Pre-Medicare	7.25% for 2018 decreasing to an ultimate rate of 4.75% by 2028
Medicare	5.38% for 2018 decreasing to an ultimate rate of 4.75% by 2022
Dental	4.00%

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The total OPEB liability was rolled forward to June 30, 2019, utilizing update procedures incorporating the actuarial assumptions. The discount rate used to measure the total OPEB liability was based upon the Single Equivalent Interest Rate.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 - December 31, 2014, adopted by the LGERS.

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

- *Discount Rate (Single Equivalent Interest Rate).* The discount rate used to measure the total OPEB liability as of the Measurement Date was 3.52%. The projection of cash flows used to determine the discount rate was based on an actuarial valuation performed as of June 30, 2018. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The actuarial methods and assumptions used in the projection of cash flows were (1) those of the June 30, 2018 actuarial valuation, (2) total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date, in subsequent projection years, total payroll was assumed to increase annually at a rate of 3.5%, (3) active employees do not explicitly contribute to the Plan, (4) benefit payments are assumed to be paid out of the trust until the trust is depleted, (5) projected assets do not include employer contributions that fund the estimated service costs of future employees, and (6) cash flows occur mid-year.

Based on these assumptions, the Plan's fiduciary net position was projected to be depleted in 2021 and, as a result, the Municipal Bond Index Rate was used in the determination of the Single Equivalent Interest Rate. Here, the long-term expected rate of return of 5.75% on Plan investments was applied to periods through 2021 and the Municipal Bond Index Rate at the Measurement Date (3.50%) was applied to periods on and after 2021, resulting in a Single Equivalent Interest Rate at the Measurement Date (3.52%). As a result of the change to the Municipal Bond Index Rate, there was a change in the discount rate from 3.91% at the Prior Measurement Date to 3.52% at the Measurement Date.

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following exhibit presents the net OPEB liability of the Plan, calculated using healthcare cost trend rates, as well as what the Plan's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 223,097,860	266,450,509	321,965,513

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Sensitivity of the net OPEB liability to changes in the discount rate. The following exhibit presents the net OPEB liability of the Plan, calculated using the discount rate of 3.52%, as well as what the Plan's net OPEB liability would be if it were calculated using a Discount Rate that is 1- percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (2.52%)	Current Discount Rate (3.52%)	1% Increase (4.52%)
Net OPEB Liability	\$ 315,830,180	266,450,509	227,501,133

Changes in Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the County reported a net OPEB liability of \$266,450,509. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. Actuarial gains and losses arising from the change in the SEIR from 3.91% on the Prior Measurement Date to 3.50% on the Measurement Date are accounted for as changes of assumptions or other inputs.

At June 30, 2019, the components of the net OPEB liability of the County, measured as of June 30, 2019, were as follows:

	Total OPEB Liability		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance as of June 30, 2018	\$ 262,606,702	14,442,751	248,163,951
Changes for the year:			
Service Cost at the end of the year*	5,396,338	-	5,396,338
Interest on TOL and Cash Flows	10,110,618	-	10,110,618
Difference between expected and actual experience	(8,199,833)	-	(8,199,833)
Changes of assumptions or other inputs	19,844,455	-	19,844,455
Contributions - employer	-	8,141,413	(8,141,413)
Net investment income	-	742,403	(742,403)
Benefit payments	(8,124,130)	(8,124,130)	-
Plan administrative expenses	-	(18,796)	18,796
Net changes	19,027,448	740,890	18,286,558
Balance as of June 30, 2019	\$ 281,634,150	15,183,641	266,450,509

*Service cost includes interest for the year.

For the year ended June 30, 2019, the County recognized OPEB expense of \$14,379,812. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	6,400,773
Changes of assumptions or other inputs	14,524,226	8,246,640
Net difference between projected and actual earnings on plan investments	-	82,896
Total	\$ 14,524,226	14,730,309

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Other amounts reported as Deferred Outflows of resources and Deferred Inflows of Resources related to OPEB benefits will be recognized in OPEB Expense as follows:

Year ended June 30:		
2020	\$	(315,525)
2021		(315,525)
2022		407,363
2023		17,604
		<u>(206,083)</u>

The following are financial statements for the Other Post Employment Benefits Pension Trust Fund included as Fiduciary Funds in Exhibits 11 and 12 at June 30, 2019:

Statement of Plan Net Position
June 30, 2019

	<u>Other Post Employment Benefits</u>
Assets	
Current assets:	
State Treasurer's Local Government Other Post Employment Benefits (OPEB) Fund:	
Short-Term OPEB Fund	\$ 3,439,798
Long-Term OPEB Fund	1,067,252
OPEB Equity Fund	<u>10,676,591</u>
Cash and cash equivalents/investments	<u>\$ 15,183,641</u>
Net Position	
Held in trust for OPEB benefits	<u>\$ 15,183,641</u>

Statement of Changes in Plan Net Position
For the fiscal year ended June 30, 2019

	<u>Other Post Employment Benefits</u>
Additions	
Employer contributions	\$ 8,131,719
Retiree contributions	2,437,678
Net investment income	742,725
Investment expenses	<u>(1,835)</u>
Total additions	<u>11,310,287</u>
Deductions	
Benefits	10,236,610
Administrative expenses	<u>332,787</u>
Total deductions	<u>10,569,397</u>
Change in net position	740,890
Net position at beginning of year	<u>14,442,751</u>
Net position at end of year	<u>\$ 15,183,641</u>

2. Medicare Supplement Plan

Eligible retirees after age 65 who do not opt to participate in the HC Plan may participate in a Medicare supplement plan. The service requirements are the same for the Medicare supplement plan as noted above for the healthcare benefit. The County contributes up to \$40 per month for each retiree with at least 30 years of creditable service and 75 percent of that amount for each retiree with at

GUILFORD COUNTY, NORTH CAROLINA
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least 25 years of creditable service. The cost of retiree Medicare supplement benefits is recognized as an expenditure when the premiums are paid. As of June 30, 2019, four Medicare-eligible retirees who did not opt to participate in the HC Plan, participate in the Medicare supplement benefit. For the fiscal year ended June 30, 2019, the County paid \$1,584 for Medicare supplement coverage.

D. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for Members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer State-administered cost-sharing plan funded on a one-year term cost basis. Lump sum death benefits are provided to beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The benefit payment is equal to the employee's 12 highest months' salary in a row during the 24 months prior to his/her death, but the benefit must be between \$25,000 and \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. For the fiscal year ended June 30, 2019, the County made contributions to the State for death benefits of \$75,188. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .05% and .14% of covered payroll, respectively. The contributions to the LGERS Death Benefit Plan are not separated between the postemployment benefit amount and the other benefit amount, as the amount cannot be reasonably estimated.

E. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County protects itself from potential loss using a combination of risk financing methods, which are accounted for in the Internal Service Fund. The County's insurance programs consist of liability, property, workers' compensation, and employee healthcare insurance.

All operating funds of the County participate in the risk management program and make payments to the program based on the insured departments' exposure factors. Payments are for prior and current year claims and to establish adequate reserves for catastrophic losses. Amounts are recorded as interfund services provided and used.

Claims liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but are not reported (IBNRs), based on actuarial computations. Settled claims have not exceeded self-retained or purchased insurance coverage in any of the past four fiscal years.

1. Liability and Property Insurance

The liability program is totally self-funded. The County retains the right to plead, assert, and interpose governmental immunity on unique claims and cases of first impression, in which there may appear to be no clearly established precedent. If, in the opinion of the County Attorney but for the defense of governmental immunity, the County would be liable for property damage, personal injury damages, or wrongful death to a claimant, the governmental immunity defense may be waived; but only to the extent authorized in the policy and only if consistent with the stated conditions and factors in the policy.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

The property insurance program is financed using a combination of self-funding and purchased insurance. A purchased insurance policy provides excess coverage above \$50,000 up to 100% replacement cost, limited to \$415 million per occurrence. The County covers all claims up to \$50,000 per occurrence out of its available Internal Service Fund reserves.

The County has one location designated as an “A” or “B” area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency. This location is covered by the County’s property insurance program.

In accordance with North Carolina General Statute 159-29, the Director of Finance and Tax Collector are individually bonded for \$100,000 each. The remaining employees are covered under the Employee Practices Insurance Policy, which provides coverage in excess of \$150,000 retention, with a maximum coverage limit of \$1,000,000.

2. *Workers’ Compensation Insurance*

The workers’ compensation program is financed using a combination of self-funding and purchased insurance. The County is self-insured for the first \$600,000 per occurrence from the County’s available Internal Service Fund reserves. Claims above \$600,000 are covered by a purchased insurance policy with a \$2,000,000 indemnity for workers’ compensation losses and employers’ liability.

3. *Employee Healthcare Insurance*

The employee healthcare program is financed using a combination of self-funding supplemented by employee/retiree contributions and purchased insurance. Effective January 1, 2014, Guilford County made significant changes to their healthcare program. Medicare-eligible retirees were transitioned from the self-funded health insurance plan to a fully insured Medicare Advantage plan, resulting in a significant reduction in per-retiree costs. Also, one of two previously available healthcare plan options was eliminated. The remaining plan is available to employees, non-Medicare eligible retirees generally hired before July 1, 2009, covered dependents and eligible former employees. The County administers the plan through a self-funded program, supplemented by employee/retiree contributions, to pay claims administration and medical claims of the employees, eligible retirees, and their covered dependents. Specific stop-loss insurance with a deductible level of \$425,000 per member for all occurrences is purchased to limit the County’s losses for the overall program. The stop-loss deductible increased from \$375,000 to \$425,000 on January 1, 2019. The County provides a basic and an enhanced dental plan for employees, retirees, and covered dependents, supplemented by employee/retiree contributions, which are also accounted for in the self-funded program.

In addition to reserves that are maintained and accounted for in all of the above programs in the Internal Service Fund, the County has established and contributed funds to the Other Post Employment Benefits (OPEB) Pension Trust Fund that are available to provide postemployment health care benefits to eligible retirees. These additional contributions and earnings thereon continue to accumulate for financing future needs as all current healthcare claims are paid directly from the self-supporting Internal Service Fund.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

4. Reconciliation of Claims Liability

Changes in the County's claims liability balance are as follows:

	Fiscal Year 2018-2019					Fiscal Year 2017-18
	Liability	Property	Workers' Compensation	Employee Healthcare	Total	Total
Balance Beginning of Year	\$ 899,566	19,849	2,790,236	3,365,651	7,075,302	7,653,931
Incurred Claims (Including IBNRs) and Changes in Estimates	581,221	407,882	754,811	40,076,214	41,820,128	36,891,301
Less Claims Payments	300,436	423,505	1,023,109	39,405,272	41,152,322	37,469,930
Balance End of Year	<u>\$ 1,180,351</u>	<u>4,226</u>	<u>2,521,938</u>	<u>4,036,593</u>	<u>7,743,108</u>	<u>7,075,302</u>

F. Commitments and Contingencies

The County leases certain equipment under long-term lease agreements. At June 30, 2019, such arrangements with initial or remaining noncancellable terms in excess of one year are as follows (includes estimated amounts based on annual usage for applicable contracts):

Year Ending June 30	Operating Leases
2020	451,416
2021	362,392
2022	358,777
Total minimum payments	<u>\$ 1,172,585</u>

There were no contingent rentals or sublease rentals associated with leases in effect at June 30, 2019. The total rental expense amounted to \$633,120 for the fiscal year ended June 30, 2019.

Expenditures incurred for improvements to property of the Guilford County Board of Education and Guilford Technical Community College are reimbursed upon request. Because Guilford County is not a party to the contracts for school improvements, the unexecuted balances of such contracts are considered obligations of the applicable school systems. Further, additional payments, if any, to be made by Guilford County will be from future appropriations. For these reasons, the unexecuted balances of such contracts, aggregating approximately \$10 million at June 30, 2019, represent commitments.

The County participates in a number of Federal and State of North Carolina financial assistance programs. For the fiscal year ended June 30, 2019, these programs were subject to audit in accordance with generally accepted auditing standards, Government Auditing Standards, the provisions of the OMB Uniform Guidance, and the State Single Audit Implementation Act. The amount, if any, of expenditures which may be disallowed by the granting agencies resulting from this and other audits cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The County is involved in several pending lawsuits and claims, which it intends to defend vigorously. In the opinion of the County's attorney and management, the disposition of these matters is not expected to have a material effect on the County's financial position.

G. Conduit Debt Obligations

The Guilford County Industrial Facilities and Pollution Control Financing Authority (the Authority) has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2019, there were four series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$27,937,023.

H. Joint Venture

Guilford Technical Community College

The County, in conjunction with the State of North Carolina and Guilford County Board of Education, participates in a joint venture to operate the Guilford Technical Community College. Each of the three participants appoints four members of the thirteen-member board of trustees of the community college. The president of the community college's student government serves as an ex officio nonvoting member. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. Of the general obligation bond issues for this purpose, \$80,190,051 in debt is still outstanding. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$16,150,000 for operating purposes during the fiscal year ended June 30, 2019. In addition, the County made debt service payments of \$8,603,619 net of applicable rebates, during the fiscal year on general obligation bonds issued for community college capital facilities. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2019. Complete financial statements for the community college may be obtained from the community college's administrative offices at 601 High Point Road, Jamestown, North Carolina 27282.

I. Jointly Governed Organizations

Piedmont Triad Airport Authority

The County, in conjunction with four other governmental entities, created the Piedmont Triad Airport Authority (the Authority) to establish policy for the development, operation, and maintenance of the Piedmont Triad International Airport. The County appoints three members of the seven-member governing board of the Authority.

High Point Convention and Visitors Bureau

The City of High Point created a High Point Convention and Visitors Bureau (the Bureau) to promote tourism and to solicit and encourage convention business in High Point. The County appoints five of the eleven voting members of the Bureau.

Piedmont Authority for Regional Transportation

The County participates with nine other counties in the Piedmont Authority for Regional Transportation (the Authority) as established by the Cities of Burlington, Greensboro, High Point and Winston-Salem for the purpose of coordinating regional transportation services, facilities and programs for the entire Piedmont Triad area. The County appoints one of the twenty voting members of the Authority.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

Sandhills Center for Mental Health, Developmental Disabilities and Substance Abuse Services

The County participates with eight other counties in the Sandhills Center for Mental Health, Developmental Disabilities and Substance Abuse Services (Center). The Center is governed by a twenty-three member Area Board. A County Commissioner from each participating government sits on the Board. The remaining fourteen members are allocated based on population in each county. The County Commissioners in each county then appoint these remaining members that are allotted to their county. None of the participating governments have an equity interest in the Center, so no equity interest has been reflected in the County's financial statements at June 30, 2019. During the fiscal year ended June 30, 2019, the County paid \$9,674,000 to the Center to supplement its activities. Complete financial statements for the Center may be obtained from the Center's offices at 1120 Seven Lakes Drive, PO Box 9, West End, NC 27376.

