

# COMPREHENSIVE ANNUAL FINANCIAL REPORT



THE CITY OF HIGH POINT  
211 SOUTH HAMILTON STREET  
HIGH POINT, NC 27260

336.883.3288  
HIGHPOINTNC.GOV  
@CITYOFHIGHPOINT



*City of*  
**HIGH POINT**  
NORTH CAROLINA

**FISCAL YEAR  
ENDED  
JUNE 30, 2020**





## **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

### *CITY COUNCIL*

<b>JAY WAGNER</b>	<b>MAYOR</b>
<b>JASON EWING</b>	<b>MAYOR PRO-TEMPORE; WARD 6</b>
<b>BRITT MOORE</b>	<b>AT- LARGE</b>
<b>DON SCARBOROUGH</b>	<b>AT- LARGE</b>
<b>JEFFREY GOLDEN</b>	<b>WARD 1</b>
<b>CHRISTOPHER WILLIAMS</b>	<b>WARD 2</b>
<b>MONICA PETERS</b>	<b>WARD 3</b>
<b>WESLEY HUDSON</b>	<b>WARD 4</b>
<b>VICTOR JONES</b>	<b>WARD 5</b>

*INTERIM CITY MANAGER*  
**RANDY E. McCASLIN**

*ASSISTANT CITY MANAGER*  
**GREG FERGUSON**

*ASSISTANT CITY MANAGER*  
**ERIC OLMEDO**

*FINANCIAL SERVICES DIRECTOR*  
**BOBBY FITZJOHN, CPA, NCLGFO**

*ASSISTANT FINANCIAL SERVICES DIRECTOR*  
**HEATHER FORREST, NCLGFO**

*PREPARED BY THE FINANCIAL SERVICES DEPARTMENT*

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## Financial Services

Bobby Fitzjohn, CPA

DIRECTOR



October 30, 2020

The Honorable Mayor Jay W. Wagner  
Members of the City Council  
And the Citizens of the City of High Point, North Carolina

We are pleased to present the Comprehensive Annual Financial Report ("Report") of the City of High Point, North Carolina (City) for the fiscal year ended June 30, 2020. We are extremely proud that this report has been prepared in its entirety by the City's Financial Services Department. The financial statements and supplemental schedules have been audited by the independent certified public accounting firm of Cherry Bekaert LLP, and that firm's unmodified report is included in the Financial Section of this Report. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data as presented is accurate in all material aspects and that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

### General

The financial statements have been prepared in compliance with the applicable requirements of the General Statutes of North Carolina and are consistent with the standards and guidelines recognized for governmental accounting and reporting contained in both *Audits of State and Local Governments*, an audit guide prepared by the Committee of Governmental Accounting of the American Institute of Certified Public Accountants (AICPA) and *Government Auditing Standards*, issued by the Comptroller General of the United States. Among other resources used in the preparation of the Report, the Financial Services Department has given particular attention to the *Governmental Accounting, Auditing and Financial Reporting* (GAAFR), issued by the Government Finance Officers Association of the United States and Canada (GFOA), and Governmental Accounting Standards Board (GASB) pronouncements.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal, and should be read in conjunction with it.

The City is also required to undergo an annual compliance audit on federal and state financial assistance programs in conformity with the provisions of the Single Audit Act Amendments of 1996, the State Single Audit Implementation Act, and U.S. Office of Management and Budget Uniform Grant Guidance, *Audits of States, Local Governments and Nonprofit Organizations*. The auditor's reports and the Schedule of Expenditures of Federal and State awards, required as part of a single audit, are found in the **Compliance Section** of this report.

Accounting- Reporting  
336.883.3240

Administration  
336.883.3123

Accounting-Operations  
336.883.3239

Purchasing  
336.883.3219

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City of High Point, P.O. Box 230, 211 South Hamilton Street, High Point, NC 27261 USA

Fax: 336.883.8572 Phone: 336.883.3237 TDD 336.883.8517

The City of High Point has participated in the GFOA Certificate of Excellence Program since 1980. The GFOA recognizes governmental units that issue their comprehensive annual financial reports (CAFR) substantially in conformity with the standards of the GASB. The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to City of High Point, North Carolina for its CAFR for the fiscal year ended June 30, 2019. This marked the 33<sup>rd</sup> time the City has received the Certificate of Achievement since 1980, and the 25<sup>th</sup> consecutive year in a row.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. The Report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **The Reporting Entity**

In conformity with the standards of the GASB, this report includes all funds of the City, as well as its component units. The City of High Point (as legally defined) is considered to be a primary government. Component units are legally separate entities for which the primary government is financially accountable or for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The primary government is considered financially accountable if it appoints a voting majority of the organization's governing body; and 1) it is able to impose its will on that organization, or 2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burden on, the primary government.

Discretely presented component units are reported in a separate column in the Government-wide financial statements to emphasize that they are legally separate from the primary government and to distinguish their financial position, results of operations, and cash flows from those of the City. The High Point ABC Board is included as a discretely presented component unit. The ABC Board's governing members are appointed by the City Council. However, the City has no further accountability for its operations.

Blended component units are, in substance, part of the City's operations. The City has three blended component units, Forward High Point, Inc., Core City CDC, and the High Point Public Facilities Corporation. These component units are reported as part of the Community Development Special Revenue Fund and the Debt Service Fund. Additional information on the blended and discretely presented component units can be found in Note I. A.

### **Description of the City**

The City of High Point is centrally located in the heart of the Piedmont region of North Carolina. High Point is unique – the City is the only municipality in North Carolina whose city limits encompasses parts of four counties. Most of the City is located within the southwest quadrant of Guilford County; approximately two percent of the City's area extending into neighboring Randolph, Davidson and Forsyth counties. The City covers over 57.4 square miles and has a population exceeding 115,500.

The City is empowered by State Statute to levy an ad valorem property tax on the appraised value of all real and tangible personal property located within the City. The respective counties mentioned above are the only other governmental units levying such taxes within the City's corporate limits. The City is also empowered to extend its corporate limits by annexation.

### **Form of Government**

The City has a Council-Manager form of government. The Council is the legislative body of the City government with the Mayor as a voting member and the presiding officer. The Mayor is elected on an at-large basis for a four-year term. The remainder of City Council is composed of two at-large members and representatives from six voting wards. Council members are elected on a non-partisan basis and serve four-year terms. Elections are held in November of odd-numbered years, every four years. The City Manager, the chief executive officer, is appointed by and serves at the pleasure of the Council. They are responsible for carrying out the policies and ordinances of the Council and administering the daily operations of the City through appointed department heads.

The City provides a wide range of services for its citizens, including law enforcement, fire protection, public safety, planning and developmental services, street maintenance, cemeteries, cultural and recreational activities, general administration, community development and library services. In addition to these general government activities, the City provides and maintains water, sewer, electrical, and storm water utilities, a refuse collection, landfill and recycling operation, a public parking system, and a mass transit system for the benefit of its citizens. This report includes all the City's fiscal activities in maintaining these services. The City also extends financial support to a variety of boards, agencies and commissions to assist their efforts in serving citizens.

### **Business and Economic Development**

A thriving city whose population exceeds 115,500 residents, High Point is a "gig community" having internet connections that are amazingly fast, up to 1 gigabit per second – is located alongside Greensboro and Winston-Salem in the Piedmont Triad region of North Carolina, 35th largest metro area with a population exceeding 1.7 million. The City is located along the I-85/I-40 corridor and the I-74/I-73 corridor in the Piedmont crescent region of central North Carolina. High Point serves as a center for home furnishings, manufacturing, distribution/logistics, commercial photography, aerospace, high tech pharmaceuticals and service providers.

#### **The High Point Market**

A globally-connected city, High Point earns its nicknames as *North Carolina's International City™* and *Home Furnishings Capital of the World™*. The City has been known as the "Home Furnishings Capital of the World" for nearly a century. The City hosts the High Point Home Furnishings Market (formerly known as the International Home Furnishings Market), the world's largest international home furnishings trade show each April and October, and the international "Showtime!" fabric market each June and December. Annually, these markets attract more than 150,000 domestic and international exhibitors and buyers from more than 110 countries around the world.

More than 2,000 domestic and international manufacturers and exhibitors currently show in approximately 11.5 million square feet of permanent and temporary showroom space located in the City's downtown area. The City also features a network of home furnishings retailers attracting consumers from across the country. Tens of thousands of shoppers travel to the City annually to purchase home furnishings. In addition to furniture sales, this has been a positive impact on the City's hospitality industry.

In 2011, International Market Centers, LP, a limited partnership (“IMC”), invested approximately \$1 billion to purchase three major showroom complexes in the City: the International Home Furnishings Center, Market Square, and Showplace buildings. In addition to these properties, IMC also purchased the World Market Center buildings in Las Vegas. This combined 11.5 million square feet of exhibition space created the world’s largest network of home furnishings/exhibition space. In September 2017, Blackstone acquired all of IMC’s market investment holdings in High Point and Las Vegas. IMC owns and operates a total of 11 showroom buildings in High Point. IMC has announced several expansions headlined by the opening of a 20,000 square foot building. In October 2019, IMC announced a \$33.5 million investment in its High Point showrooms.

A 2018 UNC-Chapel Hill and Duke University study found that the High Point Market generates more than \$6.73 billion in economic impact to the overall regional economy (the counties within a 75-mile radius from downtown High Point). UNC-Chapel Hill and Duke University’s Global Value Chans Center, which conducted the study, found that the High Point Market supports 42,427 jobs in the region. North Carolina collects approximately \$202 million in tax revenue each year due to the economic activity generated by the High Point Market.

A growing number of diverse companies serves the home furnishings industry, including the two of the largest still photography studios in the country, product design firms, showroom design firms, advertising and public relations agencies, printers and specialized building contractors. Professional trade associations, including the National Home Furnishings Association and the American Home Furnishings Alliance, maintain national headquarters in the City.

The worldwide COVID-19 pandemic led to an initial postponement of the spring market which eventually became the first market cancellation since World War II. Safety concerns were addressed, and the Fall 2020 market occurred as scheduled in October, with lower attendance as expected.

### **Business friendly**

High Point’s healthy business climate can be attributed to progressive city government in strong partnership with the local business community. Most cities say they are business friendly. High Point prides itself on not just saying that catch phrase but on being a business-friendly city government, working in close partnership with its business community. The mayor, city council, and city manager set that tone and ensure it is carried out.

- High Point has a proven record of ensuring companies meet fast track construction schedules.
- The High Point Economic Development Corp. (EDC) is both a department of City government reporting to the City Manager and a public/private partnership partnering with Business High Point and High Point Chamber of Commerce who work together regularly in support of the EDC’s efforts.
- High Point EDC is a part of the Guilford County Economic Development Alliance, working to facilitate the creation of high-quality jobs, new capital investment, retain and expand existing businesses in Guilford County, High Point, and Greensboro.

### **Diversification**

High Point’s economy is impressively diversified, with new industry sectors joining the City’s traditional industries.

- Today’s industry sectors include distribution / logistics; aerospace; furniture and home furnishings; advanced manufacturing; customer service / financial; life sciences / pharmaceutical / biotech; healthcare; and commercial photography.

- Successful diversification was just what High Point's business and government leaders had planned more than 30 years ago when the City worked closely with a private developer who created the 1,100-acre Piedmont Centre office / industrial park.

The City has impressively diversified its industrial base from its furniture and hosiery past. In addition to furniture and home furnishings, major industry clusters today include aerospace; logistics, transportation, and distribution; innovative manufacturing; life sciences, pharmaceutical, and nutritional; healthcare; commercial photography; and specialized business services (banking, credit, financial services, etc.). While the furniture industry remains an important part of the local economy, the City has attracted a diverse mixture of local, national and international businesses and industry over the past several years. Of the top 20 major employers in the City, only one such employer is furniture related. This furniture-related firm employs 2.7% (or 619) of the 22,956 employed by the top 20 major employers in the City. The other 19 major employers serve the finance, customer service, logistics and distribution, health care, local government and education sectors. The City is home to 80 companies that are internationally owned.

### **Impressive Business Parks**

- **Piedmont Centre** -- The 1,100-acre Piedmont Centre campus is a contiguous and planned corporate park. With approximately 210 businesses in the corporate park occupying more than 6 million square feet, Piedmont Centre represents an overall capital investment of more than \$400 million. More than 10,000 employees work in the park. Tenants in Piedmont Centre include several of High Point's Top 20 employers: Bank of America's customer service center, Alorica (formerly APAC) Customer Service's contact facility, XPO Logistics, Aetna, Patheon's manufacturing facility, and Advanced Home Care's corporate headquarters.
- **Premier Center** -- Premier Center, is a high-quality, 150-acre office park. Primary tenants include the corporate headquarters of Home Meridian International and the corporate headquarters and distribution center for Samson Marketing and its subsidiaries Legacy Classic Furniture and Universal Furniture. With its recent acquisition of Bank of North Carolina, Pinnacle Bank's regional corporate offices located here. In 2018 Amada North America Inc. announced an investment of \$87 million in a facility that will manufacture and assemble a line of high-precision break bending equipment for the US Market. Additional corporate residents include South University and the Moses Cone MedCenter of High Point, a free-standing emergency medical care facility.
- **Piedmont Corporate Park** -- Piedmont Corporate Park is a 160-acre mixed-use development perfect for office, light manufacturing and distribution facilities. Lot sizes are flexible and can be subdivided to meet a company's needs. In 2019 a new 66,000-square foot Amazon delivery station open for "last mile deliveries." Other tenants include American Premium Beverage, The Quantum Group, Alfred Williams & Company, Tenn-Tex Plastics, and Baltek.
- **Kivett Drive Industrial Park** -- Kivett Drive Industrial Park is a 110-acre park adjacent to the I-74 interchange. Tenants in this park include Mannington Laminate Floors, Canteen Vending Services and a primary distribution center and customer contact facility for RalphLauren.com, a division of Ralph Lauren Corporation.
- **I-74 Corporate Center** -- In 2015, the first phase of the new I-74 Corporate Center opened with the completion of an 840,000-square foot facility for Ralph Lauren Corporation.
- **Gallimore Industrial Center** -- A growing 82-acre industrial park in the airport submarket with 180,000-square already constructed - tenants include Handcraft Linen Services and other soon-to-be-announced tenants.

Canteen Vending opened a distribution hub in the 40,000 square foot facility on North Pendleton Street, bringing 125 jobs to the city. Brittnano Studios, which produces commercials, television shows, and feature films began full operations in High Point in 2019, expanding the diverse industries that call High Point home. In February 2019, Aetna announced that it had added 80 new full-time jobs and is projected to hire approximately 300 new employees by the end of 2020.

In addition to the aforementioned companies, other business sectors in the City are growing and expanding. Affiliated with UNC Health Care since 2013, High Point Regional Health System completed \$150+ million renovation and expansion of the hospital's operating rooms and upgrades to its building infrastructure. Wake Forest Baptist Health acquired High Point Regional System from UNC Health Care in Summer 2018. In October 2020, Wake Forest Baptist Health merged with Atrium Health.

### **Location/Transportation Network**

High Point boasts a superb location for manufacturing/distribution/logistics. High Point is at the center of it all -- centered between Boston and Miami, centered between Washington and Atlanta, centered between Charlotte and Raleigh/Durham/Research Triangle Park.

The ground transportation network is anchored by four interstate highways (I-40, I-85, I-73 and I-74). When coupled with the area's high-speed rail corridors and Piedmont Triad International Airport (PTIA), High Point is a great place to do business.

The Piedmont Triad International Airport (the "Airport") is approximately four miles from the City. The Airport is served by five major airlines: American, Delta, United, US Airways and Spirit. For the calendar year ended December 31, 2019, approximately 60 scheduled daily departures carried 1,078,247 enplaned passengers. The Airport is the mid-Atlantic hub for Federal Express. The Piedmont Triad Airport Authority recently completed a major expansion project and the relocation of the main access road to the Airport. The Piedmont Triad Airport Authority owns and operates the Airport. The airport has seen significant decreases in enplaned passengers in 2020 due to the COVID-19 pandemic. Through September 2020, 293,246 enplaned passengers were reported, compared to 795,736 in the same period in 2019.

The North Carolina State Ports Authority operates an inland terminal just outside High Point. Containers are transported to deep water ports in Wilmington and Morehead City, NC. Ports in Charleston, SC; Savannah, GA; and Norfolk, VA also serve the area. Additionally, regional and continental rail freight services are provided by Norfolk Southern and CSX. Passenger rail service, provided by Amtrak which operates two daily passenger routes through the City along the East Coast, utilizes The Depot, a historic passenger depot that was renovated in 2003. The Depot is also used for other mixed uses and creates a unique focal point for the City's downtown activities.

The City is served by three bus lines for inter-city routes and charter trips. Local bus service is provided by a City-owned 17-unit system. The City has a 50% matching operating deficit grant from the Federal Transportation Administration.

### **Employment**

The City of High Point experienced record unemployment in 2020 due to the COVID-19 pandemic. The area's unemployment rate reached its height in April 2020 at 14.7%, trending downward to 11.1% in June 2020, and had dropped to 7.9% as of September 2020, according to the US Bureau of Labor Statistics.



### *Quality of Life*

High Point's residents enjoy a wide variety of activities on a year-round basis due largely to a mild climate and an abundance of natural recreation amenities. Of the City's two public golf courses, the Oak Hollow course has been consistently rated among the top 75 public courses in the country.

Fourteen tennis courts, four indoor tennis courts, two public lakes and a substantially completed hiking/biking and greenway trail are major attributes of the City's recreational program. The colleges and universities in the area offer residents the opportunity to attend intercollegiate contests in all sports. Additionally, the City is a working partner with community organizations that have created a world-class soccer complex to further enhance recreational sport activities in the area.

The City remains enthusiastic about the Miracle League Field in High Point. Only the second such program in North Carolina, and the only one in the Triad region, the City partnered with civic organizations, most notably Rotary and Kiwanis, to build the specially equipped baseball field and playground to meet the recreational needs of children with intellectual and/or physical disabilities in this area and surrounding communities.

The High Point Theatre is a year-round performing arts facility meeting the cultural needs of the community. It is one of the finest stages and gallery spaces in the Southeast. The Theatre features an elegant 929-seat auditorium with continental style seating. Other facilities include three large exhibition galleries for meetings, display, or receptions. The Theatre is suited for convention use, as well as functions of the arts, and is rented year-round to both amateur and professional groups.

The school system in the City operates under a consolidated City-County arrangement merging all public educational institutions into one system in the County. The City has no financial responsibility for the consolidated school system. The school system offers several magnet schools, including International Baccalaureate, Teaching and Arts, Aviation Technology and Medical Sciences programs at the three high schools in the City, plus many other innovative programs in the numerous elementary and middle school locations in the City. Several well-established private and parochial schools also serve the community. The public library, the High Point Museum and Historical Park, Furniture Discovery Place and the Rebecca R. Smothers Piedmont Environmental Center are additional educational resources.

The educational needs of the citizens of High Point are served by a variety of quality public and private primary, secondary and post-secondary facilities. The City and the Piedmont Triad region are home to 13 major colleges and universities, including High Point University, Wake Forest University and four branches of the University of North Carolina.

High Point University, a private four-year, co-educational liberal arts university affiliated with the United Methodist Church, is located in the City. The University's fall 2020 enrollment was approximately 5,600, comprised of both graduate and undergraduate students. The University has announced a \$1 billion investment on the campus over the next 10 years. More than \$200 million in construction activity was underway on campus in 2019, including the Quebein Arena, Conference Center and Hotel, the Waneck School of Undergraduate Sciences, and the Caine Conservatory. The University employs 1,934, which is a 402% increase as compared to 2005. The University's slogan, "Choose to be Extraordinary" is not just a slogan, but a passion and vision for the institution. High Point's annual economic impact increased to \$765 million.

Four of the State's technical institutions and community colleges are within 25 miles of the City's downtown. Guilford Technical Community College ("GTCC") has a campus in downtown High

Point, which is a satellite to its main campus seven miles away in Jamestown. GTCC currently serves over 11,000 students enrolled in any one of GTCC's degree credit curriculums in the fall of 2019. The City does not have any financial responsibility for GTCC, which is supported by State, federal and County funds.

High Point is experiencing a level of excitement that many citizens cannot recall a more exciting time in the city. The City Council continues to focus on the strategic vision, including the primary goals of blight reduction, retaining and attracting young professionals, and creating a catalyst project that will transform High Point's downtown.

- Attracting and retaining young professionals requires jobs, functional and flexible space, and cultural activity for evenings and weekends. Having highlighted recent job development above, additional developments along this goal include the collaboration of Business High Point, the High Point Convention & Visitors' Bureau (now Visit High Point), and High Point University to create a new project they are calling *High Point 365*. This world class, innovative center will celebrate and capitalize on the City's well-known entrepreneurial spirit and High Point's DNA of being the International Home Furnishings Capital of the World, providing the needed outlet for the City's aspiring entrepreneurs and young professionals.
- Publicly announced in April 2017, the Downtown Catalyst Project was revealed to highlight the expected revitalization of the city's current downtown area. While the Downtown Multi-Use Sports & Entertainment Facility is the immediate focus, the project is about so much more than just baseball! This is about having a facility that can be used for soccer and lacrosse, be host as a concert venue, and serve as an outlet for much needed community gathering space. The additional publicly announced commitments and development partnership along with generosity of several benefactors in the High Point community will bring additional capital for team ownership and community facilities which will include an event center, a children's museum, and downtown public park. Construction was completed and the High Point Rockers played their opening baseball game in May of 2019.
- Congdon Yards, a multi-use development adjacent to Truist Point stadium continues to expand its campus. The campus includes the Adams-Millis Hosier Mill and the former Stickley Furniture building. The Congdon family has invested more than \$30 million in the project. Congdon Yards is intended to be a magnet for small-time furniture entrepreneurs. It will feature a state-of-the-art fabrication facility, meeting hall, library, event spaces, showrooms, eating and dining venues and a commons.
- Plans have been announced for other economic development projects include a new hotel and residential apartments. The announced and expected additional development immediately around the stadium will generate projected 750 new jobs in the core city and new retail spaces. In October 2017, the City authorized a contract with master developer Elliott Sidewalk Properties who will lead and coordinate the development around the City's publicly owned stadium to leverage the utmost potential of the City's investment and maximize development opportunities and growth in the City's property tax base.

### **Accounting System and Budgetary Control**

The diverse nature of governmental operations and the necessity of assuring legal compliance preclude recording and summarizing all governmental financial transactions and balances in a single accounting entity. Therefore, from an accounting and financial management viewpoint, a governmental unit is a combination of several distinctly different fiscal and accounting entities, each having a separate set of accounts and functioning independently of each other. Each accounting entity is accounted for in a separate "fund".

A fund is defined as a fiscal accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received, and the liabilities are incurred. Accounting records for the City's utilities and other enterprises are reported on the accrual basis.

The City's accounting system is organized and operated on a "fund" basis and each fund is classified in one of three categories and further identified as one of seven major types of funds:

<u>Classification</u>	<u>Fund Type</u>
Governmental Funds	General, Special Revenue, Debt Service, Capital Project
Proprietary Funds	Enterprise, Internal Service
Fiduciary Funds	Agency

Governmental Funds: These funds are, in essence, accounting segregations of financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are to be paid; and the differences between governmental fund assets and liabilities, the fund equity, is referred to as "Fund Balance".

The primary measurement focus is upon determination of financial position and changes in financial position, which is supported by the statement of revenues, expenditures, and changes in fund balances. It may be supported or supplemented by more detailed schedules of revenues, expenditures, transfers, and other changes in fund balance.

Proprietary Funds: These funds are sometimes referred to as "income determination," "nonexpendable," or "commercial type" funds and are used to account for a government's on-going organizations and activities, which are like those often found in the private sector.

All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business and quasi-business activities - where net income and capital maintenance are measured - are accounted for through proprietary funds.

The generally accepted accounting principles here are those applicable to similar businesses in the private sector, and the measurement focus is upon determination of net income, financial position, and changes in financial position.

Fiduciary Funds: These funds account for assets held by the City in a trustee capacity or as an agent for other governmental units and for other funds.

Internal Control: In developing and maintaining the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

**Budgetary Control:** The City's financial management software provides the information for effective fiscal management. Through utilization of budgetary accounting methods, effective budgetary control and accountability can be maintained. The Annual Budget, which is adopted for legal control at the functional level but controlled at the department level, authorizes and provides the basis for the City's financial management. The total adopted appropriations constitute the maximum expenditure authorization during the fiscal year and can only be amended by action of the City Council. Expenditures are controlled at the department level for all General, Special Revenue, Debt Service, Capital Projects and Enterprise funds.

Budgetary control is maintained at this level by the encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders, which would result in an overrun of departmental operating balances, are not released until additional appropriations are made available.

Open encumbrances at June 30, 2020, are treated as commitments, rather than expenditures, and such encumbered funds are appropriated for expenditure in fiscal year 2020-2021.

### **Conclusion**

The City of High Point is a rapidly growing and culturally diverse community with over 115,500 residents having a wide variety of neighborhood, business, and civic priorities and expectations. The citizens of High Point have come to expect and appreciate the high level of municipal services they enjoy. The City continues to reap the benefits of the vitality and growth from its economic diversity through development and voluntary annexation. The City recognizes the vitality and importance of the High Point Home Furnishings Market to the City, surrounding region, and State. Consequently, the City continues to actively and aggressively partner with public and private organizations to address competing interests to the Market.

The City continues to face increasingly complex and expensive service needs, desires and mandates, along with the ever present and expensive challenges for continued and needed infrastructure repair and replacement. The above challenges are tied with an environment of trying to manage, balance and finance municipal services and infrastructure investments with minimal tax and utility rates that our citizens and businesses desire. At this writing, we are excited as our local economy continues to exhibit slow and deliberate recovery evidenced by building permits, company expansions, and job announcements. Measuring those impacts of real benefit and growth will require a long-term perspective. The resolve of the community's citizen and business leaders to stop talking about doing something, and instead making something happen through the Downtown Catalyst Project has resulted in enthusiasm and vitality of an invigorated community. It's an exciting time to be in and part of the City of High Point!

The management of the City of High Point continues to accept the challenge of managing all the City's resources in the best possible manner to support the City Council's Strategic Plan points in addition to their commitments and initiatives as well as to deliver municipal services at a cost its

citizens will agree to bear. The use of fund balances has been required, necessary and strategically utilized to provide our citizens the financial stability and security they expect from their local government. The challenge presented the City can be accomplished through our coordinated planning efforts using the Annual Budget, the Capital Improvement Program, and strategic business planning.

### *Acknowledgments*

The preparation of this year's report could not have been accomplished without the year-round dedication of the members of the Financial Services Department team, contributions from numerous City operating departments and their staff, and the assistance of the independent auditors, Cherry Bekaert, LLP.

We wish to especially thank the Mayor and City Council for their support and interest in conducting the financial operations of the City in a responsible and progressive manner. We also thank them for their continued trust, patience, support and commitment they have placed in the City administration as we serve our citizens, businesses, and visitors with exceptional quality services.

Respectfully submitted,

*Randy McCaslin*  
Interim City Manager

*Bobby Fitzjohn*  
Financial Services Director







Government Finance Officers Association

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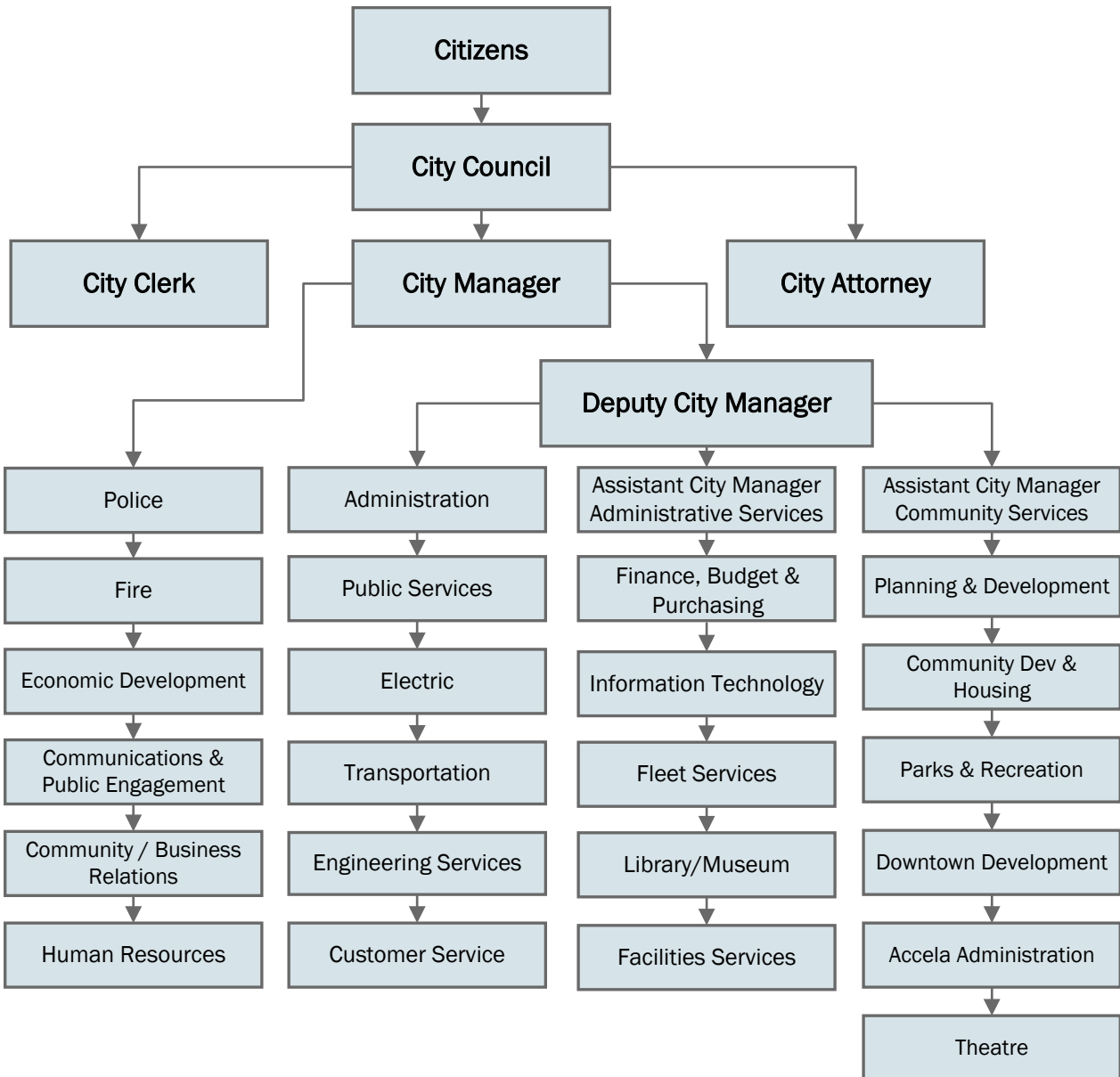
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

# City of High Point Organizational Chart FY 2019-2020





## Report of Independent Auditor

To the Honorable Mayor and  
Members of the City Council  
City of High Point, North Carolina

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the blended and discretely presented component units, each major fund, and the aggregate remaining fund information of the City of High Point, North Carolina (the "City") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City'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 did not audit the financial statements of Forward High Point (the "FHP"), a blended component unit, which represents 0.42%, .15%, and .34% of the assets, net position, and revenues, respectively, of the City's governmental activities and 7.09%, 1.38%, and 4.54% of the assets, fund balance, and revenues, respectively, of the City's nonmajor governmental funds. We also did not audit the financial statements of the City of High Point ABC Board (the "Board"), a discretely presented component unit, as described in our report on the City's financial statements. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for FHP and the Board, is based solely on the reports of other auditors. 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 FHP and the Board 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 City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the blended and discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2020, and the respective changes in financial position and cash flows, where appropriate thereof, and the respective budgetary comparison for the General Fund for the year then ended in 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 ("RSI"), 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 RSI 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 City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, statistical section, and Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. *Code of Federal Regulations, (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the combining and individual fund financial statements and schedules, and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory 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 October 30, 2020, on our consideration of the City'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 City's internal control over financial reporting and compliance.

Handwritten signature of Cheryl Behrman in cursive script, followed by the text "LLP".

Raleigh, North Carolina  
October 30, 2020



## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of City of High Point's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the transmittal letter on page i and the City's financial statements, which begin on page 17.

### FINANCIAL HIGHLIGHTS

The City continues to experience numerous positive results in this year's operations. Pleasingly, the City saw increases once again during the fiscal year. The City is financially sound as is evidenced in our results of operations for the fiscal year ended June 30, 2020.

- The assets and deferred outflows of resources for the City of High Point exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by nearly \$617 million. The net position for governmental activities decreased slightly to \$185.4 million, and business-type net position improved to over \$431.3 million, an increase of 8.2%.
- As of the close of the current fiscal year, the City of High Point's governmental funds reported combined ending fund balances of \$63,811,922, an increase of more than \$9.5 million in comparison with the prior year, primarily due to the issuance of Limited Obligation Bonds for the construction and renovation of the High Point Police Department Headquarters and communication center. Approximately 19 percent of this total amount, or \$12,072,403, is available for spending at the government's discretion in the General Fund. This amount represents nearly 11 percent of total general fund expenditures for the fiscal year completed.
- The City's coveted general obligation bond rating remains a stalwart benchmark to the City's fiscal health. A stable and slowly expanding economic engine, strong financial management and fiscal discipline have resulted in strong and consistent credit ratings. The City's rating of AAA from Standard & Poor's as well as the second highest possible ratings of Aa1 from Moody's and of AA+ from Fitch were reaffirmed in May 2019.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 17–19) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 20. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

#### *Reporting the City as a Whole*

Our analysis of the City as an entity begins on page 17. One of the most important questions asked about the City's finances is, "Is the City as a whole better or worse as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City in its entirety and about its activities in a way that helps answer this question. These statements include all assets, liabilities, and deferred inflows and outflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net financial position and changes in them. Readers are encouraged to think of the City's net position—the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources—as one way to measure the City's financial health, or financial position.

Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. The reader must also consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's infrastructure, to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into three kinds of activities:

- **Governmental activities**—Most of the City's basic services are reported here, including the general administration, police, fire, public services, and parks and recreation departments. Property taxes, sales and occupancy taxes, intergovernmental revenues, along with various Federal and State grants finance most of these activities. The City's three blended component units are reported as part of governmental activities (see Notes of the Financial Statements, 1.A.).
- **Business-type activities**—The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's utility systems (water, sewer, electric, solid waste and storm water) and other business-type activities (mass transit and parking facilities) are reported here.
- **Component units**—The City includes a separate legal entity in its report—the High Point ABC Board. Although legally separate, this “component unit” is important because the City appoints the board. The City is not financially accountable for them, even though net profits are distributed to the City.

#### *Reporting the City's Most Significant Funds*

Our analysis of the City's major funds begins on page 20. The fund financial statements provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. The City's two types of funds—governmental and proprietary—use different methods of accounting.

**Governmental funds**—Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

**Proprietary funds**—When the City charges customers for the services it provides—whether to outside customers or to other units of the City—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services to the City's other programs and activities—such as the City's fleet services operations and health and wellness programs.

## *The City as Trustee*

The City is a trustee responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. All of the City’s fiduciary activities are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the City’s other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## *Other Information*

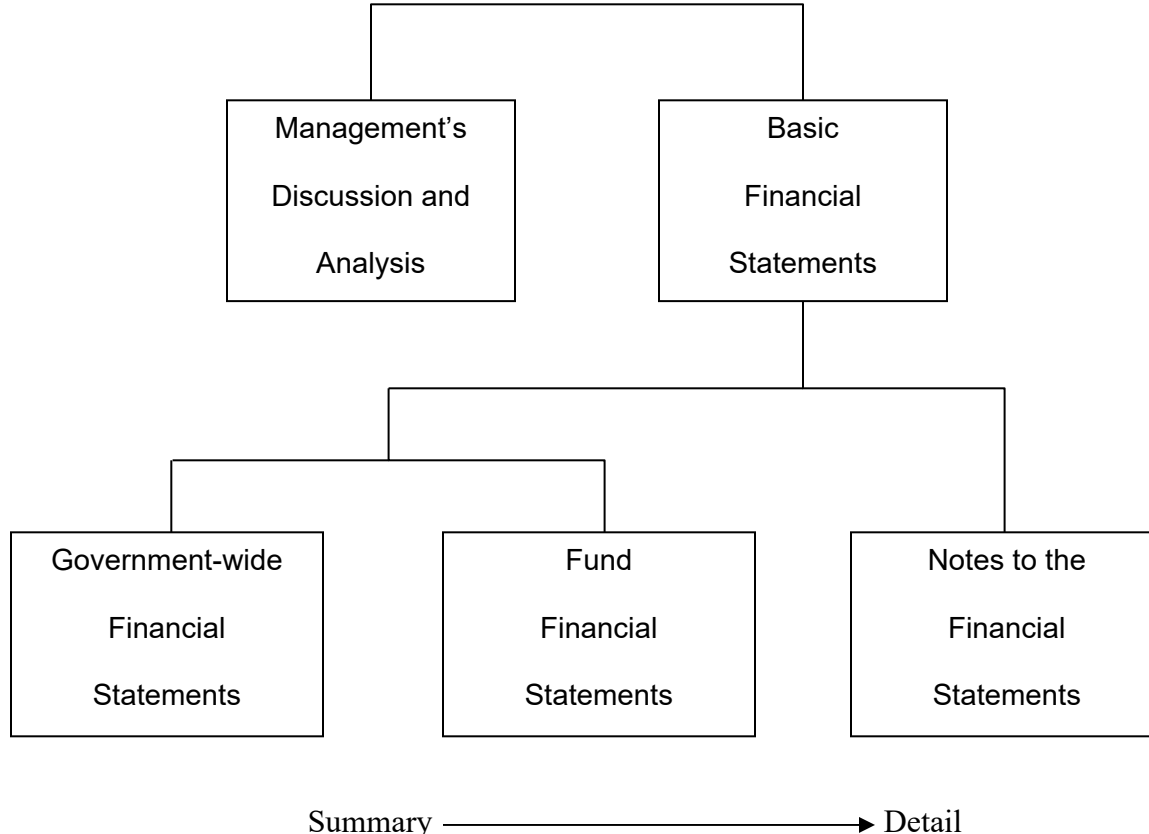
In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City’s progress in funding its obligation to provide post-employment benefits through the Healthcare Benefits Plan, Law Enforcement Officers Special Separation Allowance and the City’s participation in the Local Government Employee’s Retirement System. Required supplementary information can be found beginning on page 79 of this report. The purpose of the remaining exhibits is to provide the information needed for financial reporting and accounting of those post-employment benefit plans.

## **THE CITY AS A WHOLE AND GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The government-wide financial statements for the fiscal year ended June 30, 2020 are presented in accordance with GASB Statement (GASBS) No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments.

### ***Required Components of Annual Financial Report***

***Figure 1***



The City's combined net position increased almost \$28.5 million (4.9%) this year to nearly \$617 million from \$588 million. The positive trends for the last eight fiscal years have combined for an overall increase of nearly \$90 million (17%) from FY2012's total of \$527 million. These results are resounding proof and testament to City Council's fiscal policies, priority-based budgeting, and prudent fiscal management during the prolonged economic recovery that the City is positioning itself as a stronger and leaner unit of local government. Our analysis below focuses on the net financial position (Table 1), and changes in net position (Table 2) of the City's governmental and business-type activities.

### *Net Position*

Total net position for the City increased from over \$588 million to more than \$616.7 million during FY2019-2020. As shown below, assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources by more than \$616.7 million at June 30, 2020. Net position for governmental activities decreased slightly as compared to the prior fiscal year. However, the City's business-type activities were responsible for the increase when compared to last fiscal year. The most significant factor was realizing revenues which exceeded expenditures for business-type activities, as well as a working capital credit from the NCMPA1 agency, recognized in the electric fund.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
<b>Assets</b>						
Current and other assets	\$ 74,273	\$ 69,122	\$236,068	\$233,937	\$ 310,341	\$303,059
Capital Assets (net)	272,857	266,533	421,500	399,714	694,357	666,247
Total assets	347,130	335,655	657,568	633,651	1,004,698	969,306
<b>Deferred Outflows</b>						
Deferred Outflows of Resources	17,054	18,811	5,313	5,792	22,367	24,603
<b>Liabilities</b>						
Liabilities and payables	8,823	10,550	19,171	19,054	27,994	29,604
Long-term liabilities	166,662	150,477	200,854	209,193	367,516	359,670
Total liabilities	175,485	161,027	220,025	228,247	395,510	389,274
<b>Deferred Inflows</b>						
Deferred Inflows of Resources	3,268	3,938	11,545	12,458	14,813	16,396
<b>Net Position</b>						
Net investment in capital assets	165,366	169,391	242,113	224,234	407,479	393,625
Restricted	47,789	36,912	51,850	29,386	99,639	66,298
Unrestricted	(27,725)	(16,802)	137,348	145,118	109,623	128,316
Total net position	\$185,430	\$189,501	\$431,311	\$398,738	\$ 616,741	\$588,239

A large portion of the City's net position (66.1%) at June 30, 2020, represents net investment in capital assets, which are used to provide services to citizens. Net investment in capital assets is reported net of the outstanding related debt; however, resources to repay that debt must be provided in the future from current revenues. Restricted net position, 16.1% of the City's net position, represents resources that are subject to external restrictions, such as bond-related covenants. Unrestricted net position decreased from \$128.3 million in FY2018-2019 to \$109.6 million in FY2019-2020.

The City has used and will continue to use the unrestricted net position in its business-type activities to finance the continuing operations of the enterprise operations of the City (Water and Sewer, Electric, Mass Transit, Parking, Solid Waste, and Storm Water), especially their related capital investments. Unrestricted net position in the governmental activities—the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—decreased to (\$27.7 million) as compared to (\$16.8 million) in the prior year on the full-accrual entity-wide basis of presentation. The City has seen its healthy net unrestricted position fall the last



several years as the Governmental Accounting Standards Board gives more attention to recognizing the long-term potential impact on the City's sponsored post-employment benefits (OPEB) as well as the City's participation in the State's sponsored and controlled Local Government Employees Retirement System (LGERS) and the Law Enforcement Officers' Special Separation Allowance (LEOSSA). Consequently, swings in actuarial assumptions and investment returns for those plans can produce large changes in the City's cumulative financial position. We believe citizens and bondholders will find a better measure of City's financial health by looking at governmental fund balances (net position) without those accrual changes required for those post-employment benefits. The City's intention is to continue to use the governmental unrestricted net position to address future capital budget needs and to provide a resource towards potential deficits which may arise from unfunded governmental mandates and legislative changes. These balances are also used as a tool to leverage the need for future tax increases as the demand for current and enhanced services continues to rise as the City addresses the priorities of its citizens.

### *Revenues and Expenses*

The City's total revenues (excluding transfers) increased 2.5% (\$9.1 million) from the previous fiscal year. Charges for services experienced the greatest year-to-year increase. The increase is primarily due to a working capital credit from NCMPA1 recognized in the electric fund of approximately 17.5 million, increased water and sewer revenue \$1.8 million produced from the combination of a 4.0% rate increase in October. These increased revenues were offset by lower electric revenues (1.8% rate decrease in FY20) and a delay in the timing of the Mass Transit Fund's operating assistance grant. Though the property tax rate remained steady at 64.75 cents, property taxes exhibited an increase of \$740.5 thousand from the prior year due to continued growth in property valuation. As the federal funds rate dropped throughout the fiscal year, the City's investments returned lower than expected earnings. The City's investment earnings decreased by more than \$491 thousand compared to the prior year, despite growing cash balances.

The total cost of all programs and services increased 0.6 percent (\$2 million) when compared to last fiscal year. The City continues to moderate increased demands for services and the resulting cost to City operations in continued response to the City Council's leadership to reduce governmental burden on our citizens and ratepayers. As in the last two years, increases were focused on programs for identified emphasis areas of livability, transparency, accountability and infrastructure. Results of operations show that public safety and culture and recreation display moderate increases and account for most of the governmental programs increases when compared to last fiscal year, although in total governmental expenses decreased by nearly \$1.2 million. Increases in business-type expenses were minimal at 1.6%, mainly attributable to increased operating and maintenance costs for mass transit, solid waste, and stormwater operations. Purchases of electric power expenses decreased by 2.3% or \$2.1 million as compared to the prior year.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
<b>City Revenues</b>						
<b>Program revenue:</b>						
Charges for services	\$ 27,121	\$ 27,260	\$201,966	\$204,999	\$229,087	\$232,259
Operating grants and contributions	10,281	17,109	3,028	5,068	13,309	22,177
Capital grants and contributions	3,252	943	2,174	606	5,426	1,549
<b>General revenue:</b>						
Property taxes	63,683	62,942	-	-	63,683	62,942
Occupancy and other local taxes	2,181	2,586	-	-	2,181	2,586
Revenues and contributions not restricted to specific programs	31,796	31,804	-	-	31,796	31,804
Other	1,710	2,253	21,457	3,960	23,167	6,213
Total City revenues	<u>140,024</u>	<u>144,897</u>	<u>228,625</u>	<u>214,633</u>	<u>368,649</u>	<u>359,530</u>
<b>City Expenses</b>						
General Government	21,365	19,619	-	-	21,365	19,619
Public safety	63,101	60,900	-	-	63,101	60,900
Public and Environmental Services	17,893	22,782	-	-	17,893	22,782
Planning and Community Development	12,449	15,899	-	-	12,449	15,899
Cultural and Recreation	27,132	23,704	-	-	27,132	23,704
Interest expense and related debt service	3,732	3,948	-	-	3,732	3,948
Water and Sewer	-	-	50,111	50,920	50,111	50,920
Electric	-	-	119,733	119,241	119,733	119,241
Mass Transit	-	-	5,267	4,697	5,267	4,697
Parking	-	-	421	606	421	606
Solid Waste	-	-	13,606	12,296	13,606	12,296
Storm Water	-	-	5,337	3,560	5,337	3,560
Total City expenses	<u>145,672</u>	<u>146,852</u>	<u>194,475</u>	<u>191,320</u>	<u>340,147</u>	<u>338,172</u>
Increase (decrease) in net position before transfers	(5,648)	(1,955)	34,150	23,313	28,502	21,358
Transfers in (out)	1,577	1,137	(1,577)	(1,137)	-	-
Increase (decrease) in net position	(4,071)	(818)	32,573	22,176	28,502	21,358
Net position, beginning	<u>189,501</u>	<u>190,319</u>	<u>398,738</u>	<u>376,562</u>	<u>588,239</u>	<u>566,881</u>
Net position, ending	<u>\$185,430</u>	<u>\$189,501</u>	<u>\$431,311</u>	<u>\$398,738</u>	<u>\$616,741</u>	<u>\$588,239</u>

Several aspects of the City's financial operations continue to positively influence the total government net position. These are highlighted as follows:

- ◆ The City's continued high collection of property taxes billed increased to a tax collection rate of 99.1%.
- ◆ The net position for business-type operations increased this year by \$32.6 million as the City increased rates for water and sewer, reduced electric rates and received a working capital credit from NCPA1 while the cost of electricity decreased. These revenues from utility operations are being utilized to continue efforts to improve and replace the water and sewer, and electric system infrastructure and distribution system while holding the line on operating expenses. Additionally, the target level of unrestricted net position is being used as part of a strategic capital plan to provide long-term solutions for maintaining the capital investments for the Water and Sewer fund while ultimately moderating future required water and sewer rate increases. The City also created a strategy beginning FY2015-2016 to build additional net position in the electric fund to provide future resources to moderate expected electric rate adjustments several years from now.

### *Governmental Activities*

Property tax revenues increased \$740.5 thousand compared to the prior year, primarily due to growth in valuation. Current real and personal property tax collections during fiscal year ended June 30, 2020

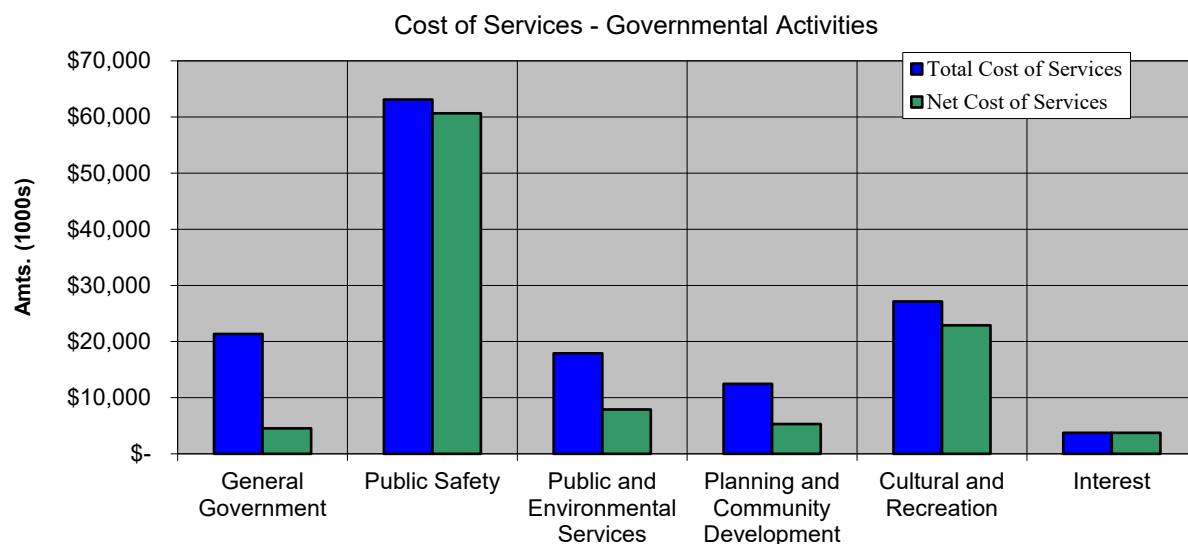
increased to 99.1% of the current levy. Sales and occupancy taxes decreased approximately \$442 thousand due to reduced economic activity during the COVID-19 Pandemic.

Total governmental expenses decreased nearly \$1.2 million as discussed above. Program revenues provided 28% of the support for governmental services.

Table 3 presents the cost of each of the City's programs—general government, public safety, public and environmental services, planning, community and economic development, cultural and recreation—as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

**Table 3**  
**Governmental Activities**

	Total Cost of Services	Net Cost of Services
General Government	\$ 21,365,404	\$ 4,535,246
Public Safety	63,101,134	60,657,012
Public and Environmental Services	17,893,226	7,895,461
Planning, Community & Economic Development	12,449,280	5,314,605
Cultural and Recreation	27,132,052	22,884,095
Interest on long-term debt	3,731,584	3,731,584
<b>Total</b>	<b>\$ 145,672,680</b>	<b>\$ 105,018,003</b>



### *Business-type Activities*

As highlighted earlier, charges for services of the City's business-type activities (see Table 2) decreased \$3.0 million primarily due to decreased electric charges.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

### *Governmental Funds*

The focus of the City's governmental funds is to provide information on current inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of High Point's financing requirements. Specifically, fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the City completed the year, its governmental funds (as presented in the balance sheet) reported a combined fund balance of \$63.8 million, a \$9.5 million increase over the prior fiscal year, primarily due to the issuance of Limited Obligation Bonds for the construction and renovation of the High Point Police Department Headquarters and communication center. Of the total fund balances reported, \$14.8 million was available to finance future expenditures, including \$1.9 million committed formally by City Council for economic development and more than \$488 thousand assigned for various purposes as explained in the Notes to the Financial Statements.

The General Fund is the primary operating fund of the City of High Point. At the end of the current fiscal year, total fund balance of the General Fund was \$28,005,526. The City Council has determined through formal policy that the City should maintain a minimum available fund balance (that is, total fund balance remaining after removing restrictions, commitments, and previous assignments) of 10% of the General Fund's expenditures in the event the City had an unforeseen need or opportunity, in addition to providing for cash flow needs. At June 30, 2020, total fund balance available for appropriation excluding restricted by state statute is 14.1%. The amount remaining after restrictions, commitments and assignments is approximately 11% of the FY 2021 General Fund budget (exclusive of amounts included in the budget that are assigned and/or restricted for economic and market development, and expenditures budgeted to be financed with debt proceeds). The City Council may from time to time, appropriate fund balances that will reduce available fund balance below the 10% policy.

The FY2020-2021 Annual Budget appropriated a total of \$87,478 of the reported General Fund's spendable, unrestricted, unassigned fund balance to finance operations and capital improvements in the next fiscal year, leaving a balance of unassigned fund balance for future fiscal years of \$12,072,403.

### *General Fund Budgetary Highlights*

Over the course of the year, the City Council revised the City budget several times. Generally, budget amendments fall into one of two categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; and 2) increases in appropriations that become necessary to maintain services. However, expenditures were held in check and the City was able to comply with its budgetary requirements.

## General Fund Revenues on the Governmental Fund Basis

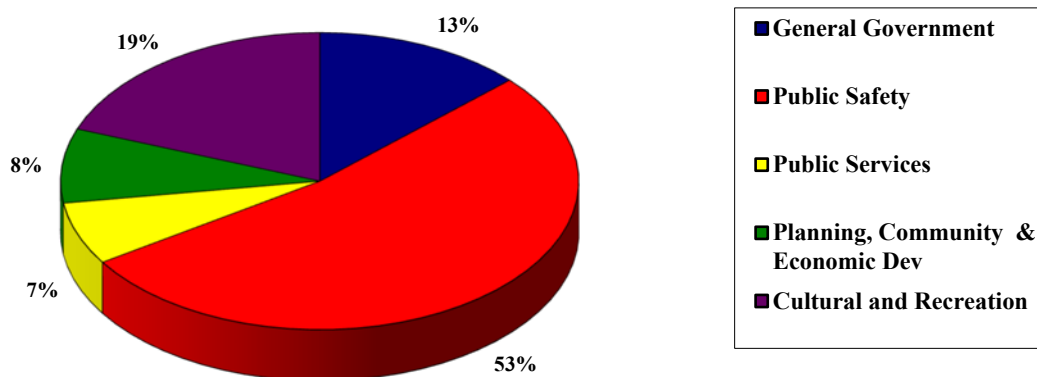
Revenue Sources	Actual Amount	Percent of Total	Increase (Decrease) from 2019
Property taxes.....	\$ 60,463,688	54.9%	\$ 627,615
Occupancy taxes.....	2,181,278	2.0%	(404,681)
Intergovernmental revenues.....	37,285,459	33.9%	324,441
Licenses and Permits.....	4,987,616	4.5%	(14,362)
Charges for services.....	3,970,523	3.6%	(1,034,293)
Interest on investments.....	729,321	0.7%	(177,120)
Miscellaneous revenues.....	452,128	0.4%	(1,255,660)
	<u>\$ 110,070,013</u>	<u>100.0%</u>	<u>\$ (1,934,060)</u>

The most significant component in General Fund revenues remains to be property taxes. Total revenue decreased by about \$1.9 million from 2019, primarily due to the effects of the COVID-19 pandemic and a large miscellaneous revenue in 2019.

General fund revenues recognized mostly negative variances for the fiscal year with actual results of more than \$3.3 million below final budget. Growth in Real property valuation was offset by a reduction of personal property as illustrated in Table V in the statistical section. Charges for services, sales tax, and occupancy tax also saw large negative variances due to the COVID-19 pandemic. Departmental fiscal control in operating expenditure savings and personnel provided favorable budget savings. The City originally expected to utilize \$300 thousand in fund balance for fiscal year 2019-2020; however, the city's exceptional fiscal control on spending resulted in an addition of \$463.5 thousand to fund balance in fiscal year 2019-2020.

## General Fund Expenditures on the Governmental Fund Basis

Functions	Amount	Percent of Total	Increase (Decrease) from 2018
General Government.....	\$ 13,749,287	13.1%	\$ 1,093,803
Public Safety .....	55,307,575	52.8%	2,568,381
Public Services.....	7,168,333	6.8%	(4,735,158)
Planning, Community and Economic Dev.....	8,479,950	8.1%	(1,088,929)
Cultural and Recreation.....	20,242,929	19.3%	(687,389)
	<u>\$ 104,948,074</u>	<u>100.1%</u>	<u>\$ (2,849,292)</u>



The most significant changes in General Fund expenditures when compared to the previous fiscal year occurred in general government, public safety, and public services. General government expenditures increase primarily due to increased legal fees, personnel expenditures, and election costs. Public safety expenditures increased primarily due to capital expenditures and increasing personnel costs. The primary reason for the reduction in public services is due to the removal of street light electricity expenses from the general fund and delays in street resurfacing.

#### *Other Governmental Funds*

The General Capital Projects Fund continues to be shown as a major fund in the current fiscal year. This presentation is required for FY 2020, due to larger than normal construction expenses. Regardless of the fund's status as a major project fund, the City presents it as such every year primarily due to the continued level of expenditures anticipated in future years that will require presentation as major.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### *Capital Assets*

At the end of fiscal year 2020, the City had over \$1.6 billion invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines and electric infrastructure (See Table 4 below). This amount represents a net increase (including additions and deductions) of \$54.2 million, or 3.4 percent, over last year. Most of the additions during the fiscal year continue to come from the expenditure of previously issued general obligation, limited obligation and revenue bonds. Additional information on the City's capital assets can be found in Notes to the Financial Statements (pages 47-50).

Table 4  
Capital Assets  
(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land and land improvements	\$ 21,182	\$ 21,059	\$ 12,240	\$ 12,222	\$ 33,422	\$ 33,281
Intangibles	332	324	4,403	3,529	4,735	3,853
Construction in progress	34,284	65,166	116,951	88,832	151,235	153,998
Buildings and related improvements	114,450	74,824	108,961	108,368	223,411	183,192
Equipment	96,467	95,467	39,557	40,990	136,024	136,457
Infrastructure	565,896	559,713	526,694	516,773	1,092,590	1,076,486
Total capital assets	<u>\$ 832,611</u>	<u>\$ 816,553</u>	<u>\$ 808,806</u>	<u>\$ 770,714</u>	<u>\$ 1,641,417</u>	<u>\$ 1,587,267</u>

The City's FY 2020-2021 capital pay-as-you-go budget calls for spending another \$25.9 million for infrastructure maintenance and capital projects as outlined below, principally for the utility system improvements and infrastructure.

These capital projects are budgeted as follows:

General Fund.....	\$	3,841,563
Water & Sewer Fund.....		7,660,000
Electric.....		7,667,500
Solid Waste.....		1,446,000
Other.....		5,244,965
Total.....	\$	<u>25,860,028</u>

## Debt

At year-end, the City had approximately \$284.1 million in bonds and notes outstanding versus \$281.8 million last year—an increase of 1.1%—as shown in Table 5.

Table 5  
Outstanding Debt  
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2019	2018
General obligation bonds	\$ 46,436	\$ 51,276	\$ 12,692	\$ 15,769	\$ 59,128	\$ 67,045
Limited obligation bonds	51,690	35,000	-	-	51,690	35,000
Revenue bonds	-	-	153,050	158,885	153,050	158,885
Notes payable and installment contracts	18,422	18,256	1,826	2,609	20,248	20,865
Total outstanding debt	<u>\$ 116,548</u>	<u>\$ 104,532</u>	<u>\$ 167,568</u>	<u>\$ 177,263</u>	<u>\$ 284,116</u>	<u>\$ 281,795</u>

The City's general obligation bond rating continues to carry high and stable ratings from the three national rating agencies at June 30, 2020. Standard & Poor's rates the City's credit at AAA, the highest available. Moody's and Fitch rate the City's credit at Aa1 and AA+, respectively. The City's bond ratings are a clear indication of the sound financial management practices and solid financial condition of the City of High Point as affirmed by their most recent reports in May 2019. These high financial credit ratings are a primary factor in keeping interest costs low on the City's outstanding debt. The State limits the amount of general obligation debt that cities can issue to 8 percent of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt is significantly below this \$786.5 million state-imposed limit.

Other obligations include accrued vacation and stipend pay, other post-employment benefits, pension liabilities for LGERS and LEOSA, and closure/post-closure liabilities. More detailed information about the City's long-term liabilities is presented in the notes to the financial statements (pages 66-73).

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the FY 2020-2021 budget and tax rates that support the governmental activities and fees that will be charged for the business-type activities. The City's budget reflects the uncertainty caused by the COVID-19 pandemic with conservative projections for sales tax and charges for services. The property tax rate remains unchanged for FY 2020-2021 at 64.75 cents. Water and sewer consumption growth as well as electric load growth were projected to be largely flat for another year. A planned rate increase of 2% for Water and Sewer is budgeted to fund future debt service needs for the long-range bond financing plan for upgrades and improvements to the

water and sewer system. Inflation in the City continues to be hedged slightly lower than the national Consumer Price Index (CPI) increase.

The total General Fund budget appropriates \$109.5 million, which is a decrease of 2.3 percent over the adopted 2020 budget of \$112.1 million. As discussed above, property taxes remained at an approved rate of 64.75 cents. The City continues to review and evaluate strategic concepts employed during several prior fiscal years to hold operating costs not in strategic plans or identified priorities. The City is utilizing this strategy to maintain the high level of quality and services that our citizens, businesses, and visitors enjoy and are accustomed to receiving.

The City's business-type activities are also expected to maintain their strength or improve based on the following factors in the adoption of the Annual Budget for FY 2020-2021:

- Water and sewer rates were increased 2.0% as of October 1, 2020 consistent with the City's multiyear financial strategy for operations and capital financing. The fund is expected to maintain commitments for pay-as-you-go infrastructure and debt funded projects.
- There were no rate increases for the Electric, Transit, Parking Facilities, Solid Waste, nor Storm Water funds.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money received. If you have questions about this report or need additional financial information, contact the Financial Services Department, City of High Point, P.O. Box 230, High Point, NC 27261-0230.



## CITY OF HIGH POINT, NORTH CAROLINA

## STATEMENT OF NET POSITION

June 30, 2020

	PRIMARY GOVERNMENT			COMPONENT UNIT
	Governmental Activities	Business-type Activities	TOTAL	HIGH POINT ABC BOARD
<b>ASSETS</b>				
Cash and investments.....	\$ 47,330,002	\$ 187,672,879	\$ 235,002,881	\$ 3,160,992
Receivables:				
Taxes (net).....	802,203	-	802,203	-
Accounts receivable and accrued revenue (net).....	10,948,669	23,286,140	34,234,809	-
Notes (net).....	5,469,198	-	5,469,198	-
Accrued interest.....	96,676	398,907	495,583	-
Internal balances.....	(6,025,761)	6,025,761	-	-
Long term interfund loan.....	(7,000,000)	7,000,000	-	-
Due from component unit.....	517,336	-	517,336	-
Inventory.....	413,788	7,381,874	7,795,662	2,376,426
Prepaid Items.....	109,556	144,176	253,732	68,921
Restricted Assets:				
Cash and investments.....	21,611,214	4,158,238	25,769,452	-
Capital Assets:				
Land, non-depreciable improvements, and construction in progress.....	55,581,954	129,190,277	184,772,231	689,656
Other capital assets, net of related depreciation.....	217,274,956	292,309,914	509,584,870	1,004,500
Total capital assets.....	272,856,910	421,500,191	694,357,101	1,694,156
TOTAL ASSETS	347,129,791	657,568,166	1,004,697,957	7,300,495
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows of Resources.....	17,054,217	5,312,912	22,367,129	151,099
TOTAL DEFERRED OUTFLOWS OF RESOURCES	17,054,217	5,312,912	22,367,129	151,099
<b>LIABILITIES</b>				
Accounts payable and accrued expenses.....	5,167,040	16,210,629	21,377,669	1,067,928
Accrued interest payable.....	852,878	1,273,939	2,126,817	-
Due to City of High Point.....	-	-	-	517,336
Due to other governments.....	-	-	-	29,817
Liabilities payable from restricted assets:				
Accounts payable and accrued expenses.....	2,050,897	-	2,050,897	-
Deposits and other liabilities.....	752,647	1,686,135	2,438,782	-
Long-term liabilities:				
Net pension liability - LGERS.....	22,479,309	7,869,427	30,348,736	390,794
Total pension liability - LEOSSA.....	13,696,771	-	13,696,771	-
Total OPEB liability.....	7,991,148	3,477,204	11,468,352	184,391
Due in one year.....	12,182,264	12,035,243	24,217,507	-
Due in more than one year.....	110,312,010	177,472,294	287,784,304	-
TOTAL LIABILITIES	175,484,964	220,024,871	395,509,835	2,190,266
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows of Resources.....	3,268,669	11,545,242	14,813,911	108,506
TOTAL DEFERRED INFLOWS OF RESOURCES	3,268,669	11,545,242	14,813,911	108,506
<b>NET POSITION</b>				
Net investment in capital assets.....	165,365,977	242,113,022	407,478,999	1,694,156
Restricted for:				
Stabilization by State Statute.....	28,609,854	-	28,609,854	-
Debt service.....	11,975,644	-	11,975,644	-
Capital projects.....	-	7,403,505	7,403,505	-
Rate stabilization.....	-	44,041,184	44,041,184	-
Community and economic development.....	329,062	-	329,062	-
Grant programs.....	6,259,594	405,370	6,664,964	-
Transportation.....	615,470	-	615,470	-
High Point ABC Board Working Capital.....	-	-	-	660,366
Unrestricted.....	(27,725,226)	137,347,884	109,622,658	2,798,300
TOTAL NET POSITION	\$ 185,430,375	\$ 431,310,965	\$ 616,741,340	\$ 5,152,822

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

# CITY OF HIGH POINT, NORTH CAROLINA

## Statement of Activities For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental activities:				
General Government.....	\$ 21,365,404	\$ 16,618,809	\$ 14,918	\$ 196,431
Public Safety.....	63,101,134	770,613	1,673,509	-
Public and Environmental Services.....	17,893,226	2,265,068	4,811,028	2,921,669
Planning/Community and Economic Development.....	12,449,280	3,957,964	3,176,711	-
Cultural and Recreation.....	27,132,052	3,508,292	605,498	134,167
Interest and Fiscal Charges.....	3,731,584	-	-	-
Total governmental activities.....	145,672,680	27,120,746	10,281,664	3,252,267
Business-type activities:				
Water and Sewer .....	50,110,714	56,044,302	1,624,341	2,174,084
Electric.....	119,733,362	124,580,073	50,735	-
Mass Transit.....	5,266,676	762,320	1,237,211	-
Parking.....	421,434	224,545	-	-
Solid Waste.....	13,606,476	15,084,964	115,527	-
Stormwater.....	5,336,486	5,270,112	-	-
Total business-type activities.....	194,475,148	201,966,316	3,027,814	2,174,084
Total primary government.....	\$ 340,147,828	\$ 229,087,062	\$ 13,309,478	\$ 5,426,351
<b>Component unit:</b>				
High Point ABC Board.....	\$ -	\$ -	\$ -	\$ -
Total component unit.....	\$ -	\$ -	\$ -	\$ -

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

# CITY OF HIGH POINT, NORTH CAROLINA

## Statement of Activities For the Year Ended June 30, 2020

Functions/Programs	Net Revenue (Expense) and Change in Net Position			Component Unit ABC Board
	Primary Government			
	Governmental Activities	Business-type Activities	Total	
<b>Primary Government:</b>				
Governmental activities:				
General Government.....	\$ (4,535,246)	\$ -	\$ (4,535,246)	\$ -
Public Safety.....	(60,657,012)	-	(60,657,012)	-
Public and Environmental Services.....	(7,895,461)	-	(7,895,461)	-
Planning/Community and Economic Development.....	(5,314,605)	-	(5,314,605)	-
Cultural and Recreation.....	(22,884,095)	-	(22,884,095)	-
Interest and Fiscal Charges.....	(3,731,584)	-	(3,731,584)	-
Total governmental activities.....	(105,018,003)	-	(105,018,003)	-
Business-type activities:				
Water and Sewer .....	-	9,732,013	9,732,013	-
Electric.....	-	4,897,446	4,897,446	-
Mass Transit.....	-	(3,267,145)	(3,267,145)	-
Parking.....	-	(196,889)	(196,889)	-
Solid Waste.....	-	1,594,015	1,594,015	-
Stormwater.....	-	(66,374)	(66,374)	-
Total business-type activities.....	-	12,693,066	12,693,066	-
Total primary government.....	<u>\$ (105,018,003)</u>	<u>\$ 12,693,066</u>	<u>\$ (92,324,937)</u>	<u>\$ -</u>
<b>Component unit:</b>				
High Point ABC Board.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 235,268</u>
Total component unit.....	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 235,268</u></u>
<b>General revenues:</b>				
Property taxes.....	\$ 63,683,015	\$ -	\$ 63,683,015	\$ -
Occupancy and other local taxes.....	2,181,278	-	2,181,278	-
Revenues and contributions not restricted to specific programs.....	31,796,055	-	31,796,055	2,487
Gain on the disposal of capital assets.....	594,370	10,935	605,305	-
Working capital credit.....	-	17,463,999	17,463,999	-
Investment earnings.....	1,115,101	3,982,445	5,097,546	8,303
<b>Total general revenues not including transfers</b>	<u>99,369,819</u>	<u>21,457,379</u>	<u>120,827,198</u>	<u>10,790</u>
<b>Transfers</b>	<u>1,577,163</u>	<u>(1,577,163)</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers.....	<u>100,946,982</u>	<u>19,880,216</u>	<u>120,827,198</u>	<u>10,790</u>
Change in net position.....	(4,071,021)	32,573,282	28,502,261	246,058
Net position - beginning.....	189,501,396	398,737,683	588,239,079	4,906,764
Net position - ending.....	<u>\$ 185,430,375</u>	<u>\$ 431,310,965</u>	<u>\$ 616,741,340</u>	<u>\$ 5,152,822</u>