Piedmont Triad Regional Council

The County participates with twelve other counties and sixty-two municipalities in the Piedmont Triad Regional Council (PTRC). The PTRC was established to promote regional issues and cooperation among its members and to coordinate various funding received from Federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership dues of \$109,248 to the PTRC during the fiscal year ended June 30, 2019.

J. Subsequent Event

The County has evaluated subsequent events through November 25, 2019 in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

Required Supplementary Information

The Required Supplementary Information schedules and notes contain additional information required by generally accepted accounting principles as follows:

Local Government Employees' Retirement System (LGERS):

Schedule of Proportionate Share of Net Pension Liability (Asset)

Schedule of County Contributions

Register of Deeds' Supplemental Pension Fund (RODSPF):

Schedule of Proportionate Share of Net Pension Liability (Asset)

Schedule of County Contributions

Law Enforcement Officers' Special Separation Allowance:

Schedule of Changes in Net Pension Liability and Related Ratios

Schedule of County Contributions

Notes to the Required Schedules

The Health Care Plan of Guilford County:

Schedule of Changes in Net OPEB Liability, Related Ratios, and Investment Returns

Schedules of County Contributions

Notes to the Required Schedules

GUILFORD COUNTY, NORTH CAROLINA
Local Government Employees' Retirement System (LGERs)
Required Supplementary Information

Schedule of Proportionate Share of Net Pension Liability (Asset) ⁽¹⁾

Fiscal Year	Proportion of the Net Pension Liability (Asset)	Proportion of the Net Pension Liability (Asset) NPL(A) (a)	Covered Payroll (b)	Proportionate Share of NPL(A) as a % of Covered Payroll (a / b)	Plan Fiduciary Net Position as a % of the Total Pension Liability (Asset) ⁽²⁾
2014	1.96690%	\$ 23,708,704	\$ 109,811,167	21.59%	94.35%
2015	1.84431	(10,876,744)	104,985,908	(10.36)	102.64
2016	1.94646	8,735,596	109,247,583	8.00	98.09
2017	1.85028	39,269,140	112,487,082	34.91	91.47
2018	1.83218	27,990,635	116,340,359	24.06	94.18
2019	1.81372	43,027,641	119,990,864	35.86	91.63

⁽¹⁾ The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

Ten-year trend information is being developed in this table.

Data is presented since implementation of Governmental Accounting Standards Board Statement No. 68.

⁽²⁾ This will be the same percentage for all participant employers in the LGERs plan.

Schedule of County Contributions ⁽¹⁾

Fiscal Year	Contractually Required Contribution (a)	Contributions in Relation to the Contractually Required Contribution (b)	Contribution Deficiency (Excess) (b - a)	Covered Payroll (c)	Contributions as a % of Covered Payroll (b / c)
2014	\$ 7,451,417	7,451,417	-	104,985,908	7.10%
2015	7,772,719	7,772,719	-	109,247,583	7.11
2016	7,554,059	7,554,059	-	112,487,082	6.72
2017	8,527,761	8,527,761	-	116,340,359	7.33
2018	9,092,962	9,092,962	-	119,990,864	7.58
2019	9,610,528	9,610,528	-	122,801,048	7.83

⁽¹⁾ Ten-year trend information is being developed in this table.

Data is presented since implementation of Governmental Accounting Standards Board Statement No. 68.

GUILFORD COUNTY, NORTH CAROLINA
Register of Deeds' Supplemental Pension Fund (RODSPF)
Required Supplementary Information

Schedule of Proportionate Share of Net Pension Liability (Asset) ⁽¹⁾

Fiscal Year	Proportion of the Net Pension Liability (Asset)	Proportion of the Net Pension Liability (Asset) NPL(A) (a)	Covered Payroll (b)	Proportionate Share of NPL(A) as a % of Covered Payroll (a / b)	Plan Fiduciary Net Position as a % of the Total Pension Liability (Asset) ⁽²⁾
2014	4.29451%	\$ (917,307)	\$ 109,792	(835.50)%	190.50%
2015	4.30446	(975,649)	111,018	(878.82)	193.88
2016	4.36596	(1,011,768)	112,895	(896.20)	197.29
2017	4.39733	(822,125)	115,792	(710.00)	160.17
2018	4.39079	(749,464)	118,321	(633.42)	153.77
2019	4.24793	(703,585)	121,469	(579.23)	153.31

⁽¹⁾ The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

Ten-year trend information is being developed in this table.

Data is presented since implementation of Governmental Accounting Standards Board Statement No. 68.

⁽²⁾ This will be the same percentage for all participant employers in the RODSPF plan.

Schedule of County Contributions ⁽¹⁾

Fiscal Year	Contractually Required Contribution (a)	Contributions in Relation to the Contractually Required Contribution (b)	Contribution Deficiency (Excess) (b - a)	Covered Payroll (c)	Contributions as a % of Covered Payroll (b / c)
2014	\$ 35,145	35,145	-	111,018	31.66%
2015	34,936	34,936	-	112,895	30.95
2016	35,923	35,923	-	115,792	31.02
2017	38,150	38,150	-	118,321	32.24
2018	36,353	36,353	-	121,469	29.93
2019	35,305	35,305	-	125,177	28.20

⁽¹⁾ Ten-year trend information is being developed in this table.

Data is presented since implementation of Governmental Accounting Standards Board Statement No. 68.

GUILFORD COUNTY, NORTH CAROLINA
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios ⁽¹⁾

	Calendar Year Ending December 31				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:					
Service cost	\$ 278,928	278,631	420,359	410,014	
Interest	601,487	577,272	422,913	431,513	
Difference between expected and actual experience	584,658	473,989	-	-	
Changes of assumptions & other inputs	-	-	(1,823,831)	119,089	
Benefit payments	<u>(964,241)</u>	<u>(853,275)</u>	<u>(799,210)</u>	<u>(754,406)</u>	
Net change in total pension liability	500,832	476,617	(1,779,769)	206,210	
Total pension liability - beginning	<u>10,942,765</u>	<u>10,466,148</u>	<u>12,245,917</u>	<u>12,039,707</u>	
Total pension liability - ending	\$ <u>11,443,597</u>	<u>10,942,765</u>	<u>10,466,148</u>	<u>12,245,917</u>	<u>12,039,707</u>
Plan net position:					
Contributions - County	\$ 1,433,864	1,409,832	1,185,121	954,345	
Net investment income	32,977	16,615	6,899	3,665	
Benefit payments	(964,241)	(853,275)	(799,210)	(754,406)	
Administrative expense	<u>(2,115)</u>	<u>(2,082)</u>	<u>(1,381)</u>	<u>(696)</u>	
Net change in plan net position	500,485	571,090	391,429	202,908	
Plan net position - beginning	<u>2,144,314</u>	<u>1,573,224</u>	<u>1,181,795</u>	<u>978,887</u>	
Plan net position - ending	\$ <u>2,644,799</u>	<u>2,144,314</u>	<u>1,573,224</u>	<u>1,181,795</u>	<u>978,887</u>
Net pension liability - ending	\$ <u>8,798,798</u>	<u>8,798,451</u>	<u>8,892,924</u>	<u>11,064,122</u>	<u>11,060,820</u>
Ratio of plan net position to total pension liability	23.11%	19.60%	15.03%	9.65%	8.13%
Covered payroll	\$ 15,869,582	15,663,490	15,110,053	15,110,053	14,480,738
Net pension liability as a percentage of covered payroll	55.44%	56.17%	58.85%	73.22%	76.38%

⁽¹⁾ Ten-year trend information is being developed in this table.

Data is presented since implementation of Governmental Accounting Standards Board Statement No. 68.

GUILFORD COUNTY, NORTH CAROLINA
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information

Schedule of County Contributions

Year Ended June 30	Actuarially Determined Employer Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency (Excess) (b - a)	Covered Payroll (c)	Contributions as a % of Covered Payroll (b / c)
2010	521,280	521,280	-	12,640,852	4.12
2011	657,157	657,157	-	12,737,800	5.16
2012	675,368	675,368	-	13,996,047	4.83
2013	741,844	741,844	-	14,564,460	5.09
2014	757,628	757,628	-	14,249,536	5.32
2015	924,237	924,237	-	13,812,657	6.69
2016	984,456	984,456	-	14,480,738	6.80
2017	1,385,791	1,385,791	-	15,110,053	9.17
2018	1,400,798	1,400,798	-	15,663,490	8.94
2019	1,284,119	1,284,119	-	15,869,582	8.09

Notes to the Required Schedules

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

Valuation date	12/31/2017
Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Remaining amortization period	13 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return*	5.75%
Projected salary increases*	From 3.50% to 7.35% per year
*Includes inflation at	2.50%
Cost of living adjustments	N/A

GUILFORD COUNTY, NORTH CAROLINA
The Health Care Plan of Guilford County
Required Supplementary Information

Schedule of Changes in Net OPEB Liability, Related Ratios and Investment Returns ⁽¹⁾

	Fiscal Year Ending June 30			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total OPEB liability:				
Service cost	\$ 5,396,338	5,778,816	6,570,738	-
Interest	10,110,618	9,482,747	8,544,228	-
Changes of benefit terms			-	-
Difference between expected & actual experience	(8,199,833)	(713,685)	-	-
Changes of assumptions	19,844,455	(14,740,056)	(25,530,915)	-
Benefit payments	<u>(8,124,130)</u>	<u>(7,078,957)</u>	<u>(7,135,245)</u>	-
Net change in total OPEB liability	19,027,448	(7,271,135)	(17,551,194)	-
Total OPEB liability - beginning	<u>262,606,702</u>	<u>269,877,837</u>	<u>287,429,031</u>	-
Total OPEB liability - ending	\$ <u>281,634,150</u>	<u>262,606,702</u>	<u>269,877,837</u>	<u>287,429,031</u>
Plan fiduciary net position:				
Contributions - County	\$ 8,141,413	7,093,802	7,135,245	-
Net investment income	742,403	1,026,993	1,497,947	-
Benefit payments	(8,124,130)	(7,078,957)	(7,135,245)	-
Administrative expense	<u>(18,796)</u>	<u>(17,511)</u>	-	-
Net change in plan fiduciary net position	740,890	1,024,327	1,497,947	-
Plan fiduciary net position - beginning	<u>14,442,751</u>	<u>13,418,424</u>	<u>11,920,477</u>	-
Plan fiduciary net position - ending	\$ <u>15,183,641</u>	<u>14,442,751</u>	<u>13,418,424</u>	<u>11,920,477</u>
Net OPEB liability - ending	\$ <u>266,450,509</u>	<u>248,163,951</u>	<u>256,459,413</u>	<u>275,508,554</u>
Ratio of plan fiduciary net position to total OPEB liability	5.39%	5.50%	4.97%	4.15%
Covered employee payroll	\$ 58,483,119	65,979,137	65,979,137	65,979,137
Net OPEB liability as a percentage of covered employee payroll	455.60%	376.12%	388.70%	417.57%
Annual money-weighted rate of return, net of investment expenses	5.13%	7.63%	12.57%	-1.28%

⁽¹⁾ Ten-year trend information is being developed in this table.

Data is presented since implementation of Governmental Accounting Standards Board Statement No. 74.

GUILFORD COUNTY, NORTH CAROLINA
The Health Care Plan of Guilford County
Required Supplementary Information

Schedule of County Contributions ⁽¹⁾

	Fiscal Year Ending June 30			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 14,672,141	14,686,986	15,296,839	13,040,988
Contributions in relation to the actuarially determined contribution	<u>8,141,413</u>	<u>7,093,802</u>	<u>7,135,245</u>	<u>6,518,203</u>
Contribution deficiency (excess)	\$ <u>6,530,728</u>	<u>7,593,184</u>	<u>8,161,594</u>	<u>6,522,785</u>
Covered employee payroll ⁽²⁾	\$ 58,483,119	65,979,137	65,979,137	65,979,137
Actual contributions as a percentage of covered employee payroll	13.92%	10.75%	10.81%	9.88%

⁽¹⁾ Ten-year trend information is being developed in this table.

Data is presented since implementation of Governmental Accounting Standards Board Statement No. 74.

⁽²⁾ For years following the valuation date (when no new valuation is performed), covered payroll has been set equal to the covered payroll from the most recent valuation. Covered payroll does not include pay for active members who are ineligible for benefits.

Notes to the Required Schedules

Actuarially Determined Contribution rates, as a percentage of payroll, used to determine the Actuarially Determined Contribution amounts in the Schedule of Employer Contributions are calculated with each biennial actuarial valuation. The following actuarial methods and assumptions (from the June 30, 2018 actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2019:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Amortization period	30 years, closed
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.50%
Real wage growth	1.00%
Wage inflation	3.50%
Salary increases, including wage inflation	
General employees & firefighters	3.50% - 7.75%
Law enforcement officers	3.50% - 7.35%
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	5.75%
Health care cost trends:	
Pre-Medicare	7.25% for 2018 decreasing to an ultimate rate of 4.75% by 2028
Medicare	5.38% for 2018 decreasing to an ultimate rate of 4.75% by 2022
Dental	4.00%



Major Governmental Funds

General Fund

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

Capital Projects Funds

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

- *County Building Construction Fund* - Accounts for the financing and construction of various capital assets and improvements thereto of the County. Financing is provided principally by operating transfers from the General Fund, interest on investments and proceeds of general obligation bonds when issued.
- *School Capital Outlay Fund* - Accounts for the County's portion of the financing of school capital assets for the Guilford County Public School System as well as Guilford Technical Community College. Financing may be provided from three principal sources: (1) County-wide funds, primarily operating transfers from the General Fund; (2) Revenue from the North Carolina Public School Building Capital Fund (Average Daily Membership and Lottery); and (3) Proceeds of general obligation bonds issued by Guilford County. Under North Carolina law, such bonds cannot be issued by the respective school.