**CITY OF HIGH POINT, NORTH CAROLINA**

Balance Sheet  
Governmental Funds  
June 30, 2020

	Major Funds			
	General Fund	General Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments.....	\$ 23,110,415	\$ 6,235,220	\$ 12,198,627	\$ 41,544,262
Receivables (net):				
Taxes.....	802,203	-	-	802,203
Accounts receivable and accrued revenue.....	9,050,031	511,587	1,187,337	10,748,955
Notes and loans, net.....	-	-	5,469,198	5,469,198
Accrued interest.....	67,511	-	25,751	93,262
Due from component unit.....	517,336	-	-	517,336
Prepaid items.....	109,556	-	-	109,556
Restricted assets:				
Cash and investments.....	752,647	19,049,928	1,808,639	21,611,214
<b>TOTAL ASSETS</b>	<b>\$ 34,409,699</b>	<b>\$ 25,796,735</b>	<b>\$ 20,689,552</b>	<b>\$ 80,895,986</b>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses.....	\$ 4,434,835	\$ 203,009	\$ 77,043	\$ 4,714,887
Due to other funds.....	-	7,200,000	-	7,200,000
Liabilities payable from restricted assets:				
Accounts payable and accrued expenses.....	-	1,871,462	179,435	2,050,897
Deposits and other liabilities.....	752,647	-	-	752,647
<b>TOTAL LIABILITIES</b>	<b>5,187,482</b>	<b>9,274,471</b>	<b>256,478</b>	<b>14,718,431</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable taxes.....	802,203	-	-	802,203
Deferred taxes and licenses.....	22,844	-	-	22,844
Unavailable grant receivables.....	391,644	509,369	577,718	1,478,731
Deferred grants receivables.....	-	-	61,854	61,854
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,216,691</b>	<b>509,369</b>	<b>639,572</b>	<b>2,365,632</b>
<b>FUND BALANCES</b>				
Non Spendable:				
Prepaid items.....	109,556	-	-	109,556
Restricted:				
Stabilization by state statute.....	12,338,428	14,756,423	1,515,003	28,609,854
Community and economic development.....	-	-	224,152	224,152
Grant programs.....	-	-	6,259,594	6,259,594
Transportation.....	615,470	-	-	615,470
Debt service.....	-	-	11,975,644	11,975,644
Capital projects.....	-	1,256,472	-	1,256,472
Committed:				
Public safety.....	756,295	-	-	756,295
Economic development.....	1,923,084	-	-	1,923,084
Market development.....	2,042	-	-	2,042
Assigned:				
Subsequent year's expenditures.....	87,478	-	300,000	387,478
General government.....	20,000	-	-	20,000
Public safety.....	8,193	-	-	8,193
Culture & recreation.....	7,269	-	-	7,269
Public services and transportation.....	65,308	-	-	65,308
Unassigned	12,072,403	-	(480,891)	11,591,512
<b>TOTAL FUND BALANCES</b>	<b>28,005,526</b>	<b>16,012,895</b>	<b>19,793,502</b>	<b>63,811,923</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 34,409,699</b>	<b>\$ 25,796,735</b>	<b>\$ 20,689,552</b>	<b>\$ 80,895,986</b>
Fund balances as reported above				\$ 63,811,923
Amounts reported for governmental activities in the Statement of Net Position are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.				247,966,373
Internal service funds used to allocate costs among the funds are included in the statement of net position.				25,780,389
Internal service funds profit/loss is allocated to the business-type funds in the statement of net position.				(6,025,761)
Some liabilities are not payable in the current period and are therefore not reported in the funds.				(161,996,080)
Pension related deferred outflows				16,730,067
Pension related deferred inflows				(3,117,470)
Receivables that are not available to pay for current-period expenditures are reported as deferred inflows in the funds.				2,280,934
Net position of governmental activities				<b>\$ 185,430,375</b>

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

# CITY OF HIGH POINT, NORTH CAROLINA

## Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2020

	Major Funds		Non-Major	Total
	General Fund	General Capital Projects Fund	Governmental Funds	Governmental Funds
Revenues:				
Property taxes.....	\$ 60,463,688	\$ -	\$ 3,322,253	\$ 63,785,941
Occupancy and other local taxes.....	2,181,278	-	-	2,181,278
Intergovernmental.....	37,285,459	856,046	3,984,845	42,126,350
Licenses and permits.....	4,987,616	-	-	4,987,616
Charges for services.....	3,970,523	-	-	3,970,523
Interest on investments.....	729,321	52,918	264,200	1,046,439
Sale of capital assets.....	19,213	-	2,565	21,778
Miscellaneous.....	432,915	34,918	3,019,286	3,487,119
Total revenues.....	110,070,013	943,882	10,593,149	121,607,044
Expenditures:				
General government.....	13,754,087	3,705	20,000	13,777,792
Public safety.....	54,251,247	9,216,037	969,415	64,436,699
Public services - transportation.....	6,894,247	1,331,640	1,536,478	9,762,365
Public services - environmental services.....	274,086	-	-	274,086
Community and economic development.....	8,479,950	-	3,371,118	11,851,068
Cultural and recreation.....	20,242,929	2,194,034	229,010	22,665,973
Debt service:				
Principal retirement.....	873,640	-	6,651,587	7,525,227
Interest and fiscal charges.....	177,888	-	3,200,249	3,378,137
Total expenditures.....	104,948,074	12,745,416	15,977,857	133,671,347
Excess (deficiency) of revenue over (under) expenditures	5,121,939	(11,801,534)	(5,384,708)	(12,064,303)
Other financing sources (uses):				
General obligation bonds refunded.....	-	-	10,566,874	10,566,874
Limited obligation bonds issuance.....	-	18,175,000	-	18,175,000
Payment to trustee for refunded bonds.....	-	-	(10,725,054)	(10,725,054)
Federal loan issuance.....	-	-	650,000	650,000
Installment purchases issuance.....	1,330,176	-	-	1,330,176
Transfers in.....	1,160,000	2,925,143	5,312,415	9,397,558
Transfers in related to payments in lieu of taxes.....	915,892	-	-	915,892
Transfers out.....	(8,064,467)	-	(671,820)	(8,736,287)
Total other financing sources (uses).....	(4,658,399)	21,100,143	5,132,415	21,574,159
Net change in fund balances.....	463,540	9,298,609	(252,293)	9,509,856
Fund balances, beginning.....	27,541,986	6,714,286	19,850,077	54,106,349
Fund balances, beginning, blended component unit.....	-	-	195,718	195,718
Fund balances, ending.....	\$ 28,005,526	\$ 16,012,895	\$ 19,793,502	\$ 63,811,923

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

## CITY OF HIGH POINT, NORTH CAROLINA

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2020

Net change in fund balances - total governmental funds	\$ 9,509,856
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds; Revenues received in FY 19-20 in the funds but recorded / accrued in FY 18-19 on the Statement of Activities	(1,380,131)
Principal payments are reported as decreases in liabilities in the Statement of Net Position, but reported as expenditures in the funds	7,525,227
Capital outlays are reported as increases in assets in the Statement of Net Position, but reported as an expenditure in the funds	15,455,930
Depreciation is recognized as an expense in the Statement of Activities, but is not reported in the funds	(12,609,246)
Infrastructure contributed by developers is considered capital contribution for the Statement of Activities, but is not reported in the funds	3,055,836
Capital outlays and the sale of capital assets for blended component units are treated as revenues and expenditures in the funds	19,812
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds; current year contributions to the pension plan are not included in the Statement of Activities	(5,370,416)
Proceeds from bond, federal loan, and installment purchase issuances is reported as increases in liabilities in the Statement of Activities, but reported as revenue in the funds	(30,722,050)
Payments to trustee on refunding debt is recorded as an expense in the funds, where a portion of the amount shown at the fund level is a reduction in liabilities in the Statement of Net Position	10,725,054
gain/loss)	23,032
Proceeds from the sale of capital assets are included in the Gain/Loss on disposal in the Statement of Activities, but reported as revenues in the funds	(32,720)
Internal service funds are used by management to charge the costs of certain activities, such as facilities maintenance, fleet services and telecommunications to individual funds. The net revenue (expense) of the internal service funds is allocated and reported with governmental activities in the Statement of Activities.	(300,162)
Internal service funds current year profit/loss is allocated to the business-type funds in the Statement of Activities	28,957
Change in net position of governmental activities	<u>\$ (4,071,021)</u>

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

# CITY OF HIGH POINT, NORTH CAROLINA

## General Fund Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual For the Year Ended June 30, 2020

	Budget		Actual	Variance From Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes.....	\$ 61,815,760	\$ 61,815,760	\$ 60,463,688	\$ (1,352,072)
Occupancy and other local taxes.....	2,460,000	2,460,000	2,181,278	(278,722)
Intergovernmental.....	37,748,634	37,748,634	37,285,459	(463,175)
Licenses and permits.....	5,079,650	5,079,650	4,987,616	(92,034)
Charges for services.....	5,030,645	5,030,645	3,970,523	(1,060,122)
Interest on investments.....	775,000	775,000	729,321	(45,679)
Sale of capital assets.....	-	-	19,213	19,213
Miscellaneous.....	465,300	493,764	432,915	(60,849)
Total revenues.....	<u>113,374,989</u>	<u>113,403,453</u>	<u>110,070,013</u>	<u>(3,333,440)</u>
Expenditures:				
General government.....	14,271,470	14,852,457	13,749,287	1,103,170
Public safety.....	52,250,778	54,914,869	55,307,575	(392,706)
Public services - transportation.....	9,808,529	11,347,578	6,894,247	4,453,331
Public services - environmental services.....	263,658	266,235	274,086	(7,851)
Community and economic development.....	9,839,802	9,866,377	8,479,950	1,386,427
Cultural and recreation.....	21,355,867	21,907,541	20,242,929	1,664,612
Total expenditures.....	<u>107,790,104</u>	<u>113,155,057</u>	<u>104,948,074</u>	<u>8,206,983</u>
Excess (deficiency) of revenues over (under) expenditures .....	<u>5,584,885</u>	<u>248,396</u>	<u>5,121,939</u>	<u>4,873,543</u>
Other financing sources (uses):				
Proceeds from installment purchases.....	-	1,330,200	1,330,176	(24)
Transfers in.....	1,160,000	1,160,000	1,160,000	-
Transfers in related to payment in lieu of taxes.	915,892	915,892	915,892	-
Transfers out.....	(7,960,777)	(7,966,277)	(8,064,467)	(98,190)
Appropriated fund balance.....	300,000	4,311,789	-	(4,311,789)
Total other financing sources (uses).....	<u>(5,584,885)</u>	<u>(248,396)</u>	<u>(4,658,399)</u>	<u>(4,410,003)</u>
Net change in fund balance.....	<u>\$ -</u>	<u>\$ -</u>	<u>463,540</u>	<u>\$ 463,540</u>
Fund balances, beginning.....			<u>27,541,986</u>	
Fund balances, ending.....			<u>\$ 28,005,526</u>	

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

## CITY OF HIGH POINT, NORTH CAROLINA

Statement of Net Position  
Proprietary Funds  
June 30, 2020

	Major Funds	
	Business-type Activities -Enterprise Funds	
	WATER AND SEWER	ELECTRIC
<b>ASSETS</b>		
Current assets		
Cash and investments.....	\$ 57,319,578	\$ 87,446,534
Receivables:		
Accounts and grants (net).....	6,190,534	14,262,971
Accrued interest.....	121,899	187,245
Inventory.....	-	7,265,919
Prepaid expenses.....	-	-
<b>Total current assets</b>	<b>63,632,011</b>	<b>109,162,669</b>
Noncurrent assets		
Restricted assets:		
Cash and investments.....	2,825,971	1,255,231
Interfund loan receivable.....	-	2,000,000
Capital assets:		
Land.....	7,735,705	895,611
Buildings and other improvements.....	74,541,190	154,965
Equipment.....	12,060,923	15,090,350
Infrastructure.....	388,101,688	121,439,441
Intangibles.....	874,036	3,529,311
Construction in progress.....	93,583,557	11,762,788
Less accumulated depreciation.....	(248,779,761)	(99,092,127)
Total capital assets (net of accumulated depreciation).....	328,117,338	53,780,339
Total noncurrent assets.....	330,943,309	57,035,570
<b>Total Assets</b>	<b>394,575,320</b>	<b>166,198,239</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources.....	1,662,556	1,915,569
<b>Total Deferred Outflows of Resources</b>	<b>1,662,556</b>	<b>1,915,569</b>
<b>LIABILITIES</b>		
Liabilities		
Current liabilities		
Accounts payable and accrued expenses.....	3,230,301	11,645,075
Current maturities of long-term debt.....	9,882,534	-
Current maturities of compensated absences.....	341,644	370,534
Current maturities of stipends.....	27,225	24,338
Accrued interest payable.....	1,200,319	-
Deposits.....	426,220	1,255,230
<b>Total current liabilities</b>	<b>15,108,243</b>	<b>13,295,177</b>
Noncurrent liabilities		
Accrued closure/postclosure costs.....	-	-
Net pension liability.....	2,464,317	2,898,304
Loans payable.....	1,043,483	-
Total other post employment benefits liability.....	1,081,466	1,022,977
General obligation bonds payable.....	3,174,902	-
Revenue bonds payable.....	152,266,438	-
Obligation under installment purchases.....	-	-
Stipends payable.....	27,225	21,450
Compensated absences.....	210,344	279,507
<b>Total Noncurrent liabilities</b>	<b>160,268,175</b>	<b>4,222,238</b>
<b>Total Liabilities</b>	<b>175,376,418</b>	<b>17,517,415</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources.....	7,939,295	355,783
<b>Total Deferred Inflows of Resources</b>	<b>7,939,295</b>	<b>355,783</b>
<b>NET POSITION</b>		
Net Position		
Net investment in capital assets.....	156,585,422	53,780,339
Restricted for capital projects.....	6,353,505	1,050,000
Restricted for rate stabilization.....	-	44,041,184
Restricted for grant programs.....	-	-
Unrestricted.....	49,983,236	51,369,087
<b>Total Net Position</b>	<b>\$ 212,922,163</b>	<b>\$ 150,240,610</b>

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



**CITY OF HIGH POINT, NORTH CAROLINA**

Statement of Net Position  
Proprietary Funds  
June 30, 2020

	Business-type Activities -Enterprise Funds		Governmental Activities
	NONMAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE	INTERNAL SERVICE FUND
<b>ASSETS</b>			
Current assets			
Cash and investments.....	\$ 42,906,767	\$ 187,672,879	\$ 5,785,740
Receivables:			
Accounts and grants (net).....	2,832,635	23,286,140	199,714
Accrued interest.....	89,763	398,907	3,414
Inventory.....	115,955	7,381,874	413,788
Prepaid expenses.....	144,176	144,176	-
<b>Total current assets</b>	<b>46,089,296</b>	<b>218,883,976</b>	<b>6,402,656</b>
Noncurrent assets			
Restricted assets:			
Cash and investments.....	77,036	4,158,238	-
Interfund loan receivable.....	5,000,000	7,000,000	200,000
Capital assets:			
Land.....	3,608,461	12,239,777	37,740
Buildings and other improvements.....	34,264,698	108,960,853	1,216,529
Equipment.....	12,405,811	39,557,084	55,359,251
Infrastructure.....	17,152,917	526,694,046	-
Intangibles.....	-	4,403,347	-
Construction in progress.....	11,604,155	116,950,500	692,614
Less accumulated depreciation.....	(39,433,528)	(387,305,416)	(32,415,597)
Total capital assets (net of accumulated depreciation).....	39,602,514	421,500,191	24,890,537
Total noncurrent assets.....	44,679,550	432,658,429	25,090,537
<b>Total Assets</b>	<b>90,768,846</b>	<b>651,542,405</b>	<b>31,493,193</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources.....	1,734,787	5,312,912	324,150
<b>Total Deferred Outflows of Resources</b>	<b>1,734,787</b>	<b>5,312,912</b>	<b>324,150</b>
<b>LIABILITIES</b>			
Liabilities			
Current liabilities			
Accounts payable and accrued expenses.....	1,335,253	16,210,629	452,153
Current maturities of long-term debt.....	997,122	10,879,656	1,132,112
Current maturities of compensated absences.....	320,483	1,032,661	63,854
Current maturities of stipends.....	71,363	122,926	4,950
Accrued interest payable.....	73,620	1,273,939	-
Deposits.....	4,685	1,686,135	-
<b>Total current liabilities</b>	<b>2,802,526</b>	<b>31,205,946</b>	<b>1,653,069</b>
Noncurrent liabilities			
Accrued closure/postclosure costs.....	13,648,839	13,648,839	-
Net pension liability.....	2,506,806	7,869,427	485,580
Loans payable.....	-	1,043,483	-
Total other post employment benefits liability.....	1,372,761	3,477,204	191,521
General obligation bonds payable.....	6,548,041	9,722,943	-
Revenue bonds payable.....	-	152,266,438	-
Obligation under installment purchases.....	-	-	3,573,219
Stipends payable.....	71,363	120,038	9,075
Compensated absences.....	180,702	670,553	57,989
<b>Total Noncurrent liabilities</b>	<b>24,328,512</b>	<b>188,818,925</b>	<b>4,317,384</b>
<b>Total Liabilities</b>	<b>27,131,038</b>	<b>220,024,871</b>	<b>5,970,453</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources.....	3,250,164	11,545,242	66,501
<b>Total Deferred Inflows of Resources</b>	<b>3,250,164</b>	<b>11,545,242</b>	<b>66,501</b>
<b>NET POSITION</b>			
Net Position			
Net investment in capital assets.....	31,747,261	242,113,022	20,185,206
Restricted for capital projects.....	-	7,403,505	-
Restricted for rate stabilization.....	-	44,041,184	-
Restricted for grant programs.....	405,370	405,370	-
Unrestricted.....	29,969,800	131,322,123	5,595,183
<b>Total Net Position</b>	<b>\$ 62,122,431</b>	<b>\$ 425,285,204</b>	<b>\$ 25,780,389</b>
Reconciliation to the Statement of Net Position:			
Net position of enterprise funds		\$ 425,285,204	
Adjustment to reflect the profit/loss distribution of internal service fund activities		6,025,761	
Net position of business-type activities		<b>\$ 431,310,965</b>	

**CITY OF HIGH POINT, NORTH CAROLINA**

Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended June 30, 2020

	Major Funds	
	Business-type - Enterprise Funds	
	WATER AND SEWER	ELECTRIC
Operating revenues		
Charges for services.....	\$ 54,723,806	\$ 124,487,008
Licenses and permits.....	-	-
Intergovernmental.....	-	-
Miscellaneous.....	408,854	93,065
Total operating revenues.....	<u>55,132,660</u>	<u>124,580,073</u>
Operating expenses		
Management and administration.....	7,677,727	4,723,796
Maintenance and distribution.....	9,099,430	19,318,411
Power purchases.....	-	89,333,337
Treatment plants.....	10,833,252	-
Other services and charges.....	2,649,132	3,128,718
Depreciation and amortization.....	12,722,894	3,179,359
Total operating expenses.....	<u>42,982,435</u>	<u>119,683,621</u>
Operating income (loss).....	<u>12,150,225</u>	<u>4,896,452</u>
Nonoperating revenues (expenses)		
Interest on investments.....	1,371,968	1,766,772
Other intergovernmental reimbursements.....	1,624,341	50,735
Miscellaneous and other nonoperating.....	3,153	-
Interest expense and fiscal charges.....	(7,117,881)	-
Amortization of gain on refunding.....	908,489	-
Working capital credit.....	-	17,463,999
Gain (loss) on disposal of capital assets.....	-	-
Total nonoperating revenues (expenses).....	<u>(3,209,930)</u>	<u>19,281,506</u>
Income (loss) before capital contributions and transfers	8,940,295	24,177,958
Capital contributions.....	2,174,084	-
Transfers in.....	-	-
Transfers out.....	(50,000)	(2,025,892)
Change in net position.....	<u>11,064,379</u>	<u>22,152,066</u>
Total net position - beginning.....	201,857,784	128,088,544
Total net position - ending.....	<u>\$ 212,922,163</u>	<u>\$ 150,240,610</u>

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

**CITY OF HIGH POINT, NORTH CAROLINA**

Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended June 30, 2020

	Business-type - Enterprise Funds		Governmental Activities
	NON MAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUND
Operating revenues			
Charges for services.....	\$ 20,877,439	\$ 200,088,253	\$ 31,686,251
Licenses and permits.....	392,626	392,626	-
Intergovernmental.....	1,352,738	1,352,738	-
Miscellaneous and other.....	-	501,919	187,708
Total operating revenues.....	<u>22,622,803</u>	<u>202,335,536</u>	<u>31,873,959</u>
Operating expenses			
Management and administration.....	21,417,371	33,818,894	27,916,766
Maintenance and distribution.....	-	28,417,841	-
Power purchases.....	-	89,333,337	-
Treatment plants.....	-	10,833,252	-
Other services and charges.....	-	5,777,850	-
Depreciation and amortization.....	2,715,442	18,617,695	4,990,040
Total operating expenses.....	<u>24,132,813</u>	<u>186,798,869</u>	<u>32,906,806</u>
Operating income (loss).....	<u>(1,510,010)</u>	<u>15,536,667</u>	<u>(1,032,847)</u>
Nonoperating revenues (expenses)			
Interest on investments.....	843,705	3,982,445	68,662
Other intergovernmental reimbursements.....	-	1,675,076	-
Miscellaneous and other nonoperating.....	71,876	75,029	13,500
Interest expense and fiscal charges.....	(333,010)	(7,450,891)	(117,246)
Amortization of gain on refunding.....	-	908,489	-
		17,463,999	
Gain (loss) on disposal of capital assets.....	(185,496)	(185,496)	571,338
Total nonoperating revenues (expenses).....	<u>397,075</u>	<u>16,468,651</u>	<u>536,254</u>
Income (loss) before capital contributions and transfers	(1,112,935)	32,005,318	(496,593)
Capital contributions.....	-	2,174,084	196,431
Transfers in.....	498,729	498,729	-
Transfers out.....	-	(2,075,892)	-
Change in net position.....	<u>(614,206)</u>	<u>32,602,239</u>	<u>(300,162)</u>
Total net position - beginning.....	62,736,637	392,682,965	26,080,551
Total net position - ending.....	<u>\$ 62,122,431</u>	<u>\$ 425,285,204</u>	<u>\$ 25,780,389</u>
Reconciliation to the Statement of Activities:			
Change in net position of enterprise funds		\$ 32,602,239	
Adjustment to reflect the profit/loss distribution of internal service fund activities		(28,957)	
Change in net position - business-type activities		<u>\$ 32,573,282</u>	

**CITY OF HIGH POINT, NORTH CAROLINA**

Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2020

	Major Funds	
	Business-Type - Enterprise Funds	
	WATER AND SEWER	ELECTRIC
Cash Flows From Operating Activities		
Receipts from customers and users.....	\$ 54,659,302	\$ 126,031,207
Receipts from interfund services provided.....	-	-
Payments to employees and related fringe benefits.....	(9,881,567)	(10,957,307)
Payments to suppliers and operating costs.....	(20,420,203)	(104,513,821)
Net Cash provided (used) by Operating Activities	<u>24,357,532</u>	<u>10,560,079</u>
Cash Flows From Non Capital Financing Activities		
Transfers in.....	-	-
Transfers out.....	(50,000)	(2,025,892)
Advances from/(to) other funds.....	-	-
Nonoperating grant and miscellaneous.....	3,153	50,735
Intergovernmental revenues and reimbursements.....	1,624,341	-
Working capital credit.....	-	17,463,999
Net Cash provided (used) by Non-Capital Financing Activities	<u>1,577,494</u>	<u>15,488,842</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds from issuance of long-term debt .....	-	-
Payment to trustee for refunded bonds.....	-	-
Principal payments on long-term debt.....	(8,734,657)	-
Interest payments and fiscal charges on long-term debt.....	(6,861,742)	-
Proceeds collected on the sale of capital assets.....	-	-
Acquisition and construction of capital assets.....	(26,998,819)	(7,600,165)
Net Cash provided by (used in) Capital and Related Financing Activities	<u>(42,595,218)</u>	<u>(7,600,165)</u>
Cash Flows From Investing Activities		
Interest earned on investments.....	1,350,596	1,697,389
Net Cash provided by Investing Activities	<u>1,350,596</u>	<u>1,697,389</u>
Net increase (decrease) in cash and investments	(15,309,596)	20,146,145
Cash and investments at the beginning of the year	<u>75,455,145</u>	<u>68,555,620</u>
Cash and investments at the end of the year	<u>\$ 60,145,549</u>	<u>\$ 88,701,765</u>
Operating income (loss).....	\$ 12,150,225	\$ 4,896,452
Adjustments to reconcile Operating Income (Loss) to .....		
Net Cash Provided by Operating Activities:.....		
Depreciation and amortization.....	12,722,894	3,179,359
Change in net position		
(Increase) decrease in Accounts Receivable.....	(512,463)	1,380,825
(Increase) decrease in Inventories.....	-	(188,848)
(Increase) decrease in Prepaid Expenses.....	-	-
(Increase) decrease in Deferred Outflows of Resources-Pensions.....	164,329	(18,734)
(Increase) decrease in Deferred Outflows of Resources-OPEB.....	(26,395)	(30,785)
Increase (decrease) in Payables and Accrued Expenses.....	(539,880)	555,015
Increase (decrease) in Deposits.....	39,105	70,309
Increase (decrease) in Stipends Liability.....	(35,475)	(31,349)
Increase (decrease) in Vacation Leave Accrual.....	38,924	60,350
Increase (decrease) in Net Pension Liability.....	378,741	204,261
Increase (decrease) in Total OPEB Liability.....	62,660	99,749
Increase (decrease) in Deferred Inflows of Resources-Pensions.....	(15,813)	431,580
Increase (decrease) in Deferred Inflows of Resources-OPEB.....	(69,320)	(48,105)
Total adjustments.....	<u>12,207,307</u>	<u>5,663,627</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	<u>\$ 24,357,532</u>	<u>\$ 10,560,079</u>
NONCASH FINANCING ACTIVITIES		
Capital assets contributed by developers and other funds.....	\$ 2,174,084	\$ -

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

**CITY OF HIGH POINT, NORTH CAROLINA**

Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2020

	Business-Type - Enterprise Funds		Governmental Activities
	NONMAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUND
Cash Flows From Operating Activities			
Receipts from customers and users.....	\$ 22,934,678	\$ 203,625,187	\$ 24,967,279
Receipts from interfund services provided.....	-	-	6,842,377
Payments to employees and related fringe benefits.....	(10,172,591)	(31,011,465)	(1,815,729)
Payments to suppliers and operating costs.....	(10,815,847)	(135,749,871)	(25,919,282)
Net Cash provided (used) by Operating Activities	<u>1,946,240</u>	<u>36,863,851</u>	<u>4,074,645</u>
Cash Flows From Non Capital Financing Activities			
Transfers in.....	498,729	498,729	-
Transfers out.....	-	(2,075,892)	-
Advances from/(to) other funds.....	-	-	400,000
Nonoperating grant and miscellaneous.....	71,876	125,764	13,500
Intergovernmental revenues and reimbursements.....	-	1,624,341	
Working capital credit.....	-	17,463,999	
Net Cash provided (used) by Non-Capital Financing Activities	<u>570,605</u>	<u>17,636,941</u>	<u>413,500</u>
Cash Flows From Capital and Related Financing Activities			
Proceeds from issuance of long-term debt .....	2,591,126	2,591,126	550,663
Payment to trustee for refunded bonds.....	(2,567,889)	(2,567,889)	-
Principal payments on long-term debt.....	(983,366)	(9,718,023)	(1,256,082)
Interest payments and fiscal charges on long-term debt.....	(399,784)	(7,261,526)	(117,246)
Proceeds collected on the sale of capital assets.....	10,935	10,935	625,052
Acquisition and construction of capital assets.....	(3,827,626)	(38,426,610)	(5,261,989)
Net Cash provided by (used in) Capital and Related Financing Activities	<u>(5,176,604)</u>	<u>(55,371,987)</u>	<u>(5,459,602)</u>
Cash Flows From Investing Activities			
Interest earned on investments.....	829,761	3,877,746	66,986
Net Cash provided by Investing Activities	<u>829,761</u>	<u>3,877,746</u>	<u>66,986</u>
Net increase (decrease) in cash and investments	(1,829,998)	3,006,551	(904,471)
Cash and investments at the beginning of the year	<u>44,813,801</u>	<u>188,824,566</u>	<u>6,690,211</u>
Cash and investments at the end of the year	<u>\$ 42,983,803</u>	<u>\$ 191,831,117</u>	<u>\$ 5,785,740</u>
Operating income (loss).....	<u>\$ (1,510,010)</u>	<u>\$ 15,536,667</u>	<u>\$ (1,032,847)</u>
Adjustments to reconcile Operating Income (Loss) to .....			
Net Cash Provided by Operating Activities:.....			
Depreciation and amortization.....	2,715,442	18,617,695	4,990,040
Change in net position			
(Increase) decrease in Accounts Receivable.....	312,065	1,180,427	(64,303)
(Increase) decrease in Inventories.....	(41,299)	(230,147)	(32,646)
(Increase) decrease in Prepaid Expenses.....	1,741	1,741	-
(Increase) decrease in Deferred Outflows of Resources-Pensions.....	204,637	350,232	59,834
(Increase) decrease in Deferred Outflows of Resources-OPEB.....	(37,168)	(94,348)	(6,301)
Increase (decrease) in Payables and Accrued Expenses.....	(16,195)	(1,060)	106,793
Increase (decrease) in Deposits.....	(191)	109,223	-
Increase (decrease) in Stipends Liability.....	(72,188)	(139,012)	(2,475)
Increase (decrease) in Vacation Leave Accrual.....	39,896	139,170	4,963
Increase (decrease) in Net Pension Liability.....	338,022	921,024	40,013
Increase (decrease) in OPEB Liability.....	105,030	267,439	22,420
Increase (decrease) in Deferred Inflows of Resources-Pensions.....	(16,551)	399,216	(3,456)
Increase (decrease) in Deferred Inflows of Resources-OPEB.....	(76,991)	(194,416)	(7,390)
Total adjustments.....	<u>3,456,250</u>	<u>21,327,184</u>	<u>5,107,492</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	<u>\$ 1,946,240</u>	<u>\$ 36,863,851</u>	<u>\$ 4,074,645</u>
NONCASH FINANCING ACTIVITIES			
Capital assets contributed by developers and other funds.....	<u>\$ -</u>	<u>\$ 2,174,084</u>	<u>\$ -</u>

**CITY OF HIGH POINT, NORTH CAROLINA**

Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2020

	GENERAL AGENCY FUND
ASSETS	
Cash and cash equivalents.....	\$ 372,839
Accounts receivable.....	<u>100</u>
Total assets.....	<u>\$ 372,939</u>
LIABILITIES	
Accounts payable.....	<u>\$ 372,939</u>
Total liabilities.....	<u>\$ 372,939</u>

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

# CITY OF HIGH POINT, NORTH CAROLINA

## Notes to Financial Statements June 30, 2020

### *Note 1. Summary of Significant Accounting Policies*

The accounting policies of the City of High Point, North Carolina, and its discretely presented component unit conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments.

The City's financial statements are prepared in accordance with GAAP. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The following is a summary of the more significant accounting policies established in GAAP and used by the City:

#### **A. Reporting Entity**

The City of High Point is located in the Piedmont area of the State and has a population of 115,526. The City is a municipal corporation which is governed by an elected mayor and an eight-member council and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services. As required by GAAP, these financial statements present the City and its component units, which are legally separate entities.

Criteria used to establish financial accountability include appointment of a voting majority of the component unit's governing board and imposition of will or a financial benefit/burden relationship, fiscal dependency or other significant operational and financial relationships.

#### **1. Blended Component Units**

Blended component units, although legally separate entities are, in substance, part of the City's operation. Each of these units has a June 30 year-end and the financial amounts from these units are combined with amounts of the primary government.

The Core City CDC assists the City by acquiring properties to stabilize, develop and build affordable housing and assist with development that will strengthen the core and surrounding neighborhoods in High Point. The Core City CDC partners with existing not-for-profit and for-profit entities that are creating affordable housing, jobs and redevelopment within the City limits but specifically within the core city area of High Point. The City appoints 4 of the 8 board members, 3 of the board members are appointed by other organizations, and 1 board member is appointed by the board. A financial burden exists, as the City is required to transfer funds to the CDC in an amount sufficient to sustain operations. The assets and liabilities are combined with assets and liabilities of the Special Revenue Funds for financial statement purposes. Financial information for the Core City CDC may be obtained by from the City of High Point.

Forward High Point, Inc. (FHP) assists the City in purchasing strategic property in the City for development and other economic development projects in the downtown area. The mission of FHP is to transform downtown High Point into an extraordinary and vibrant destination to live, work, study, and play. A financial burden exists, as the City is required to transfer funds to FHP in an amount sufficient to sustain operations. The assets and liabilities are combined with assets and liabilities of the Special Revenue Funds for financial statement purposes. FHP reports under the Financial Accounting Standards Board (FASB). As such, certain revenue recognition, debt payments, and presentation features are different from GASB revenue recognition, debt payments, and presentation features. The City modified certain portions of FHP's financial information to include FHP in the Special Revenue Funds at the modified accrual level. No modifications have been made to FHP's financial information at the City's government-wide level. Complete financial statements and related information for FHP may be obtained from the entity's administrative offices at 164 S. Main Street, Suite 606, High Point, NC 27260.

The High Point Public Facilities Corporation (HPPFC) assists the City in financing, acquiring and constructing public facilities. The sole purpose of the HPPFC is to provide a funding source for City assets, lease the assets to the City and to use the lease payments to repay the debt. The corporation has no other operations. The HPPFC's three-member governing board is composed of City staff as directed in the corporation's bylaws. A financial burden exists, as the City is required to transfer funds to the HPPFC in an amount sufficient to pay the scheduled debt service on HPPFC's outstanding debt. The HPPFC's cash and debt are considered with assets of the Debt Service Fund and Governmental liabilities for financial statement purposes.

## **2. Discretely Presented Component Unit**

### City of High Point ABC Board

The City appoints the members of the ABC Board's governing board. In addition, the ABC Board is required by State statute to distribute its surpluses to the General Fund of the City. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements and related information for the ABC Board may be obtained from the entity's administrative offices at City of High Point ABC Board, 201 W. Fairfield Road, High Point, NC 27263.

### B. Basic Financial Statements—Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's general administrative, public services, police and fire, parks and recreation, and library are classified as governmental activities. The City's water, sewer, electric, mass transit, parking, solid waste and storm water services are classified as business-type activities.

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government and its component unit. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts—net investment in capital assets; restricted; and unrestricted.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (police, fire, public works, etc.). The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, fire, public services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.



### C. Basic Financial Statements—Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred outflows and inflows, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

*Fund Financial Statements:* The fund financial statements provide information about the City's funds, including fiduciary funds. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

The City uses the following fund types:

a. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

1. General Fund. The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State-shared revenues, and various other taxes and licenses. The primary expenditures are for public safety (police and fire), public works and cultural and recreation.
2. Special Revenue Fund. The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments) that are legally restricted to expenditures for specified purposes. The City maintains two special revenue funds: The Special Grants Fund and The Community Development Fund. The City's blended component units are reported as part of the Community Development Fund.
3. General Debt Service Fund. The General Debt Service Fund is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.
4. General Capital Projects Fund. The General Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).