GUILFORD COUNTY, NORTH CAROLINA
General Fund

A-1

Schedule of Expenditures - Budget and Actual
For the fiscal year ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary and GAAP Basis	Final Budget Positive (Negative)
Current:				
General government:				
County commissioners	\$ 493,887	510,154	468,171	41,983
Clerk to the board	380,166	426,768	332,499	94,269
County administration	1,422,349	1,281,455	862,743	418,712
County attorney	2,393,928	2,450,507	2,231,573	218,934
Human resources	9,057,037	9,188,845	7,689,466	1,499,379
Budget and management	699,810	701,013	529,635	171,378
Internal audit	564,783	545,064	471,815	73,249
Finance	2,831,875	2,711,905	2,553,721	158,184
Purchasing	324,662	321,672	272,415	49,257
Information services	10,213,743	11,224,778	10,659,673	565,105
Tax	6,703,018	6,828,941	6,463,820	365,121
Register of deeds	2,287,330	2,287,334	2,186,244	101,090
Elections	1,930,157	1,932,285	1,847,559	84,726
Planning and development	809,409	886,914	851,753	35,161
Facilities	10,479,263	9,820,271	7,315,680	2,504,591
Security	2,173,363	2,178,368	2,089,980	88,388
Fleet operation	1,305,536	1,356,927	1,161,289	195,638
Total general government	54,070,316	54,653,201	47,988,036	6,665,165
Human services:				
Health and Human Services:				
Public health	36,231,901	38,153,751	33,529,676	4,624,075
Social services	59,855,703	61,552,622	55,742,116	5,810,506
Mental health	9,674,000	9,674,000	9,674,000	-
Public assistance - adults, families, medical	2,552,365	2,552,365	2,231,842	320,523
Child support enforcement	6,554,515	6,587,619	6,324,859	262,760
Cooperative extension service	741,711	891,962	637,045	254,917
Coordinated services	1,379,228	1,401,555	1,304,911	96,644
Veteran services	198,363	213,363	120,970	92,393
Transportation	1,640,355	1,629,621	1,538,338	91,283
Total human services	118,828,141	122,656,858	111,103,757	11,553,101
Public safety:				
Law enforcement	68,292,978	70,890,660	67,929,679	2,960,981
Emergency services	30,861,426	31,494,355	30,127,149	1,367,206
Inspections	2,379,363	2,522,603	2,445,884	76,719
Court alternatives	2,627,589	2,687,502	2,335,295	352,207
Family Justice Center	630,604	828,695	630,867	197,828
Animal services	4,134,716	4,303,539	3,647,147	656,392
Other protection	1,017,436	1,017,581	898,093	119,488
Total public safety	109,944,112	113,744,935	108,014,114	5,730,821
Environmental protection:				
Sanitation	1,603,047	1,694,424	1,564,959	129,465
Soil and water conservation	310,872	316,763	303,338	13,425
Total environmental protection	1,913,919	2,011,187	1,868,297	142,890
Culture - recreation:				
Culture & libraries	1,844,077	1,844,077	1,842,807	1,270
Recreation - parks	4,440,525	5,486,009	4,879,870	606,139
Total culture - recreation	6,284,602	7,330,086	6,722,677	607,409
Economic development and assistance	1,553,500	4,185,472	949,588	3,235,884
Intergovernmental:				
Education - current appropriation:				
Guilford Technical Community College	16,150,000	16,150,000	16,150,000	-
Guilford County Board of Education	202,610,398	202,610,398	202,610,398	-
Total education	218,760,398	218,760,398	218,760,398	-
Debt service:				
Principal retirement	62,495,000	62,395,000	62,395,000	-
Interest and fiscal charges	32,963,012	32,667,513	32,666,880	633
Bond issuance costs	-	400,000	340,951	59,049
Total debt service	95,458,012	95,462,513	95,402,831	59,682
Total expenditures	\$ 606,813,000	618,804,650	590,809,698	27,994,952

GUILFORD COUNTY, NORTH CAROLINA
County Building Construction Capital Projects Fund
Combining Schedule of Revenues and Expenditures
For the fiscal year ended June 30, 2019

A-2

	Annually Budgeted Projects	Project- Length Budgets	Total
Revenues			
Charges for services	\$ 228,112	-	228,112
Investment earnings	1,001,180	72,999	1,074,179
Other	9,756	282,251	292,007
Total revenues	1,239,048	355,250	1,594,298
Expenditures			
Capital outlay	-	5,398,174	5,398,174
Excess (deficiency) of revenues over expenditures	1,239,048	(5,042,924)	(3,803,876)
Other Financing Sources			
General obligation bonds issued	-	30,000,000	30,000,000
Premiums on general obligation bonds issued	-	633,362	633,362
Transfers in	2,000,000	-	2,000,000
Sale of capital assets	5,500,000	-	5,500,000
Total other financing sources	7,500,000	30,633,362	38,133,362
Excess of revenues and other sources over expenditures	\$ 8,739,048	25,590,438	34,329,486

GUILFORD COUNTY, NORTH CAROLINA
County Building Construction Capital Projects Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Budgetary Basis - Annually Budgeted Projects)
For the fiscal year ended June 30, 2019

A-2a

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary and GAAP Basis	Final Budget Positive (Negative)
Revenues				
Charges for services	\$ -	-	228,112	228,112
Investment earnings	-	-	1,001,180	1,001,180
Other	-	-	9,756	9,756
Total revenues	-	-	1,239,048	1,239,048
Expenditures				
Capital outlay:				
County building construction				
for future projects	2,000,000	2,000,000	-	2,000,000
Total expenditures	2,000,000	2,000,000	-	2,000,000
Excess (deficiency) of revenues over expenditures	(2,000,000)	(2,000,000)	1,239,048	3,239,048
Other Financing Sources				
Transfers in	2,000,000	2,000,000	2,000,000	-
Sale of capital assets	-	-	5,500,000	5,500,000
Total other financing sources	2,000,000	2,000,000	7,500,000	5,500,000
Excess of revenues and other sources over expenditures	\$ -	-	8,739,048	8,739,048

GUILFORD COUNTY, NORTH CAROLINA
County Building Construction Capital Projects Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Budgetary Basis - Project-Length Budgets)
From inception and for the fiscal year ended June 30, 2019

A-2b

	Project	Actual		
	Authorization	Prior Years	Current Year	Total to Date
Revenues				
Intergovernmental	\$ 1,681,074	1,581,073	-	1,581,073
Investment earnings	-	-	72,999	72,999
Other	2,900,680	2,621,428	282,251	2,903,679
Total revenues	4,581,754	4,202,501	355,250	4,557,751
Expenditures				
Capital outlay:				
General Government Projects:				
High Point Courthouse Renovations	2,228,626	1,238,232	284,326	1,522,558
Greene Street Center	648,180	547,748	-	547,748
Old Courthouse Renovation	3,500,000	1,287,605	976,078	2,263,683
HP Justice Complex HVAC System	1,350,000	1,183,802	53,758	1,237,560
High Point Parking Deck Repairs	2,667,000	1,701,899	(19,366)	1,682,533
Independence Center Parking Deck Repairs	600,000	465,570	-	465,570
Greensboro Courthouse HVAC	1,150,000	1,046,363	54,202	1,100,565
Human Services Projects:				
Mental Health Facility Replacement	2,900,000	-	422,804	422,804
Public Safety Projects:				
Law Enforcement Special Ops Building	3,950,000	3,930,813	(12,240)	3,918,573
Law Enforcement Admin Building Renovation	550,000	380,971	79,119	460,090
800 MHz Radio Replacement	7,265,096	7,265,096	-	7,265,096
800 MHz Infrastructure Upgrade	11,964,274	8,657,796	836,163	9,493,959
Fire/EMS Paging Systems Narrowbanding	567,467	486,111	81,355	567,466
Fire Station 63 EMS Colocation	511,248	-	485,808	485,808
EMS Maintenance/Logistics Facility	14,416,463	1,398,502	1,532,045	2,930,547
County Animal Shelter Replacement	10,451,217	664,289	463,102	1,127,391
Culture-Recreation Projects:				
Bryan Park - Phase I	100,000	31,420	-	31,420
Bryan Park Expansion	100,000	16,440	-	16,440
Bur Mil Park Improvements	3,065,352	2,960,657	-	2,960,657
Bur Mil Park Clubhouse Renovation	1,283,000	1,207,446	16,823	1,224,269
Northeast Park	9,242,725	9,039,208	-	9,039,208
Open Space Acquisition	10,248,246	9,662,443	121,383	9,783,826
Hagan-Stone Park Swimming Pool	2,000,000	1,972,973	15,574	1,988,547
Hagan-Stone Park	1,384,499	1,381,080	-	1,381,080
Trails Development	363,938	91,140	7,240	98,380
Atlantic & Yadkin Greenway-Stimulus	664,549	279,964	-	279,964
Total expenditures	93,171,880	56,897,568	5,398,174	62,295,742
Deficiency of revenues over expenditures	(88,590,126)	(52,695,067)	(5,042,924)	(57,737,991)
Other Financing Sources				
General obligation bonds issued	47,374,127	48,785,713	30,000,000	78,785,713
Premiums on general obligation bonds issued	6,004,455	6,004,455	633,362	6,637,817
Transfers in	2,000,000	2,000,000	-	2,000,000
Appropriated fund balance	33,211,544	-	-	-
Total other financing sources	88,590,126	56,790,168	30,633,362	87,423,530
Excess of revenues and other sources over expenditures	\$ -	4,095,101	25,590,438	29,685,539

GUILFORD COUNTY, NORTH CAROLINA
School Capital Outlay Capital Projects Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Budgetary Basis - Project-Length Budgets)
From inception and for the fiscal year ended June 30, 2019

A-3

	Project	Actual		
	Authorization	Prior Years	Current Year	Total to Date
Revenues				
Intergovernmental:				
State Lottery Funds	\$ 1,647,220	1,647,219	-	1,647,219
Public School Building Capital Fund	6,387,285	6,361,505	-	6,361,505
Guilford County Schools	10,055,805	10,114,858	-	10,114,858
Total revenues	18,090,310	18,123,582	-	18,123,582
Expenditures				
Intergovernmental:				
Education:				
Guilford Technical				
Community College	45,760,504	40,016,398	2,729,249	42,745,647
Guilford County Board of Education	342,167,055	312,636,642	10,135,122	322,771,764
Total expenditures	387,927,559	352,653,040	12,864,371	365,517,411
Deficiency of revenues over expenditures	(369,837,249)	(334,529,458)	(12,864,371)	(347,393,829)
Other Financing Sources				
General obligation bonds issued	349,461,292	328,518,329	10,000,000	338,518,329
Bond anticipation notes issued	-	20,945,000	-	20,945,000
Transfers in	18,226,287	10,719,026	7,500,000	18,219,026
Appropriated fund balance	2,149,670	2,149,672	-	2,149,672
Total other financing sources	369,837,249	362,332,027	17,500,000	379,832,027
Excess of revenues and other sources over expenditures	\$ -	27,802,569	4,635,629	32,438,198

GUILFORD COUNTY, NORTH CAROLINA
School Capital Outlay Capital Projects Fund
Schedule of Expenditures - Guilford Technical Community College
Budget and Actual (Budgetary Basis - Project-Length Budgets)
From inception and for the fiscal year ended June 30, 2019

A-3a

<u>Project Name</u>	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
HVAC and Renovations	\$ 7,826,356	5,999,499	865,230	6,864,729
Center for Advanced Manufacturing*	33,434,148	33,331,457	89,450	33,420,907
Capital Maintenance FY2017	1,500,000	685,442	814,558	1,500,000
Capital Maintenance FY2018	1,500,000	-	960,011	960,011
Capital Maintenance FY2019	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	\$ <u>45,760,504</u>	<u>40,016,398</u>	<u>2,729,249</u>	<u>42,745,647</u>

*Project was formerly known as GTCC - Transportation and Welding Facilities

GUILFORD COUNTY, NORTH CAROLINA
School Capital Outlay Capital Projects Fund
Schedule of Expenditures - Guilford County Board of Education
Budget and Actual (Budgetary Basis - Project-Length Budgets)
From inception and for the fiscal year ended June 30, 2019

A-3b

Project Name	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Northern High School	\$ 53,988,222	53,988,199	-	53,988,199
Ragsdale High School	46,287,351	46,258,051	28,035	46,286,086
Reedy Fork Area Elementary School	16,347,859	16,272,104	2,500	16,274,604
High Point SCALE Site	2,945,506	2,944,846	-	2,944,846
System-Wide Renovations/Various Sch Sites	5,188,619	4,953,400	124,859	5,078,259
Southeast High School	32,028,433	31,842,170	184,964	32,027,134
Southwest High School	19,869,678	19,868,571	-	19,868,571
Allen Jay Middle School	13,076,652	13,075,448	1,204	13,076,652
Mobile Classrooms	1,767,447	1,638,560	-	1,638,560
HVAC	19,878,222	19,426,388	16,575	19,442,963
HVAC - FY10 Medicaid Swap	2,149,670	2,124,077	-	2,124,077
Roof Repair/Replace-Andrews High Sch	767,481	762,504	-	762,504
Roof Repair/Replace-Pleasant Garden ES	258,630	227,868	-	227,868
System-Wide Renovation FY2012	4,849,057	4,179,796	-	4,179,796
Roofing System-wide	6,039,748	4,302,848	717	4,303,565
Page High School-Roofing	164,135	154,773	-	154,773
Bluford Elementary School - Renovation	8,288,612	8,130,391	62,605	8,192,996
Guilford Middle School - Replacement	35,279,684	32,433,823	766,991	33,200,814
High Point Central - Add/Renovation	17,986,007	13,893,568	1,742,499	15,636,067
Hunter Elementary School - Replacement	19,273,675	18,650,109	50,161	18,700,270
Northwest High School - New Traffic Pattern	1,156,200	568,891	-	568,891
Smith High School - Athletic Renovation	7,679,051	7,382,683	210,132	7,592,815
Western High School - Addition/Renovation	8,547,130	7,172,323	1,049,731	8,222,054
Southern HS Stadium Improvements	634,480	566,779	-	566,779
System-Wide Safety & Security	1,491,703	1,116,381	288,412	1,404,793
Career & Technical Edu Cap Improvements	5,223,803	-	-	-
Capital Maintenance FY2018	5,000,000	702,091	4,297,909	5,000,000
Capital Maintenance FY2019	6,000,000	-	1,307,828	1,307,828
Total expenditures	\$ 342,167,055	312,636,642	10,135,122	322,771,764

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for specified purposes.

- *Rural Fire Districts Fund* - Accounts for voter-approved property taxes levied to provide fire protection services. In accordance with North Carolina General Statute Section 159-26(b)(2), separate accounts have been established for accounting purposes within the Rural Fire Districts Fund for each of the fire tax or protection districts.
- *Room Occupancy/Tourism Development Tax Fund* - Accounts for occupancy taxes collected from various hotels, motels and similar establishments in Guilford County. Under North Carolina General Statutes, Chapter 988, Guilford County levies a three percent occupancy tax. In accordance with Section 6 of the statute, the County remits 70 percent of the net proceeds to the Greensboro/Guilford County Tourism Development Authority (a component unit) and the remaining 30 percent to the City of High Point.
- *Community Development Fund* - Accounts for projects financed primarily with grant funds for development purposes. Guilford County received an appropriation from the North Carolina General Assembly to fund a water and sewer study for the northwest section of the County.

GUILFORD COUNTY, NORTH CAROLINA
Combining Balance Sheet
Nonmajor Governmental Funds -
Special Revenue Funds
June 30, 2019

B-1

	<u>Rural Fire Districts</u>	<u>Room Occupancy/ Tourism Development Tax</u>	<u>Community Development</u>	<u>Total Nonmajor Governmental Funds</u>
Assets				
Cash and cash equivalents/ investments	\$ 1,873,064	-	734,311	2,607,375
Receivables:				
Property taxes (net of allowance for estimated uncollectible delinquent taxes of \$97,364)	142,016	-	-	142,016
Other taxes	-	504,725	-	504,725
Due from governmental units and agencies	1,176,285	-	-	1,176,285
Accrued interest on investments	2,121	-	-	2,121
Total receivables	<u>1,320,422</u>	<u>504,725</u>	<u>-</u>	<u>1,825,147</u>
Total assets	\$ <u>3,193,486</u>	<u>504,725</u>	<u>734,311</u>	<u>4,432,522</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 121	151,418	-	151,539
Due to component unit	<u>-</u>	<u>353,307</u>	<u>-</u>	<u>353,307</u>
Total liabilities	<u>121</u>	<u>504,725</u>	<u>-</u>	<u>504,846</u>
Deferred inflows of resources	<u>150,926</u>	<u>-</u>	<u>734,311</u>	<u>885,237</u>
Fund balances:				
Restricted	3,042,439	504,725	-	3,547,164
Unassigned	<u>-</u>	<u>(504,725)</u>	<u>-</u>	<u>(504,725)</u>
Total fund balances	<u>3,042,439</u>	<u>-</u>	<u>-</u>	<u>3,042,439</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>3,193,486</u>	<u>504,725</u>	<u>734,311</u>	<u>4,432,522</u>

GUILFORD COUNTY, NORTH CAROLINA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds -
Special Revenue Funds
For the fiscal year ended June 30, 2019

B-2

	Rural Fire Districts	Room Occupancy/ Tourism Development Tax	Community Development	Total Nonmajor Governmental Funds
Revenues				
Taxes:				
Property taxes	\$ 16,251,165	-	-	16,251,165
Sales tax	3,762,396	-	-	3,762,396
Occupancy taxes	-	6,533,545	-	6,533,545
Intergovernmental	-	-	8,755	8,755
Investment earnings	10,712	-	-	10,712
Total revenues	<u>20,024,273</u>	<u>6,533,545</u>	<u>8,755</u>	<u>26,566,573</u>
Expenditures				
Current:				
Public safety	20,507,997	-	-	20,507,997
Economic development and assistance	<u>-</u>	<u>6,533,545</u>	<u>8,755</u>	<u>6,542,300</u>
Total expenditures	<u>20,507,997</u>	<u>6,533,545</u>	<u>8,755</u>	<u>27,050,297</u>
Net changes in fund balances	(483,724)	-	-	(483,724)
Fund balances at beginning of year	<u>3,526,163</u>	<u>-</u>	<u>-</u>	<u>3,526,163</u>
Fund balances at end of year	<u>\$ 3,042,439</u>	<u>-</u>	<u>-</u>	<u>3,042,439</u>

GUILFORD COUNTY, NORTH CAROLINA
Rural Fire Districts Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2019

B-3

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary and GAAP Basis	Final Budget Positive (Negative)
Revenues				
Taxes:				
Property taxes	\$ 15,765,638	15,765,638	16,199,078	433,440
Interest on delinquent taxes	-	-	52,087	52,087
Total property taxes	15,765,638	15,765,638	16,251,165	485,527
Sales tax	3,461,091	3,461,091	3,762,396	301,305
Investment earnings	-	-	10,712	10,712
Total revenues	19,226,729	19,226,729	20,024,273	797,544
Expenditures				
Current - Public safety:				
Alamance Community Fire District	1,328,021	1,328,021	1,328,021	-
Alamance Community FPSD	177,895	177,895	174,930	2,965
Climax Fire District (FD)	120,209	120,209	120,209	-
Climax Fire Protection Service District	56,493	56,493	56,493	-
Colfax FD	697,326	697,326	697,326	-
Colfax Fire Protection Service District	259,628	259,628	259,628	-
Deep River FD	245,737	245,737	245,737	-
Friedens Community FD	199,930	199,930	199,930	-
Friedens Community FPSD	75,829	75,829	75,829	-
Gibsonville FD	14,481	14,481	14,481	-
Guilford College Community FD	701,351	701,351	701,351	-
Guilford College Community FPSD	41,316	41,316	41,316	-
Guil-Rand FD	158,188	158,188	158,188	-
Guil-Rand FPSD	66,907	66,907	66,907	-
Fire Protection Service District No. 1	41,511	41,511	41,511	-
Julian FD	107,249	107,249	107,249	-
Kimesville FD	125,996	125,996	125,996	-
McLeansville FD	946,575	946,575	946,575	-
McLeansville FPSD	361,766	361,766	361,766	-
Mount Hope Community FD	740,177	740,177	740,177	-
Northeast FD	1,109,193	1,109,193	1,109,193	-
Northeast FPSD	336,708	336,708	336,708	-
Oak Ridge FD	1,820,565	1,820,565	1,820,565	-
Pinecroft-Sedgefield FD	2,129,367	2,129,367	2,129,367	-
Pinecroft-Sedgefield FPSD	405,175	405,175	405,175	-
Pleasant Garden FD	782,047	782,047	782,047	-
Pleasant Garden FPSD	81,738	81,738	81,738	-
PTIA Fire Protection Service District	287,339	287,339	287,339	-
Rankin FD (No. 13)	1,172,952	1,172,952	1,172,952	-
Rankin FPSD (No. 13)	355,131	355,131	355,131	-
Southeast FD	276,117	276,117	276,117	-
Stokesdale FD	934,989	934,989	934,989	-
Summerfield FD	2,495,787	2,495,787	2,495,787	-
Summerfield FPSD	775,312	775,312	775,312	-
Whitsett FD	637,771	637,771	637,771	-
Whitsett FPSD	184,182	184,182	184,182	-
No. 14 FD	201,596	201,596	201,596	-
Fire Protection Service District No. 14	58,408	58,408	58,408	-
Total expenditures	20,510,962	20,510,962	20,507,997	2,965
Net change in fund balance	(1,284,233)	(1,284,233)	(483,724)	800,509
Fund balance at beginning of year	3,526,163	3,526,163	3,526,163	-
Fund balance at end of year	\$ 2,241,930	2,241,930	3,042,439	800,509

GUILFORD COUNTY, NORTH CAROLINA
Room Occupancy/Tourism Development Tax Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the fiscal year ended June 30, 2019

B-4

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary and</u>	<u>Final Budget</u>
			<u>GAAP Basis</u>	<u>Positive</u>
				<u>(Negative)</u>
Revenues				
Taxes:				
Occupancy	\$ 6,500,000	6,533,545	6,533,545	-
Expenditures				
Current:				
Economic development and assistance	<u>6,500,000</u>	<u>6,533,545</u>	<u>6,533,545</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

GUILFORD COUNTY, NORTH CAROLINA
Community Development Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
(Budgetary Basis - Project-Length Budgets)
From inception and through the year ended June 30, 2019

B-5

		<u>Actual</u>		
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues				
Intergovernmental:				
General Assembly Appropriation	\$ 3,637,246	166,245	8,755	175,000
Expenditures				
Current:				
Economic development and assistance:				
Regional Water System Project	<u>3,637,246</u>	<u>166,245</u>	<u>8,755</u>	<u>175,000</u>
Net change in fund balance	\$ <u>-</u>	<u>-</u>	-	<u>-</u>
Fund balance at beginning of year			-	
Fund balance at end of year			\$ <u>-</u>	

Proprietary Fund

Internal Service Funds are used to accumulate and allocate costs internally among Guilford County's various functions. The County has one Internal Service Fund to account for risk retention services provided to the departments of the County on a cost reimbursement basis.

GUILFORD COUNTY, NORTH CAROLINA

Internal Service Fund

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**Schedule of Revenues and Expenditures - Financial Plan and Actual (Non - GAAP)
For the fiscal year ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary and</u>	<u>Final Budget</u>
			<u>GAAP Basis</u>	<u>Positive</u>
				<u>(Negative)</u>
Revenues				
Operating revenues:				
Charges for services	\$ 43,345,574	43,345,574	43,252,279	(93,295)
Other	40,000	40,000	-	(40,000)
Total operating revenues	43,385,574	43,385,574	43,252,279	(133,295)
Nonoperating revenues:				
Net investment gain	140,000	140,000	1,050,798	910,798
Total revenues	43,525,574	43,525,574	44,303,077	777,503
Expenditures				
Risk Retention-Liability/Property/WC:				
Personnel services	-	-	216,118	-
Other direct service costs	-	-	11,119	-
Professional services	-	-	104,563	-
Claims, premiums and bonding	-	-	2,235,943	-
Total Risk Retention	3,291,641	3,292,086	2,567,743	724,343
Health Care & Wellness:				
Professional services	-	-	1,352,648	-
Claims, premiums and bonding	-	-	43,467,035	-
Total Health Care & Wellness	42,560,138	47,628,095	44,819,683	2,808,412
Total expenditures	45,851,779	50,920,181	47,387,426	3,532,755
Excess (deficiency) of revenues over expenditures	(2,326,205)	(7,394,607)	(3,084,349)	4,310,258
Other financing sources:				
Appropriated fund balance	2,326,205	7,394,607	-	(7,394,607)
Excess of revenues and other sources over expenditures	\$ -	-	(3,084,349)	(3,084,349)
Reconciliation from financial plan basis (modified accrual) to full accrual:				
Increase in deferred outflows of resources - related to pension plans			(13,975)	
Decrease in accrued vacation pay			(904)	
Increase in net pension liability			17,593	
Decrease in deferred inflows of resources - related to pension plans			(1,048)	
Total			1,666	
Change in net position			\$ (3,082,683)	

Fiduciary Funds

Pension/OPEB Trust Funds are used to account for activities which accumulate resources for post employment benefits to qualified individuals.

Individual Fund Descriptions:

Pension/OPEB Trust Funds

- *Law Enforcement Officers' Special Separation Allowance Fund* - Accounts for the activities of a single employer, public retirement system, which accumulates resources for pension benefit payments to qualified law enforcement officers.
- *Other Post Employment Benefits Fund* - Accounts for health care benefits of a single employer defined benefit Health Care Plan which provides postemployment health care benefits to eligible retirees of the County who participate in the North Carolina Local Government Employees' Retirement System.

Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments and/or other funds.

Individual Fund Descriptions:

Agency Funds

- *Tax Collection Fund* - Accounts for occupancy and/or ad valorem property taxes collected by the County tax collector in his capacity as agent for the Cities of Archdale, Burlington, Greensboro, and High Point, the Towns of Gibsonville, Jamestown, Kernersville, Oak Ridge, Pleasant Garden, Sedalia, Summerfield, and Whitsett and the Sedgefield Sanitary District. Also accounts for privilege taxes on the short-term lease or rental of vehicles which are collected by the County tax collector in his capacity as agent for the Piedmont Authority for Regional Transportation.
- *Fines and Forfeitures Fund* - Accounts for fines and forfeitures collected by the County that are required to be remitted to the Guilford County Board of Education.
- *Representative Payee Fund* - Accounts for funds deposited with the Social Services Department for the benefit of specified clients being served by the County.
- *Inmate Trust Fund* - Accounts for funds deposited with the Law Enforcement Department by or for the benefit of inmates incarcerated in the County Detention Centers.

GUILFORD COUNTY, NORTH CAROLINA
Pension / OPEB Trust Funds
Combining Statement of Net Position
June 30, 2019

D-1

	Pension / OPEB Trust Funds		
	Law Enforcement Officers' Special Separation Allowance	Other Post Employment Benefits	Total
Assets			
Current assets:			
Guilford County Law Enforcement Officers' Special Separation Allowance (LEOSSA) Accounts:			
Demand deposits	\$ 6,329	-	6,329
N.C. Capital Management Trust Cash Portfolio	982,052	-	982,052
State Treasurer's Local Government Law Enforcement Officers' Special Separation Allowance (LEOSSA) Fund:			
Short-Term LEOSSA Fund	1,284,201	-	1,284,201
LEOSSA Equity Fund	502,563	-	502,563
State Treasurer's Local Government Other Post Employment Benefits (OPEB) Fund:			
Short-Term OPEB Fund	-	3,439,798	3,439,798
Long-Term OPEB Fund	-	1,067,252	1,067,252
OPEB Equity Fund	-	10,676,591	10,676,591
Cash and cash equivalents/investments	2,775,145	15,183,641	17,958,786
Receivables:			
Accrued interest on investments	489	-	489
Total assets	<u>2,775,634</u>	<u>15,183,641</u>	<u>17,959,275</u>
Liabilities			
Accounts payable and accrued liabilities	<u>26,017</u>	<u>-</u>	<u>26,017</u>
Net Position			
Held in trust for pension / OPEB benefits	<u>\$ 2,749,617</u>	<u>15,183,641</u>	<u>17,933,258</u>

GUILFORD COUNTY, NORTH CAROLINA
Pension / OPEB Trust Funds
Combining Statement of Changes in Plan Net Position
For the fiscal year ended June 30, 2019