The General Fund and the General Capital Projects Fund are the major governmental funds.

b. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

The City maintains six enterprise funds: The Water and Sewer Fund, the Electric Fund, the Mass Transit Fund, the Parking Facilities Fund, the Solid Waste Facilities Fund and the Storm Water Fund. For financial reporting purposes, the Water & Sewer Capital Projects Ordinance Fund, the Water Capital Reserve Fund, the Sewer Capital Reserve Fund, the Mass Transit Capital Projects Ordinance Fund, the Solid Waste Capital Projects

Ordinance Fund, the Landfill Closure and Post-Closure Reserve Fund, and the Storm Water Facilities Capital Projects Ordinance Fund have been consolidated with their respective Enterprise Fund.

The Water and Sewer Fund and the Electric Fund are the only major enterprise funds of the City.

c. The City reports the following additional fund types:

1. Internal Service Funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the City on a cost-reimbursement basis. The City has two Internal Service Funds reported as one combined fund. The components of the Internal Service Fund are Fleet Services, Radio Repair, Computer Replacement, and Health and Wellness.
2. Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The City has one fiduciary fund: The General Agency Fund. The General Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of the results of operations. The Agency Fund is used to account for the receipts and disbursements of those funds the City holds on behalf of other organizations and specialized purposes not inconsistent with the City's general governmental purposes, including the Police Property Crimes escrow and Historic Preservation Commission.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows, liabilities, deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a single column in the fund financial statements. The City may elect to report funds as major even if the minimum criteria set forth by GASB No. 34 is not met due to the public interest of the funds.

The City's internal service fund is presented in the proprietary funds financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (police, fire, public works, etc.).

The City's fiduciary fund is presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party (other local governments and private parties) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

#### D. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the City 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. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including

special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the primary activities of the proprietary funds. For the City of High Point, these operating revenues are charges to customers for sales and services for the Water and Sewer Fund, Electric Fund, Mass Transit Fund, Parking Facilities Fund, the Solid Waste Facilities Fund and the Storm Water Fund. Operating expenses for these enterprise funds include the costs of sales and providing services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes and sales taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special districts.

Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City of High Point because the tax is levied by our respective counties and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes, are reported as general revenues rather than program revenues. Grant revenues that are unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

#### E. Budgetary Data

The City's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Special Revenue Funds, General Debt Service Fund, Enterprise Funds, and Internal Service Funds. All annual appropriations lapse at the fiscal-year end.

Capital Project Funds, including the Enterprise Capital Projects Funds, are budgeted on a project or an annual basis depending on the estimated life of the project. The enterprise fund projects are consolidated with their respective operating fund for reporting purposes. A financial plan was adopted by City Council as part of the Annual Budget ordinance approval for the Internal Service Funds operation as required by the General Statutes. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the functional level for the multi-year funds. The City Manager is authorized by the budget ordinance to make unlimited transfers within a fund; however, the governing board must approve any revisions that alter the total expenditures of any fund.

A budget calendar is included in the North Carolina General Statutes, which prescribes the last day on which certain steps of that budget procedure are to be performed.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. The City monitors budget performance through the Budget and Evaluation Office. The office monitors revenues and reviews expenditures against the departmental budget and prepares budget amendments as necessary.

#### F. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Equity

##### 1. Deposits and Investments

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

State law (G.S. 159-30 (c)) authorizes the City and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and banker's acceptances; and the North Carolina Capital Management Trust (NCCMT).

The City's and the ABC Board's investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at fair value, which is the NCCMT's share price. The NCCMT- Term Portfolio is bond fund, has no rating and is measured at fair value. As of June 30, 2020, The Term portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

As allowed by State law, the City has invested in securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value as determined by quoted market prices.

##### 2. Cash and Cash Equivalents

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board considers all highly liquid with an original maturity of three months or less to be cash equivalents.

##### 3. Restricted Assets

The financial statements of the enterprise funds have been consolidated to include applicable reserve funds and capital project funds. The assets of these funds are classified as restricted because their use is restricted.

The unexpended bond proceeds of Combined Enterprise System Revenue Bonds, Limited Obligation Bonds, and General Obligation Bonds issued by the City are classified as restricted assets for the enterprise funds and capital project fund because their use is completely restricted to the purposes for which the bonds were issued. In addition, customer utility deposits in the enterprise funds and surety deposits on erosion control and subdivision requirements in the General Fund are restricted to the service for which the deposit was collected.

City of High Point Restricted Cash and Investments	
Governmental activities	June 30, 2020
General Fund	
Customer deposits	\$ 752,647
General Capital Projects Fund	
Unexpended bond proceeds	18,180,602
Restricted for bond related projects	869,326
Non-major governmental funds	
Unexpended grant receipts	1,641,009
Blended component unit deposits	167,630
Total governmental activities	<u>21,611,214</u>
Business-type activities	
Water & Sewer Fund	
Customer deposits	426,220
Unexpended bond proceeds	2,399,752
Electric Fund	
Customer deposits	1,255,230
Non-major enterprise funds	
Customer deposits	4,685
Unexpended bond proceeds	19,760
Unexpended grant receipts	52,591
Total business-type activities	<u>4,158,238</u>
Total Restricted Cash and Investments	<u>\$ 25,769,452</u>

#### 4. Ad Valorem Tax Receivable

In accordance with state law (G.S. 105-347 and G.S. 159-13 (a)), the City levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The levy is based on the assessed valuation of property located in the City as of January 1, 2019. Value of personal property is established annually, and by state law, real property must be appraised at least once every eight years. The last revaluation of real property became effective with the 2017 tax levy. The City's current combined tax rate is \$.6475. Property taxes are levied July 1, the beginning of the fiscal year, and are due on September 1 (lien date) and payable without penalty or interest until the sixth of January.

On and after January 6, taxes become delinquent; a lien attaches to the property, and a penalty of 2 percent is assessed. On February 1, interest accrues at the rate of .75 percent per month until paid. As allowed by State law, the City has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the City's General Fund, ad valorem tax revenues are reported net of such discounts.

The City has arrangements with Guilford, Randolph, Davidson and Forsyth counties for the billing and collecting of the City's property taxes.

The City is permitted by the general statutes of the State to levy taxes up to \$1.50 per \$100 of assessed valuation for general governmental services other than the payment of principal and interest on long-term debt, and in unlimited amounts for the payment of principal and interest on long-term debt.

The tax rate to finance general governmental services other than the payment of principal and interest on long-term debt for the year ended June 30, 2020, was \$.6135 per \$100, which means that the City has a tax margin of \$.8865 per \$100.

5. Allowances for Doubtful Accounts

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

6. Notes Receivable

Notes receivable for the Community Development Fund represent loans made through grant programs that are collectible in future fiscal years and shown net of an allowance for estimated uncollectible accounts.

7. Inventory and Prepaid Items

Inventories of the City are valued at cost (first-in, first-out), which approximates market. Inventories in the internal service and enterprise funds and those of the ABC Board consist of expendable supplies held for consumption. The costs of these inventories are recorded as an expense as the inventories are consumed. The City of High Point ABC Board values its inventory at replacement cost.

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

8. Capital Assets

Capital assets of the City are defined as assets with an initial cost of more than a certain amount and estimated useful life of more than three years. The minimum capitalization cost for all capital assets excluding infrastructure and land is \$5,000. Infrastructure has a capitalization threshold of \$50,000. All land is capitalized, regardless of cost. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of the road network (roads, curbs and gutters, sidewalks, and bridges) that were acquired, contributed by contractors, or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value or materially extend the assets' lives are not capitalized.

Depreciation of capital assets is provided on the straight-line method over their estimated useful lives:

Buildings	25-50 years
Infrastructure	10-40 years
Improvements	5-20 years
Equipment	3-20 years
Computer software	5-10 years

Capital assets of the ABC Board are recorded at original cost at the time of acquisition. Property, plant, and equipment donated to the ABC Board received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Capital assets of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

Buildings	20 years
Equipment	10 years
Furniture and fixtures	5 years
Automobiles	7 years

Forward High Point, a blended component unit presented in governmental activities, has property held for resale that is reported as a capital asset.

The City evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. Impaired capital assets that will no longer be used by the City are reported at the lower of carrying value or fair value. Impairment losses on capital assets that will continue to be used by the City are measured using the method that best reflects the diminished service utility of the capital asset. Any insurance recoveries received as a result of impairment events or changes in circumstances resulting in the impairment of a capital asset are netted against the impairment loss.

#### 9. 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. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has several items that meet this criterion for this category – OPEB pension and pension deferrals.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has several items that meet the criterion for this category – prepaid taxes, property taxes receivable, unearned-deferred grant revenues, unearned revenues for pond maintenance, OPEB and pension deferrals, and unamortized gains on general obligation refunding and revenue refunding bonds.

#### 10. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for any prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs, as applicable, are expensed over the life of the debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### 11. Compensated Absences

The vacation policy of the City provides for the accumulation of up to thirty-seven and one-half (37.5) days earned vacation leave with such leave being fully vested when earned. For the City's government-wide and proprietary funds, an expense and liability for compensated absences are recorded as the leave is earned.

Compensated absences are reported in the governmental funds only if they have matured. The current portion of the accumulated vacation pay has been estimated based on historical trends.

Both the City's and the ABC Board's sick leave policies provide 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 neither the City nor the ABC Board has any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

## 12. 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.

- Net investment in capital assets represents the portion of net position associated with nonliquid capital assets less the outstanding capital asset related debt.
- Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through State statute.
- Unrestricted net position represents resources with no externally imposed restrictions on use. While the City has allocated portions of unrestricted net position for various purposes, the City has the unrestricted authority to revisit or alter the allocation with managerial or City Council decision.

### Fund Balance

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

Prepaid items – represents that portion of fund balance in the governmental funds for prepaid items, such as postage and other prepaid expenses.

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

Restricted for Stabilization by State Statute - 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. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *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 nonspendable. Outstanding Encumbrances are included within RSS, as shown in Note 4.B.6 RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.



Restricted for grant programs – portion of fund balance restricted by various granting agencies for expenditures for public safety, planning and community development, transportation, and culture and recreation.

Restricted for community and economic development – portion of fund balance restricted as to control by the City's blended component units (the Core City CDC and FHP).

Restricted for transportation – portion of fund balance restricted by revenue source for sidewalk and turn lane construction improvements. This amount does not include any balance of unexpended Powell Bill funds which would be disclosed with its own fund balance component.

Restricted for debt service – portion of fund balance of the General Debt Service Fund restricted by revenue source to service the debt service payments of general government debt.

Restricted for capital projects – portion of fund balance restricted by revenue source for certain capital project purposes as defined by applicable bond and other debt instruments.

**Committed Fund Balance** - This classification of fund balance can only be used for specific purposes as authorized in a formal action prior to the end of the fiscal year utilizing an ordinance or ordinance amendment as approved and imposed by a majority vote by quorum of the City of High Point's City Council (the highest level of decision-making authority). Once adopted, the limitation imposed by the ordinance is binding with the force of local law and remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Committed for economic development – portion of fund balance available for appropriation that has been committed by City Council for economic development incentives and reimbursements.

Committed for market development – portion of fund balance available for appropriation that has been committed by City Council for Market Authority development.

Committed for public safety – portion of fund balance available for appropriation that has been committed by City Council for public safety in order to service future law enforcement officer's special separation allowance pension obligations.

**Assigned Fund Balance** - This classification of fund balance has been designated to be used for specific purposes. Fiscal policies formally adopted by the City Council allow the governing body to take informal action through resolution to assign a portion of fund balance for a particular purpose or program and extends similar authority to the City Manager. Assigned fund balances lapse at the end of the fiscal year unless these assignments are extended.

Assigned for subsequent year's expenditures - portion of fund balance that is appropriated in the adopted 2020-2021 budget ordinance that is not already classified in restricted or committed.

Assigned for general government – portion of fund balance that has been budgeted for city hall and redevelopment projects.

Assigned for public safety – portion of fund balance that has been budgeted for High Point Police Community Day activities.

Assigned for culture and recreation - portion of fund balance that has been budgeted for lighting system improvements at the High Point Theatre.

Assigned for public services and transportation – portion of fund balance that has been budgeted by the City Council for various future transportation and public services capital projects.

Assigned fund balances	June 30, 2020
Subsequent year's expenditures	\$ 387,478
General government (Economic Development Allia	20,000
Public safety (Police Community Day)	8,193
Culture and recreation (Theatre)	7,269
Public services and transportation (Transportation)	51,245
Public services and transportation (Public Services	14,063
Total assigned fund balances	<u>\$ 488,248</u>

Unassigned Fund Balance - This is the portion of fund balance which has not been restricted, committed or assigned to specific purposes or other funds. The General Fund is the only fund that reports a positive unassigned fund balance.

The City of High Point has a revenue spending policy for programs and activities with multiple revenue sources. The Financial Services Director will use resources in the following hierarchy: federal funds, state funds, bond and/or installment contract proceeds, local non-City funds, City funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly unassigned fund balance. The Financial Services Director and City Manager have the authority to deviate from this policy where it is in the best interest of the City.

The City of High Point has also adopted a minimum fund balance policy for the General Fund which provides that the City will maintain an available fund balance at least equal to or greater than 10% of budgeted expenditures. The City may from time to time fall below this amount. In such circumstances, Council will adopt a plan to restore available fund balances to the policy level within 36 months, or other such appropriate time period.

### 13. Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Government Employees' Retirement System (LGERs) and additions to/deductions from LGERs' fiduciary net position have been determined on the same basis as they are reported by LGERs. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The City of High Point's employer contributions are recognized when due and the City of High Point has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERs. Investments are reported at fair value.

For purposes of measuring the net pension expense, information about the fiduciary net position of the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF) and additions to/deductions from FRSWPF's fiduciary net position have been determined on the same basis as they are reported by FRSWPF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## G. Revenues, Expenditures and Expenses

### 1. Grant Revenue

The City recognizes revenues (net of estimated uncollectible amount, if any), when all applicable eligibility requirements, including time requirements, are met. Resources transmitted to the City before meeting the eligibility requirements are recorded and reported as deferred revenues.

## 2. Investment income

The City recognizes investment income from pooled cash and investments as revenues in the individual funds based on the percentage of a fund's average monthly investment in pooled cash and investments to the total average monthly-pooled equity in pooled cash and investments. All investment earnings are allocated and recorded monthly in each individual fund.

## 3. Interfund Transactions

Interfund transactions are either services provided, reimbursements or transfers. Services that are deemed to be reasonably equivalent in value are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs the cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement, if material. All other interfund transactions are presented as transfers. Transfers within governmental activities and business-type activities are eliminated upon consolidation.

The City also transfers capital assets between funds as needed. These types of transfers are reflected as loss on disposal in the fund making the transfer and capital contributions in the fund receiving the assets.

Also, the ABC Board makes quarterly transfers to the City's General Fund. These transfers represent the City's portion of the Board's surpluses that the ABC Board is required by State statute to distribute to the City. These transactions are considered external transactions – that is, revenues and expenses. The City makes periodic payments to the Core City CDC and FHP for operational purposes.

## H. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

## I. Reconciliation of Governmental Funds to Government Wide Activities

The preparation of financial statements requires summarizing certain details reconciling the modified accrual basis of accounting for the governmental funds to the full accrual basis presented for governmental activities. The following liabilities in governmental funds are summarized to the reconciliation on page 20 of the financial statements.

Accrued interest payable	\$	852,878
Compensated absences		5,187,681
Stipends payable		418,688
Installment contracts payable		8,359,012
LEOSSA pension liability		13,696,771
LGERS pension liability		21,993,729
OPEB liability		7,799,627
Loans payable		4,941,000
Limited obligation bonds payable		51,690,000
General obligation bonds payable		46,435,895
Premium on general obligation bonds		204,111
Component unit line of credit		416,688
Total liabilities not payable in certain period	\$	<u>161,996,080</u>

## Note 2. Detail Notes on All Funds

### A. Assets

#### 1. Deposits

All the deposits of the City and the ABC Board are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the City's or the ABC Board's agents in these units' names. 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 City and the ABC Board, these deposits are considered to be held by the City's and the ABC Board's agents in their names. 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 City, the ABC Board or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the City or the ABC Board under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City and the ABC Board have no formal policy regarding custodial credit risk for deposits, but rely on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance.

The City and the ABC Board comply with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2020, the City's deposits had a carrying amount of \$15,004,532 and a bank balance of \$11,138,979. In addition, the City has unexpended bond proceeds totaling \$18,180,602 held in trust. The cash and cash equivalents held by the agency fund are not included in the Statement of Net Position, however the balance of \$372,939 is included within the previously stated carrying amount. The carrying amount of deposits for the ABC Board was \$3,144,242 and the bank balance was \$3,821,978. Of the bank balances, the City and the ABC Board had \$500,000 and \$481,552 respectively, covered by federal depository insurance and the remainder of \$14,504,532 and \$3,340,426, respectively, was covered by collateral held under the pooling method. At June 30, 2020, the City and the ABC Board held petty cash funds of \$42,757 and \$16,750, respectively.

At June 30, 2020 the Core City CDC and FHP had deposits with a carrying amount of \$55,528 and \$112,102 respectively and covered by federal depository insurance.

#### 2. Investments

At June 30, 2020, the City's investment balances were as follows:

	Valuation Measurement Method	Book Value at 6/30/2020	Maturity	Rating
Government Agencies	Fair Value Level 2	\$ 141,854,854	1 to 5 Years	AAA/Aaa
Commercial Paper	Fair Value Level 1	9,968,880	8/7/2020	A1P1
NC Capital Management Trust - Cash Portfolio	Fair Value Level 1	33,766,788	N/A	AAAm
NC Capital Management Trust - Term Portfolio	Fair Value Level 1	42,159,131	0.15 Years	Unrated
		<u>\$ 227,749,653</u>		

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2: Debt Securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' benchmark quoted prices.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits at least half of the City's investment portfolio to maturities of less than 12 months. Also, the City's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than five years.

Credit risk. The City's investment policy limits the City's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. At June 30, 2020, the investments in the U.S. Government Agencies were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The City's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2020. The City's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments permitted under NC General Statutes 159-30 as amended.

Custodial credit risk. For an investment, the custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires all book-entry investment securities to be in the City's name and delivered versus payment to a City-named third-party custodian. Certificated securities are held in the custody of the Financial Services Director.

Concentration of Credit Risk. The City's investment policy places limits on the amount that the City may invest in any one type of security and also any one issuer. There is no limit for direct obligations of the U.S. Treasury or investments in mutual funds certified by the Department of State Treasurer (NCCMT). Securities issued by agencies of the U.S. government are limited to a maximum of 75% of the portfolio and individually limited to 30% concentration to any one government agency. Commercial paper and bankers acceptances may not exceed 30% and 20%, respectively, of the portfolio. Policy also limits investments to 2% of the portfolio for any individual non-governmental issuers. More than 63% of the City's investments are in U.S. Government Agencies which are primarily Federal Home Loan Mortgage Corporation (21.56%), Federal Farm Credit Bank (18.69%), Federal National Mortgage Association (9.74%) securities, and Federal Home Loan Bank (12.99%) securities.

### 3. Receivables - Allowances for Doubtful Accounts

The amounts presented in the Statements of Net Position, Governmental Funds Balance Sheet and Proprietary Fund Statement of Net Position, are net of the following allowances for doubtful accounts:

General Fund:	
Taxes receivable	\$ 3,263,874
Accounts receivable	<u>1,927,955</u>
Total General Fund	5,191,829
Special Revenue Fund:	
Notes receivable	960,710
Water and Sewer Fund:	
Accounts receivable	994,175
Electric Fund:	
Accounts receivable	2,634,338
Mass Transit Fund	
Taxes receivable	223,349
Solid Waste Fund:	
Accounts receivable	192,292
Storm Water Fund:	
Accounts receivable	<u>64,371</u>
Total Allowances	<u><u>\$10,261,064</u></u>

#### 4. Capital Assets

A summary of changes in capital assets for the year ended June 30, 2020, follows:

	Primary Government			
	Beginning Balance	Increases & Reclassifications	Decreases & Reclassifications	Ending Balance
Governmental activities:				
Capital assets not being depreciated				
Land and other nondepreciable capital assets..	\$ 21,058,610	\$ 128,340	\$ 4,997	\$ 21,181,953
Intangibles.....	115,889	-	-	115,889
Construction in progress.....	65,166,361	11,971,614	42,853,889	34,284,086
Total capital assets not being depreciated	86,340,860	12,099,954	42,858,886	55,581,928
Capital assets being depreciated				
Buildings and other improvements.....	74,824,563	39,671,119	45,603	114,450,079
Intangibles.....	208,108	7,500	-	215,608
Equipment.....	95,467,150	8,871,078	7,871,418	96,466,810
Infrastructure.....	559,712,636	6,183,750	-	565,896,386
Total capital assets being depreciated	730,212,457	54,733,447	7,917,021	777,028,883
Less accumulated depreciation for:				
Buildings and other improvements.....	49,148,071	2,193,573	45,603	51,296,041
Intangibles.....	200,609	-	-	200,609
Equipment.....	57,170,722	6,919,112	7,798,226	56,291,608
Infrastructure.....	443,501,003	8,464,640	-	451,965,643
Total accumulated depreciation	550,020,405	17,577,325	7,843,829	559,753,901
Total capital assets being depreciated (net)....	180,192,052			217,274,982
Governmental activities capital assets, net.....	\$ 266,532,912			\$ 272,856,910
Business-type activities:				
<i>Water &amp; Sewer Fund</i>				
Capital assets not being depreciated				
Land and other nondepreciable capital assets..	\$ 7,717,480	\$ 18,225	\$ -	\$ 7,735,705
Construction in progress.....	73,659,574	24,401,533	4,477,550	93,583,557
Total capital assets not being depreciated.....	81,377,054	24,419,758	4,477,550	101,319,262
Capital assets being depreciated				
Buildings and other improvements.....	74,337,191	203,999	-	74,541,190
Equipment.....	13,726,361	371,062	2,036,500	12,060,923
Infrastructure.....	380,320,090	7,781,598	-	388,101,688
Intangibles.....	-	874,036	-	874,036
Capital assets being depreciated.....	468,383,642	9,230,695	2,036,500	475,577,837
Less accumulated depreciation for:				
Buildings and other improvements.....	46,818,338	1,531,183	-	48,349,521
Equipment.....	9,514,505	353,376	2,036,500	7,831,381
Infrastructure.....	181,760,524	10,663,528	-	192,424,052
Intangibles.....		174,807		174,807
Total accumulated depreciation.....	238,093,367	12,722,894	2,036,500	248,779,761
Total capital assets being depreciated(net)....	230,290,275			226,798,076
Water & Sewer fund capital assets, net.....	\$ 311,667,329			\$ 328,117,338

	Primary Government			
	Beginning Balance	Increases & Reclassifications	Decreases & Reclassifications	Ending Balance
<i>Electric Fund</i>				
Capital assets not being depreciated				
Land and other nondepreciable capital assets..	\$ 895,605	\$ 6	\$ -	\$ 895,611
Construction in progress.....	6,349,857	7,550,623	2,137,692	11,762,788
Total capital assets not being depreciated.....	7,245,462	7,550,629	2,137,692	12,658,399
Capital assets being depreciated				
Buildings and other improvements.....	154,965	-	-	154,965
Intangibles.....	3,529,311	-	-	3,529,311
Equipment.....	15,086,680	47,497	43,827	15,090,350
Infrastructure.....	119,299,710	2,139,731	-	121,439,441
Capital assets being depreciated.....	138,070,666	2,187,228	43,827	140,214,067
Less accumulated depreciation for:				
Buildings and other improvements.....	154,965	-	-	154,965
Intangibles.....	3,529,314	-	-	3,529,314
Equipment.....	14,857,614	33,410	43,827	14,847,197
Infrastructure.....	77,414,702	3,145,949	-	80,560,651
Total accumulated depreciation.....	95,956,595	3,179,359	43,827	99,092,127
Total capital assets being depreciated(net).....	42,114,071			41,121,940
Electric fund capital assets, net.....	<u>\$ 49,359,533</u>			<u>\$ 53,780,339</u>
<i>Mass Transit Fund</i>				
Capital assets not being depreciated				
Land and other nondepreciable capital assets..	\$ 581,396	\$ -	\$ -	\$ 581,396
Construction in progress.....	266,887	131,083	6,018	391,952
Total capital assets not being depreciated.....	848,283	131,083	6,018	973,348
Capital assets being depreciated				
Buildings and other improvements.....	2,952,650		-	2,952,650
Equipment.....	8,135,022	448,389	174,532	8,408,879
Infrastructure.....	157,863	-	-	157,863
Capital assets being depreciated.....	11,245,535	448,389	174,532	11,519,392
Less accumulated depreciation for:				
Buildings and other improvements.....	1,261,653	116,446	-	1,378,099
Equipment.....	2,496,968	791,322	174,533	3,113,757
Infrastructure.....	39,465	7,893	-	47,358
Total accumulated depreciation.....	3,798,086	915,661	174,533	4,539,214
Total capital assets being depreciated(net).....	7,447,449			6,980,178
Mass Transit fund capital assets, net.....	<u>\$ 8,295,732</u>			<u>\$ 7,953,526</u>



	Primary Government			
	Beginning Balance	Increases & Reclassifications	Decreases & Reclassifications	Ending Balance
<i>Parking Fund</i>				
Capital assets not being depreciated				
Land and other nondepreciable capital assets.....	\$ 898,720	\$ -	\$ -	\$ 898,720
Construction in progress.....	286,440	6,300	-	292,740
Total capital assets not being depreciated.....	1,185,160	6,300	-	1,191,460
Capital assets being depreciated				
Buildings and other improvements.....	8,690,140	-	-	8,690,140
Equipment.....	416,962	-	7,900	409,062
Capital assets being depreciated.....	9,107,102	-	7,900	9,099,202
Less accumulated depreciation for:				
Buildings and other improvements.....	8,154,378	151,751	-	8,306,129
Equipment.....	416,962	-	7,900	409,062
Total accumulated depreciation.....	8,571,340	151,751	7,900	8,715,191
Total capital assets being depreciated(net).....	535,762			384,011
Parking fund capital assets, net.....	\$ 1,720,922			\$ 1,575,471
<i>Solid Waste Fund</i>				
Capital assets not being depreciated				
Land and other nondepreciable capital assets.....	\$ 1,676,601	\$ -	\$ -	\$ 1,676,601
Construction in progress.....	5,615,242	1,232,916	389,329	6,458,829
Total capital assets not being depreciated.....	7,291,843	1,232,916	389,329	8,135,430
Capital assets being depreciated				
Buildings and other improvements.....	22,232,580	389,328	-	22,621,908
Equipment.....	3,501,811	144,584	194,223	3,452,172
Capital assets being depreciated.....	25,734,391	533,912	194,223	26,074,080
Less accumulated depreciation for:				
Buildings and other improvements.....	17,955,374	950,723	-	18,906,097
Equipment.....	2,362,041	137,259	49,640	2,449,660
Infrastructure.....	-	-	-	-
Total accumulated depreciation.....	20,317,415	1,087,982	49,640	21,355,757
Total capital assets being depreciated(net).....	5,416,976			4,718,323
Solid waste fund capital assets, net.....	\$ 12,708,819			\$ 12,853,753
<i>Storm Water Fund</i>				
Capital assets not being depreciated				
Land and other nondepreciable capital assets...	\$ 451,744		\$ -	\$ 451,744
Construction in progress.....	2,654,442	1,806,192	-	4,460,634
Total capital assets not being depreciated.....	3,106,186	1,806,192	-	4,912,378
Capital assets being depreciated				
Equipment.....	123,365	64,180	51,847	135,698
Infrastructure.....	16,995,054	-	-	16,995,054
Capital assets being depreciated.....	17,118,419	64,180	51,847	17,130,752
Less accumulated depreciation for:				
Equipment.....	58,359	18,071	-	76,430
Infrastructure.....	4,204,959	541,977	-	4,746,936
Total accumulated depreciation.....	4,263,318	560,048	-	4,823,366
Total capital assets being depreciated(net).....	12,855,101			12,307,386
Storm water fund capital assets, net.....	15,961,287			17,219,764
Business-type activities capital assets, net...	\$ 399,713,622			\$ 421,500,191

During the fiscal year, assets were transferred between governmental activities in the amount of \$26,486 (with accumulated depreciation of \$19,312). There were transfers from business-type activities to governmental activities in the amount of \$196,431 (with no accumulated depreciation). Assets were transferred from the Solid Waste Fund to governmental activities in the amount of \$144,583 (with no accumulated depreciation). There were also assets transferred from the Storm Water Fund to governmental activities in the amount of \$51,847 (with no accumulated depreciation).

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

Governmental activities:	current year
General Government .....	\$ 5,942,569
Public Safety.....	1,422,397
Public Services and Transportation.....	8,470,420
Planning and Community Development.....	15,159
Culture and Recreation.....	<u>1,726,780</u>
Total governmental activities depreciation expense	<u>\$ 17,577,325</u>
Business-type activities:	
Water and Sewer.....	\$ 12,722,894
Electric.....	3,179,359
Mass Transit.....	915,661
Parking Facilities.....	151,751
Landfill Facilities.....	1,087,982
Storm Water Facilities.....	<u>560,048</u>
Total business-type activities depreciation expense	<u>\$ 18,617,695</u>

A summary of capital assets for the ABC Board and FHP at June 30, 2020 follows:

Assets	ABC Board	FHP
Land, deposits, and buildings	\$ 3,777,370	\$ -
Land and buildings, held for resale	-	1,265,598
Intangibles	-	15,000
Equipment and vehicles	1,241,510	-
Leasehold improvements	42,847	-
Construction in progress	2,149	-
Accumulated depreciation	<u>(3,369,720)</u>	<u>-</u>
Total ABC Board	<u>\$ 1,694,156</u>	<u>\$ 1,280,598</u>

## B. Liabilities

1. Accounts payable and accrued expenses as of June 30, 2020 consisted of the following:

	Accounts Payable	Accrued Payroll and expenses	Total
<b>Governmental Activities</b>			
General .....	\$ 1,829,698	\$ 2,605,137	\$ 4,434,834
General Capital Projects .....	2,074,471	-	2,074,471
Other non-major governmental funds ...	215,574	40,904	256,478
Internal Service Fund .....	416,132	36,021	452,153
Total governmental .....	4,535,875	2,682,062	7,217,936
<b>Business-Type Activities</b>			
Water and Sewer .....	2,915,387	314,914	3,230,301
Electric .....	11,289,083	355,992	11,645,075
Other non-major enterprise funds .....	1,037,030	298,223	1,335,253
Total enterprise funds .....	15,241,500	969,129	16,210,629
Total Primary Government .....	\$ 19,777,375	\$ 3,651,191	\$ 23,428,565

## 2. Pension Plan and Postemployment Obligations

### a. Local Governmental Employees' Retirement System

**Plan Description.** The City of High Point 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 G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

**Benefits Provided.** LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for

life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are 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 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. City of High Point employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of High Point's contractually required contribution rate for the year ended June 30, 2020, was 9.70% of compensation for law enforcement officers and 8.95% 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 ABC Board's contractually required contribution rate for the year ended June 30, 2020, was 9.06%. Contributions to the pension plan from the City of High Point and ABC Board were \$7,332,973 and \$96,738 respectively for the year ended June 30, 2020.

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

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

At June 30, 2020, the City reported a liability of \$30,348,736 for its proportionate share of the net pension liability and the ABC Board reported a liability of \$390,794. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City'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 City's proportion was 1.11130%, which was an decrease of 0.02013% from its proportion measured as of June 30, 2018. The ABC Board's proportion was 0.014%.

For the year ended June 30, 2020, the City recognized pension expense of \$13,575,548 and the ABC Board recognized pension expense of \$92,685. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 5,196,472	\$ -
Changes of assumptions	4,946,341	-
Net difference between projected and actual earnings on pension plan investments	740,248	-
Changes in proportion and differences between City contributions and proportionate share of contributions	130,687	57,760
City contributions subsequent to the measurement date	7,332,973	-
Total	<u>\$ 18,346,721</u>	<u>\$ 57,760</u>

\$7,332,973 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2021	\$ 5,411,522
2022	1,722,881
2023	2,978,643
2024	842,942
Total	<u>\$ 10,955,988</u>

The ABC Board reported deferred outflows of resource and deferred outflows and inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 66,914	\$ -
Changes of assumptions	63,693	-
Net difference between projected and actual earnings on pension plan investments	9,532	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	3,653	15,283
Board contributions subsequent to the measurement date	96,738	-
Total	<u>\$ 240,530</u>	<u>\$ 15,283</u>

Amounts totaling \$96,738 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date, will be recognized as a decrease of the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2021	\$ 18,520
2022	33,282
2023	9,347
	<u>\$ 61,149</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2018 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 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality 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 based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2014 through December 31, 2018.

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.

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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
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	<u>100%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2018 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.

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

	<b>1% Decrease (6.00%)</b>	<b>Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
City's proportionate share of the net pension liability (asset)	\$ 69,413,109	\$ 30,348,736	\$ (2,121,672)

*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.

#### **b. Law Enforcement Officers' Special Separation Allowance**

##### **1. Plan Description.**

The City of High Point administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to .85 percent 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 G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

The Separation Allowance covers all full-time law enforcement officers of the City. At December 31, 2018, the Separation Allowance's membership consisted of:

Retirees currently receiving benefits.....	39
Active plan members.....	<u>241</u>
Total.....	<u><u>280</u></u>

2. Summary of Significant Accounting Policies.

**Basis of Accounting.** The City has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with terms of the plan.

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

3. Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2018 valuation. The total pension liability in the December 31, 2018 actuarial valuation was determined 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, including inflation and productivity factor
Discount rate	3.26 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2018. Mortality rates are based on the RP-2014 Mortality tables, projected forward generationally from the valuation date using MP-2015.

4. Contributions.

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The City has chosen to set aside additional funds for future costs within the fund balance in the General Fund. During the fiscal year ended June 30, 2020, the City committed an additional \$50,000 toward the reduction of the accrued actuarial liability. Administration costs of the Separation Allowance are financed through investment earnings. The City paid \$831,915 as benefits came due for the reporting period.

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

At June 30, 2020, the City reported a total pension liability of \$13,696,771. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the City recognized pension expense of \$1,265,413.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,085,604	\$ -
Changes of assumptions	672,240	405,019
Benefit payments and administrative expenses subsequent to the measurement date	430,087	-
Total	<u>\$ 2,187,931</u>	<u>\$ 405,019</u>



\$430,087 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	Deferred Outflows of Resources	Deferred Inflows of Resources	Amount recognized as an increase to Pension Expense
2021	\$ 490,966	\$ 129,209	\$ 361,757
2022	490,966	121,162	369,804
2023	442,901	84,507	358,394
2024	222,032	70,141	151,891
2025	110,979		110,979
	<u>\$ 1,757,844</u>	<u>\$ 405,019</u>	<u>\$ 1,352,825</u>

*Sensitivity of the City's total pension liability to changes in the discount rate.* The following presents the City's total pension liability calculated using the discount rate of 3.26 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	<b>1% Decrease (2.26%)</b>	<b>Discount Rate (3.26%)</b>	<b>1% Increase (4.26%)</b>
Total pension liability	\$ 14,815,134	\$ 13,696,771	\$ 12,674,322

**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**

	<b>2020</b>
Beginning balance of total pension liability	\$ 12,753,352
Changes for the year:	
Service Cost	452,491
Interest on the total pension liability	449,835
Differences between expected and actual experience	432,081
Changes of assumptions or other inputs	399,528
Benefit payments	(790,516)
Ending balance of the total pension liability	<u>\$ 13,696,771</u>

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2014.