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	Pension / OPEB Trust Funds		
	Law Enforcement Officers' Special Separation Allowance	Other Post Employment Benefits	Total
Additions			
Employer contributions	\$ 1,284,119	8,131,719	9,415,838
Retiree contributions	-	2,437,678	2,437,678
Investment income (loss)	84,342	742,725	827,067
Investment expenses	(43)	(1,835)	(1,878)
Total additions	<u>1,368,418</u>	<u>11,310,287</u>	<u>12,678,705</u>
Deductions			
Benefits	956,850	10,236,610	11,193,460
Administrative expenses	<u>2,095</u>	<u>332,787</u>	<u>334,882</u>
Total deductions	<u>958,945</u>	<u>10,569,397</u>	<u>11,528,342</u>
Change in net position	409,473	740,890	1,150,363
Net position at beginning of year	<u>2,340,144</u>	<u>14,442,751</u>	<u>16,782,895</u>
Net position at end of year	<u>\$ 2,749,617</u>	<u>15,183,641</u>	<u>17,933,258</u>

GUILFORD COUNTY, NORTH CAROLINA
Agency Funds
Combining Statement of Assets and Liabilities
June 30, 2019

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	Agency Funds				
	Tax Collection	Fines and Forfeitures	Representative Payee	Inmate Trust	Total
Assets					
Cash and cash equivalents/investments	\$ 163,987	407,924	371,492	155,244	1,098,647
Total assets	\$ 163,987	407,924	371,492	155,244	1,098,647
Liabilities					
Accounts payable and accrued liabilities	\$ -	407,924	-	-	407,924
Representative payee clients payable	-	-	371,492	-	371,492
Due to other taxing units	163,987	-	-	-	163,987
Inmate trust funds payable	-	-	-	155,244	155,244
Total liabilities	\$ 163,987	407,924	371,492	155,244	1,098,647

GUILFORD COUNTY, NORTH CAROLINA
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the fiscal year ended June 30, 2019

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	<u>Balance 7/1/18</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/19</u>
<u>Tax Collection Fund</u>				
Assets				
Cash and cash equivalents/investments	\$ <u>119,760</u>	<u>260,022,364</u>	<u>259,978,137</u>	<u>163,987</u>
Liabilities				
Due to other taxing units	\$ <u>119,760</u>	<u>260,022,364</u>	<u>259,978,137</u>	<u>163,987</u>
<u>Fines and Forfeitures Fund</u>				
Assets				
Cash and cash equivalents/investments	\$ <u>439,984</u>	<u>2,085,143</u>	<u>2,117,203</u>	<u>407,924</u>
Liabilities				
Accounts payable and accrued liabilities	\$ <u>439,984</u>	<u>2,085,143</u>	<u>2,117,203</u>	<u>407,924</u>
<u>Representative Payee Fund</u>				
Assets				
Cash and cash equivalents/investments	\$ <u>425,766</u>	<u>2,541,366</u>	<u>2,595,640</u>	<u>371,492</u>
Liabilities				
Representative payee clients payable	\$ <u>425,766</u>	<u>2,541,366</u>	<u>2,595,640</u>	<u>371,492</u>
<u>Inmate Trust Fund</u>				
Assets				
Cash and cash equivalents/investments	\$ <u>124,138</u>	<u>840,517</u>	<u>809,411</u>	<u>155,244</u>
Liabilities				
Inmate trust funds payable	\$ <u>124,138</u>	<u>840,517</u>	<u>809,411</u>	<u>155,244</u>
<u>Total Agency Funds</u>				
Assets				
Cash and cash equivalents/investments	\$ <u>1,109,648</u>	<u>265,489,390</u>	<u>265,500,391</u>	<u>1,098,647</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 439,984	2,085,143	2,117,203	407,924
Representative payee clients payable	425,766	2,541,366	2,595,640	371,492
Due to other taxing units	119,760	260,022,364	259,978,137	163,987
Inmate trust funds payable	<u>124,138</u>	<u>840,517</u>	<u>809,411</u>	<u>155,244</u>
Total liabilities	\$ <u>1,109,648</u>	<u>265,489,390</u>	<u>265,500,391</u>	<u>1,098,647</u>



Additional Financial Data

The Additional Financial Data schedules contain additional information on property taxes as follows:

Analysis of Current Tax Levy

Schedule of Property Taxes Receivable

Analysis of Current Tax Levy -
County-Wide Levy

Analysis of Current Tax Levy -
County-Wide Levy - General Information

Bonded Debt Service Requirements
and Maturity Schedule

GUILFORD COUNTY, NORTH CAROLINA

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**Analysis of Current Tax Levy
For the fiscal year ended June 30, 2019**

	Assessed Value	Rate (1)	Total Adjusted Tax Levy (2)	Current Tax Collections	Uncollected at June 30, 2019
County-wide	\$ 51,345,257,720	0.7305	\$ 377,255,572	374,360,345	2,895,227
Rural fire / service districts:					
Alamance Community FD	1,019,652,136	0.1000	1,024,877	1,015,113	9,764
Alamance Community FPSD	1,019,652,136		178,320	176,572	1,748
Climax FD	94,734,944	0.1000	95,541	94,418	1,123
Climax FPSD	94,734,944	0.0500	47,664	47,103	561
Colfax FD	539,513,160	0.1000	540,088	538,436	1,652
Colfax FPSD	539,513,160	0.0359	193,877	193,284	593
Deep River FD	206,816,518	0.0941	198,579	196,983	1,596
Friedens Community FD	152,480,204	0.1000	155,033	154,008	1,025
Friedens Community FPSD	152,480,204	0.0390	60,459	60,059	400
Gibsonville FD	12,531,624	0.0945	11,800	11,763	37
Guilford College Community FD	546,433,258	0.1000	535,637	535,150	487
Guilford College FPSD	76,091,323	0.0500	32,191	32,121	70
Guil-Rand FD	129,392,511	0.1000	127,165	124,685	2,480
Guil-Rand FPSD	129,392,511	0.0466	58,373	57,217	1,156
Julian FD	59,857,794	0.1454	87,723	87,143	580
Kimesville FD	92,140,468	0.1097	101,370	99,452	1,918
McLeansville FD	770,200,518	0.1000	776,388	765,088	11,300
McLeansville FPSD	770,200,518	0.0372	288,798	284,595	4,203
Mount Hope Community FD	762,967,266	0.0800	608,877	604,996	3,881
Northeast FD	861,598,821	0.1000	866,065	855,565	10,500
Northeast FPSD	861,598,821	0.0299	258,702	255,814	2,888
Oak Ridge FD	1,462,442,301	0.0977	1,433,128	1,426,526	6,602
Pinecroft-Sedgefield FD	1,681,089,640	0.1000	1,677,019	1,661,443	15,576
Pinecroft-Sedgefield FPSD	1,681,089,640	0.0200	335,356	332,241	3,115
Pleasant Garden FD	604,575,124	0.1000	610,151	601,425	8,726
Pleasant Garden FPSD	604,575,124	0.0107	65,276	64,342	934
Rankin FD	947,615,068	0.0963	909,920	900,203	9,717
Rankin FPSD	947,615,068	0.0289	273,071	270,155	2,916
Southeast FD	150,780,858	0.1375	208,902	206,432	2,470
Stokesdale FD	714,094,516	0.1000	715,380	710,585	4,795
Summerfield FD	1,991,572,223	0.1000	1,994,135	1,986,796	7,339
Summerfield FPSD	1,991,572,223	0.0310	618,174	615,899	2,275
Whitsett FD	526,469,981	0.1000	524,779	521,160	3,619
Whitsett FPSD	526,469,981	0.0296	155,330	154,259	1,071
No. 14 FD (Franklin Blvd.)	162,013,119	0.1000	161,910	158,951	2,959
No. 14 FPSD	162,013,119	0.0275	44,528	43,714	814
FPSD No. 1 (Hornetown)	25,744,298	0.1300	33,437	33,143	294
PTIA FPSD	470,341,463	0.0495	233,036	232,864	172
Total rural fire districts			16,241,059	16,109,703	131,356
Total entity-wide			\$ 393,496,631	390,470,048	3,026,583

Percent of current year adjusted tax levy collected:

County-wide	<u>99.23</u> %
Rural fire districts	<u>99.19</u>
Entity-wide	<u>99.23</u>

Notes:

- (1) Per \$100 of assessed value.
- (2) Assessed value times rate will not equal total adjusted tax levy due to rounding differences, preferential rate treatments to certain properties, discoveries and releases at prior years' rates, current year discounts which are not rate related and motor vehicle taxes that have been prorated less than twelve months.

GUILFORD COUNTY, NORTH CAROLINA
Schedule of Property Taxes Receivable
June 30, 2019

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Fiscal Year	Uncollected Balance June 30, 2018	Total Adjusted Tax Levy	Collections and Credits	Uncollected Balance June 30, 2019
2018-2019	\$ -	393,496,631	390,470,048	3,026,583
2017-2018	2,828,548	-	1,545,179	1,283,369
2016-2017	1,300,328	-	421,275	879,053
2015-2016	961,787	-	260,514	701,273
2014-2015	733,847	-	150,476	583,371
2013-2014	1,030,288	-	113,671	916,617
2012-2013	1,281,071	-	88,175	1,192,896
2011-2012	989,251	-	76,736	912,515
2010-2011	725,537	-	43,863	681,674
2009-2010	725,671	-	37,569	688,102
2008-2009	762,320	-	762,320	-
	<u>\$ 11,338,648</u>	<u>393,496,631</u>	<u>393,969,826</u>	10,865,453
Less allowance for estimated uncollectible delinquent taxes:				
General Fund			\$ (4,961,749)	
Rural Fire Districts Fund			<u>(97,364)</u>	<u>(5,059,113)</u>
Property taxes receivable (net)				<u>\$ 5,806,340</u>
Reconcilement with revenues:				
General Fund:				
Ad valorem taxes			\$ 376,621,012	
Interest on delinquent taxes			<u>1,417,647</u>	\$ 378,038,659
Rural Fire Districts Fund:				
Ad valorem taxes			16,199,078	
Interest on delinquent taxes			<u>52,087</u>	16,251,165
Plus collections and credits not included in revenues:				
Releases net of refunds on prior fiscal years			352,589	
Penalties on delinquent taxes			276,980	
Amounts written off for year 2008 - 2009 per statute of limitations			<u>762,320</u>	<u>1,391,889</u>
Subtotal				395,681,713
Less revenues not included in collections and credits:				
Collections on years prior to 2009 - 2010			(41,441)	
Payments in lieu of taxes			(200,712)	
Interest collected			<u>(1,469,734)</u>	<u>(1,711,887)</u>
Total collections and credits				<u>\$ 393,969,826</u>

GUILFORD COUNTY, NORTH CAROLINA
Analysis of Current Tax Levy
County-Wide Levy
For the fiscal year ended June 30, 2019

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	County-Wide			Total Levy	
	Assessed Value	Rate (1)	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Adjusted levy before penalties:					
Property taxed at current year's rate (2)	\$ 51,345,257,720	0.7305	376,960,817	344,946,070	32,014,747
Penalties			294,755	294,755	-
Total adjusted tax levy			377,255,572	345,240,825	32,014,747
Uncollected taxes at June 30, 2019			(2,895,227)	(2,895,227)	-
Current year's taxes collected			\$ 374,360,345	342,345,598	32,014,747
Current adjusted tax levy collection percentage			99.23%	99.16%	100.00%

Notes:

- (1) Per \$100 of assessed value.
- (2) Assessed value times rate will not equal amount of levy due to rounding differences, preferential rate treatments to certain properties, discoveries and releases at prior years' rates, current year discounts which are not rate related and motor vehicle taxes that have been prorated less than twelve months.

GUILFORD COUNTY, NORTH CAROLINA
Analysis of Current Tax Levy
County-Wide Levy - General Information
For the fiscal year ended June 30, 2019

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Secondary Market Disclosures:

Assessed Valuation:		
Assessment Ratio (1)		100%
Real Property (2)	\$	40,883,802,365
Personal Property		9,135,848,611
Public Service Companies (3)		<u>1,325,606,744</u>
Total Assessed Valuation	\$	<u>51,345,257,720</u>
Tax Rate per \$100 (4)		<u>0.7305</u>
Adjusted Levy (5)	\$	<u>393,496,631</u>

Notes:

- (1) Percentage of appraised value has been established by State Statute.
- (2) Real property assessment is based on 2018 market values as established by the last revaluation. Pursuant to State law, revaluation is required to take place not less frequently than every eight years. On February 6, 2014 the Board of County Commissioners approved a policy of conducting future revaluations every five years.
- (3) Valuation of railroads, telephone companies, and other utilities as determined by the North Carolina Property Tax Commission.
- (4) In addition to the County-wide rates shown, most property in the unincorporated areas was also subject to a special fire district tax.
- (5) Total adjusted tax levy including County-wide and special districts:

County-wide	\$	377,255,572
Special Fire Districts		<u>16,241,059</u>
Total Levy	\$	<u>393,496,631</u>

The total adjusted tax levy includes the original levy, discoveries and penalties, net of discounts and releases.

GUILFORD COUNTY, NORTH CAROLINA
Bonded Debt Service Requirements
and Maturity Schedule
As of June 30, 2019

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	UTILITY		OTHER		TOTAL	
	Existing Debt		Existing Debt		Existing Debt	
Fiscal Year	Principal	Principal & Interest	Principal	Principal & Interest	Principal	Principal & Interest
2019-20	\$ 326,189	367,066	61,558,811	91,935,194	61,885,000	92,302,260
2020-21	105,044	135,541	61,394,956	89,266,639	61,500,000	89,402,180
2021-22	105,241	130,781	66,979,759	92,088,007	67,085,000	92,218,788
2022-23	104,650	125,292	70,510,350	92,354,339	70,615,000	92,479,631
2023-24	59,068	75,055	66,130,932	84,896,081	66,190,000	84,971,136
2024-25	59,383	72,468	66,690,617	82,433,735	66,750,000	82,506,203
2025-26	59,738	69,854	49,220,262	61,746,716	49,280,000	61,816,570
2026-27	60,053	67,183	49,439,947	59,574,180	49,500,000	59,641,363
2027-28	59,107	64,435	34,200,893	41,998,883	34,260,000	42,063,318
2028-29	59,304	61,677	28,295,696	34,510,284	28,355,000	34,571,961
2029-30	-	-	20,095,000	24,949,103	20,095,000	24,949,103
2030-31	-	-	19,820,000	23,672,521	19,820,000	23,672,521
2031-32	-	-	28,715,000	31,879,454	28,715,000	31,879,454
2032-33	-	-	11,570,000	13,610,770	11,570,000	13,610,770
2033-34	-	-	11,570,000	13,161,570	11,570,000	13,161,570
2034-35	-	-	11,570,000	12,792,270	11,570,000	12,792,270
2035-36	-	-	11,570,000	12,433,483	11,570,000	12,433,483
2036-37	-	-	11,570,000	12,073,675	11,570,000	12,073,675
2037-38	-	-	2,220,000	2,353,200	2,220,000	2,353,200
2038-39	-	-	2,220,000	2,286,600	2,220,000	2,286,600
	\$ 997,777	1,169,352	685,342,223	880,016,704	686,340,000	881,186,056

Limited Obligation

2019-20	\$	-	768,806	-	768,806
2020-21		-	768,806	-	768,806
2021-22		-	768,806	-	768,806
2022-23		-	768,806	-	768,806
2023-24		-	768,806	-	768,806
2024-25		-	768,806	-	768,806
2025-26		-	768,806	-	768,806
2026-27		-	768,806	-	768,806
2027-28		-	768,806	-	768,806
2028-29		-	768,805	-	768,805
2029-30		-	768,805	-	768,805
2030-31		-	768,805	-	768,805
2031-32		16,845,000	17,613,806	16,845,000	17,613,806
	\$	16,845,000	26,839,475	16,845,000	26,839,475

Statistical Section

Statistical Section

This part of Guilford County's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents	Tables
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Financial Trends	1 - 2
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These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity	3 - 6
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These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property taxes.

Debt Capacity	7 - 9
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These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information	10 - 11
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

Operating Information	12 - 14
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These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Reports for the relevant year.

Table 1

Guilford County, North Carolina
Schedule of Changes in Net Position / Net Position by Component
Last Ten Fiscal Years
(full accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 40,228,036	43,193,135	46,807,995	42,965,674	40,117,035	40,163,299	43,825,380	45,807,940	45,157,062	45,193,085
Human services	167,271,667	165,311,991	158,946,804	144,195,031	124,275,563	126,324,488	132,372,286	142,424,262	113,292,511	119,369,932
Public safety	102,286,880	101,857,575	111,502,379	119,896,894	115,011,980	119,621,993	124,934,944	130,189,605	134,222,836	139,126,261
Environmental protection	1,293,411	1,317,107	1,368,749	1,357,646	1,372,025	1,422,030	1,528,622	1,730,646	1,920,573	1,959,082
Culture - recreation	6,662,104	5,847,964	5,817,799	7,220,201	6,191,194	6,209,636	6,920,020	6,946,253	7,349,892	7,364,358
Urban redevelopment and housing	219,047	-	-	-	-	-	-	-	-	-
Economic development and assistance	6,591,833	21,510,154	7,239,287	21,261,349	9,802,441	9,526,319	7,619,844	7,199,235	7,228,783	7,491,888
Education	251,720,561	274,154,519	282,303,468	253,356,987	275,978,578	227,558,717	223,217,110	287,534,526	251,422,951	231,624,769
Interest on long-term debt	22,513,943	26,371,175	26,392,310	28,750,330	26,275,019	23,819,755	20,181,287	20,824,742	23,866,360	22,463,821
Total primary government expenses	598,767,482	639,563,620	640,378,791	619,004,112	599,023,825	554,646,237	560,599,493	642,456,209	584,460,968	574,593,196
Program Revenues										
Governmental activities:										
Charges for services:										
General government	5,930,518	5,565,128	8,209,756	6,383,668	6,225,569	6,219,877	6,243,911	6,238,894	6,450,137	6,122,263
Human services	17,062,584	15,107,982	17,713,928	11,659,633	9,034,653	7,967,733	10,155,401	13,503,023	10,938,503	8,290,517
Public safety	19,375,549	20,229,569	20,018,789	22,715,104	23,355,125	23,211,790	25,065,405	26,212,518	26,799,597	28,630,222
Economic development and assistance	2,364,652	1,786,255	72,337	89,664	15,137	526,389	-	1,275,983	46,499	18,949
Other activities	85,534	63,185	301,158	534,000	1,013,099	943,127	1,053,028	1,105,239	1,120,910	1,161,462
Operating grants and contributions:										
Human services	87,497,137	90,171,609	84,760,563	75,384,567	65,324,711	71,149,616	73,068,045	78,051,911	51,360,824	51,999,561
Public safety	1,637,406	1,374,698	1,382,428	1,875,697	1,012,073	1,940,793	1,425,469	1,383,597	1,346,383	1,785,538
Education	1,121,632	2,976,116	61,328	1,491,820	27,643	(52,592)	3,194	5,813,014	173,426	-
Interest on long-term debt	8,000,000	9,496,397	6,257,976	7,883,817	7,470,576	7,490,888	7,496,692	7,502,495	7,455,897	7,466,053
Other activities	1,024,903	921,022	1,365,697	1,348,201	1,379,655	1,496,283	1,291,351	1,275,306	1,353,529	960,638
Capital grants and contributions:										
General government	10,000	-	-	-	-	-	34,074	-	250,000	250,000
Human services	243,318	326,015	115,355	311,817	97,564	27,628	137,801	269,932	573,590	368,779
Public safety	223,545	431,312	299,356	374,780	201,543	111,945	84,236	24,500	40,010	58,497
Culture - recreation	2,381,838	520,844	-	124,074	160,955	-	-	-	-	-
Total primary government program revenues	146,958,616	148,969,132	140,558,671	130,176,842	115,318,293	121,033,477	126,058,607	142,656,412	107,909,305	107,112,479
Total primary government net expenses	(451,828,866)	(490,594,488)	(499,820,120)	(488,827,270)	(483,705,532)	(433,612,760)	(434,540,886)	(499,799,797)	(476,551,663)	(467,480,717)

General Revenues and Other
Changes in Net Position

Governmental activities:

Taxes:

Property taxes	339,016,318	339,701,250	363,239,575	365,639,259	372,179,237	372,062,971	375,975,863	379,543,647	387,498,373	394,794,606
Sales taxes	62,749,914	62,543,117	66,753,745	69,157,461	72,383,124	78,921,056	83,280,909	87,177,424	89,330,783	93,149,671
Occupancy taxes	3,853,035	4,084,391	4,441,971	4,627,346	4,909,445	5,371,235	5,462,046	5,724,845	5,983,575	6,533,545
Excise taxes	1,560,241	1,544,182	1,628,390	1,900,114	2,019,417	2,434,052	2,606,515	2,868,222	2,872,476	3,156,667
Local gross receipts taxes	578,291	628,422	685,671	687,863	721,066	790,938	815,038	831,792	840,943	934,145
Franchise taxes	149,479	82,213	-	-	-	-	-	-	-	-
Unrestricted grants and contributions	2,841,217	3,474,304	1,945,810	1,466,619	1,985,093	1,540,704	1,516,823	1,572,186	1,538,348	1,563,491
Unrestricted investment earnings	1,289,848	3,151,886	(2,517,050)	2,279,877	983,218	983,438	1,372,279	2,773,338	5,190,563	7,922,271
Other	257,879	6,045,727	452,404	352,415	203,773	499,868	1,541,560	295,608	338,138	2,706,594
Total primary government general revenues and other changes in net position	412,296,222	421,255,492	436,630,516	446,110,954	455,384,373	462,604,262	472,571,033	480,787,062	493,593,199	510,760,990

Changes in Net Position

Governmental activities / primary government	\$ (39,532,644)	(69,338,996)	(63,189,604)	(42,716,316)	(28,321,159)	28,991,502	38,030,147	(19,012,735)	17,041,536	43,280,273
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Net Position by Component

Governmental activities:	(Reclassified) (1)	(1),(2)				(Restated) (3)	(Restated) (4)		(Restated) (5)	
Net investment in capital assets	\$ 122,628,297	129,476,162	133,301,449	138,096,814	140,904,947	142,750,411	146,623,320	153,117,332	161,980,529	163,905,230
Restricted	143,817,796	93,262,484	81,943,441	84,400,139	68,114,126	74,322,854	72,078,926	83,218,317	76,345,568	81,021,480
Unrestricted	(518,786,448)	(547,421,671)	(603,117,519)	(653,085,898)	(667,929,177)	(662,296,728)	(636,801,049)	(673,447,187)	(803,390,717)	(766,711,057)
Governmental activities / primary government	\$ (252,340,355)	(324,683,025)	(387,872,629)	(430,588,945)	(458,910,104)	(445,223,463)	(418,098,803)	(437,111,538)	(565,064,620)	(521,784,347)

Notes:

- (1) The 2010 restricted and unrestricted net position has been reclassified to reflect the impact of the 2011 implementation of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The years prior to 2010 have not been reclassified.
- (2) The 2011 restricted and unrestricted net position has been reduced by \$3,003,674 to reflect the write-off of \$2,581,105 in bond issuance costs and \$422,569 in deferred refunding costs comprised of unamortized issuance costs on previously refunded debt as a result of the 2012 implementation of Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*.
- (3) Beginning July 1, 2014 unrestricted net position has been reduced by \$15,304,861 to reflect the restatement of beginning net position required by the 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.
- (4) Beginning July 1, 2015 unrestricted net position has been reduced by \$10,905,487 to reflect the restatement of beginning net position required by the 2016 implementation of Governmental Accounting Standards Board Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*.
- (5) Beginning July 1, 2017 unrestricted net position has been reduced by \$144,994,618 to reflect the restatement of beginning net position required by the 2018 implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Table 2

Guilford County, North Carolina
Schedule of Changes in Fund Balances / Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes:										
Property taxes	\$ 338,881,551	338,901,967	361,701,450	363,917,353	374,929,286	374,106,409	375,810,512	379,169,473	387,459,033	394,289,824
Sales taxes	62,749,914	62,543,117	66,753,745	69,157,461	72,383,124	78,921,056	83,280,909	87,177,424	89,330,783	93,149,671
Occupancy taxes	3,853,035	4,084,391	4,441,971	4,530,714	4,929,357	5,447,955	5,462,046	5,724,845	5,983,575	6,533,545
Excise taxes	1,560,241	1,544,182	1,628,390	1,900,114	2,019,417	2,434,052	2,606,515	2,868,222	2,872,476	3,156,667
Local gross receipts taxes	578,291	628,422	685,671	687,863	721,066	790,938	815,038	831,792	840,943	934,145
Franchise taxes	149,479	82,213	-	-	-	-	-	-	-	-
Total taxes	407,772,511	407,784,292	435,211,227	440,193,505	454,982,250	461,700,410	467,975,020	475,771,756	486,486,810	498,063,852
Licenses and permits	1,440,463	1,565,894	1,515,015	1,615,435	1,599,130	1,872,630	1,720,368	2,214,696	1,994,084	2,156,449
Intergovernmental	102,154,244	108,877,034	95,334,713	88,797,966	76,942,485	82,353,630	84,119,841	95,078,003	62,669,334	62,816,310
Charges for services	38,919,317	37,771,760	39,396,379	35,376,318	34,300,511	32,556,009	37,093,169	41,556,517	39,907,519	38,659,331
Investment earnings	3,098,015	1,761,870	1,084,348	913,633	628,946	547,533	1,093,684	1,908,670	4,208,440	6,894,460
Other	5,787,254	4,859,173	6,647,123	6,165,660	4,544,614	5,469,194	4,792,823	4,664,494	5,290,939	5,287,230
Total revenues	559,171,804	562,620,023	579,188,805	573,062,517	572,997,936	584,499,406	596,794,905	621,194,136	600,557,126	613,877,632
Expenditures										
General government	39,026,532	41,211,152	41,411,153	44,636,072	41,705,096	41,862,561	44,202,895	45,241,253	46,281,130	47,988,036
Human services	157,837,907	156,312,988	149,105,449	135,334,550	120,065,222	123,157,149	127,650,833	134,950,019	109,377,917	111,103,757
Public safety	94,698,652	94,936,538	101,788,522	109,199,054	108,271,215	112,511,576	117,120,545	121,601,799	125,977,700	128,522,111
Environmental protection	1,203,142	1,236,978	1,259,345	1,260,849	1,306,171	1,368,887	1,489,132	1,718,259	1,805,243	1,868,297
Culture - recreation	5,757,497	4,882,347	4,794,610	5,435,795	4,959,362	5,031,761	5,587,918	5,563,011	6,355,035	6,722,677
Urban redevelopment & housing	219,047	-	-	-	-	-	-	-	-	-
Economic development & assistance	4,580,634	5,764,008	6,763,125	5,665,860	6,724,093	6,885,909	7,239,747	7,197,883	7,228,783	7,491,888
Education (1)	186,918,211	186,918,211	186,918,211	187,383,088	189,528,088	192,658,088	197,710,398	203,010,398	211,010,398	218,760,398
Capital outlay - Education (1)	64,802,350	87,236,308	95,385,257	65,973,899	86,450,490	34,900,629	25,506,712	84,524,128	40,412,553	12,864,371
Capital outlay - Other	31,362,531	76,124,528	32,100,377	25,984,432	7,732,346	7,071,597	6,499,460	3,764,585	8,206,891	5,398,174
Debt service:										
Principal	36,215,200	37,545,200	45,602,892	49,495,585	51,210,585	53,270,585	56,945,585	58,135,585	62,445,585	62,395,000
Interest	20,852,231	27,018,923	27,136,589	33,104,335	30,972,615	28,839,478	26,657,964	23,974,107	32,279,923	32,657,510
Other fiscal charges	3,834,542	1,776,942	1,859,397	1,025,997	1,052,028	878,905	760,512	776,914	265,757	9,370
Bond issuance / put bond costs	1,748,409	-	1,499,741	-	-	-	621,582	1,364,306	969,842	340,951
Total expenditures	649,056,885	720,964,123	695,624,668	664,499,516	649,977,311	608,437,125	617,993,283	691,822,247	652,616,757	636,122,540
Excess (deficiency) of revenues over expenditures	(89,885,081)	(158,344,100)	(116,435,863)	(91,436,999)	(76,979,375)	(23,937,719)	(21,198,378)	(70,628,111)	(52,059,631)	(22,244,908)