***Total Expense, Liabilities, and Deferred Outflows and Inflows of Resources of Related to Pensions***

Following is information related to the proportionate share and pension expense for all pension plans:

	<b>LGERS</b>	<b>LEOSSA</b>	<b>Total</b>
Pension Expense	\$ 13,575,548	\$ 1,265,413	\$ 14,840,961
Pension Liability	30,348,736	13,696,771	44,045,507
Proportionate share of the net pension liability	1.1113%	n/a	
Deferred of Outflows of Resources			
Differences between expected and actual experience	5,196,472	1,085,604	6,282,076
Changes of assumptions	4,946,341	672,240	5,618,581
Net difference between projected and actual earnings on plan investments	740,248	-	740,248
Changes in proportion and differences between contributions and proportionate share of contributions	130,687	-	130,687
Benefit payments and administrative costs paid subsequent to the measurement date	7,332,973	430,087	7,763,060
Deferred of Inflows of Resources			
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	405,019	405,019
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	57,760	-	57,760

**c. Supplemental Retirement Income Plan for Law Enforcement Officers**

**Plan Description.** The City contributes to the Supplemental Retirement Income Plan for Law Enforcement Officers (Plan), a defined contribution pension plan administered by the Department of officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions 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 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 G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each law enforcement officer's salary, and all amounts contributed are vested immediately. In addition, the law enforcement officers may make voluntary contributions to the plan.

Contributions made by the City for the year ended June 30, 2020 were \$763,309. No amounts were forfeited.

**d. Firefighter's and Rescue Squad Workers' Pension Fund**

**Plan Description.** The State of North Carolina contributes, on behalf of the City of High Point, to the Firefighter's and Rescue Squad Workers' Pension Fund (FRSWPF), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North

Carolina. FRSWPF provides pension benefits for eligible fire and rescue squad workers that have elected to become members of the fund. Article 86 of G.S. Chapter 58 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 Firefighter's and Rescue Squad Workers' 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 Firefighter's and Rescue Squad Workers' Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

**Benefits Provided.** FRSWPF provides retirement and survivor benefits. The present retirement benefit is \$170 per month. Plan members are eligible to receive the monthly benefit at age 55 with 20 years of creditable service as a firefighter or rescue squad worker and have terminated duties as a firefighter or rescue squad worker. Eligible beneficiaries of members who die before beginning to receive the benefit will receive the amount paid by the member and contributions paid on the member's behalf into the plan. Eligible beneficiaries of members who die after beginning to receive benefits will be paid the amount the member contributed minus the benefits collected.

**Contributions.** Plan members are required to contribute \$10 per month to the plan. The State, a non-employer contributor, funds the plan through appropriations. The City does not contribute to the plan. Contribution provisions are established by General Statute 58-86 and may be amended only by the North Carolina General Assembly. For the fiscal year ending June 30, 2020 the State contributed \$18,302,000 to the plan. The City of High Point's proportionate share of the State's contribution is \$85,342.

**Refunds of Contributions** – Plan members who are no longer eligible or choose not to participate in the plan may file an application for a refund of their contributions. Refunds include the member's contributions and contributions paid by others on the member's behalf. No interest will be paid on the amount of the refund. The acceptance of a refund payment cancels the individual's right to employer contributions, or any other benefit provided by FRSWPF.

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

At June 30, 2020, the City reported no liability for its proportionate share of the net pension liability, as the State provides 100% pension support to the City through its appropriations to the FRSWPF. The total portion of the net pension liability that was associated with the City and supported by the State was \$169,189. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. As the City is not projected to make any future contributions to the plan, its proportionate share at June 30, 2019 and at June 30, 2018 was 0%.

For the year ended June 30, 2020, the City recognized pension expense of \$89,073 and revenue of \$89,073 for support provided by the State. At June 30, 2020, the City reported no deferred outflows of resources and no deferred inflows of resources related to the FRSWPF.

**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	Not applicable
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

For more information regarding actuarial assumptions, including mortality tables, the actuarial experience study, the consideration of future ad hoc COLA amounts, the development of the projected long-term investment returns, and the asset allocation policy, refer to the discussion of actuarial assumptions for the LGERS plan in Section a. of this note.

*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.

*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.

e. Other Post-employment Benefits-Health Care Benefit Plan

Plan Description. Under the terms of a City resolution, the City administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). The City Council has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided. The City provides continuation of medical insurance coverage to employees who retire under the North Carolina Local Governmental Employees' Retirement System (NCLGERS) eligibility terms at the same time they end their continuous service to the City. The retiree and his or her spouse may elect to receive health and dental coverage until the participant becomes Medicare-eligible. The retiree assumes the full blended premium of the healthcare coverage plan as may be renegotiated and adjusted periodically. The City Council may amend the HCB Plan in its discretion. A separate report was not issued for the plan.

The ABC Board administers its own single employer defined benefit healthcare plan (the Retiree Health Plan) which provides its retirees who have a minimum 25 completed years of service to the ABC Board and who are not eligible for Medicare benefits the opportunity to remain enrolled in its group health insurance plan. The ABC Board pays the full cost of coverage for those benefits through private insurance. A separate report was not issued for the ABC Board's Plan.

Membership of the HCB Plan at June 30, 2019, the date of the latest actuarial valuation consisted of the following:

	Members	ABC Board
Active	1,370	24
Retired	78	1
Total	1,448	25

#### Total OPEB Liability

The City's total OPEB liability of \$11,468,352 was measured as of June 30, 2019 and was determined by an actuarial valuation date of June 30, 2019. The ABC Board's total OPEB liability is \$184,391.

#### *Actuarial assumptions and other inputs.*

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 percent
Salary increases, including inflation	
Law Enforcement	3.5% - 7.35%
General Employees and Firefighters	3.5% - 7.75%
Discount rate	3.50 percent
Healthcare cost trend Trends (pre-medicare)	7.25% for 2018 decreasing to an ultimate rate of 4.75% by 2028

The discount rate is based on the June average of the Bond Buyer General Obligation 20-Year Municipal Bond Index published weekly by The Bond Buyer.

#### Changes in the Total OPEB Liability

	City of High Point	ABC Board
Balance at July 1, 2018 (July 1, 2019 for ABC Board)	\$ 10,503,157	\$ 265,441
Changes for the year		
Service Cost	449,311	20,501
Interest	399,780	10,048
Differences between expected and actual experience	119,746	(98,904)
Changes in assumptions or other inputs	452,788	1,705
Benefit payments	(456,430)	(14,400)
Net Changes	965,195	(81,050)
Balance at June 30, 2019 (June 30, 2020 for ABC Board)	\$ 11,468,352	\$ 184,391

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% to 3.50% due to a change in the Municipal Bond Rate.

Mortality rates were based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014.

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	<b>1% Decrease (2.50%)</b>	<b>Discount Rate (3.50%)</b>	<b>1% Increase (4.50%)</b>
Total OPEB liability	\$ 12,732,842	\$ 11,468,352	\$ 10,349,638

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

	<b>6.75% - 1% Decrease</b>	<b>7.75% Discount Rate</b>	<b>8.75% - 1% Increase</b>
Total OPEB liability	\$ 10,040,099	\$ 11,468,352	\$ 13,177,302

#### **OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2020 the City recognized OPEB Expense of \$443,948. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows Resources</b>
Differences between expected and actual experience	\$ 205,655	\$ 3,427,683
Changes of assumptions	1,156,555	499,082
Benefit payments and administrative costs made subsequent to the measurement date	470,267	-
Total	<u>\$ 1,832,477</u>	<u>\$ 3,926,765</u>

\$470,267 reported as deferred outflows of resources related to pensions resulting from OPEB payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2021.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to other post-employment benefits will be recognized in OPEB expense as follows.

For the Measurement Period Ended June 30:

	<u>City of High Point</u>	<u>ABC Board</u>
2021	\$ (407,377)	\$ -
2022	(407,377)	14,855
2023	(407,377)	14,855
2024	(407,377)	14,030
2025	(407,377)	11,888
Thereafter	(527,670)	32,039
	<u>\$ (2,564,555)</u>	<u>\$ 87,667</u>

### 3. Other Employment Benefits

The City 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. The 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 are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months before the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the City, the City does not determine the number of eligible participants.

The City has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other employment benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The City considers these contributions to be immaterial.

The City also provides employees with additional group term life insurance equal to the employee's annual salary as measured on January 1 of each year. The City has no liability beyond the payment of monthly contributions.

4. Deferred Outflows and Inflows of Resources

The City has several deferred outflows of resources comprised of the following:

<u>Source</u>	<u>Amount</u>
LEOSSA benefit payments in current fiscal year	\$ 430,087
Benefit payments and administrative expenses for LGERS made subsequent to measurement date	7,332,973
Benefit payments and administrative expenses for OPEB made subsequent to measurement date	470,267
Differences between expected and actual experience	6,487,731
Changes of assumptions	6,775,136
Net difference between projected and actual	740,248
Changes in proportion and differences between employer contributions and proportionate share of contributions	130,687
Total	<u>\$ 22,367,129</u>

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

<u>Source</u>	<u>Statement of Net Position</u>	<u>Governmental Funds Balance Sheet</u>
Prepaid taxes (General Fund)	\$ 22,844	\$ 22,844
Taxes Receivable, less penalties (General Fund)	-	802,203
Grant and Miscellaneous receivable (General Fund)	-	391,644
Grant and Miscellaneous receivable (General Capital Projects Fund)	-	509,369
Grant and Miscellaneous deferred revenue (Non-major governmental funds)	61,854	639,572
Developer pond maintenance funds	2,392,918	-
Changes in assumptions	904,101	-
Differences between expected and actual experience	3,427,683	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	57,760	-
Deferred gain on refunding	7,946,751	-
Total	<u>\$ 14,813,911</u>	<u>\$ 2,365,632</u>



5. Closure and Postclosure Care Costs - Kersey Valley Landfill Facilities

State and federal laws and regulations require the City to place a final cover on its Kersey Valley Landfill Facilities when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$13,648,839 reported as landfill closure and postclosure care liability at June 30, 2020 represents a cumulative amount reported to-date based on the two existing lined municipal solid waste landfill units – Area 1 (Phases 1, 2, 3 and 3A) and Area 2 (Phases 4, 5A, and 5B). The Area 1 landfill unit is currently near capacity and a partial closure has recently been completed. Phases 4 and 5A of the Area 2 landfill unit are currently active and Phase 5B is currently under construction and is projected to be operational in the near future. The City will recognize the remaining estimated costs of closure and postclosure as new phases are developed. These amounts are based on what it would cost to perform all closure and postclosure care in 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City has met the requirements of a local government financial test that is one option under State and federal laws and regulations that helps determine if a unit is financially able to meet closure and postclosure care requirements.

At June 30, 2020, the City has accumulated \$13,648,839 for future payment of closure and postclosure care costs. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users.

6. Commitments

Commitments for the purchase of goods and services and for the construction and acquisition of assets are as follows at June 30, 2020:

General Fund	\$ 3,098,745
Special Revenue	949,600
General Capital Projects	14,754,205
Proprietary Funds	15,732,831
	<u>\$ 34,535,381</u>

Amounts shown above for the General, Special Revenue, and General Capital Project funds represent encumbrances and are components of restricted fund balances as described in Note 1.F.12.

7. Risk Management

The City 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 City protects itself from potential loss through a combination of risk-sharing participation, purchase of commercial insurance for primary and/or excess liability coverage and self-insured risk retention. Self-insured risks are primarily for general, professional, flood, law enforcement, vehicle and underground storage tank liabilities.

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 amounts for material claims that have been incurred but are not reported (IBNRs), based on actuarial computations. At June 30, 2020, the City did not have any material IBNRs reported in liabilities. Settled claims have not exceeded self-retained or purchased insurance coverage in any of the past three fiscal years and there have been no significant reductions in insurance coverage in the prior year.

The City has several properties located in various “at risk” categories as identified by the Federal Emergency Management Agency. Consequently, the City carries commercial flood insurance for aggregate coverage limits of \$250 million and for several specific properties at \$2 million per structure. Deductibles for specific loss range from \$100,000 to \$500,000 per location and can be covered under the general self-insured arrangements as discussed above.

In accordance with G.S. 159-29, the City’s employees that have access to \$100 or more at any given time of the City’s funds are performance bonded through a commercial surety bond. The Financial Services Director is individually bonded for \$100,000. All other employees that have access to funds are bonded under a blanket bond for \$100,000.

#### 8. Claims and Judgments

At June 30, 2020, the City was a defendant to various lawsuits. In the opinion of the City's management and the City attorney, the ultimate effect of these legal matters will not have a material adverse effect on the City's financial position.

The City has partial responsibility for the costs of investigation and remediation of contaminated soil and groundwater at its former Riverdale Road landfill site, which was closed in 1994. During the 1980s, a private company had used a site adjacent to the landfill for recycling chemicals, and its operations resulted in soil and groundwater contamination. Groundwater from the adjacent site has commingled with groundwater from the landfill site. In 2008, the City and the Potentially Responsible Parties (PRPs) for the adjacent site entered into a Remedial Action Settlement Agreement with NC Department of Environmental Quality to conduct a joint cleanup of both sites. The City and the other PRPs reached agreement among themselves to share the cleanup costs, with the City responsible for 25% of those costs. The City is unable to estimate the duration or cost of the remediation at this time. Estimated annual operating and maintenance costs are budgeted in the City’s Solid Waste Fund.

#### 9. Long-Term Obligations

The General Government long-term debt will be liquidated with the use of funds from the General and Debt Service Funds. All Business-type activities long-term debt will be liquidated with the use of funds from their respective funds. There are limitations and restrictions contained in the various bond indentures.

##### a. Installment Purchase Contracts

The City has entered into direct placement installment purchase agreements to acquire certain equipment. These contracts are typically five or ten-year term with quarterly or semi-annual payments. The principal sources of funding for these installment financing contracts are the General Fund and Internal Service Fund. The equipment (Fleet vehicles, public safety vehicles, real property, and public safety equipment) are pledged as collateral for the debt.

Future annual debt service payments on installment purchase contracts as of June 30, 2020, including interest of \$1,175,777 is as follows:

Year Ending <u>June 30,</u>	Governmental <u>Activities Principal</u>	Governmental <u>Activities Interest</u>
2021 .....	\$ 2,012,207	\$ 272,790
2022 .....	2,063,360	227,868
2023 .....	1,948,180	212,164
2024 .....	1,772,956	163,466
2025 .....	1,788,196	121,339
2026-2029 .....	3,479,445	178,150
TOTAL	<u>\$ 13,064,344</u>	<u>\$ 1,175,777</u>

b. General Obligation Indebtedness

General Obligation Bonds

The City's general obligation bonds serviced by the governmental funds were issued for a variety of eligible purposes as permitted by North Carolina general statutes, including transportation, public safety, recreation, libraries and public buildings. Those general obligation bonds issued to finance the construction of facilities utilized in the operations of the enterprise funds and which its resources are retiring is reported as long-term debt in the respective enterprise fund. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the City. In the event of a default, the City agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the City under the related agreements. Principal is payable annually in varying amounts through 2039. Principal and interest requirements will be provided by appropriation in the year in which they become due. At June 30, 2020, the City of High Point had \$50,000,000 authorized but unissued bonds and a legal debt margin of approximately \$740,644,000.

On March 19, 2020, the City issued \$13,158,000 of Refunding General Obligation Bonds to provide resources that were placed in escrow in order to retire \$13,040,000 of General Obligation Public Improvement Bonds, Series 2010B on their June 1, 2020 call date. The new Series 2020 Refunding Public Improvement Bonds will mature serially on June 1, 2030 with semiannual interest payments of 1.7% due December 1 and June 1. After taking into account issuance costs and accrued interest, the refunding generated net present value savings of \$1,214,236 as well as cash flow savings of \$1,330,512 that will benefit the Governmental Debt Service Fund and the Storm Water Fund.

Serviced by the governmental funds:

\$5,785,000 Series 2012 Public Improvement bonds for streets and sidewalks maturing serially on March 1 through 2032 with interest semiannually September 1 and March 1 at rates varying between 2.0% - 5.0%	\$	3,465,000
\$6,217,425 Series 2012 Refunding bonds for transportation, public buildings, recreation, library and firefighting facilities maturing serially on March 1 through 2026 with interest semiannually September 1 and March 1 at rates varying between 2.0% - 5.0%		2,891,264
\$8,866,942 Series 2014 Refunding bonds for transportation, public buildings, recreation, library and firefighting facilities maturing serially on March 1 through 2027 with interest semiannually September 1 and March 1 at rates varying between 2.5% - 5.0%		5,570,371
\$6,115,000 Series 2014 Public Improvement bonds for transportation, recreation, and firefighting facilities maturing serially on March 1 through 2034 with interest semiannually September 1 and March 1 at rates varying between 2.0% - 4.0%		4,270,000
\$16,956,919 Series 2016 Public Improvement bonds for transportation, recreation, library, and public buildings maturing serially on March 1 through 2029 with interest semiannually September 1 and March 1 at rates varying between 2.75% - 5.0%		13,402,386
\$6,600,000 Series 2018 Public Improvement bonds for public buildings maturing serially on March 1 through 2039 with interest semiannually September 1 and March 1 at rates varying between 3.0% - 4.0%		6,270,000
\$10,566,874 Series 2020 Refunding Public Improvement bond for streets and public buildings maturing serially on June 1 through 2030 with interest semiannually December 1 and June 1 at 1.7%		10,566,874
Total serviced by governmental funds		<u>46,435,895</u>

Serviced by Enterprise Funds:

**Water & Sewer Fund**

\$14,595,000 Series 2010C Refunding bonds for water and sewer maturing serially on June 1, 2013 through 2022 with interest semiannually December 1 and June 1 at rates varying between 3.0% - 5.0%	\$ 2,340,000
\$6,036,114 Series 2012 Refunding bonds for water and sewer maturing serially on March 1, 2013 through 2026 with interest semiannually September 1 and March 1 at rates varying between 2.0% - 5.0%	2,806,949
Total serviced by Water & Sewer Fund	<u>5,146,949</u>

**Storm Water Fund**

\$3,186,461 Series 2012 Refunding bonds for storm water facilities maturing serially on March 1, 2013 through 2026 with interest semiannually September 1 and March 1 at rates varying between 2.0% - 5.0%	1,481,786
\$1,233,058 Series 2014 Refunding bonds for storm water facilities maturing serially on March 1 through 2027 with interest semiannually September 1 and March 1 at rates varying between 2.5% - 5.0%	774,629
\$3,413,081 Series 2016 Refunding bonds for storm water facilities maturing serially on March 1 through 2029 with interest semiannually September 1 and March 1 at rates varying between 2.25% - 5.0%	2,697,621
\$2,591,126 Series 2020 Refunding bonds for storm water facilities maturing serially on June 1 through 2030 with interest semiannually December 1 and June 1 at 1.7%	2,591,126
Total serviced by Storm Water Fund	<u>7,545,162</u>

Premium on general obligation bonds	<u>204,111</u>
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Total general obligation bonds, net of discounts	<u>\$ 59,332,117</u>
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Annual Debt Service Requirements:

Annual debt service requirements to maturity for the General Obligation bonds are as follows:

Year Ending June 30,	Governmental Activities - Bonds		Business - Type Activities Bonds			
	General Obligation		Water and Sewer		Storm Water	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 4,983,831	\$ 1,583,701	\$ 1,972,048	\$ 224,758	\$ 997,122	\$ 258,302
2022	4,944,936	1,346,594	1,574,002	126,156	994,062	207,584
2023	4,882,543	1,156,978	607,911	57,155	986,545	167,278
2024	4,701,411	960,591	387,030	26,760	875,559	127,256
2025	4,689,409	786,730	344,027	15,149	860,564	96,750
2026-2030	17,473,766	1,977,388	261,930	6,548	2,831,310	162,205
2031-2035	3,440,000	528,940	-	-	-	-
2036-2039	1,320,000	121,110	-	-	-	-
Total	<u>\$ 46,435,895</u>	<u>\$ 8,462,032</u>	<u>\$ 5,146,949</u>	<u>\$ 456,526</u>	<u>\$ 7,545,162</u>	<u>\$ 1,019,375</u>

c. Limited Obligation Bonds:

The City's limited obligation bonds serviced by the governmental funds were issued for a multi-use facility catalyst project including a new stadium. The stadium property serves as collateral for the bonds. Principal is payable annually in varying amounts through 2039. Principal and interest requirements will be provided by appropriation in the year in which they become due.

Serviced by the governmental funds:

\$35,000,000 Series 2018 Limited Obligation bonds for Stadium Facility on February 1, 2018 through 2039 with interest semiannually October 1 and April 1 at rates varying between 2.31% - 3.78%	\$ 33,515,000
\$18,175,000 Series 2020 Limited Obligation bonds for Police Department Headquarters and Communication Center with principal payments due annually May 1, 2022 to May 1, 2040 with interest semiannually October 1 and April 1 at 2.15%	18,175,000
Total serviced by governmental funds	<u>\$ 51,690,000</u>

In April 2020, the High Point Public Facilities Corporation, a blended component unit of the City, issued a Limited Obligation Bond in the amount of \$18,175,000 to fund the construction and renovation of a new High Point Police Department Headquarters and communication center. This building serves as collateral for the bond. Principal is payable annually in varying amounts through 2040. Principal and interest requirements will be provided by appropriation in the year in which they become due.

Annual debt service requirements to maturity for the Limited Obligation bonds are as follows:

Annual Debt Service Requirements:

Year Ending		
June 30,	Principal	Interest
2021	\$ 1,500,000	\$ 1,498,708
2022	2,477,000	1,473,778
2023	2,502,000	1,411,433
2024	2,522,000	1,346,378
2025	2,547,000	1,278,945
2026-2030	13,140,000	5,304,669
2031-2035	14,037,000	3,246,123
2036-2040	12,965,000	936,263
Total	<u>\$ 51,690,000</u>	<u>\$ 16,496,297</u>

d. Revenue Bonds

Serviced by Enterprise Funds:

**Water & Sewer Fund**

\$20,475,000 Series 2010B Enterprise System Revenue (Taxable-Build America/RZED) Bonds for water and sewer maturing serially beginning November 1, 2016 through 2020 and term bonds maturing on November 1 beginning 2021 through 2035. The bonds pay interest semiannually November 1 and May 1 at rates varying 3.554% to 5.921%. The term bonds have been legally defeased with the issuance of Series 2019 Enterprise System Revenue Refunding Bonds	\$ 830,000
\$32,125,000 Series 2012A Enterprise System Revenue Refunding Bonds for water and sewer maturing serially beginning November 1, 2015 through 2030 and term bonds maturing on November 1, 2029 and 2031. The bonds pay interest semiannually November 1 and May 1 at rates varying 2.00% - 5.00%	24,605,000
\$37,640,000 Series 2014 Enterprise System Revenue Refunding Bonds for water and sewer maturing serially beginning November 1, 2016 through 2036 and term bonds maturing on November 1, 2037, 2038, and 2039. The bonds pay interest semiannually November 1 and May 1 at rates varying 3.00% - 5.00%	33,750,000
\$50,575,000 Series 2016 Enterprise System Revenue Refunding Bonds for water and sewer maturing serially beginning November 1, 2017 through 2033 and term bonds maturing on November 1, 2037. The bonds pay interest semiannually November 1 and May 1 at rates varying 3.00% - 5.00%	46,255,000
\$47,610,000 Series 2019 Enterprise System Revenue Bonds for water and sewer maturing serially beginning November 1, 2020 through 2040 and term bonds maturing on November 1, 2043. The bonds pay interest semiannually November 1 and May 1 at rates varying 3.00% - 5.00%	47,610,000
Total serviced by Water & Sewer Fund	153,050,000
Premiums on revenue bonds	6,344,315
Total revenue bonds, net of premiums	<u>\$ 159,394,315</u>

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay the aforementioned revenue bonds. The bonds are payable solely from these net water and sewer customer revenues and are payable through fiscal year 2043. Annual principal and interest payments on the bonds are expected to require less than 34.5% of net revenues. Principal and interest requirements will be provided by appropriation in the year in which they become due.

Annual Debt Service Requirements:

Annual debt service requirements to maturity for the revenue bonds are as follows:

Year Ending	Business - Type	
	Water and Sewer	
June 30,	Principal	Interest
2021	\$ 6,840,000	\$ 6,451,557
2022	6,985,000	6,121,644
2023	7,330,000	5,772,493
2024	7,690,000	5,405,718
2025	8,085,000	5,011,344
2026-2030	46,595,000	18,809,628
2031-2035	40,715,000	8,770,888
2036-2040	21,030,000	3,252,300
2041-2043	7,780,000	475,350
Total	<u>\$ 153,050,000</u>	<u>\$ 60,070,922</u>

The City has been in compliance with the covenants as to rates, fees and charges in Section 7.04 of the Enterprise System Trust Agreement since its adoption in 2004 and the related Supplemental Trust Agreements and bond orders authorizing the Enterprise System Revenue Bonds, Series 2008, 2010, 2014 and 2019 and Enterprise System Refunding Revenue Bonds Series 2012 and 2016 since their respective adoption. The Trust Agreement requires that the City maintain parity debt service coverage ratio to be no less than 120% or total debt service coverage ratio to be no less than 100% under one of two pronged tests. The debt service coverage ratio calculation for the year ended June 30, 2020 is as follows:

Prior Year Unrestricted Net Position	\$ 47,242,190
Operating revenue	55,132,660
Operating expenses, excluding depreciation, accrued stipends, pension, and OPEB	29,761,890
Income available for debt service	25,370,770
Parity debt service requirement	12,299,117
Total debt service requirement	15,596,399
Coverage on parity debt including 15% prior year unrestricted net position	264%
Coverage on total debt excluding 15% prior year unrestricted net position	163%

e. State and Federal Revolving and Bond Loans

Serviced by Enterprise Funds:

A federal revolving loan was executed April 6, 2001 for a sewer project in the amount of \$15,000,000, at an interest rate of 2.550%, principal to be repaid in 20 annual payments, the first principal payment being due 6 months after completion of the project. As of June 30, 2019, \$15,000,000 had been drawn-down and principal payments of \$13,500,000 have been made, leaving an outstanding balance of \$1,500,000. Interest expense was \$76,500 for the year ended June 30, 2020. The loan is secured by a pledge of revenues.

A federal revolving loan was executed October 17, 2011 for sewer projects under the stimulus provisions of the American Recovery and Reinvestment Act of 2009. The loan provided for 50% of the loan balance to be forgiven at the time of the loan closing and the balance of principal to be repaid in 20 annual payments at an interest rate of 0.0%. As of June 30, 2020, \$1,307,509 had been drawn-down and principal forgiveness of \$653,755 granted. In addition, principal payments of \$327,661 have been made, leaving an outstanding balance of \$326,093. The loan is secured by a pledge of revenues.

Annual Debt Service Requirements:

Annual debt service requirements to maturity for the Loans Payable are as follows:

Business Activities-Loans and Notes Payable		
Water and Sewer		
Year Ending June 30,	Federal Revolving Loans	
	Principal	Interest
2021	\$ 782,609	\$ 38,250
2022	782,609	19,125
2023	32,609	-
2024	32,609	-
2025	32,609	-
2026-30	163,048	-
Total	<u>\$ 1,826,093</u>	<u>\$ 57,375</u>

f. HUD Section 108 Federal Loans

The City executed preliminary promissory notes in the amount of \$1,350,000 and \$2,000,000, respectively during 2016, and \$694,000 during 2018. The promissory notes are with the US Department of Housing and Urban Development (HUD) for redevelopment projects authorized under the CDBG Section 108 loan program. The City has related developer notes receivable in these amounts respectively as the principal component is deferred. The City's notes payable is secured by the property as well as future CDBG appropriations. In March 2019, the amortization schedules for both notes were finalized by HUD.

The City has executed a preliminary promissory note with the US Department of Housing and Urban Development (HUD) for a redevelopment project authorized under the CDBG Section 108 loan program. The City's note payable is secured by the property as well as future CDBG appropriations. The amortization details for this note have not been finalized. The city is currently making principal and interest payments to HUD according to HUD's interim financing program. As of June 30, 2020, the outstanding principal amount due to HUD is \$650,000.

Annual Debt Service Requirements:

Annual debt service requirements to maturity for the Loans Payable are as follows:

Governmental Activities-Loans and Notes Payable

Year Ending June 30,	Section 108 HUD Loans	
	Principal	Interest
2021	\$ 122,000	\$ 114,331
2022	113,000	111,324
2023	106,000	108,522
2024	97,000	105,902
2025	87,000	103,472
2026-30	399,000	482,710
2031-35	372,000	422,266
2036-38	2,236,000	62,093
Total	<u>\$ 3,532,000</u>	<u>\$ 1,510,620</u>

g. Component Unit Loan Payable

Forward High Point, Inc., a blended component unit reported as part of governmental activities has a loan payable related to the purchase of a property. As part of a property purchased in April 2019, the seller financed \$759,000 of the purchase price. Monthly interest payments will be made through March 2024 with the remaining interest and principal due April 2024. The interest rate is 7% and begins to increase in 2021 by 1% annually until maturity. The Outstanding balance of \$759,000 at June 30, 2020 is due during the year ending June 30, 2024.

h. Lines of Credit

Forward High Point, Inc., a blended component unit reported as part of governmental activities has a line of credit of \$1,698,188 to acquire property located in the City, which is used as collateral against the line of credit. The line of credit bears interest at Libor plus 3% (3.125% at June 30, 2020). Accrued interest on outstanding principal is due monthly and the principal balance of \$416,668 is due at maturity on September 3, 2020; however, the line of credit agreement is currently in the process of a one-year renewal and the principal remains outstanding.



i. Changes in Long-Term Liabilities

	Beginning			Ending	Current
	Balance, as restated	Increases	Decreases	Balance	Portion of Balance
<b>Governmental Activities:</b>					
Bonds and notes payable:					
General obligation bonds.....	\$ 51,275,719	\$ 10,566,874	\$ 15,406,698	\$ 46,435,895	\$ 4,983,831
Premium on general obligation bonds.....	214,853	-	10,742	204,111	10,742
Limited obligation bonds.....	35,000,000	18,175,000	1,485,000	51,690,000	1,500,000
Notes and loans payable.....	4,423,000	650,000	132,000	4,941,000	150,000
Line of credit payable.....	420,000	-	3,312	416,688	
Direct placement installment purchase agreements	13,413,226	1,880,840	2,229,722	13,064,344	2,012,207
Total bonds and notes payable.....	104,746,798	31,272,714	19,267,474	116,752,038	8,656,780
Other liabilities:					
Compensated absences.....	4,849,943	4,216,038	3,756,457	5,309,524	3,279,221
Retirement incentive stipends liability.....	712,800	-	280,088	432,712	246,263
Total OPEB liability.....	7,293,392	697,756	-	7,991,148	-
Net pension liability (LGERS).....	20,120,305	2,359,004	-	22,479,309	-
Total pension liability (LEO) .....	12,753,352	943,419	-	13,696,771	-
Total other liabilities:.....	45,729,792	8,216,217	4,036,545	49,909,464	3,525,484
Governmental activities long-term liabilities.....	\$ 150,476,590	\$ 39,488,931	\$ 23,304,019	\$ 166,661,502	\$ 12,182,264
<b>Business-type Activities:</b>					
Bonds and notes payable					
Water and Sewer General Obligation Bonds.....	\$ 7,263,997	\$ -	\$ 2,117,046	\$ 5,146,951	\$ 1,972,048
Water and Sewer Revenue Bonds.....	158,885,000	-	5,835,000	153,050,000	6,840,000
Premium on Water and Sewer Revenue Bonds.....	6,632,192	-	287,877	6,344,315	287,877
Total Water and Sewer Revenue Bonds.....	165,517,192	-	6,122,877	159,394,315	7,127,877
Storm Water General Obligation Bonds.....	8,505,291	2,591,126	3,551,255	7,545,162	997,122
Notes and loans payable.....	2,608,702	-	782,610	1,826,092	782,609
Total bonds and notes payable.....	183,895,182	2,591,126	12,573,788	173,912,520	10,879,656
Other liabilities					
Landfill closure and post-closure .....	13,420,687	228,152	-	13,648,839	-
Total OPEB liability.....	3,209,765	267,439	-	3,477,204	-
Net pension liability (LGERS).....	6,721,084	1,148,343	-	7,869,427	-
Retirement incentive stipends liability.....	381,976	-	139,012	242,964	122,926
Compensated absences.....	1,564,044	1,175,354	1,036,184	1,703,214	1,032,661
Total other liabilities.....	25,297,556	2,819,288	1,175,196	26,941,648	1,155,587
Business-type activities long-term liabilities.....	\$ 209,192,738	\$ 5,410,414	\$ 13,748,984	\$ 200,854,168	\$ 12,035,243

Other liabilities, including compensated absences, retirement stipends, OPEB, and pension obligations for governmental activities have typically been liquidated in the General Fund, Special Revenue Fund, and Internal Service Fund as appropriate.

Note 3. Interfund Balances and Activity

A schedule of interfund transfers for the year ended June 30, 2020 is as follows:

Transfers to	Transfers from				
	General	Debt Service Fund	Water and Sewer	Electric	Total
General Fund.....	\$ -	\$ -	\$ 50,000	\$ 2,025,892	\$ 2,075,892
General Capital Projects Fund.....	2,253,323	671,820	-	-	2,925,143
Non-major governmental funds..	5,312,415	-	-	-	5,312,415
Non-major enterprise funds.....	498,729	-	-	-	498,729
Total.....	\$ 8,064,467	\$ 671,820	\$ 50,000	\$ 2,025,892	\$ 10,812,179

Transfers are used to move revenues from the appropriate funds for the payment of debt service principal and interest, move restricted borrowings to establish mandatory reserve accounts, and to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies of matching funds for various grant programs.

The transfers from the Electric Fund to the General Fund represent the amounts designated for Economic Development and the International Home Furnishings Market as well as the payment in lieu of taxes.

During the fiscal year the City transferred capital assets between funds. In the internal service fund financial statements, capital assets transferred in are shown as capital contributions. The loss on disposal and capital contributions are eliminated in the government-wide statement presentation.

The City Council authorized internal borrowings as part of its Downtown Catalyst Economic Development Project in April 2017. The funds were used in combination with other funding sources to provide for the purchases of property for the Downtown Multi-Use Stadium and related properties for redevelopment. In lieu of external financing options, the General Capital Projects Fund borrowed \$2,000,000 from the Electric Fund, \$5,000,000 from the Landfill Closure/Post-closure Fund, and \$1,000,000 from the Internal Service Fund in June 2017. In the formal action of resolution, the City Council and management is to repay the transfer semi-annually on a twenty-year amortized schedule at an interest rate of 1.00% which approximated the City's blended internal rate of return for investments at that time. The repayment schedule provides for the return of funds first to the Internal Service Fund, then to the Electric Fund, and then to the Solid Waste Fund. The interfund loan between the Internal Service Fund and the General Capital Projects Fund is eliminated in the government-wide statement presentation.