**Other Financing Sources (Uses) &
Other Changes in Fund Balances**

Refunding bonds issued	135,990,000	-	46,135,000	-	-	-	92,930,000	-	179,785,000	-
General obligation bonds issued	165,000,000	-	150,890,000	-	-	-	-	187,265,000	-	40,000,000
Bond anticipation notes issued	-	-	-	-	50,000	2,300,000	22,000,000	-	-	-
Refunding capital-related debt issued	-	-	3,316,300	-	-	-	-	-	-	-
Capital-related debt issued	-	-	21,820,000	-	-	-	-	-	-	-
Payment to bond refunding escrow agent	(146,310,850)	-	(53,364,279)	-	-	-	(111,191,212)	(24,350,000)	(208,024,114)	-
Premiums on bonds/put bonds/refunding bonds issued	30,354,381	-	29,039,009	-	-	-	18,891,592	24,564,701	29,635,953	5,813,243
Payment to terminate interest rate swaps	(11,211,119)	-	(4,660,034)	-	-	-	-	-	(420,000)	-
Payment to refinance capital-related debt	-	-	(3,316,300)	-	-	-	-	-	-	-
Transfers in	9,781,781	6,794,162	1,500,000	5,141,210	5,500,000	6,752,898	8,355,029	8,250,000	8,712,149	9,500,000
Transfers out	(9,781,781)	(6,794,162)	(1,500,000)	(5,141,210)	(5,500,000)	(6,752,898)	(8,355,029)	(8,250,000)	(8,712,149)	(9,500,000)
Sale of capital assets	165,734	7,822,165	104,378	288,165	127,435	437,320	1,898,186	85,893	245,998	5,823,678
Total other financing sources (uses) and other changes in fund balances	173,988,146	7,822,165	189,964,074	288,165	177,435	2,737,320	24,528,566	187,565,594	1,222,837	51,636,921
Changes in Fund Balances										
Governmental funds	\$ 84,103,065	(150,521,935)	73,528,211	(91,148,834)	(76,801,940)	(21,200,399)	3,330,188	116,937,483	(50,836,794)	29,392,013
Debt service as a percentage of noncapital expenditures (2)	8.94%	9.39%	10.98%	12.70%	12.81%	13.65%	13.74%	12.03%	14.84%	15.28%
Fund Balances										
General fund:	(Reclassified) (3)	(3)								
Non spendable	\$ 54,351	499,646	1,358,046	1,441,612	1,293,053	1,268,584	1,172,718	1,209,173	1,097,850	968,077
Restricted	60,625,494	51,084,382	57,971,070	53,372,359	46,166,524	49,782,226	51,937,573	78,012,866	74,331,512	69,711,905
Committed	33,342	27,692	24,472	20,575	16,630	16,630	16,630	16,630	2,539	2,539
Assigned	25,541,815	25,447,565	27,107,976	24,751,319	24,180,984	27,036,247	26,979,256	24,827,400	21,202,603	21,514,258
Unassigned	53,291,259	55,209,633	53,990,425	58,714,232	79,472,632	84,929,054	85,287,999	87,378,403	82,892,048	78,240,395
Total general fund	139,546,261	132,268,918	140,451,989	138,300,097	151,129,823	163,032,741	165,394,176	191,444,472	179,526,552	170,437,174
All other governmental funds:		(3)								
Reserved	85,380,194	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	310,200	-	-	-	-	-	-	-	-	-
Capital projects funds	228,261,582	-	-	-	-	-	-	-	-	-
Non spendable	-	-	-	-	-	-	-	16,980	-	30,000
Restricted	-	148,181,022	195,194,337	127,209,068	36,393,081	18,048,999	12,662,980	97,634,341	56,637,188	86,729,308
Committed	-	18,629,202	29,582,739	11,369,186	20,985,641	17,145,558	18,241,070	13,704,347	13,186,880	12,935,599
Assigned	-	5,587,932	15,656,754	14,066,459	4,651,608	5,540,252	7,613,894	7,008,885	9,099,718	17,214,336
Unassigned	-	(1,690,772)	(4,381,306)	(5,589,131)	(4,606,414)	(16,414,210)	(13,228,592)	(2,188,014)	(1,666,121)	(1,170,187)
Total all other governmental funds	313,951,976	170,707,384	236,052,524	147,055,582	57,423,916	24,320,599	25,289,352	116,176,539	77,257,665	115,739,056
Total fund balances	\$ 453,498,237	302,976,302	376,504,513	285,355,679	208,553,739	187,353,340	190,683,528	307,621,011	256,784,217	286,176,230

Notes:

- (1) For year 2010, annual capital appropriations to Guilford Technical Community College and Guilford County Board of Education from the General Fund are included in Capital outlay - Education as in the future years when these appropriations were reported in the School Capital Outlay Fund.
- (2) Debt service as a percentage of noncapital expenditures reflects principal and interest only divided by the sum of total expenditures less capital expenditures in all functional categories but only to the extent capitalized as an asset by the County. Water and sewer and school capital expenditures in the Capital Projects Funds which are assets of the municipalities, Guilford County Schools and Guilford Technical Community College are included in noncapital expenditures for the purposes of this calculation.
- (3) The 2010 fund balances have been reclassified to reflect the impact of the 2011 implementation of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Table 3

**Guilford County, North Carolina
Assessed and Estimated Actual Value
of Taxable Property
Last Ten Fiscal Years**

Fiscal Year	Total Real Property (1)		Personal Property (2)	Public Service Companies' Property (2)	Total		Ratio of Total Assessed To Total Estimated Actual Taxable Value	Total Direct Tax Rate (4)
	Assessed Taxable Value	Estimated Actual Taxable Value	Assessed Taxable Value	Assessed Taxable Value	Assessed Taxable Value	Estimated Actual Taxable Value		
2010	\$ 36,596,181,356	40,193,499,567	7,223,197,327	1,072,382,177	44,891,760,860	48,489,079,071	92.6 %	\$ 0.7590
2011	36,814,403,214	38,743,846,784	7,017,828,595	1,034,274,005	44,866,505,814	46,795,949,384	95.9	0.7592
2012	37,039,761,422	35,711,301,024	7,304,372,150	1,013,624,243	45,357,757,815	44,029,297,417	103.0	0.8040
2013 ⁽³⁾	36,867,575,947	37,030,510,192	7,610,406,089	1,067,428,654	45,545,410,690	45,708,344,935	99.6	0.8042
2014	36,986,215,133	37,224,451,623	8,246,115,049	1,065,598,325	46,297,928,507	46,536,164,997	99.5	0.7938
2015	37,288,572,740	38,185,942,386	8,207,816,947	1,103,440,544	46,599,830,231	47,497,199,877	98.1	0.7981
2016	37,661,151,234	39,365,685,412	8,497,141,229	1,226,988,869	47,385,281,332	49,089,815,510	96.5	0.7896
2017	38,131,768,965	39,001,502,470	8,823,734,260	1,251,027,428	48,206,530,653	49,076,264,158	98.2	0.7847
2018 ⁽³⁾	40,538,463,183	40,640,063,341	8,873,395,357	1,318,902,194	50,730,760,734	50,832,360,892	99.8	0.7608
2019	40,883,802,365	43,153,686,262	9,135,848,611	1,325,606,744	51,345,257,720	53,615,141,617	95.8	0.7620

Notes:

- (1) Estimated actual taxable value of real property is calculated by dividing taxable assessed value by a real estate assessment sales ratio study percentage by county obtained from the North Carolina Department of Revenue Tax Research Division.
- (2) Personal property is appraised each year and assessed at 100% of appraised value. Public service companies' property includes real and personal property of utilities, railroads and airlines, etc. These assessments are made by the North Carolina Department of Revenue with no distinction between real and personal property.
- (3) A revaluation of real property is required by the North Carolina General Statutes at least every eight years. The Guilford County Board of Commissioners has adopted a policy to revalue property every five years. The most recent revaluation in 2018 is reflected in the increased real property values. The previous revaluation is reflected in the decreased real property values in fiscal year 2013 from a down market.
- (4) Per \$100 of assessed value. See Table 4 for details of the County's total direct rate, a weighted average rate.

Table 4

Guilford County, North Carolina
Property Tax Rates - Direct and Overlapping Governments
(Per \$100 of Assessed Value)
Last Ten Fiscal Years

	Fiscal Year Taxes Are Payable									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
County Direct Rates:										
General Levy (1):										
Property taxed at current year's rate	\$ 0.7164	0.7182	0.7609	0.7580	0.7471	0.7700	0.7600	0.7550	0.7305	0.7305
Registered motor vehicles at prior rate	<u>0.0210</u>	<u>0.0192</u>	<u>0.0203</u>	<u>0.0225</u>	<u>0.0229</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
Total general direct rate	0.7374	0.7374	0.7812	0.7805	0.7700	0.7700	0.7600	0.7550	0.7305	0.7305
Fire Protection Districts (2)	<u>0.0216</u>	<u>0.0218</u>	<u>0.0228</u>	<u>0.0237</u>	<u>0.0238</u>	<u>0.0281</u>	<u>0.0296</u>	<u>0.0297</u>	<u>0.0303</u>	<u>0.0315</u>
Total direct rate	\$ <u>0.7590</u>	<u>0.7592</u>	<u>0.8040</u>	<u>0.8042</u>	<u>0.7938</u>	<u>0.7981</u>	<u>0.7896</u>	<u>0.7847</u>	<u>0.7608</u>	<u>0.7620</u>
City Rates:										
Burlington (3)	\$ 0.5904	0.5900	0.5801	0.5800	0.5800	0.5800	0.5800	0.5800	0.5973	0.5973
Greensboro	0.6375	0.6352	0.6349	0.6351	0.6350	0.6350	0.6350	0.6352	0.6353	0.6352
High Point	0.6330	0.6330	0.6613	0.6746	0.6750	0.6646	0.6500	0.6475	0.6475	0.6475
Kernersville (3)	0.4975	0.4975	0.4975	0.4975	0.5273	0.5424	0.5425	0.5700	0.5545	0.5700
Town Rates:										
Archdale (4)	\$ 0.2900	0.2900	0.2900	0.2900	0.2900	0.2900	0.2900	0.2900	0.2900	0.2900
Gibsonville (4)	0.5100	0.5100	0.5100	0.5100	0.5100	0.5100	0.5100	0.5100	0.5300	0.5300
Jamestown	0.3700	0.3895	0.3900	0.3948	0.4434	0.4544	0.4550	0.4550	0.4680	0.4680
Oak Ridge	0.0863	0.0863	0.0863	0.0863	0.0863	0.0863	0.0863	0.0863	0.0800	0.0800
Pleasant Garden	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0500	0.0500
Sedalia	0.2000	0.2729	0.2750	0.2750	0.2750	0.2750	0.2750	0.2750	0.2750	0.2750
Summerfield (5)	0.0018	0.0350	0.0350	0.0350	0.0350	0.0279	0.0275	0.0275	0.0275	0.0275
Whitsett	0.0500	0.0500	0.0500	0.0500	0.0500	0.1438	0.1500	0.1500	0.1500	0.1500
Sedgefield Sanitary District	\$ 0.0300	0.0300	0.0300	0.0358	0.0360	0.0360	0.0360	0.0360	0.0360	0.0360

Notes:

- (1) All taxable property is subject to a county-wide tax. The general County direct rate differs from the county-wide rate approved by the Board of Commissioners each fiscal year because direct rates are a weighted average rate. The most significant differences are from certain registered motor vehicles levied at prior year tax rates in accordance with North Carolina General Statutes.
- (2) Most property in unincorporated areas is subject to one of thirty-six special fire district taxes. The fire protection districts' direct rate is a combined rate as the impact of each individual fire district is considered insignificant. The direct rate is much lower than the individual rates approved by the Board of Commissioners each fiscal year because direct rates are a weighted average rate and are impacted by assessed taxable values outside the fire protection districts' boundaries.
- (3) Burlington's and Kernersville's total direct rates are computed only with regard to assessed taxable value in Guilford County.
- (4) The difference between the Archdale and Gibsonville total direct rates and the reported city-wide rates is considered insignificant.
- (5) For FY 2011, city-wide rates are reported, as data to compute total direct rates is not available.

Table 5

**Guilford County, North Carolina
Principal Taxpayers
Current Year and Nine Years Ago**

Taxpayer	Fiscal Year 2019			Fiscal Year 2010		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Duke Energy Carolinas LLC	\$ 488,662,306	1	0.95	\$ 355,254,996	1	0.79
Koury Corporation	319,071,421	2	0.62	276,974,844	2	0.62
Procter & Gamble Manufacturing Company	278,442,832	3	0.54	266,004,864	3	0.59
American Express Travel Related Services Inc.	231,238,195	4	0.45	203,334,331	4	0.45
Lincoln National Life Insurance (formerly Jefferson-Pilot)	228,627,388	5	0.45			
ITG Brands LLC (formerly Lorillard Tobacco Company)	228,478,906	6	0.45			
CBL LLC (formerly CBL & Associates Properties, Inc.)	167,052,400	7	0.33			
Highwoods/Forsyth Limited Partnership	149,745,316	8	0.29			
International Home Furnishings Center	148,877,500	9	0.29	184,907,653	7	0.41
Piedmont Natural Gas	142,851,211	10	0.28	178,521,431	8	0.40
TYCO Electronics	-		-	197,557,213	5	0.44
RF Micro Devices, Inc.	-		-	191,628,364	6	0.43
BellSouth	-		-	161,182,152	9	0.36
Liberty Property LP	-		-	143,772,188	10	0.32
Total Top Ten Principal Taxpayers	\$ <u>2,383,047,475</u>		<u>4.65</u>	\$ <u>2,159,138,036</u>		<u>4.81</u>

Source: Guilford County Tax Department.

Table 6

**Guilford County, North Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	(1) Taxes Levied for the Fiscal Year	Subsequent Years' Adjustments	Total Adjusted Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percent of Original Levy		Amount	Percent of Adjusted Tax Levy
2010	\$ 339,838,448	(314,763)	339,523,685	333,596,483	98.16	5,239,099	338,835,582	99.80
2011	339,943,072	(298,971)	339,644,101	333,063,607	97.98	5,898,820	338,962,427	99.80
2012	363,248,000	(428,531)	362,819,469	355,095,355	97.76	6,811,600	361,906,955	99.75
2013 ⁽²⁾	365,428,942	(1,367,981)	364,060,961	356,582,243	97.58	6,285,822	362,868,065	99.67
2014	372,017,706	(906,512)	371,111,194	366,529,630	98.52	3,664,946	370,194,576	99.75
2015	371,794,827	(734,152)	371,060,675	368,321,489	99.07	2,155,816	370,477,305	99.84
2016	373,904,683	(135,116)	373,769,567	370,755,116	99.16	2,313,179	373,068,295	99.81
2017	377,874,202	(176,515)	377,697,687	374,837,826	99.20	1,980,808	376,818,634	99.77
2018 ⁽²⁾	386,072,554	(273,082)	385,799,472	383,244,006	99.27	1,272,098	384,516,104	99.67
2019	393,496,631	-	393,496,631	390,470,048	99.23	-	390,470,048	99.23

Note:

- (1) Original levy adjusted for discoveries, penalties, discounts allowed and releases as of fiscal year end of the levy.
- (2) A revaluation of real property is required by the North Carolina General Statutes at least every eight years. The Guilford County Board of Commissioners has adopted a policy to revalue property every five years. The most recent revaluation in 2018 is reflected in the increased real property values. The previous revaluation is reflected in the decreased real property values in fiscal year 2013 from a down market, as well as increased appeals of revalued amounts and thus, larger adjustments due to releases based on these appeals.