The interfund transactions are presented as long-term interfund receivables for the enterprise funds and as a long-term interfund payable in the governmental fund statements.

Interfund Balances Receivable				
Interfund Balances Payable	Electric	Nonmajor Enterprise	Internal Service	Total
General Capital Projects Fund.....	\$ 2,000,000	\$ 5,000,000	\$ 200,000	\$ 7,200,000

The repayment plan related to the Downtown Catalyst Economic Development Project is below. During fiscal year ended June 30, 2020, a \$400,000 principal payment has been made to the Internal Service Fund and the current

principal balance is \$7,200,000. During the FY20-21 budget process, City Council agreed to delay payments one year.

	Electric	Landfill Reserve	Internal Service	Total
FY 2021	\$ -	\$ -	\$ -	\$ -
FY 2022	221,663	-	221,660	443,323
FY 2023	443,323	-	-	443,323
FY 2024	443,323	-	-	443,323
FY 2025	443,323	-	-	443,323
FY 2026	443,323	-	-	443,323
FY 2027	221,658	221,665	-	443,323
FY 2028	-	443,323	-	443,323
FY 2029	-	443,323	-	443,323
FY 2030	-	443,323	-	443,323
FY 2031	-	443,323	-	443,323
FY 2032	-	443,323	-	443,323
FY 2033	-	443,323	-	443,323
FY 2034	-	443,323	-	443,323
FY 2035	-	443,323	-	443,323
FY 2036	-	443,323	-	443,323
FY 2037	-	443,323	-	443,323
FY 2038	-	443,323	-	443,323
FY 2039	-	443,323	-	443,323
	<u>\$ 2,216,613</u>	<u>\$ 5,541,541</u>	<u>\$ 221,660</u>	<u>\$ 7,979,814</u>

#### Note 4. Joint Ventures

- A. The North Carolina Municipal Power Agency Number 1 (Agency) is a joint venture organized and existing pursuant to Chapter 159B of the General Statutes of North Carolina to enable municipalities owning electric distributions systems, through the organization of the Agency, to finance, construct, own, operate and maintain electric generation and transmission facilities. The Agency has nineteen members (participants), which receive power from the Agency. The Agency has entered into a Project Power Sales Agreement and a Supplemental Power Sales Agreement with each participant. These agreements provide for each participant to purchase from the Agency its all-requirements bulk power supply, in excess of power allotments from the Southeastern Power Administration (SEPA), which includes its total share of project output (as defined by the Project Power Sales Agreement). The Agency is obligated to provide all electric power required by each participant at the respective delivery points. Each participant is obligated to pay its share of the operating and debt service costs of the project.

The City began purchase of power from the Agency under the power sales agreement dated July 1, 1983.

Each municipality may appoint one commissioner to serve on the Agency's board. The board elects its own officers and is responsible for the selection of management to run the daily operations of the Agency. The Agency is responsible for budgeting and receiving its financing.

Summary financial information for the Agency for the year ended December 31, 2019 is presented below (in thousands of dollars):

	Total
Current and other assets.....	\$ 1,063,671
Capital assets.....	1,161,418
Deferred outflow of resources.....	45,065
Total assets and deferred outflows of resources.....	<u>2,270,154</u>
Current liabilities.....	97,442
Long term debt & other non-current liabilities.....	1,309,404
Deferred inflows of resources.....	591,255
Total liabilities and deferred inflow of resources.....	<u>1,998,101</u>
Total net position.....	<u>\$ 272,053</u>
Total revenues.....	\$ 532,703
Total expenses.....	558,888
Net increase in net position.....	<u>\$ (26,185)</u>

As of December 31, 2019, the Agency had outstanding \$804,770,000 of bonds.

The following is a summary of debt service requirements for bonds outstanding at December 31, 2019 (in thousands of dollars):

Year	Principal	Interest	Total
2020	\$ 90,675	\$ 37,386	\$ 128,061
2021	51,005	35,012	86,017
2022	53,390	32,988	86,378
2023	55,550	30,467	86,017
2024	58,255	27,751	86,006
2025 to 2029	336,670	92,947	429,617
2030 to 2032	159,225	12,376	171,601
	<u>\$ 804,770</u>	<u>\$ 268,927</u>	<u>\$ 1,073,697</u>

The City has made no investment in this joint venture. The City's only financial involvement with the agency relates to the power sales agreement for power purchases. The City's purchases of power for the fiscal year ended June 30, 2020 totaled \$89,333,337. Complete financial statements for the Power Agency can be obtained from the Agency's administrative offices at P.O. Box 29513, Raleigh, NC 27626-0513.

- B. The Piedmont Triad Regional Water Authority is a consortium formed by the City, the City of Archdale, the City of Greensboro, the Town of Jamestown, the City of Randleman, and Randolph County for the purpose of construction of the Randleman Dam and to provide a regional water resource. Each participating government appoints members to the board: Greensboro (3), High Point (2), Randolph County (2), Jamestown (2), and Randleman (1) for a total of 10 members. The dam is a joint venture for the purchase of land, construction of a dam, and a wastewater bypass. The Randleman Dam was completed in January 2003 and the impoundment of water is complete. The Authority has also completed the construction for a water treatment plant and a raw water pump station, transmission lines, and a finished water pump station. The Piedmont Triad Regional Water Authority is operating and maintaining these facilities under an interlocal agreement among the members. The City's allocable portion of capacity and distributable water is 19% or approximately 9 MGD at full operational limits. The City's financial involvement includes membership dues for the allocated administrative costs of the

authority and the water purchases under a water sales agreement. The City paid \$335,538 for member dues and \$836,966 for water purchases during the fiscal year ended June 30, 2020. Complete financial statements for the Piedmont Triad Regional Water Authority may be obtained from Piedmont Triad Regional Water Authority, P.O. Box 1326, Randleman, NC 27317.

- C. The governing boards of the cities of Winston-Salem, Burlington, Greensboro, and High Point established the Piedmont Authority of Regional Transportation under the Regional Public Transportation Authority Act, North Carolina General Statutes Chapter 160A, Article 27. The purpose of the Authority is to promote the development of sound transportation systems that provide transportation choices for citizens in its territorial jurisdiction. The participating governments do not have an equity interest in the joint venture. The City of High Point does not have financial responsibility for the Authority and is not responsible for its debts. Audited financial statements for the Piedmont Authority of Regional Transportation are available through the Office of the Executive Director, Piedmont Authority of Regional Transportation, 107 Arrow Rd., Greensboro, NC 27409.
- D. The City and the members of the City's fire department each appoint two members to the five-member local board of trustees for the Firefighters' Relief Fund. The State Insurance Commissioner appoints one additional member to the local board of trustees. The Firefighters' Relief Fund is funded by a portion of the fire and lightning insurance premiums that insurers remit to the State. The State passes these moneys to the local board of the Firefighters' Relief Fund. The funds are used to assist fire fighters in various ways. The City obtains an ongoing financial benefit from the Fund for the on-behalf of payments for salaries and fringe benefits made to members of the City's fire department by the board of trustees. During the fiscal year ended June 30, 2020, the City had no revenues to report nor expenditures for payments made through the Firefighters' Relief Fund. The participating governments do not have any equity interest in the joint venture, so no equity has been reflected in the financial statements at June 30, 2020. The Firefighters' Relief Fund does not issue separate audited financial statements. Instead, the local board of trustees files an annual financial report with the State Firemen's Association. This report can be obtained from the Association at 323 West Jones Street, Suite 401, Raleigh, North Carolina 27603.

#### Note 5. Jointly Governed Organizations

- A. The City in conjunction with 6 counties and 25 other municipalities established the Piedmont Triad Regional Council (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The City paid membership fees of \$23,405 to the Council during the fiscal year ended June 30, 2020.
- B. The City has an agreement with the Piedmont Triad Airport Authority in which it appoints one member to the board. The City has no financial obligation or investment in the operation of the Airport Authority. Complete financial statements for the Piedmont Triad Airport Authority may be obtained through the Airport Authority, 1000A Ted Johnson Parkway, Greensboro, NC 27409.
- C. The City created a High Point Convention and Visitors Bureau (the Bureau) to promote tourism and to solicit and encourage convention business in High Point. The City appoints one of the eleven voting members of the Bureau. Revenues from the county-wide occupancy tax pass through the City to the Bureau. The City paid \$1,365,129 to the Bureau during the fiscal year ended June 30, 2020. The City has no other financial obligation or investment in the operation of the Bureau.

#### Note 6. Related Organization

The eight-member board of the City of High Point Housing Authority includes seven members appointed by the Mayor of the City of High Point and one Council member liaison. The City is accountable for the Housing Authority because it appoints the governing board; however, the City is not financially accountable for the Housing Authority. The City of High Point is also disclosed as a related organization in the notes to the financial statements for the City of High Point Housing Authority. Complete financial statements for the Housing Authority can be obtained from the Authority's offices at 500 East Russell Avenue, High Point, NC 27260.

Note 7. Summary Disclosure of Significant Contingencies

A. Federal and State-Assisted Programs

The City has received proceeds from several federal and state grants, principal of which are the Community Development Block Grant and Federal Transit Administration programs. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies.

B. Company Incentive Program

In August 2018, the City executed a commitment agreement with a company to provide reimbursements for documented construction costs if the company meets certain documented benchmarks for jobs creation and capital investment by December 31, 2027. The maximum amount of reimbursements available to the company over the term of the program (between 2020 and 2028) is \$1,171,000.

C. COVID-19

The effects of COVID-19 on local government revenues in North Carolina and across the nation are not fully known at this time. City staff has constantly monitored guidance from the State of North Carolina, the North Carolina League of Municipalities, the North Carolina School of government and other local governments. The FY20-21 budget approved in June is based on conservative revenue estimates. Staff is prepared to propose adjustments as actual revenues

Note 8. Comparative Data and Reclassifications

Comparative data for the prior year has been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. In addition, certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

Note 9. Subsequent Events

The City has evaluated subsequent events through October 30, 2020 in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

## **Required Supplemental Information**

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This section contains additional information required by accounting principles generally accepted in the United States of America.

- Schedule of Funding Progress for the Healthcare Benefits Plan
- Schedule of Employer Contributions for the Healthcare Benefits Plan
- Notes to the Required Schedules for the Healthcare Benefits Plan
- Schedule of Proportionate Share of Net Pension Liability/(Asset) for Local Government Employees' Retirement System
- Schedule of Contributions to Local Government Employees' Retirement System
- Schedule of Proportionate Share of Net Pension Liability for Firefighters' and Rescue Squad Workers' Pension Plan
- Schedule of Changes in Total Pension Liability for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Total Pension Liability as a Percentage of Covered Payroll for the Law Enforcement Officers' Special Separation Allowance
- Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance





**CITY OF HIGH POINT, NORTH CAROLINA**

City of High Point's Proportionate Share of Net Pension Liability (Asset)  
Required Supplementary Information  
Last Seven Fiscal Years\*

Local Government Employees' Retirement System

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
High Point's proportion of the net pension liability (asset) (%)	1.11130%	1.13143%	1.12460%	1.12823%	1.20112%	-1.16855%	1.20630%
High Point's proportion of the net pension liability (asset) (\$)	\$ 30,348,736	\$ 26,841,389	\$ 17,180,773	\$ 23,944,820	\$ 5,390,568	\$ (6,891,482)	\$ 14,540,547
High Point's covered payroll	\$ 78,708,495	\$ 74,196,162	\$ 71,215,315	\$ 71,515,004	\$ 65,799,563	\$ 65,267,208	\$ 64,822,108
High Point's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	38.56%	36.18%	24.13%	33.48%	8.19%	-10.56%	22.43%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	92.00%	94.18%	91.47%	98.09%	102.64%	94.35%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

\*\* This will be the same percentage for all participant employers in the LGERS plan.

\*\*\*All years for which information is available are presented.

**CITY OF HIGH POINT, NORTH CAROLINA**

City of High Point's Contributions  
Required Supplementary Information  
Last Seven Fiscal Years

Local Government Employees' Retirement System

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 7,332,973	\$ 6,161,088	\$ 5,734,865	\$ 5,346,388	\$ 4,810,510	\$ 4,737,246	\$ 4,638,851
Contributions in relation to the contractually required contribution	<u>7,332,973</u>	<u>6,161,088</u>	<u>5,734,865</u>	<u>5,346,388</u>	<u>4,810,510</u>	<u>4,737,246</u>	<u>4,638,851</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
High Point's covered payroll	\$ 80,218,428	\$ 78,708,495	\$ 74,196,162	\$ 71,215,315	\$ 71,515,004	\$ 65,799,563	\$ 65,267,208
Contributions as a percentage of covered payroll	9.14%	7.83%	7.73%	7.51%	6.73%	7.20%	7.11%

\*All years for which information is available are presented.

**CITY OF HIGH POINT, NORTH CAROLINA**

City of High Point's Proportionate Share of Net Pension Liability  
Required Supplementary Information  
Last Six Fiscal Years\*

Firefighters' and Rescue Squad Workers' Pension

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
High Point's proportionate share of the net pension liability (%)	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%
High Point's proportionate share of the net pension liability (\$)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with City of High Point	169,189	228,846	202,300	150,289	148,356	111,628
Total	<u>\$ 169,189</u>	<u>\$ 228,846</u>	<u>\$ 202,300</u>	<u>\$ 150,289</u>	<u>\$ 148,356</u>	<u>\$ 111,628</u>
High Point's covered payroll	\$ 11,231,179	\$ 10,669,996	\$ 9,768,965	\$ 8,975,917	\$ 8,584,438	\$ 9,121,507
High Point's proportionate share of the net pension liability as a percentage of its covered-employee payroll	1.51%	2.14%	2.07%	1.67%	1.73%	1.22%
Plan fiduciary net position as a percentage of the total pension liability	92.43%	89.69%	89.35%	84.94%	91.40%	93.42%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

\*\*All years for which information is available are presented.

**CITY OF HIGH POINT, NORTH CAROLINA**

Schedule of Changes in Total Pension Liability  
Law Enforcement Officers' Special Separation Allowance  
June 30, 2020

	2020	2019	2018	2017
Beginning balance	\$ 12,753,352	\$ 12,538,999	\$ 11,019,740	\$ 11,287,501
Service Cost	452,491	487,663	392,091	408,588
Interest on the total pension liability	449,835	384,970	410,820	388,598
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	432,081	547,211	762,779	-
Changes of assumptions or other inputs	399,528	(492,676)	707,030	(260,165)
Benefit payments	(790,516)	(712,815)	(753,461)	(804,782)
Other changes	-	-	-	-
Ending balance of the total pension liability	<u>\$ 13,696,771</u>	<u>\$ 12,753,352</u>	<u>\$ 12,538,999</u>	<u>\$ 11,019,740</u>

\*The amounts presented for each fiscal year were determined as of the prior year ending December 31

\*\*All years for which information is available are presented.

**CITY OF HIGH POINT, NORTH CAROLINA**

Schedule of Total Pension Liability as a Percentage of Covered Payroll  
Law Enforcement Officers' Special Separation Allowance  
June 30, 2020

	2020	2019	2018	2017
Total pension liability	\$ 13,696,771	\$ 12,753,352	\$ 12,538,999	\$ 11,019,740
Covered payroll	15,311,976	15,033,051	13,952,615	13,985,105
Total pension liability as a percentage of covered payroll	89.45%	84.84%	89.87%	78.80%

Notes to the schedules:

The City of High Point has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

\*All years for which information is available are presented.

**CITY OF HIGH POINT, NORTH CAROLINA**

Schedule of Changes in Total OPEB Liability and Related Ratios  
Required Supplementary Information  
June 30, 2020

	<b>2020</b>	<b>2019</b>	<b>2018</b>
Service cost	\$ 449,311	\$ 619,522	\$ 668,246
Interest	399,780	470,077	402,310
Changes of benefit terms	-	-	-
Differences between expected and actual experience	119,746	(4,460,117)	153,213
Changes of assumptions	452,788	983,937	(766,448)
Benefit payments	<u>(456,430)</u>	<u>(623,912)</u>	<u>(614,336)</u>
Net change in Total OPEB liability	965,195	(3,010,493)	(157,015)
Total OPEB liability - beginning	<u>10,503,157</u>	<u>13,513,650</u>	<u>13,670,665</u>
Total OPEB liability - ending	<u><u>\$ 11,468,352</u></u>	<u><u>\$ 10,503,157</u></u>	<u><u>\$ 13,513,650</u></u>
Covered payroll	73,391,487	73,391,487	71,003,150
Total OPEB liability as a percentage of covered payroll	15.63%	14.31%	19.03%

Notes to Schedule

\*All years for which information is available are presented.

Note: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period.  
The following are the discount rates used in each period:

<b><u>Fiscal year</u></b>	<b><u>Rate</u></b>
2020	3.50%
2019	3.89%
2018	3.56%

## **CITY OF HIGH POINT, NORTH CAROLINA**

### **General Fund**

The General Fund accounts for all financial resources except those required to be accounted for in another fund. The general operations of the City, such as administration, police, fire, public services, parks and recreation, library, etc. are found in the General Fund. The primary sources of the revenues are property tax collections, licenses and permits, intergovernmental revenues, charges for services and interest on investments.

**CITY OF HIGH POINT, NORTH CAROLINA**

General Fund  
Schedule of Revenue and Expenditures - Budget and Actual  
For the Fiscal Year Ended June 30, 2020

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Revenues:				
Taxes				
Property taxes	\$ 61,530,760	60,244,392	\$ (1,286,368)	\$ 59,590,811
Tax interest	285,000	219,296	(65,704)	245,262
Total taxes	<u>61,815,760</u>	<u>60,463,688</u>	<u>(1,352,072)</u>	<u>59,836,073</u>
Sales and use taxes				
Room occupancy tax	2,275,000	1,962,658	(312,342)	2,370,883
Rental vehicle tax	185,000	218,620	33,620	215,076
Total sales and use taxes	<u>2,460,000</u>	<u>2,181,278</u>	<u>(278,722)</u>	<u>2,585,959</u>
Intergovernmental revenues				
Sales tax	21,075,000	20,899,026	(175,974)	20,521,700
Utilities sales tax	6,750,000	6,138,701	(611,299)	6,344,193
Piped natural gas sales tax	400,000	397,726	(2,274)	490,426
Telecommunications sales tax	715,000	468,274	(246,726)	584,301
Powell bill	2,944,473	2,900,511	(43,962)	2,897,350
Video Programming	987,028	879,440	(107,588)	902,509
Guilford County	1,224,960	1,353,249	128,289	1,352,634
ABC Board revenues	1,950,000	2,069,334	119,334	2,067,499
DOT sign, signal and misc. reimbursement	361,000	650,018	289,018	309,956
Housing authority	209,000	208,671	(329)	208,671
Highway maintenance	220,000	220,000		165,000
Beer and wine tax	535,000	486,101	(48,899)	481,651
Other intergovernmental revenues	377,173	614,408	237,235	635,128
Total intergovernmental revenues	<u>37,748,634</u>	<u>37,285,459</u>	<u>(463,175)</u>	<u>36,961,018</u>
Licenses and permits				
Showroom license fees	1,750,000	1,696,954	(53,046)	1,707,841
Business registration fees	125,000	66,426	(58,574)	75,064
Vehicle user fees	1,250,000	1,172,859	(77,141)	1,174,056
Fines and forfeitures	52,500	57,906	5,406	60,509
Inspection and development fees and permits	1,902,000	1,993,409	91,409	1,984,412
Other licenses and fees	150	62	(88)	96
Total licenses and permits	<u>5,079,650</u>	<u>4,987,616</u>	<u>(92,034)</u>	<u>5,001,978</u>
Charges for services				
Recreation programs	2,506,450	1,820,813	(685,637)	2,278,943
Sales and rentals	2,111,195	1,900,052	(211,143)	2,536,518
Other charges and services	413,000	249,658	(163,342)	189,355
Total charges for services	<u>5,030,645</u>	<u>3,970,523</u>	<u>(1,060,122)</u>	<u>5,004,816</u>
Interest income and miscellaneous revenues				
Interest income	775,000	729,321	(45,679)	906,441
Miscellaneous	493,764	432,915	(60,849)	1,518,788
Sale of capital assets	-	19,213	19,213	189,000
Total interest income and miscellaneous revenues	<u>1,268,764</u>	<u>1,181,449</u>	<u>(87,315)</u>	<u>2,614,229</u>
Total revenues	<u>113,403,453</u>	<u>110,070,013</u>	<u>(3,333,440)</u>	<u>112,004,073</u>

(Continued)



**CITY OF HIGH POINT, NORTH CAROLINA**

(Continued)

General Fund  
Schedule of Revenue and Expenditures - Budget and Actual  
For the Fiscal Year Ended June 30, 2020

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Expenditures:				
General government				
Governing body	\$ 350,003	\$ 337,282	\$ 12,721	\$ 284,427
Administration and general	5,274,651	5,515,755	(241,104)	4,417,157
Human resources	772,816	579,913	192,903	535,095
Financial services	1,261,384	1,146,969	114,415	1,175,112
Engineering services	1,715,458	1,492,871	222,587	1,603,802
Communications	2,580,391	2,650,158	(69,767)	2,522,471
Information services	2,411,891	1,848,613	563,278	1,940,876
Public services administration	165,863	177,726	(11,863)	176,544
Contingency	320,000		320,000	-
Total general government	<u>14,852,457</u>	<u>13,749,287</u>	<u>1,103,170</u>	<u>12,655,484</u>
Public safety				
Police	30,789,265	30,500,012	289,253	28,590,060
Fire	24,125,604	24,807,563	(681,959)	24,149,134
Total public safety	<u>54,914,869</u>	<u>55,307,575</u>	<u>(392,706)</u>	<u>52,739,194</u>
Transportation				
Administration	1,140,926	858,835	282,091	801,543
Signs and signals	2,021,199	1,869,567	151,632	4,087,309
Streets maintenance	8,185,453	4,165,845	4,019,608	6,765,062
Total transportation	<u>11,347,578</u>	<u>6,894,247</u>	<u>4,453,331</u>	<u>11,653,914</u>
Environmental services				
Cemeteries	266,235	274,086	(7,851)	249,577
Total environmental services	<u>266,235</u>	<u>274,086</u>	<u>(7,851)</u>	<u>249,577</u>
Total public services	<u>11,613,813</u>	<u>7,168,333</u>	<u>4,445,480</u>	<u>11,903,491</u>
Community and economic development				
Planning	1,329,992	1,272,658	57,334	1,215,554
Housing	2,147,423	1,830,610	316,813	1,961,473
Building inspections	2,162,185	2,138,599	23,586	2,104,481
Furniture market authority	3,184,836	2,984,483	200,353	3,112,923
Economic development	1,041,941	253,600	788,341	1,174,448
Total community and economic development	<u>9,866,377</u>	<u>8,479,950</u>	<u>1,386,427</u>	<u>9,568,879</u>
Cultural and recreation and special appropriations				
Parks and recreation	13,180,802	12,241,586	939,216	12,294,241
Library	4,535,108	4,533,195	1,913	4,357,625
Museum	892,991	851,485	41,506	779,149
Theatre	1,448,640	1,251,534	197,106	1,561,603
Special appropriations - agencies	1,850,000	1,365,129	484,871	1,937,700
Total cultural and recreation and spec appropriations	<u>21,907,541</u>	<u>20,242,929</u>	<u>1,664,612</u>	<u>20,930,318</u>
Total expenditures	<u>113,155,057</u>	<u>104,948,074</u>	<u>8,206,983</u>	<u>107,797,366</u>
Excess (deficiency) of revenues over (under) expenditures	<u>248,396</u>	<u>5,121,939</u>	<u>4,873,543</u>	<u>4,206,707</u>

(Continued)

## CITY OF HIGH POINT, NORTH CAROLINA

(Concluded)

General Fund  
Schedule of Revenue and Expenditures - Budget and Actual  
For the Fiscal Year Ended June 30, 2020

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Other financing sources (uses):				
Proceeds from issuance of installment purchases	\$ 1,330,200	\$ 1,330,176	\$ (24)	\$ 5,155,000
Transfers from (to) other funds:				
General Debt Service Fund	(4,743,550)	(4,993,550)	(250,000)	(793,000)
Special Grants Fund	(300,675)	(198,865)	101,810	(421,054)
Community Development Fund	(120,000)	(120,000)	-	(120,000)
General Capital Projects Fund	(2,253,323)	(2,253,323)	-	(2,130,323)
Water/Sewer Fund	50,000	50,000	-	50,000
Electric Fund	1,110,000	1,110,000	-	1,110,000
Mass Transit Fund	(305,500)	(305,500)	-	(887,194)
Mass Transit Capital Projects Ordinance Fund	(97,500)	(97,500)	-	(83,000)
Parking Facilities Fund	(95,729)	(95,729)	-	(150,000)
LEO Pension Trust Fund	(50,000)		50,000	-
Transfers in related to payment in lieu of taxes	915,892	915,892	-	897,139
Fund balance appropriated	4,311,789		(4,311,789)	-
Total other financing sources (uses)	<u>(248,396)</u>	<u>(4,658,399)</u>	<u>(4,410,003)</u>	<u>2,627,568</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	463,540	<u>\$ 463,540</u>	6,834,275
Fund balance, beginning		27,541,986		20,707,711
Fund balance, end of year		<u>\$ 28,005,526</u>		<u>\$ 27,541,986</u>

## **CITY OF HIGH POINT, NORTH CAROLINA**

### **Capital Projects Fund**

#### General Capital Projects Fund

To account and provide for inception to date budgeting and accounting for the acquisition and/or construction of major capital improvements acquired through annual transfers from governmental funds and through bond referenda and other public debt issuances.



**CITY OF HIGH POINT, NORTH CAROLINA**

General Capital Projects Fund  
Schedule of Revenues and Expenditures  
Compared With Project Authorizations (Non - GAAP)  
From Project Inception and for the Fiscal Year Ended June 30, 2020

	PROJECT AUTHORIZATION	PRIOR YEAR	ACTUAL CURRENT YEAR	TOTAL TO DATE
Revenues:				
Restricted intergovernmental.....	\$ 8,286,222	\$ 5,435,719	\$ 856,046	\$ 6,291,765
Interest on investments.....	-	61,277	52,918	114,195
Miscellaneous.....	2,152,891	2,126,122	34,918	2,161,040
Administrative reimbursements.....	180,000	360,000	-	360,000
Total revenues.....	<u>10,619,113</u>	<u>7,983,118</u>	<u>943,882</u>	<u>8,927,000</u>
Expenditures:				
General government.....	608,204	-	3,705	3,705
Public safety.....	29,081,376	3,088,811	9,216,037	12,304,848
Public services-transportation.....	17,496,647	7,579,336	1,331,640	8,910,976
Planning and community development.....	110,000	30,000	-	30,000
Cultural and recreation.....	77,457,163	62,745,719	2,194,034	64,939,753
Interest expense.....	48,168	59,068	-	59,068
Total expenditures.....	<u>124,801,558</u>	<u>73,502,934</u>	<u>12,745,416</u>	<u>86,248,350</u>
Other financing sources (uses):				
General obligation bonds.....	30,103,224	17,406,995	-	17,406,995
Premium - general obligation bonds.....	-	214,853	-	214,853
Limited obligation bond issuance.....	53,485,147	35,000,000	18,175,000	53,175,000
Proceeds from issuance of installment purchases.....	500,000	-	-	-
Transfer from General Fund.....	17,830,385	15,477,062	2,253,323	17,730,385
Transfer from General Debt Service Fund.....	671,820	-	671,820	671,820
Transfer from Special Grants Fund.....	50,192	50,192	-	50,192
Transfer from Internal Service Fund.....	1,000,000	-	-	-
Transfer from Water & Sewer Fund.....	100,000	100,000	-	100,000
Transfer from Water & Sewer Capital Projects Fund.....	47,850	47,850	-	47,850
Transfer from Electric Fund.....	6,000,000	4,100,000	-	4,100,000
Transfer from Solid Waste Fund.....	5,000,000	-	-	-
Transfer from Storm Water Capital Projects Fund.....	85,470	85,470	-	85,470
Transfer to Special Grants Fund.....	(248,320)	(248,320)	-	(248,320)
Transfer to Internal Service Fund.....	(443,323)	-	-	-
Total other financing sources (uses)	<u>114,182,445</u>	<u>72,234,102</u>	<u>21,100,143</u>	<u>93,334,245</u>
Excess of revenues and financing sources over (under) expenditures.....	<u>\$ -</u>	<u>\$ 6,714,286</u>	9,298,609	<u>\$ 16,012,895</u>
Fund Balance, beginning of year.....			<u>6,714,286</u>	
Fund Balance, end of year.....			<u>\$ 16,012,895</u>	



## **CITY OF HIGH POINT, NORTH CAROLINA**

### **Combining Statements – All Non-Major Governmental Funds**

Combining Balance Sheet. Displays the current financial position of all nonmajor governmental funds of the City.

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances. Displays the results of operations for all nonmajor governmental funds of the City.





**CITY OF HIGH POINT, NORTH CAROLINA**

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2020

	SPECIAL REVENUE	GENERAL DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>ASSETS</b>			
Cash and investments.....	\$ -	\$ 12,198,627	\$ 12,198,627
Receivables:			
Accounts and grants.....	1,161,230	26,107	1,187,337
Notes and loans, net of allowance.....	5,469,198	-	5,469,198
Accrued interest.....	-	25,751	25,751
Restricted Assets:			
Cash and investments.....	1,728,072	80,567	1,808,639
<b>TOTAL ASSETS</b>	<u>\$ 8,358,500</u>	<u>\$ 12,331,052</u>	<u>\$ 20,689,552</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses.....	\$ 77,043	\$ -	\$ 77,043
Liabilities payable from restricted assets:			
Accounts payable and accrued expenses.....	179,435	-	179,435
<b>TOTAL LIABILITIES</b>	<u>256,478</u>	<u>-</u>	<u>256,478</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable receivables.....	577,718	-	577,718
Unearned grants.....	61,854	-	61,854
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>639,572</u>	<u>-</u>	<u>639,572</u>
<b>Fund balances:</b>			
Restricted:			
Subsequent year's expenditures.....	-	300,000	300,000
Stabilization by state statute.....	1,459,595	55,408	1,515,003
Community and economic development.....	224,152	-	224,152
Grant programs.....	6,259,594	-	6,259,594
Debt service.....	-	11,975,644	11,975,644
Unassigned.....	(480,891)	-	(480,891)
<b>TOTAL FUND BALANCES</b>	<u>7,462,450</u>	<u>12,331,052</u>	<u>19,793,502</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 8,358,500</u>	<u>\$ 12,331,052</u>	<u>\$ 20,689,552</u>

# CITY OF HIGH POINT, NORTH CAROLINA

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2020

	SPECIAL REVENUE	GENERAL DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Revenues:			
Property taxes.....	\$ -	\$ 3,322,253	\$ 3,322,253
Restricted intergovernmental.....	3,872,104	-	3,872,104
Unrestricted intergovernmental.....	-	112,741	112,741
Interest on investments.....	4,825	259,375	264,200
Miscellaneous.....	1,638,644	899,911	2,538,555
Sale of capital assets.....	2,565	-	2,565
Total revenues.....	<u>5,518,138</u>	<u>4,594,280</u>	<u>10,112,418</u>
Expenditures:			
General government.....	20,000	-	20,000
Public safety.....	969,415	-	969,415
Public services-transportation.....	1,536,478	-	1,536,478
Community and economic development.....	2,918,821	-	2,918,821
Cultural and recreation.....	229,010	-	229,010
Debt service:			
Principal retirement.....	132,000	6,519,587	6,651,587
Interest and fiscal charges.....	100,018	3,100,231	3,200,249
Total expenditures.....	<u>5,905,742</u>	<u>9,619,818</u>	<u>15,525,560</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(387,604)</u>	<u>(5,025,538)</u>	<u>(5,413,142)</u>
Other financing sources (uses):			
Federal loan proceeds.....	650,000	-	650,000
Proceeds from general obligation refunding bonds.....	-	10,566,874	10,566,874
Payment to trustee for refunded bonds.....	-	(10,725,054)	(10,725,054)
Transfers in .....	318,865	4,993,550	5,312,415
Transfers out.....	-	(671,820)	(671,820)
Total other financing sources (uses).....	<u>968,865</u>	<u>4,163,550</u>	<u>5,132,415</u>
Net change in fund balances.....	581,261	(861,988)	(280,727)
Fund balances, beginning.....	6,657,037	13,193,040	19,850,077
Fund balances, ending.....	<u>\$ 7,238,298</u>	<u>\$ 12,331,052</u>	<u>\$ 19,569,350</u>
The legally separate blended component units are consolidated into the Community Development fund for reporting purposes:			
Donations	\$ 323,550	\$ -	\$ 323,550
Miscellaneous and other revenues	157,179	-	157,179
Interest income	2	-	2
Proceeds from sale of property	-	-	-
Expenditures for economic development	(452,297)	-	(452,297)
Beginning fund balance of component units	195,718	-	195,718
Fund balance, end of year, component units	<u>224,152</u>	<u>-</u>	<u>224,152</u>
Fund Balance, end of year	<u>\$ 7,462,450</u>	<u>\$ 12,331,052</u>	<u>\$ 19,793,502</u>

## **CITY OF HIGH POINT, NORTH CAROLINA**

### **Special Revenue Funds**

Special Revenue Funds account for the proceeds of special revenue sources that are legally restricted to expenditure for specified purposes. The City utilizes two special revenue funds.

#### **Special Grants Fund**

The Special Grants Fund accounts for the receipt and disbursement of all grants, including Federal, State and local grants or entitlements but excluding the Community Development Block Grant and other federal grants through US Department of Housing and Urban Development.

#### **Community Development Fund**

The Community Development Fund accounts for the revenues and expenditures associated with activities of various programs funded by the US Department of Housing and Urban Development, including Community Development Block Grant.



**CITY OF HIGH POINT, NORTH CAROLINA**

Combining Balance Sheet  
All Special Revenue Funds  
June 30, 2020

	SPECIAL GRANTS	COMMUNITY DEVELOPMENT	TOTAL
Assets:			
Restricted cash and investments.....	\$ 1,172,217	\$ 555,855	\$ 1,728,072
Receivables:			
Accounts and grants.....	714,061	447,169	1,161,230
Notes and loans, net of allowance.....	-	5,469,198	5,469,198
Total Assets	<u>\$ 1,886,278</u>	<u>\$ 6,472,222</u>	<u>\$ 8,358,500</u>
Liabilities:			
Accounts payable and accrued expenses.....	\$ -	\$ 77,043	\$ 77,043
Liabilities payable from restricted assets:			
Accounts payable and accrued expenses.....	<u>162,440</u>	<u>16,995</u>	<u>179,435</u>
Total Liabilities	<u>162,440</u>	<u>94,038</u>	<u>256,478</u>
Deferred inflows of resources:			
Unavailable grants receivables.....	558,687	19,031	577,718
Unearned grants.....	<u>-</u>	<u>61,854</u>	<u>61,854</u>
Total Deferred Inflows of Resources	<u>558,687</u>	<u>80,885</u>	<u>639,572</u>
Fund balances (deficits):			
Restricted:			
Stabilization by state statute.....	374,755	1,084,840	1,459,595
Community and economic development.....	-	224,152	224,152
Grant programs.....	790,396	5,469,198	6,259,594
Unassigned.....	<u>-</u>	<u>(480,891)</u>	<u>(480,891)</u>
Total Fund Balances	<u>1,165,151</u>	<u>6,297,299</u>	<u>7,462,450</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,886,278</u>	<u>\$ 6,472,222</u>	<u>\$ 8,358,500</u>

# CITY OF HIGH POINT, NORTH CAROLINA

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances All Special Revenue Funds For the Fiscal Year Ended June 30, 2020

	SPECIAL GRANTS	COMMUNITY DEVELOPMENT	TOTAL
Revenues:			
Restricted intergovernmental.....	\$ 2,462,880	\$ 1,409,224	\$ 3,872,104
Interest on investments.....	3,857	968	4,825
Miscellaneous.....	1,511,014	127,630	1,638,644
Sale of capital assets.....	2,565	-	2,565
Total revenues.....	<u>3,980,316</u>	<u>1,537,822</u>	<u>5,518,138</u>
Expenditures:			
General government.....	20,000	-	20,000
Public safety.....	969,415	-	969,415
Public services-transportation.....	1,536,478	-	1,536,478
Planning and community development.....	1,527,475	1,391,346	2,918,821
Cultural and recreation.....	229,010	-	229,010
Debt Service:.....			
Principal retirement.....	-	132,000	132,000
Interest and fiscal charges.....	-	100,018	100,018
Total expenditures.....	<u>4,282,378</u>	<u>1,623,364</u>	<u>5,905,742</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(302,062)</u>	<u>(85,542)</u>	<u>(387,604)</u>
Other financing sources (uses):			
Federal loan proceeds.....	-	650,000	650,000
Transfers in .....	198,865	120,000	318,865
Transfers out.....	-	-	-
Total other financing sources (uses).....	<u>198,865</u>	<u>770,000</u>	<u>968,865</u>
Net change in fund balances.....	<u>(103,197)</u>	<u>684,458</u>	<u>581,261</u>
Fund balances, beginning.....	<u>1,268,348</u>	<u>5,388,689</u>	<u>6,657,037</u>
Fund balances, ending.....	<u>\$ 1,165,151</u>	<u>\$ 6,073,147</u>	<u>\$ 7,238,298</u>
The legally separate blended component units are consolidated into the Community Development fund for reporting purposes:			
Donations	\$ -	\$ 323,550	\$ 323,550
Miscellaneous and other revenues	-	157,179	157,179
Interest income	-	2	2
Expenditures for economic development	-	(452,297)	(452,297)
Beginning fund balance of component units	-	195,718	195,718
Fund balance, end of year, component units	<u>224,152</u>	<u>224,152</u>	<u>224,152</u>
Fund Balance, end of year	<u>\$ 1,165,151</u>	<u>\$ 6,297,299</u>	<u>\$ 7,462,450</u>

**CITY OF HIGH POINT, NORTH CAROLINA**

Special Grants Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2020

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>	<u>PRIOR YEAR ACTUAL</u>
Revenues:				
Restricted intergovernmental:				
Federal grants.....	\$ 1,919,043	\$ 833,497	\$ (1,085,546)	\$ 843,591
State grants.....	2,290,125	1,042,141	(1,247,984)	2,856,379
State 911.....	534,947	534,947	-	609,921
Contributions from other agencies.....	77,915	52,295	(25,620)	71,242
Interest on investments.....	3,798	3,799	1	3,035
Interest on investments - State 911.....	58	58	-	717
Miscellaneous.....	1,696,075	1,511,014	(185,061)	2,002,500
Sale of capital assets.....	-	2,565	2,565	1,815
Total revenues.....	<u>6,521,961</u>	<u>3,980,316</u>	<u>(2,541,645)</u>	<u>6,389,200</u>
Expenditures:				
General government.....	130,000	20,000	110,000	-
Public safety - State 911.....	574,195	495,577	78,618	610,419
Public safety.....	3,471,236	473,838	2,997,398	759,403
Public services-transportation.....	1,941,729	1,536,478	405,251	1,848,507
Planning and community development.....	1,584,236	1,527,475	56,761	4,249,056
Cultural and recreation.....	410,819	229,010	181,809	338,984
Total expenditures.....	<u>8,112,215</u>	<u>4,282,378</u>	<u>3,829,837</u>	<u>7,806,369</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,590,254)</u>	<u>(302,062)</u>	<u>1,288,192</u>	<u>(1,417,169)</u>
Other financing sources (uses):				
Transfer from General Fund.....	300,675	198,865	(101,810)	421,054
Transfer from General Capital Projects Fund.....	-	-	-	248,320
Appropriated fund balance.....	<u>1,289,579</u>	<u>-</u>	<u>(1,289,579)</u>	<u>-</u>
Total other financing sources (uses).....	<u>1,590,254</u>	<u>198,865</u>	<u>(1,391,389)</u>	<u>669,374</u>
Net change in fund balance	<u>\$ -</u>	<u>(103,197)</u>	<u>\$ (103,197)</u>	<u>(747,795)</u>
Fund balance, beginning.....		<u>1,268,348</u>		<u>2,016,143</u>
Fund balance, ending.....		<u>\$ 1,165,151</u>		<u>\$ 1,268,348</u>

**CITY OF HIGH POINT, NORTH CAROLINA**

Community Development Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2020

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Revenues:				
Restricted intergovernmental:				
Federal grants.....	\$ 3,296,216	\$ 1,308,677	\$ (1,987,539)	\$ 1,154,012
State grants.....	207,781	100,547	(107,234)	83,374
Interest on investments.....	968	968	-	1,239
Miscellaneous.....	1,072,036	321,156	(750,880)	370,132
Total revenues.....	<u>4,577,001</u>	<u>1,731,348</u>	<u>(2,845,653)</u>	<u>1,608,757</u>
Expenditures:				
Community development block grant.....	2,350,328	1,054,638	1,295,690	760,726
Home program.....	2,019,824	402,535	1,617,289	503,665
Lead based paint.....	2,325	-	2,325	-
Neighborhood stabilization program.....	190,609	36,231	154,378	3,363
NCHFA construction training program.....	190,427	50,997	139,430	97,296
NCHFA urgent repair program.....	93,322	133,060	(39,738)	58,449
Section 108 loan guarantee program.....	44,096	44,096	-	425,000
Section 108 loan guarantee program-debt principal.....	132,000	132,000	-	139,000
Section 108 loan guarantee program-interest charges.....	100,018	100,018	-	91,752
Total planning and community development expenditures.....	<u>5,122,949</u>	<u>1,953,575</u>	<u>3,169,374</u>	<u>2,079,251</u>
Excess (deficiency) of revenues over (under) expenditure:	<u>(545,948)</u>	<u>(222,227)</u>	<u>323,721</u>	<u>(470,494)</u>
Other financing sources (uses):				
Federal loan proceeds.....	225,000	650,000	425,000	-
Transfer from General Fund.....	120,000	120,000	-	120,000
Appropriated fund balance.....	200,948	-	(200,948)	-
Total other financing sources (uses).....	<u>545,948</u>	<u>770,000</u>	<u>224,052</u>	<u>120,000</u>
Net change in fund balance, budgetary basis.....	<u>\$ -</u>	<u>547,773</u>	<u>\$ 547,773</u>	<u>(350,494)</u>
Reconciliation from budgetary basis to accrual				
Loans allowance recovery.....		(38,721)		(37,423)
Principal payments received on loans receivable.....		(154,805)		(290,267)
Payments for new loans receivable.....		<u>330,211</u>		<u>631,555</u>
Net change in fund balance, accrual basis.....		684,458		(46,629)
Fund balances, beginning.....		<u>5,388,689</u>		<u>5,435,318</u>
Fund balances, ending.....		<u>\$ 6,073,147</u>		<u>\$ 5,388,689</u>
The legally separate blended component units are consolidated into the Community Development fund for reporting purposes				
Donations		323,550		372,806
Miscellaneous and other revenues		157,179		183,597
Interest income		2		4
Proceeds from sale of property				962,017
Expenditures for economic development		(452,297)		(1,413,630)
Beginning fund balance of component units		<u>195,718</u>		<u>90,924</u>
Fund balance, end of year, component units		<u>224,152</u>		<u>195,718</u>
Fund Balance, end of year		<u>\$ 6,297,299</u>		<u>\$ 5,584,407</u>



## **CITY OF HIGH POINT, NORTH CAROLINA**

### **Debt Service Fund**

The Debt Service Fund accounts for the accumulation of resources for and the payment of governmental long-term principal and interest.

**CITY OF HIGH POINT, NORTH CAROLINA**

General Debt Service Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
For the Fiscal Year Ended June 30, 2020

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Revenues:				
Property taxes.....	\$ 3,363,159	\$ 3,322,253	\$ (40,906)	\$ 3,273,191
Interest on investments.....	322,381	259,375	(63,006)	586,069
Unrestricted intergovernmental.....	239,054	112,741	(126,313)	256,247
Miscellaneous.....	1,501,945	899,911	(602,034)	200,755
Total Revenues.....	<u>5,426,539</u>	<u>4,594,280</u>	<u>(832,259)</u>	<u>4,316,262</u>
Expenditures:				
Debt service:				
Principal.....	6,832,075	6,519,587	312,488	5,124,356
Interest.....	3,189,325	3,022,686	166,639	3,550,283
Fiscal charges.....	240,509	77,545	162,964	300,147
Total Expenditures.....	<u>10,261,909</u>	<u>9,619,818</u>	<u>642,091</u>	<u>8,974,786</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,835,370)</u>	<u>(5,025,538)</u>	<u>(190,168)</u>	<u>(4,658,524)</u>
Other financing sources (uses):				
Proceeds from general obligation refunding bonds.....	10,566,874	10,566,874	-	-
Payment to trustee for refunded bonds.....	(10,725,054)	(10,725,054)	-	-
Transfer from General Fund.....	4,993,550	4,993,550	-	793,000
Transfer to General Bond Projects.....	(671,820)	(671,820)	-	-
Appropriated fund balance.....	671,820		(671,820)	-
Total other financing sources (uses).....	<u>4,835,370</u>	<u>4,163,550</u>	<u>(671,820)</u>	<u>793,000</u>
Net change in fund balance.....	<u>\$ -</u>	<u>(861,988)</u>	<u>\$ (861,988)</u>	<u>(3,865,524)</u>
Fund balance, beginning.....		<u>13,193,040</u>		<u>17,058,564</u>
Fund balance, ending.....		<u>\$ 12,331,052</u>		<u>\$ 13,193,040</u>

## **CITY OF HIGH POINT, NORTH CAROLINA**

### **PROPRIETARY FUND TYPES**

#### **Enterprise Funds**

The Enterprise Funds provide goods or services to the general public on a continuing basis and are financed or recovered primarily through user charges. Listed below are departments accounted for in the Enterprise Funds.

##### Water and Sewer Fund

To provide the maximum treatment possible of our raw water and to furnish to the customer an adequate quantity of high quality and aesthetically pleasing stain-free water for home, industrial and commercial users. Additionally, this fund provides for the proper and effective treatment of all wastewater and disposal of any treatment process byproducts in an environmentally sound manner.

##### Electric Fund

To provide effective, professional services to utility customers and to provide expansions to the electric system from operational revenues.

##### Mass Transit Fund

Provide an optimal level of safe, reliable and economical transportation service for the residents of High Point while increasing the efficiency of the system.

##### Parking Facility Fund

The Parking Facility Fund's responsibility is for the operation and maintenance of the City's off-street parking facilities.

##### Solid Waste Fund

To provide refuse collection and solid waste management, including a sanitary landfill and recycling facility for the citizens of the City and a portion of Guilford County. To properly handle the disposal of 170,000 plus tons of wastes annually in an environmentally acceptable manner by means of shredding and conventional landfill methods.

##### Storm Water Fund

To provide for the operation and maintenance of the City's storm water program, which manages storm water runoff through stream cleaning, bank stabilization, and maintenance of detention lakes and ponds.

**CITY OF HIGH POINT, NORTH CAROLINA**

Combining Statement of Net Position  
All Nonmajor Enterprise Funds  
June 30, 2020

ASSETS	MASS TRANSIT	PARKING FACILITIES	SOLID WASTE	STORM WATER	TOTAL
Current assets:					
Cash and investments.....	\$ 324,599	\$ 263,161	\$ 31,705,011	\$ 10,613,996	\$ 42,906,767
Receivables:					
Accounts and grants (net).....	937,228	559	1,499,856	394,992	2,832,635
Accrued interest.....	685	565	66,925	21,588	89,763
Inventory.....	115,955	-	-	-	115,955
Prepaid expenses.....	144,176	-	-	-	144,176
Total current assets.....	<u>1,522,643</u>	<u>264,285</u>	<u>33,271,792</u>	<u>11,030,576</u>	<u>46,089,296</u>
Noncurrent assets:					
Restricted assets:					
Cash and investments.....	52,591	4,685	-	19,760	77,036
Interfund loan receivable.....	-	-	5,000,000	-	5,000,000
Capital assets:					
Land.....	581,396	898,720	1,676,601	451,744	3,608,461
Buildings and other improvements.....	2,952,650	8,690,140	22,621,908	-	34,264,698
Machinery and equipment.....	8,408,879	409,062	3,452,172	135,698	12,405,811
Infrastructure.....	157,863	-	-	16,995,054	17,152,917
Construction in progress.....	391,952	292,740	6,458,829	4,460,634	11,604,155
Accumulated depreciation.....	(4,539,214)	(8,715,191)	(21,355,757)	(4,823,366)	(39,433,528)
Total capital assets.....	<u>7,953,526</u>	<u>1,575,471</u>	<u>12,853,753</u>	<u>17,219,764</u>	<u>39,602,514</u>
Total assets.....	<u>9,528,760</u>	<u>1,844,441</u>	<u>51,125,545</u>	<u>28,270,100</u>	<u>90,768,846</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources.....	519,683	25,134	922,695	267,275	1,734,787
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>519,683</u>	<u>25,134</u>	<u>922,695</u>	<u>267,275</u>	<u>1,734,787</u>
LIABILITIES					
Liabilities:					
Current liabilities:					
Accounts payable and accrued expenses.....	155,254	5,564	667,264	507,171	1,335,253
Current maturities of long-term debt.....	-	-	-	997,122	997,122
Current maturities of compensated absences.....	82,547	-	190,602	47,334	320,483
Stipends payable.....	17,738	4,950	48,675	-	71,363
Accrued interest payable.....	-	-	-	73,620	73,620
Deposits.....	-	4,685	-	-	4,685
Total current liabilities.....	<u>255,539</u>	<u>15,199</u>	<u>906,541</u>	<u>1,625,247</u>	<u>2,802,526</u>
Long-term liabilities:					
Accrued closure/post closure costs.....	-	-	13,648,839	-	13,648,839
Net pension liability.....	749,614	39,453	1,326,240	391,499	2,506,806
Other post employment benefits accrual.....	416,301	8,028	756,911	191,521	1,372,761
General obligation bonds payable.....	-	-	-	6,548,041	6,548,041
Stipends payable.....	18,975	3,713	48,675	-	71,363
Compensated absences.....	27,161	-	114,917	38,624	180,702
Total long-term liabilities.....	<u>1,212,051</u>	<u>51,194</u>	<u>15,895,582</u>	<u>7,169,685</u>	<u>24,328,512</u>
Total liabilities.....	<u>1,467,590</u>	<u>66,393</u>	<u>16,802,123</u>	<u>8,794,932</u>	<u>27,131,038</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources.....	143,969	2,824	261,690	2,841,681	3,250,164
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>143,969</u>	<u>2,824</u>	<u>261,690</u>	<u>2,841,681</u>	<u>3,250,164</u>
NET POSITION					
Net investment in capital assets.....	8,006,117	1,575,471	12,853,753	9,311,920	31,747,261
Restricted.....	405,370	-	-	-	405,370
Unrestricted.....	25,397	224,887	22,130,674	7,588,842	29,969,800
Total Net Position.....	<u>\$ 8,436,884</u>	<u>\$ 1,800,358</u>	<u>\$ 34,984,427</u>	<u>\$ 16,900,762</u>	<u>\$ 62,122,431</u>

**CITY OF HIGH POINT, NORTH CAROLINA**

Combining Statement of Revenues, Expenses and Changes in Net Position  
All Nonmajor Enterprise Funds  
For the Fiscal Year Ended June 30, 2020

	MASS TRANSIT	PARKING FACILITIES	SOLID WASTE	STORM WATER	TOTAL NONMAJOR ENTERPRISE FUNDS
OPERATING REVENUES:					
Charges for services.....	\$ 299,178	\$ 224,305	\$ 15,083,844	\$ 5,270,112	\$ 20,877,439
Licenses and permits.....	392,626	-	-	-	392,626
Intergovernmental.....	1,237,211	-	115,527	-	1,352,738
Total operating revenues.....	<u>1,929,015</u>	<u>224,305</u>	<u>15,199,371</u>	<u>5,270,112</u>	<u>22,622,803</u>
OPERATING EXPENSES:					
Management and administration.....	4,359,599	270,989	12,393,060	4,393,723	21,417,371
Depreciation and amortization.....	915,660	151,751	1,087,983	560,048	2,715,442
Total operating expenses.....	<u>5,275,259</u>	<u>422,740</u>	<u>13,481,043</u>	<u>4,953,771</u>	<u>24,132,813</u>
Operating income (loss).....	<u>(3,346,244)</u>	<u>(198,435)</u>	<u>1,718,328</u>	<u>316,341</u>	<u>(1,510,010)</u>
Nonoperating revenues (expenses):					
Interest on investments.....	19,789	3,934	605,530	214,452	843,705
Miscellaneous and other nonoperating.....	70,516	240	1,120	-	71,876
Interest expense and fiscal charges.....	-	-	-	(333,010)	(333,010)
Gain (loss) on disposal of property.....	10,935	-	(144,583)	(51,848)	(185,496)
Total nonoperating revenues (expenses).....	<u>101,240</u>	<u>4,174</u>	<u>462,067</u>	<u>(170,406)</u>	<u>397,075</u>
Income (loss) before capital contributions and transfers.....	<u>(3,245,004)</u>	<u>(194,261)</u>	<u>2,180,395</u>	<u>145,935</u>	<u>(1,112,935)</u>
Transfers in.....	403,000	95,729	-	-	498,729
Total transfers.....	<u>403,000</u>	<u>95,729</u>	<u>-</u>	<u>-</u>	<u>498,729</u>
Change in net position.....	<u>(2,842,004)</u>	<u>(98,532)</u>	<u>2,180,395</u>	<u>145,935</u>	<u>(614,206)</u>
Net position, beginning of the year, as previously stated.....	11,278,888	1,898,890	32,804,032	16,754,827	62,736,637
Net position, end of the year.....	<u>\$ 8,436,884</u>	<u>\$ 1,800,358</u>	<u>\$ 34,984,427</u>	<u>\$ 16,900,762</u>	<u>\$ 62,122,431</u>

**City of High Point, North Carolina**

Combining Statement of Cash Flows  
All Nonmajor Enterprise Funds  
For the Fiscal Year Ended June 30, 2020

	Business-Type - Enterprise Funds				
	MASS TRANSIT	PARKING FACILITIES	SOLID WASTE	STORM WATER	TOTAL
Cash Flows From Operating Activities					
Receipts from customers and users.....	\$ 2,281,699	\$ 224,502	\$ 15,116,053	\$ 5,312,424	\$ 22,934,678
Payments to employees and related fringe benefits.....	(2,913,626)	(156,024)	(5,583,564)	(1,519,377)	(10,172,591)
Payments to suppliers and operating costs.....	(1,445,585)	(123,955)	(6,502,623)	(2,743,684)	(10,815,847)
Net cash provided by (used in) operating activities	(2,077,512)	(55,477)	3,029,866	1,049,363	1,946,240
Cash Flows From Non-Capital Financing Activities					
Transfers in.....	403,000	95,729	-	-	498,729
Miscellaneous and other nonoperating.....	70,516	240	1,120	-	71,876
Net Cash provided by (used in) noncapital financing activities	473,516	95,969	1,120	-	570,605
Cash Flows From Financing Activities					
Proceeds from issuance of long-term debt .....	-	-	-	2,591,126	2,591,126
Payment to trustee for refunded bonds.....	-	-	-	(2,567,889)	(2,567,889)
Principal payments on long-term debt.....	-	-	-	(983,366)	(983,366)
Interest payments on long-term debt.....	-	-	-	(399,784)	(399,784)
Proceeds collected on the sale of capital assets.....	10,935	-	-	-	10,935
Acquisition and construction of capital assets.....	(573,453)	(6,300)	(1,377,499)	(1,870,374)	(3,827,626)
Net cash provided by (used in) financing activities	(562,518)	(6,300)	(1,377,499)	(3,230,287)	(5,176,604)
Cash Flows Provided By (Used In) Investing Activities					
Interest earned on investments.....	23,356	3,764	589,255	213,386	829,761
Net cash provided by (used in) investing activities	23,356	3,764	589,255	213,386	829,761
Net increase (decrease) in cash and investments	(2,143,158)	37,956	2,242,742	(1,967,538)	(1,829,998)
Cash and investments, beginning of the year	2,520,348	229,890	29,462,269	12,601,294	44,813,801
Cash and investments, end of the year	\$ 377,190	\$ 267,846	\$ 31,705,011	\$ 10,633,756	\$ 42,983,803
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss).....	\$ (3,346,244)	\$ (198,435)	\$ 1,718,328	\$ 316,341	\$ (1,510,010)
Adjustments to Reconcile Operating Income (Loss) to .....					
Net Cash Provided by (Used in) Operating Activities:.....					
Depreciation and Amortization.....	915,660	151,751	1,087,983	560,048	2,715,442
Prior Period Adjustment for GASB 75.....					-
Change in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivables.....	352,684	387	(83,318)	42,312	312,065
(Increase) Decrease in Inventories.....	(41,299)	-	-	-	(41,299)
(Increase) Decrease in Prepaid Expenses.....	1,741	-	-	-	1,741
(Increase) Decrease in Deferred Outflows of Resources-Pensions.....	55,621	12,339	126,408	10,269	204,637
(Increase) Decrease in Deferred Outflows of Resources-OPEB.....	(9,616)	830	(24,043)	(4,339)	(37,168)
Increase (Decrease) in Payables and Accrued Expenses.....	(95,172)	1,848	38,309	38,820	(16,195)
Increase (Decrease) in Deposits.....	-	(191)	-	-	(191)
Increase (Decrease) in Stipends Liability.....	(16,500)	(4,950)	(50,738)	-	(72,188)
Increase (Decrease) in Vacation Leave Accrual.....	10,374	(2,233)	19,150	12,605	39,896
Increase (Decrease) in Net Pension Liability.....	108,105	(6,177)	155,955	80,139	338,022
Increase (Decrease) in OPEB Liability.....	20,332	(6,676)	82,608	8,766	105,030
Increase (Decrease) in Deferred Inflows of Resources-Pensions.....	(4,880)	(374)	(8,981)	(2,316)	(16,551)
Increase (Decrease) in Deferred Inflows of Resources-OPEB.....	(28,318)	(3,596)	(31,795)	(13,282)	(76,991)
Total adjustments.....	1,268,732	142,958	1,311,538	733,022	3,456,250
Net cash provided by (used in) operating activities.....	\$ (2,077,512)	\$ (55,477)	\$ 3,029,866	\$ 1,049,363	\$ 1,946,240

**CITY OF HIGH POINT, NORTH CAROLINA**

Water and Sewer Fund  
Schedule of Revenues, Expenditures, and Changes in Net Position  
Budget and Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2020

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Operating revenues:				
Charges for services.....	\$ 53,704,123	\$ 54,723,806	\$ 1,019,683	\$ 52,420,737
Miscellaneous.....	117,018	408,854	291,836	145,461
Intergovernmental.....	398,689	-	(398,689)	411,211
Total operating revenues.....	<u>54,219,830</u>	<u>55,132,660</u>	<u>912,830</u>	<u>52,977,409</u>
Operating expenditures:				
Management and administration.....	8,075,278	7,677,727	397,551	6,804,033
System maintenance and distribution.....	9,394,140	8,601,781	792,359	8,645,143
Treatment plants.....	11,104,020	10,926,469	177,551	10,012,654
Other services and charges.....	3,100,574	2,649,132	451,442	2,534,232
Total operating expenditures.....	<u>31,674,012</u>	<u>29,855,109</u>	<u>1,818,903</u>	<u>27,996,062</u>
Operating income	<u>22,545,818</u>	<u>25,277,551</u>	<u>2,731,733</u>	<u>24,981,347</u>
Nonoperating revenues (expenditures):				
Interest on investments.....	750,000	1,366,510	616,510	1,163,926
Other intergovernmental reimbursements.....	-	405,711	405,711	-
Miscellaneous and other nonoperating.....	5,000	3,153	(1,847)	332,547
Interest expense and fiscal charges.....	(6,683,539)	(7,117,881)	(434,342)	(6,905,726)
Payment of debt principal.....	(9,734,657)	(8,734,657)	1,000,000	(9,520,827)
Total non-operating revenues (expenditures).....	<u>(15,663,196)</u>	<u>(14,077,164)</u>	<u>1,586,032</u>	<u>(14,930,080)</u>
Income before other financing sources (uses)	<u>6,882,622</u>	<u>11,200,387</u>	<u>4,317,765</u>	<u>10,051,267</u>
Other financing sources (uses):				
Proceeds from revenue refunding bonds.....	-	-	-	14,535,000
Premium - refunding bonds.....	-	-	-	3,550,653
Payment to trustee for refunded bonds.....	-	-	-	(17,512,493)
Transfer to General Fund.....	(50,000)	(50,000)	-	(50,000)
Transfer to General Capital Projects Fund.....	-	-	-	(100,000)
Transfer to Water & Sewer Capital Projects Fund.....	(8,383,550)	(8,383,550)	-	(7,975,000)
Appropriated net position.....	1,550,928	-	(1,550,928)	-
Total other financing sources (uses).....	<u>(6,882,622)</u>	<u>(8,433,550)</u>	<u>(1,550,928)</u>	<u>(7,551,840)</u>
Change in net position - budgetary basis.....	<u>\$ -</u>	<u>2,766,837</u>	<u>\$ 2,766,837</u>	<u>2,499,427</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Water & Sewer Capital Project Ordinance Fund.....		(17,297,962)		32,322,492
Water Capital Reserve Fund.....		-		(2,411,339)
Sewer Capital Reserve Fund.....		-		(1,695,438)
Capital additions.....		26,998,819		14,973,028
Capital contributions.....		2,174,084		606,109
Depreciation expense.....		(12,722,894)		(12,617,583)
Compensated absences expense.....		(38,924)		(41,464)
Stipend expense.....		35,475		(5,775)
Increase (decrease) in deferred outflow of resources-pensions.....		(164,329)		531,218
(Increase) decrease in net pension liability.....		(378,741)		(647,545)
(Increase) decrease in deferred inflow of resources-pensions.....		15,813		43,373
Increase (decrease) in deferred outflow of resources-OPEB.....		26,395		73,657
(Increase) decrease in total OPEB liability.....		(62,660)		290,666
(Increase) decrease in deferred inflow of resources-OPEB.....		69,320		(373,981)
Gain (loss) on disposal of property.....		-		(1,650,167)
Amortization of gain on refunding.....		908,489		890,886
Revenue bond proceeds.....		-		(47,610,000)
Premium-revenue bonds.....		-		(6,938,453)
Bond proceeds used in defeasance of bonds.....		-		17,512,495
Bond principal payments.....		8,734,657		9,520,827
Change in net position - full accrual basis.....	<u>\$ 11,064,379</u>			<u>\$ 5,272,433</u>

**CITY OF HIGH POINT, NORTH CAROLINA**

Water & Sewer Capital Projects Ordinance Fund  
Schedule of Revenues, Expenditures, and Changes in Net Position  
Budget and Actual (Non-GAAP)  
From Inception and for the Fiscal Year Ended June 30, 2020

	PROJECT AUTHORIZATION	PRIOR YEAR	ACTUAL CURRENT YEAR	TOTAL TO DATE
Revenues:				
Intergovernmental revenues.....	\$ 1,520,062	\$ 5,542	\$ 1,218,631	\$ 1,224,173
Miscellaneous .....	471,872	471,872	-	471,872
Interest on investments.....	-	40,672	5,458	46,130
Total revenues.....	<u>1,991,934</u>	<u>518,086</u>	<u>1,224,089</u>	<u>1,742,175</u>
Expenditures:				
System maintenance and improvements.....	<u>170,953,928</u>	<u>97,086,508</u>	<u>26,905,601</u>	<u>123,992,109</u>
Total expenditures.....	<u>170,953,928</u>	<u>97,086,508</u>	<u>26,905,601</u>	<u>123,992,109</u>
Other financing sources/(uses):				
Proceeds from revenue bonds.....	120,444,455	81,494,455	-	81,494,455
Discount on sale of revenue bonds.....	-	3,387,800	-	3,387,800
Transfer from Water and Sewer Fund .....	44,410,762	36,826,041	8,383,550	45,209,591
Transfer from Sewer Capital Reserve Fund.....	1,695,438	1,695,438	-	1,695,438
Transfer from Water Capital Reserve Fund .....	2,411,339	2,411,339	-	2,411,339
Total other financing sources/(uses).....	<u>168,961,994</u>	<u>125,815,073</u>	<u>8,383,550</u>	<u>134,198,623</u>
Change in net position.....	<u>\$ -</u>	<u>\$ 29,246,651</u>	<u>\$ (17,297,962)</u>	<u>\$ 11,948,689</u>



**CITY OF HIGH POINT, NORTH CAROLINA**

Water Capital Reserve Fund  
Schedule of Revenues, Expenditures, and Changes in Net Position  
Budget and Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2020

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>	<u>PRIOR YEAR ACTUAL</u>
Revenues:				
Total Revenues.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other financing sources/(uses):				
Transfer to Water/Sewer Capital Projects Fund.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,411,339)</u>
Total other financing sources/(uses).....	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,411,339)</u>
Change in net position.....	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (2,411,339)</u></u>

**CITY OF HIGH POINT, NORTH CAROLINA**

Sewer Capital Reserve Fund  
Schedule of Revenues, Expenditures, and Changes in Net Position  
Budget and Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2020

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>	<u>PRIOR YEAR ACTUAL</u>
Revenues:				
Total Revenues.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other financing sources/(uses):				
Transfer to Water/Sewer Capital Projects Fund.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,695,438)</u>
Total other financing sources/(uses).....	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,695,438)</u>
Change in net position.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,695,438)</u>

**CITY OF HIGH POINT, NORTH CAROLINA**

Electric Fund  
Schedule of Revenues, Expenditures, and Changes in Net Position  
Budget and Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2020

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Operating revenues:				
Charges for services.....	\$ 130,113,471	\$ 124,487,008	\$ (5,626,463)	\$ 129,807,472
Miscellaneous.....	104,000	93,065	(10,935)	107,016
Intergovernmental revenues.....	-	-	-	644,889
Total operating revenues.....	<u>130,217,471</u>	<u>124,580,073</u>	<u>(5,637,398)</u>	<u>130,559,377</u>
Operating expenditures:				
Management and administration.....	4,840,826	4,723,796	117,030	4,883,639
Maintenance and distribution.....	4,293,981	3,255,779	1,038,202	3,545,843
Power purchases.....	96,236,000	89,333,337	6,902,663	91,410,683
System improvements.....	41,436,292	23,184,678	18,251,614	17,498,523
Other services and charges.....	3,787,832	3,128,718	659,114	3,096,728
Total operating expenditures.....	<u>150,594,931</u>	<u>123,626,308</u>	<u>26,968,623</u>	<u>120,435,416</u>
Operating income (loss)	<u>(20,377,460)</u>	<u>953,765</u>	<u>21,331,225</u>	<u>10,123,961</u>
Nonoperating revenues (expenditures):				
Interest on investments.....	1,100,000	1,766,772	666,772	1,653,096
Working capital credit.....	-	17,463,999	17,463,999	-
Other intergovernmental reimbursements.....	-	50,735	50,735	22,412
Total nonoperating revenues (expenditures).....	<u>1,100,000</u>	<u>19,281,506</u>	<u>18,181,506</u>	<u>1,675,508</u>
Income (loss) before other financing sources (uses)	<u>(19,277,460)</u>	<u>20,235,271</u>	<u>39,512,731</u>	<u>11,799,469</u>
Other financing sources (uses):				
Transfer to General Capital Projects Fund.....	-	-	-	(100,000)
Transfer to Electric Capital Projects Fund.....	(1,050,000)	(1,050,000)	-	-
Transfer to General Fund.....	(1,110,000)	(1,110,000)	-	(1,110,000)
Transfer to General Fund for Payments in Lieu of Taxes.....	(915,892)	(915,892)	-	(897,139)
Appropriated net position.....	<u>22,353,352</u>	<u>-</u>	<u>(22,353,352)</u>	<u>-</u>
Total other financing sources (uses).....	<u>19,277,460</u>	<u>(3,075,892)</u>	<u>(22,353,352)</u>	<u>(2,107,139)</u>
Change in net position - budgetary basis.....	<u>\$ -</u>	<u>17,159,379</u>	<u>\$ 17,159,379</u>	<u>9,692,330</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Electric Project Ordinance Fund.....		1,050,000		-
Capital additions.....		7,600,165		3,865,557
Depreciation expense.....		(3,179,359)		(3,215,765)
Compensated absences expense.....		(60,350)		(10,725)
Stipend expense.....		31,349		(5,775)
Increase (decrease) in inventory valuation.....		188,848		561,945
Increase in deferred outflows of resources-pensions.....		18,734		727,526
Decrease in net pension liability.....		(204,261)		(892,965)
Increase in deferred inflows of resources-pensions.....		(431,580)		45,655
Increase in deferred outflows of resources-OPEB.....		30,785		66,228
Decrease in deferred inflows of resources-OPEB.....		48,105		(338,429)
Increase in OPEB liability.....		(99,749)		272,730
Change in net position - full accrual basis.....		<u>\$ 22,152,066</u>		<u>\$ 10,768,312</u>

**CITY OF HIGH POINT, NORTH CAROLINA**

Electric Capital Projects Ordinance Fund  
Schedule of Revenues, Expenditures, and Changes in Net Position  
Budget and Actual (Non-GAAP)  
From Inception and for the Fiscal Year Ended June 30, 2020

	PROJECT AUTHORIZATION	PRIOR YEAR	ACTUAL CURRENT YEAR	TOTAL TO DATE
Revenues:				
Total revenues.....	\$ -	\$ -	\$ -	\$ -
Expenditures:				
System maintenance and improvements.....	1,050,000	-	-	-
Total expenditures.....	1,050,000	-	-	-
Other financing sources/(uses):				
Transfer from Electric Fund .....	1,050,000	-	1,050,000	1,050,000
Total other financing sources/(uses).....	1,050,000	-	1,050,000	1,050,000
Total revenues.....	\$ -	\$ -	\$ -	\$ -
Expenditures:				