Table 7

Guilford County, North Carolina
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	General Bonded Debt Outstanding			Other Governmental Activities Debt			
				Limited Obligation Bonds, Capital Leases and Installment Financings (1)	Total Primary Government (1)	Percentage of Personal Income (3)	Per Capita (3)
Fiscal Year	General Obligation Bonds (1)	Percentage of Estimated Actual Taxable Value of Property (2)	Per Capita				
2010	\$ 846,091,651	1.74	1,747.47	4,783,962	850,875,613	4.89	1,757.35
2011	806,334,450	1.72	1,647.07	4,147,088	810,481,538	4.57	1,655.54
2012	932,027,810	2.12	1,882.39	3,571,400	935,599,210	5.06	1,889.61
2013	879,076,323	1.92	1,755.20	24,498,508	903,574,831	4.61	1,804.12
2014	824,376,111	1.77	1,626.65	23,222,923	847,599,034	4.32	1,672.47
2015	769,783,196	1.62	1,501.83	21,947,338	791,730,534	3.81	1,544.65
2016	736,321,847	1.50	1,422.71	20,671,754	756,993,601	3.42	1,462.65
2017	861,133,538	1.75	1,651.80	19,396,169	880,529,707	3.75	1,689.01
2018	791,334,576	1.56	1,501.72	16,845,000	808,179,576	3.39	1,533.68
2019	764,997,176	1.43	1,433.46	16,845,000	781,842,176	3.17	1,465.03

Notes:

(1) Details regarding the County's outstanding debt can be found in the notes to the financial statements and includes unamortized bond issuance premiums less unamortized swap termination fees.

Amounts for fiscal year 2011 and prior do not include bond refunding charges as a result of GASB 63.

(2) See Table 3 for estimated actual taxable value of property data.

(3) See Table 10 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Guilford County, North Carolina
Direct and Overlapping Governmental Activities Debt
June 30, 2019

<u>Jurisdiction</u>	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable (1),(2)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Guilford County	\$ 784,735,915	100.00	\$ 784,735,915
City of Greensboro	357,075,142	100.00	357,075,142
City of High Point	67,045,007	93.76	62,861,399
Town of Kernersville	28,626,405	4.83	1,382,655
Town of Gibsonville	3,082,542	49.00	1,510,446
Town of Jamestown	862,744	100.00	862,744
City of Burlington	5,503,559	1.97	108,420
City of Archdale	-	2.95	-
Total overlapping debt			<u>423,800,806</u>
Total direct and overlapping debt			\$ <u>1,208,536,721</u>

Notes:

- (1) Debt and assessed valuation information were obtained from each municipality.
Debt includes all bonded debt and installment purchase obligations for governmental activities.
- (2) The percentage of overlap is based on assessed property values.

Table 9

**Guilford County, North Carolina
Legal Debt Margin Information
Last Ten Fiscal Years (in thousands)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$ 3,591,341	3,589,320	3,628,621	3,643,633	3,703,834	3,727,986	3,790,823	3,856,522	4,058,461	4,107,621
Total net debt applicable to limit	<u>1,158,903</u>	<u>1,185,811</u>	<u>1,167,675</u>	<u>1,118,988</u>	<u>1,068,470</u>	<u>979,518</u>	<u>916,159</u>	<u>811,332</u>	<u>725,055</u>	<u>702,774</u>
Legal debt margin	\$ <u>2,432,438</u>	<u>2,403,509</u>	<u>2,460,946</u>	<u>2,524,645</u>	<u>2,635,364</u>	<u>2,748,468</u>	<u>2,874,664</u>	<u>3,045,190</u>	<u>3,333,406</u>	<u>3,404,847</u>
Total net debt applicable to limit as a percentage of debt limit	32.27%	33.04%	32.18%	30.71%	28.85%	26.27%	24.17%	21.04%	17.87%	17.11%

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value of taxable property	\$ 51,345,257,720
Debt limit (8% of total assessed value)	\$ 4,107,620,618
Debt applicable to limit:	
General obligation bonded debt	686,340,000
Bonds authorized, unissued	-
Limited obligation bonds and obligations under purchase money installment contracts	<u>16,845,000</u>
Gross debt	703,185,000
Less statutory deductions:	
Bonds issued and outstanding for water purposes	<u>410,516</u>
Net amount of debt applicable to debt limit	<u>702,774,484</u>
Legal debt margin	\$ <u>3,404,846,134</u>

**Guilford County, North Carolina
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population (1)	Personal Income (2) <i>(in thousands)</i>	Per Capita Income (3)	Median Age (4)	Public School Enrollment (5)	Unemployment Rate (6)
2010	484,180	\$ 17,394,167	35,925	36.39	70,710	10.9 %
2011	489,557	17,740,567	36,238	36.51	71,227	10.3
2012	495,129	18,505,446	37,375	36.54	71,587	9.3
2013	500,841	19,609,929	39,154	36.63	71,885	8.0
2014	506,794	19,630,159	38,734	36.75	71,787	6.6
2015	512,562	20,799,766	40,580	36.86	71,502	5.9
2016	517,548	22,146,914	42,792	36.89	71,429	5.2
2017	521,330	23,477,575	45,034	37.07	71,396	4.8
2018	526,953	23,846,204	45,253	37.19	71,304	3.9
2019	533,670	24,670,497	46,228	37.30	71,029	4.0

Sources:

(1) Calendar years 2010 through 2016
Calendar years 2017 through 2018

Bureau of Economic Analysis, U.S. Department of Commerce.
United States Census Bureau estimates.

(2) Computed as a factor of population times per capita income.

(3) Calendar years 2010 through 2016
Calendar years 2017 through 2018

Bureau of Economic Analysis, U.S. Department of Commerce.
Piedmont Triad Council of Governments estimate.

(4) Fiscal years 2010 through 2019

State Demographer's Office at the NC Office of Budget & Management

(5) Average daily membership of Guilford County Schools as compiled by North Carolina Department of Public Instruction.

(6) North Carolina Employment Security Commission - Calendar year annual average except for 2019 which is the average adjusted monthly rate for January through June.

Table 11

**Guilford County, North Carolina
Principal Employers
Current Year and Nine Years Ago**

Employer	2019			2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Cone Health	13,085	1	5.24	7,776	2	3.60
Guilford County School System	10,027	2	4.01	10,394	1	4.81
United States Postal Service	3,500	3	1.40	2,800	4	1.30
City of Greensboro	2,949	4	1.18	3,024	3	1.40
Guilford County Government	2,609	5	1.04	2,648	6	1.23
The Volvo Group	2,600	6	1.04	-	-	-
University of North Carolina at Greensboro	2,430	7	0.97	2,800	5	1.30
HAECO Americas	2,200	7	0.88	-	-	-
Ralph Lauren Corporation	2,097	9	0.84	-	-	-
Unifi Inc.	2,064	10	0.83	-	-	-
High Point Regional Health System(1)	-	-	-	2,400	7	1.11
Bank of America	-	-	-	2,200	8	1.02
American Express Credit Card Services	-	-	-	2,100	9	0.97
United Parcel Service	-	-	-	2,000	10	0.93
Total County Employment	249,820			215,925		

Notes:

(1) High Point Regional Health System was acquired by Wake Forest Baptist Health.

Sources:

Principal employer data is from the Triad Business Journal and the individual employers. Total County employment is for calendar years 2009 and 2018 from the North Carolina Department of Commerce.

Guilford County, North Carolina
Total County Government Employees by Function
Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government (1)	464	323	320	315	312	306	325	314	323	333
Human services	1,264	1,176	1,051	987	973	995	1,077	1,087	1,078	1,068
Public safety	913	932	1,021	1,034	1,031	1,031	1,086	1,089	1,122	1,079
Environmental protection	5	4	7	7	7	8	8	7	9	9
Culture-recreation (2)	2	2	2	101	95	103	107	111	120	120
Total	<u>2,648</u>	<u>2,437</u>	<u>2,401</u>	<u>2,444</u>	<u>2,418</u>	<u>2,443</u>	<u>2,603</u>	<u>2,608</u>	<u>2,652</u>	<u>2,609</u>

Note:

- (1) General government employee numbers fluctuate due to election workers being included.
- (2) Culture-recreation employee numbers increased in 2013 due to County managing park operations effective January 1, 2013.

Table 13

**Guilford County, North Carolina
Operating Indicators by Function
Last Ten Fiscal Years**

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government:										
Real estate documents processed (8)	329,094	357,284	351,377	423,053	337,840	329,352	349,976	374,744	351,856	327,833
Vital records recorded and issued (8)	68,196	69,484	72,477	70,806	73,434	77,532	76,100	75,083	78,770	71,875
Building permits issued (2)	2,200	2,200	2,870	2,870	3,804	4,091	4,040	4,248	4,315	4,992
Bldg,plumb,mech & elec insp completed (2)	29,200	29,700	22,014	22,014	27,000	32,351	34,548	34,179	34,398	35,498
Human Services:										
Laboratory tests performed (2),(10)	203,250	209,096	200,364	194,378	187,677	188,086	200,096	196,604	212,292	198,155
Number of prescriptions filled (2),(10)	77,906	98,741	59,703	42,284	44,346	43,637	48,444	59,113	62,518	61,755
Adoption assistance cases (4)	1,059	1,027	1,011	993	950	902	928	959	945	956
Children in Social Services custody (4)	386	374	341	345	386	552	449	539	539	469
Public Safety:										
911 calls received (1),(3)	128,892	130,947	131,072	143,930	150,968	153,459	157,564	164,177	166,270	172,191
Emergency HazMat responses (2),(11)	70	42	22	111	105	12	17	23	22	18
Average daily population juvenile detention (2),(13)	48	35	30	18	24	28	38	35	31	30
Average daily population adult jail (6)	955	920	875	883	932	932	811	881	906	926
Number of animals received (2),(12)	16,890	17,000	16,000	16,000	13,933	11,487	12,176	10,129	9,458	6,968
Number of spay/neuter surgeries performed (2),(12)	5,098	7,200	4,000	4,000	5,525	1,460	2,040	3,621	2,790	3,099
Environmental protection: (9)										
Number of scrap tires processed	565,000	610,000	550,000	520,000	540,000	465,000	517,000	577,500	585,000	611,600
Number of white goods disposed of (tons)	236	169	97	85	85	125	150	205	197	208
Culture - recreation: (2)										
Number of park and rec participants (14)	2,770,350	2,788,440	2,788,440	3,025,000	3,136,000	3,160,600	3,160,600	-	-	1,000,000
Education:										
Average daily membership (5)	70,710	71,227	71,587	71,885	71,787	71,502	71,429	71,396	71,304	71,029
County appropriation per pupil (7)	\$ 2,477.24	\$ 2,459.26	\$ 2,446.89	\$ 2,443.21	\$ 2,467.44	\$ 2,508.47	\$ 2,567.03	\$ 2,638.25	\$ 2,746.84	\$ 2,852.50

Note:

(1) Effective 2007, Guilford County and the City of Greensboro formed the combined Guilford-Metro 911 Emergency Communications Center.

Sources:

- (2) Guilford County Annual Budget
- (3) Guilford-Metro 911 Emergency Communications Center
- (4) Guilford County Department of Social Services
- (5) North Carolina Department of Public Instruction
- (6) Guilford County Annual Budget except for 2011-2019 per Law Enforcement Department
- (7) Guilford County Current Appropriations per average daily membership
- (8) Guilford County Register of Deeds
- (9) Guilford County Planning and Development
- (10) Guilford County Public Health 2011-2019
- (11) Guilford County Emergency Services 2011-2019
- (12) Guilford County Animal Shelter 2014-2019
- (13) Guilford County Juvenile Detention 2011 - 2019
- (14) Data is not available 2017 - 2018

Table 14

**Guilford County, North Carolina
Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Human Services: (2),(5)										
Public health occupied square footage	101,098	101,098	101,098	101,098	101,098	101,098	101,098	101,098	101,098	101,098
Mental health occupied square footage (10)	208,742	119,750	119,750	-	-	-	-	-	-	-
Social services occupied square footage	148,262	155,738	155,860	155,860	155,860	155,860	164,320	164,320	164,320	164,320
Cooperative extension occupied square footage	47,022	47,022	47,022	47,022	47,022	47,022	47,022	47,022	47,022	47,022
Child support occupied square footage	9,040	15,101	15,101	15,101	15,101	15,101	15,101	15,101	15,101	15,101
Public Safety:										
Number of law enforcement vehicles (4),(5)	426	419	406	425	438	405	398	442	394	421
Number of law enforcement centers (5)	2	2	2	2	2	2	2	2	2	2
Number of emergency medical vehicles (4),(6)	92	83	84	82	82	89	87	97	106	101
Number of emergency medical stations (6)	14	15	15	15	15	16	16	16	16	17
Number of fire marshall vehicles (4),(6)	15	21	24	25	24	22	22	26	24	24
Number of volunteer fire stations (3),(6)	37	36	36	38	38	39	39	39	40	40
Number of volunteer firefighters (6)	629	682	682	620	621	621	603	571	542	482
Number of animal control vehicles (4),(5)	14	14	13	16	19	20	21	22	20	17
Culture-recreation:										
Parks (9)	275	275	275	275	275	275	275	294	294	294
Libraries (7)	10	10	10	10	11	11	11	11	11	11
Education: (1)										
Number of schools (8)	121	122	124	126	126	126	126	126	126	125

Notes:

- (1) Includes Guilford County Schools only.
- (2) Human service square footage is based on occupancy of County owned properties only and does not include data related to services moving to non-County owned properties.
- (3) Includes any volunteer fire station which serves Guilford County regardless of location.

Sources:

- (4) Guilford County Risk Management
- (5) Guilford County Fixed Assets System
- (6) Guilford County Emergency Medical Services Department
- (7) Cities of Greensboro, High Point, Gibsonville and Jamestown
- (8) Guilford County Schools - Years 2013-2018 were changed to the number of actual physical schools versus the number of programs.
- (9) Guilford County Planning and Development
- (10) Guilford County Mental Health services merged with Sandhills Center for Mental Health, Developmental Disabilities and Substance Abuse Services on January 1, 2013.