**CITY OF HIGH POINT, NORTH CAROLINA**

Mass Transit Fund  
Schedule of Revenues, Expenditures, and Changes in Net Position  
Budget and Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2020

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Operating revenues:				
Charges for services.....	\$ 578,000	\$ 299,178	\$ (278,822)	\$ 408,094
Licenses and permits.....	390,000	392,626	2,626	393,607
Intergovernmental.....	3,065,502	1,107,911	(1,957,591)	3,250,831
Total operating revenues.....	<u>4,033,502</u>	<u>1,799,715</u>	<u>(2,233,787)</u>	<u>4,052,532</u>
Operating expenditures:				
Management and administration.....	4,746,265	4,230,723	515,542	3,773,000
Improvements.....	411,912	442,371	(30,459)	81,040
Total operating expenses.....	<u>5,158,177</u>	<u>4,673,094</u>	<u>485,083</u>	<u>3,854,040</u>
Operating income (loss)	<u>(1,124,675)</u>	<u>(2,873,379)</u>	<u>(1,748,704)</u>	<u>198,492</u>
Nonoperating revenues:				
Interest on investments.....	-	6,253	6,253	7,913
Miscellaneous and other nonoperating.....	29,700	70,516	40,816	27,467
Proceeds from disposal of capital assets.....	-	9,835	9,835	4,115
Total non-operating revenues.....	<u>29,700</u>	<u>86,604</u>	<u>56,904</u>	<u>39,495</u>
Income (loss) before other financing sources (uses)	<u>(1,094,975)</u>	<u>(2,786,775)</u>	<u>(1,691,800)</u>	<u>237,987</u>
Other financing sources (uses):				
Transfer from General Fund.....	305,500	305,500	-	887,194
Appropriated net position.....	789,475	-	(789,475)	-
Total other financing sources (uses).....	<u>1,094,975</u>	<u>305,500</u>	<u>(789,475)</u>	<u>887,194</u>
Change in net position - budgetary basis.....	<u>\$ -</u>	<u>(2,481,275)</u>	<u>\$ (2,481,275)</u>	<u>1,125,181</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Mass Transit Capital Projects Ordinance Fund.....		110,354		62,064
Capital additions.....		573,454		811,555
Compensated absences expense.....		(10,374)		4,968
Stipend expense.....		16,500		(18,562)
Increase (decrease) in inventory valuation.....		6,241		11,625
Depreciation expense.....		(915,660)		(874,138)
Gain (loss) on disposal of property.....		-		(22,003)
Increase (decrease) in deferred outflow of resources-pensions		(55,621)		248,527
(Increase) decrease in net pension liability.....		(108,105)		(308,202)
(Increase) decrease in deferred inflows of resources-pensions		4,880		8,498
Increase (decrease) in deferred outflow of resources-OPEB		9,616		28,448
(Increase) decrease in net OPEB liability.....		(20,332)		116,198
(Increase) decrease in deferred inflow of resources-OPEB		28,318		(145,189)
Change in net position - full accrual basis.....		<u>\$ (2,842,004)</u>		<u>\$ 1,048,970</u>

**CITY OF HIGH POINT, NORTH CAROLINA**

Mass Transit Capital Projects Ordinance Fund  
Schedule of Revenues, Expenditures, and Changes in Net Position  
Budget and Actual (Non-GAAP)  
From Inception and for the Fiscal Year Ended June 30, 2020

	PROJECT AUTHORIZATION	PRIOR YEAR	ACTUAL CURRENT YEAR	TOTAL TO DATE
Revenues:				
Intergovernmental revenues.....	\$ 7,238,814	\$ 6,894,389	\$ 129,300	\$ 7,023,689
Miscellaneous.....	-	47,090	1,100	48,190
Interest on investments.....	9,159	112,376	13,536	125,912
Total revenues.....	7,247,973	7,053,855	143,936	7,197,791
Expenditures:				
System maintenance and improvements.....	8,055,000	7,729,632	131,082	7,860,714
	-	-	-	-
Total expenditures.....	8,055,000	7,729,632	131,082	7,860,714
Other financing sources (uses):				
Transfer from General Fund.....	375,852	458,852	97,500	556,352
Transfer from Mass Transit Fund.....	25,000	25,000	-	25,000
Transfer from Mass Transit Capital Reserve Fund.....	406,175	455,147	-	455,147
Total other financing sources (uses).....	807,027	938,999	97,500	1,036,499
Change in net position.....	\$ -	\$ 263,222	\$ 110,354	\$ 373,576

**CITY OF HIGH POINT, NORTH CAROLINA**

Parking Facilities Fund  
Schedule of Revenues, Expenditures, and Changes in Net Position  
Budget and Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2020

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Operating revenues:				
Charges for services.....	\$277,000	\$224,305	\$ (52,695)	\$ 271,562
Operating expenditures:				
Management and administration.....	394,532	281,826	112,706	414,724
Improvements.....	0	6,300	(6,300)	209,392
Total operating expenses	394,532	288,126	106,406	624,116
Operating income (loss)	(117,532)	(63,821)	53,711	(352,554)
Nonoperating revenues (expenditures):				
Miscellaneous and other nonoperating.....	-	240	240	-
Interest on investments.....	6,000	3,934	(2,066)	4,218
Total nonoperating revenues (expenses)	6,000	4,174	(1,826)	4,218
Income (loss) before other financing sources (uses)	(111,532)	(59,647)	51,885	(348,336)
Other financing sources (uses):				
Transfer from General Fund.....	95,729	95,729	-	150,000
Appropriated net position.....	15,803	-	(15,803)	-
Total other financing sources (uses)	111,532	95,729	(15,803)	150,000
Change in net position - budgetary basis.....	<u>\$ -</u>	<u>36,082</u>	<u>\$ 36,082</u>	<u>(198,336)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Capital additions.....		6,300		223,292
Depreciation expense.....		(151,751)		(207,864)
Compensated absences expense.....		2,233		2,822
Stipend Expense.....		4,950		2,888
Increase (decrease) in deferred outflow of resources-pensions.....		(12,339)		14,725
(Increase) decrease in net pension liability.....		6,177		(18,141)
(Increase) decrease in deferred inflow of resources-pensions.....		374		772
Increase (decrease) in deferred outflow of resources-OPEB.....		(830)		1,061
(Increase) decrease in net OPEB liability.....		6,676		4,215
(Increase) decrease in deferred inflow of resources-OPEB.....		3,596		(5,397)
Change in net position - full accrual basis.....	<u>\$ (98,532)</u>			<u>\$ (179,963)</u>

**CITY OF HIGH POINT, NORTH CAROLINA**

Solid Waste Fund  
Schedule of Revenues, Expenditures, and Changes in Net Position  
Budget and Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2020

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Operating revenues:				
Charges for services.....	\$ 15,656,450	\$ 17,204,986	\$ 1,548,536	\$ 16,340,468
Intergovernmental.....	71,000	115,527	44,527	86,111
Total operating revenues.....	<u>15,727,450</u>	<u>17,320,513</u>	<u>1,593,063</u>	<u>16,426,579</u>
Operating expenditures:				
Management and administration.....	15,389,671	14,000,960	1,388,711	13,116,311
Improvements.....	6,901,924	1,390,555	5,511,369	971,915
Total operating expenses.....	<u>22,291,595</u>	<u>15,391,515</u>	<u>6,900,080</u>	<u>14,088,226</u>
Operating income (loss)	<u>(6,564,145)</u>	<u>1,928,998</u>	<u>8,493,143</u>	<u>2,338,353</u>
Nonoperating revenues (expenditures):				
Interest on investments.....	150,000	155,754	5,754	203,078
Miscellaneous and other nonoperating.....	1,500	1,120	(380)	1,574
Total nonoperating revenues (expenditures).....	<u>151,500</u>	<u>156,874</u>	<u>5,374</u>	<u>204,652</u>
Income (loss) before other financing sources (uses)	<u>(6,412,645)</u>	<u>2,085,872</u>	<u>8,498,517</u>	<u>2,543,005</u>
Other financing sources (uses):				
Transfer to Landfill Maintenance Reserve Fund.....	(1,514,100)	(1,819,871)	(305,771)	(1,808,733)
Transfer to Solid Waste Capital Project Fund.....	(25,000)	(25,000)	-	-
Transfer from Landfill Maintenance Reserve Fund.....	2,847,900	-	(2,847,900)	-
Appropriated net position.....	5,103,845	-	(5,103,845)	-
Total other financing sources (uses).....	<u>6,412,645</u>	<u>(1,844,871)</u>	<u>(8,257,516)</u>	<u>(1,808,733)</u>
Change in net position - budgetary basis.....	<u>\$ -</u>	<u>241,001</u>	<u>\$ 241,001</u>	<u>734,272</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Landfill closure and postclosure reserve fund.....		2,269,647		(25,639)
Solid Waste capital project fund.....		21,529		2,327,582
Landfill closure and postclosure (expense) / recovery.....		(228,152)		(288,899)
Charges for services to business units in this fund.....		(2,121,142)		(1,906,558)
Environmental services costs to business units in this fund....		2,121,142		1,906,558
Capital additions.....		1,377,500		1,078,847
Compensated absences expense.....		(19,150)		(14,224)
Stipend expense.....		50,738		(29,700)
Depreciation expense.....		(1,087,983)		(1,078,582)
Gain (loss) on disposal of property.....		(144,583)		(3,050)
Increase (decrease) in deferred outflow of resources-pensions		(126,408)		319,103
(Increase) decrease in net pension liability.....		(155,955)		(390,278)
(Increase) in deferred inflow of resources-pensions.....		8,981		23,142
Increase (decrease) in deferred outflow-OPEB.....		24,043		48,925
(Increase) decrease in net OPEB liability.....		(82,608)		189,219
(Increase) decrease in deferred inflow of resources-OPEB.....		31,795		(247,680)
Change in net position - full accrual basis.....	<u>\$ 2,180,395</u>		<u>\$ 2,643,038</u>	



**CITY OF HIGH POINT, NORTH CAROLINA**

Solid Waste Capital Projects Ordinance Fund  
Schedule of Revenues, Expenditures, and Changes in Net Position  
Budget and Actual (Non-GAAP)  
From Inception and for the Fiscal Year Ended June 30, 2020

	PROJECT AUTHORIZATION	PRIOR YEAR	ACTUAL CURRENT YEAR	TOTAL TO DATE
Expenditures:				
System maintenance and improvements.....	\$ 9,865,000	\$ 8,930,803	\$ 3,471	\$ 8,934,274
Other financing sources (uses):				
Transfer from Landfill Fund.....	25,000	-	25,000	25,000
Transfer from Landfill Closure and Postclosure Reserve Fund.....	9,840,000	9,840,000	-	9,840,000
Total other financing sources (uses).....	9,865,000	9,840,000	25,000	9,865,000
Change in net position.....	\$ -	\$ 909,197	\$ 21,529	\$ 930,726

**CITY OF HIGH POINT, NORTH CAROLINA**

Landfill Closure and Postclosure Reserve Fund  
Schedule of Revenues, Expenditures, and Changes in Net Position  
Budget and Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2020

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>	<u>PRIOR YEAR ACTUAL</u>
Revenues:				
Interest on investments.....	\$ -	\$ 449,776	\$ 449,776	\$ 518,849
Income (loss) before other financing sources (uses)	-	449,776	449,776	518,849
Other financing sources (uses):				
Transfer from Solid Waste Fund.....	-	1,819,871	1,819,871	1,808,733
Total other financing sources (uses).....	-	1,819,871	1,819,871	1,808,733
Change in net position.....	<u>\$ -</u>	<u>\$ 2,269,647</u>	<u>\$ 2,269,647</u>	<u>\$ 2,327,582</u>

**CITY OF HIGH POINT, NORTH CAROLINA**

Storm Water Fund  
Schedule of Revenues, Expenditures, and Changes in Net Position  
Budget and Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2020

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Operating revenues:				
Charges for services.....	\$ 5,234,954	\$ 5,270,112	\$ 35,158	\$ 5,279,606
Intergovernmental.....	-	-	-	13,012
Total operating revenues.....	<u>5,234,954</u>	<u>5,270,112</u>	<u>35,158</u>	<u>5,292,618</u>
Operating expenditures:				
Management and administration.....	3,963,374	3,926,272	37,102	2,827,169
Improvements.....	<u>6,450,431</u>	<u>1,935,963</u>	<u>4,514,468</u>	<u>1,620,698</u>
Total operating expenses.....	<u>10,413,805</u>	<u>5,862,235</u>	<u>4,551,570</u>	<u>4,447,867</u>
Operating income (loss)	<u>(5,178,851)</u>	<u>(592,123)</u>	<u>4,586,728</u>	<u>844,751</u>
Nonoperating revenues (expenditures):				
Interest on investments.....	220,000	214,452	(5,548)	315,612
Miscellaneous and other nonoperating.....	(19,741)	(17,205)	2,536	247,700
Interest expense and fiscal charges.....	(329,434)	(301,010)	28,424	(418,878)
Payment of debt principal.....	<u>(983,366)</u>	<u>(983,366)</u>	-	<u>(891,410)</u>
Total nonoperating revenues (expenditures).....	<u>(1,112,541)</u>	<u>(1,087,129)</u>	<u>25,412</u>	<u>(746,976)</u>
Income (loss) before other financing sources (uses)	<u>(6,291,392)</u>	<u>(1,679,252)</u>	<u>4,612,140</u>	<u>97,775</u>
Other financing sources (uses):				
Proceeds from general obligation refunding bonds.....	2,591,126	2,591,126	-	-
Payment to trustee for refunded bonds.....	(2,629,914)	(2,629,914)	-	-
Transfer to storm water capital projects fund.....	(420,000)	(420,000)	-	-
Appropriated net position.....	<u>6,750,180</u>	-	<u>(6,750,180)</u>	-
Total other financing sources (uses).....	<u>6,291,392</u>	<u>(458,788)</u>	<u>(6,750,180)</u>	-
Change in net position - budgetary basis.....	<u>\$ -</u>	<u>(2,138,040)</u>	<u>\$ (2,138,040)</u>	<u>97,775</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Storm Water Facilities Capital Projects Ordinance Fund .....		109,980		(4,948)
Capital additions.....		1,870,374		1,817,967
Depreciation expense.....		(560,048)		(558,564)
Compensated absences expense.....		(12,605)		(11,919)
Stipend expense.....		-		4,125
Pond Maintenance.....		-		(247,700)
Increase (decrease) in deferred outflow of resources-pensions.....		(10,269)		102,056
(Increase) decrease in net pension liability.....		(80,139)		(125,808)
(Increase) decrease in deferred inflow of resources-pensions.....		2,316		5,181
Increase (decrease) in deferred outflow-OPEB.....		4,339		13,575
(Increase) decrease in net OPEB liability.....		(8,766)		45,626
(Increase) decrease in deferred inflow of resources-OPEB.....		13,282		(67,412)
Bond proceeds - refunding bonds.....		(2,591,126)		-
Bond principal payments.....		983,366		891,410
Bond proceeds used in defeasance of bonds.....		2,567,889		-
Gain (loss) on disposal of property.....		(51,848)		-
Amortization of gain on refunding.....		<u>47,230</u>		<u>47,230</u>
Change in net position - full accrual basis.....		<u>\$ 145,935</u>		<u>\$ 2,008,594</u>

**CITY OF HIGH POINT, NORTH CAROLINA**

Storm Water Facilities Capital Projects Ordinance Fund  
Schedule of Revenues, Expenditures, and Changes in Net Position  
Budget and Actual (Non-GAAP)  
From Inception and for the Fiscal Year Ended June 30, 2020

	PROJECT AUTHORIZATION	PRIOR YEAR	ACTUAL CURRENT YEAR	TOTAL TO DATE
Expenditures:				
Maintenance and distribution.....	\$ 1,004,941	\$ 311,470	\$ 310,020	\$ 621,490
Other financing sources:				
General obligation bonds.....	584,941	584,941	-	584,941
Transfers from Storm Water Fund.....	420,000	-	420,000	420,000
Total other financing sources .....	1,004,941	584,941	420,000	1,004,941
Change in net position.....	\$ -	\$ 273,471	\$ 109,980	\$ 383,451

## **CITY OF HIGH POINT, NORTH CAROLINA**

### **Internal Service Fund**

The Internal Service Fund accounts for the financing of goods and services provided by one department to other departments of the City. The following activities were accounted for in the Internal Service Fund:

#### Fleet Services

Provide the best and most economical support services to the City Fleet.

#### Radio Repair Shop

Responsible for the installation and maintenance of all City-owned communication systems and components.

#### Computer Replacement

Responsible for funding and replacing all of the City's computer technology.

#### Health and Wellness Benefits

Responsible for the medical, dental, and vision insurance and various wellness programs for city employees and retirees.

**CITY OF HIGH POINT, NORTH CAROLINA**

Internal Service Fund  
Schedule of Revenues, Expenditures, and Changes in Net Position  
Budget and Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2020

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Operating revenues:				
Interfund charges - radio repair.....	\$ 2,104,692	\$ 1,894,228	\$ (210,464)	\$ 1,780,323
Interfund charges - computer replacement.....	708,759	635,720	(73,039)	687,782
Interfund charges - fleet services.....	10,302,879	9,972,544	(330,335)	10,845,938
Interfund charges - workers compensation.....	1,244,740	1,233,726	(11,014)	-
Interfund charges - health and wellness.....	13,091,595	13,125,289	33,694	12,314,040
Other operating - health and wellness.....	5,335,000	4,824,744	(510,256)	4,943,407
Other operating - miscellaneous.....	38,552	187,708	149,156	105,285
Total operating revenues.....	<u>32,826,217</u>	<u>31,873,959</u>	<u>(952,258)</u>	<u>30,676,775</u>
Operating expenditures:				
Fleet services.....	12,636,422	11,385,973	1,250,449	12,575,101
Radio repair shop.....	2,366,236	2,216,859	149,377	1,240,845
Computer replacement.....	899,965	829,206	70,759	944,863
Workers Compensation.....	1,244,740	1,231,438	13,302	-
Health and Wellness.....	18,448,499	17,440,316	1,008,183	17,434,803
Total operating expenditures.....	<u>35,595,862</u>	<u>33,103,792</u>	<u>2,492,070</u>	<u>32,195,612</u>
Operating income (loss)	<u>32,826,217</u>	<u>(1,229,833)</u>	<u>1,539,812</u>	<u>(1,518,837)</u>
Nonoperating revenues (expenditures):				
Interest on investments.....	20,000	68,662	48,662	70,516
Miscellaneous and other nonoperating.....	50,000	13,500	(36,500)	133,390
Proceeds from disposal of capital assets.....	550,000	625,052	75,052	662,687
Interest and fiscal charges.....	(111,127)	(117,246)	(6,119)	(83,441)
Principal retirement.....	(1,271,574)	(1,256,082)	15,492	(1,061,019)
Total nonoperating revenues (expenditures).....	<u>(762,701)</u>	<u>(666,114)</u>	<u>96,587</u>	<u>(277,867)</u>
Income (loss) before other financing sources (uses)	<u>32,063,516</u>	<u>(1,895,947)</u>	<u>1,636,399</u>	<u>(1,796,704)</u>
Other financing sources (uses):				
Proceeds from issuance of installment purchases	550,663	550,663	-	1,845,000
Reimbursement from General Capital Projects Fund.....	443,323	-	(443,323)	-
Appropriated net position.....	2,538,360	-	(2,538,360)	-
Total other financing sources (uses).....	<u>3,532,346</u>	<u>550,663</u>	<u>(2,981,683)</u>	<u>1,845,000</u>
Change in net position - budgetary basis.....	<u>\$ -</u>	<u>(1,345,284)</u>	<u>\$ (1,345,284)</u>	<u>48,296</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Capital additions.....		5,261,989		6,025,470
Capital contributions.....		196,431		369,123
Installment purchase principal payments.....		1,256,082		1,061,019
Installment purchase issuance.....		(550,663)		(1,845,000)
Depreciation expense.....		(4,990,040)		(4,496,830)
Compensated absences expense.....		(4,963)		7,033
Stipend expense.....		2,475		(16,500)
Increase (decrease) in inventory valuation.....		32,644		19,510
Increase (decrease) in deferred outflow of resources-pensions.....		(59,834)		142,761
(Increase) decrease in net pension liability.....		(40,013)		(175,829)
(Increase) decrease in deferred inflow of resources-pensions.....		3,456		7,602
Increase (decrease) in deferred outflow of resources-OPEB.....		6,301		12,213
(Increase) decrease in net OPEB liability.....		(22,420)		48,469
(Increase) decrease in deferred inflow of resources-OPEB.....		7,390		(62,062)
Gain (loss) on disposal of property.....		(53,713)		(113,046)
Change in net position - full accrual basis.....		<u>\$ (300,162)</u>		<u>\$ 1,032,229</u>

## **CITY OF HIGH POINT, NORTH CAROLINA**

### **FIDUCIARY FUND TYPES**

#### **Agency Funds**

The General Agency Fund accounts for the receipt and disbursement of revenues for certain specialized activities, including special events for associated organizations, refundable deposits held for completion of new housing developments and contributions made by the private sectors for specific community activities.

**CITY OF HIGH POINT, NORTH CAROLINA**

Combining Statement of Changes in Assets and Liabilities  
Agency Fund  
For the Fiscal Year Ended June 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
Assets:				
Cash and cash equivalents	\$ 348,469	\$ 24,370	\$ -	\$ 372,839
Accounts receivable	390		290	100
Total Assets	<u>\$ 348,859</u>	<u>\$ 24,370</u>	<u>\$ 290</u>	<u>\$ 372,939</u>
Liabilities:				
Accounts payable	<u>\$ 348,859</u>	<u>\$ 24,370</u>	<u>\$ 290</u>	<u>\$ 372,939</u>



## **CITY OF HIGH POINT, NORTH CAROLINA**

### **SUPPORTING SCHEDULES**

- (1) Schedule of Ad Valorem Taxes Receivable
- (2) Analysis of Current Tax Levy
- (3) Analysis of Current Tax Levy for Secondary Market Disclosure
- (4) Emergency Telephone System Fund-Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual

**CITY OF HIGH POINT, NORTH CAROLINA**

General Fund, Debt Service Fund, and Mass Transit Fund  
Schedule of Ad Valorem Taxes Receivable  
June 30, 2020

Fiscal Year	Uncollected Balance June 30, 2019	Current Net Levy	Collections and Credits	Uncollected Balance June 30, 2020
2019-20	\$ -	\$ 65,233,464	\$ 64,623,352	\$ 610,112
2018-19	618,955	-	302,782	316,173
2017-18	289,720	-	73,771	215,949
2016-17	191,883	-	34,149	157,734
2015-16	190,546	-	27,421	163,125
2014-15	183,625	-	17,761	165,864
2013-14	251,244	-	15,016	236,228
2012-13	307,018	-	13,550	293,468
2011-12	260,166	-	9,639	250,527
Prior	1,894,934	-	14,688	1,880,246
	<u>\$ 4,188,091</u>	<u>\$ 65,233,464</u>	<u>\$ 65,132,129</u>	<u>\$ 4,289,426</u>
Less: allowance for uncollectible accounts (General and Mass Transit Funds)				<u>3,487,223</u>
Ad valorem taxes receivable - net				<u>\$ 802,203</u>
Reconciliation to revenues:				
Ad valorem taxes - General Fund and Debt Service Fund				\$ 63,785,941
Vehicle user fees - General & Mass Transit Fund				<u>1,565,484</u>
Subtotal				<u>65,351,425</u>
Less interest collected				<u>219,296</u>
Total collections and credits				<u>\$ 65,132,129</u>

**CITY OF HIGH POINT, NORTH CAROLINA**

Analysis of Current Tax Levy  
City - Wide Levy  
For the Fiscal Year Ended June 30, 2020

	City - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 9,820,372,046	0.6475	\$ 63,586,909	\$ 58,280,244	\$ 5,306,665
Total	<u>9,820,372,046</u>		<u>63,586,909</u>	<u>58,280,244</u>	<u>5,306,665</u>
Discoveries - Current year taxes	<u>57,776,988</u>	0.6475	<u>374,106</u>	<u>374,106</u>	<u>-</u>
Net Vehicle User Fees	<u>-</u>		<u>1,575,060</u>	<u>-</u>	<u>1,575,060</u>
Abatements	<u>(46,735,290)</u>	0.6475	<u>(302,611)</u>	<u>(302,611)</u>	<u>-</u>
Total assessed valuation	<u>\$ 9,831,413,744</u>				
Net levy			65,233,464	58,351,739	6,881,725
Uncollected taxes at June 30			<u>(610,112)</u>	<u>(600,182)</u>	<u>(9,930)</u>
Current year's taxes collected			<u>\$ 64,623,352</u>	<u>\$ 57,751,557</u>	<u>\$ 6,871,795</u>
Current levy collection percentage			99.06%	98.97%	99.86%

**CITY OF HIGH POINT, NORTH CAROLINA**

Analysis of Current Tax Levy  
City - Wide Levy  
For the Fiscal Year Ended June 30, 2020

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio (1)	100%
Real Property	\$ 7,919,440,619
Personal Property	1,765,251,099
Public Service Companies (2)	146,722,026
Total Assessed Valuation	<hr/> 9,831,413,744
City-wide Tax Rate	0.6475
Levy (3)	\$ 65,233,464

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

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

(3) The levy includes discoveries, releases, abatements, interest, and vehicle user fees.

**CITY OF HIGH POINT, NORTH CAROLINA**

Emergency Telephone System Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2020

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Revenues:				
Restricted intergovernmental.....	\$ 534,947	\$ 534,947	\$ -	\$ 609,921
Interest on investments.....	58	58	-	717
Total revenues.....	<u>535,005</u>	<u>535,005</u>	<u>-</u>	<u>610,638</u>
Expenditures:				
Telephone.....	574,195	434,012	140,183	443,385
Software.....	-	75,939	(75,939)	167,034
Software - report adjustment.....	-	(14,375)	14,375	-
Total expenditures.....	<u>574,195</u>	<u>495,576</u>	<u>78,619</u>	<u>610,419</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(39,190)</u>	<u>39,429</u>	<u>78,619</u>	<u>219</u>
Other financing sources (uses):				
Appropriated fund balance.....	39,190	-	(39,190)	-
Total other financing sources (uses).....	<u>39,190</u>	<u>-</u>	<u>(39,190)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>39,429</u>	<u>\$ 39,429</u>	<u>219</u>
Fund balance, beginning of year.....		<u>39,190</u>		<u>38,971</u>
Fund balance, end of year.....		<u>\$ 78,619</u>		<u>\$ 39,190</u>



# CITY OF HIGH POINT, NORTH CAROLINA

## Statistical Section

This section of the City of High Point'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 say about the City's overall financial health.

This information has not been audited by the independent auditor.

Contents	Tables
Financial Trends	I - IV
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	V - XII
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources: property taxes and enterprise fund revenues.</i>	
Debt Capacity	XIII - XVII
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	XVIII - XIX
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	XX - XXII
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

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

**CITY OF HIGH POINT, NORTH CAROLINA**

**Table I  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities					
Net investment in capital assets	\$ 149,269,790	\$ 155,448,461	\$ 160,447,633	\$ 160,288,864	\$ 160,393,689
Restricted	35,440,158	36,444,012	32,135,688	29,849,824	30,686,756
Unrestricted	9,336,675	8,240,950	10,586,602	16,546,064	17,648,381
Total governmental activities net position	<u>\$ 194,046,623</u>	<u>\$ 200,133,423</u>	<u>\$ 203,169,923</u>	<u>\$ 206,684,752</u>	<u>\$ 208,728,826</u>
Business-type activities					
Net investment in capital assets	\$ 214,399,199	\$ 210,314,084	\$ 216,039,543	\$ 212,606,134	\$ 219,481,689
Restricted	466,259	1,411,589	14,385,401	6,299,003	4,406,684
Unrestricted	102,681,842	115,136,329	107,098,324	122,394,384	123,899,602
Total business-type activities net position	<u>\$ 317,547,300</u>	<u>\$ 326,862,002</u>	<u>\$ 337,523,268</u>	<u>\$ 341,299,521</u>	<u>\$ 347,787,975</u>
Primary government					
Net investment in capital assets	\$ 363,668,989	\$ 365,762,545	\$ 376,487,176	\$ 372,894,998	\$ 379,875,378
Restricted	35,906,417	37,855,601	46,521,089	36,148,827	35,093,440
Unrestricted	112,018,517	123,377,279	117,684,926	138,940,448	141,547,983
Total primary government net position	<u>\$ 511,593,923</u>	<u>\$ 526,995,425</u>	<u>\$ 540,693,191</u>	<u>\$ 547,984,273</u>	<u>\$ 556,516,801</u>



**CITY OF HIGH POINT, NORTH CAROLINA**

**Table I  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental activities					
Net investment in capital assets	\$ 161,253,152	\$ 162,401,159	\$ 150,224,537	\$ 169,390,682	\$ 165,365,977
Restricted	34,535,090	36,768,871	64,909,325	36,912,361	47,789,624
Unrestricted	11,307,035	(2,220,309)	(24,814,851)	(16,801,647)	(27,725,226)
Total governmental activities net position	<u>\$ 207,095,277</u>	<u>\$ 196,949,721</u>	<u>\$ 190,319,011</u>	<u>\$ 189,501,396</u>	<u>\$ 185,430,375</u>
Business-type activities					
Net investment in capital assets	\$ 210,970,569	\$ 218,990,621	\$ 229,783,237	\$ 224,234,298	\$ 242,113,022
Restricted	4,443,595	10,363,500	16,342,257	29,385,986	51,850,059
Unrestricted	136,212,383	133,797,568	130,436,600	145,117,399	137,347,884
Total business-type activities net position	<u>\$ 351,626,547</u>	<u>\$ 363,151,689</u>	<u>\$ 376,562,094</u>	<u>\$ 398,737,683</u>	<u>\$ 431,310,965</u>
Primary government					
Net investment in capital assets	\$ 372,223,721	\$ 381,391,780	\$ 380,007,774	\$ 393,624,980	\$ 407,478,999
Restricted	38,978,685	47,132,371	81,251,582	66,298,347	99,639,683
Unrestricted	147,519,418	131,577,259	105,621,749	128,315,752	109,622,658
Total primary government net position	<u>\$ 558,721,824</u>	<u>\$ 560,101,410</u>	<u>\$ 566,881,105</u>	<u>\$ 588,239,079</u>	<u>\$ 616,741,340</u>

**CITY OF HIGH POINT, NORTH CAROLINA**

**Table II  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Expenses</b>					
Governmental Activities:					
General Government	\$ 20,256,805	\$ 19,866,571	\$ 19,282,697	\$ 20,091,425	\$ 14,118,353
Public Safety	42,045,942	42,659,230	44,872,018	45,488,095	46,005,708
Public and Environmental Services	40,389,457	21,934,140	24,760,999	25,038,325	20,563,689
Planning/Community and Economic Development	10,973,509	9,221,189	10,825,087	10,338,434	9,642,625
Cultural and Recreation	18,178,971	19,305,989	19,725,203	20,355,123	19,935,505
Interest and Fiscal Charges	4,064,372	3,777,961	3,514,708	3,384,574	2,929,645
Total Governmental Activities Expenses	<u>135,909,056</u>	<u>116,765,080</u>	<u>122,980,712</u>	<u>124,695,976</u>	<u>113,195,525</u>
Business-type Activities:					
Water and Sewer	42,432,789	42,637,179	42,885,466	46,375,398	44,349,559
Electric	107,966,570	112,303,220	117,621,908	125,605,217	127,207,885
Mass Transit	3,469,145	3,693,499	3,785,198	3,701,643	3,266,693
Parking	599,032	602,286	566,241	587,145	573,092
Solid Waste	7,257,148	5,435,978	6,630,308	7,105,931	13,149,700
Stormwater	2,288,522	2,368,895	2,822,502	2,617,249	2,722,619
Total Business-type Activities Expenses	<u>164,013,206</u>	<u>167,041,057</u>	<u>174,311,623</u>	<u>185,992,583</u>	<u>191,269,548</u>
Total Primary Government Expenses	<u>\$ 299,922,262</u>	<u>\$ 283,806,137</u>	<u>\$ 297,292,335</u>	<u>\$ 310,688,559</u>	<u>\$ 304,465,073</u>
<b>Program Revenues</b>					
Governmental Activities:					
Charges for Services:					
General Government	\$ 4,357,748	\$ 3,866,247	\$ 3,775,722	\$ 4,059,890	\$ 6,011,896
Public Safety	792,604	809,186	968,331	787,237	783,801
Public and Environmental Services	1,026,480	1,123,573	1,333,046	3,733,692	706,608
Planning/Community and Economic Development	626,344	1,206,444	1,190,632	3,096,336	3,059,798
Cultural and Recreation	3,526,797	3,448,944	3,315,830	3,084,530	3,230,789
Operating Grants and Contributions:					
General Government	765,517	550,262	84,310	52,552	44,726
Public Safety	1,887,854	2,160,726	2,063,519	1,861,964	2,064,063
Public and Environmental Services	9,743,976	5,176,946	5,088,903	5,720,776	6,280,048
Planning/Community and Economic Development	4,517,099	2,570,832	3,437,963	2,892,565	1,570,323
Cultural and Recreation	664,480	529,622	503,045	555,143	495,192
Capital Grants and Contributions:					
General Government	-	-	149,658	77,768	129,140
Public and Environmental Services	153,709	5,006,656	8,955,875	6,248,970	7,203,424
Cultural and Recreation	-	-	-	-	-
Total Governmental Activities Program Revenues	<u>28,062,608</u>	<u>26,449,438</u>	<u>30,866,834</u>	<u>32,171,423</u>	<u>31,579,808</u>
Business-type Activities:					
Charges for Services:					
Water and Sewer	42,532,355	44,005,968	45,011,826	43,757,248	45,655,004
Electric	113,122,360	114,759,646	126,525,874	127,773,233	129,409,301
Mass Transit	867,291	937,237	953,376	1,068,313	1,030,841
Parking	340,535	357,994	304,061	319,486	322,503
Solid Waste	7,767,561	7,319,319	7,381,562	7,709,575	10,435,520
Stormwater	2,446,993	2,450,655	2,470,507	2,588,750	2,546,914
Operating Grants and Contributions:					
Water and Sewer	833,691	1,089,693	499,944	528,539	440,301
Electric	-	1,025,834	-	2,272,191	546,362
Mass Transit	2,010,385	2,014,466	1,606,999	756,154	4,665,176
Solid Waste	69,288	71,547	59,427	124,526	123,217
Stormwater	-	-	-	137,419	-
Capital Grants and Contributions:					
Water and Sewer	3,430,019	1,868,126	3,185,092	2,724,533	2,674,649
Mass Transit	-	352,718	-	-	-
Total Business-type Activities Program Revenues	<u>173,420,478</u>	<u>176,253,203</u>	<u>187,998,668</u>	<u>189,759,967</u>	<u>197,849,788</u>
Total Primary Government Program Revenues	<u>\$ 201,483,086</u>	<u>\$ 202,702,641</u>	<u>\$ 218,865,502</u>	<u>\$ 221,931,390</u>	<u>\$ 229,429,596</u>

**CITY OF HIGH POINT, NORTH CAROLINA**

**Table II  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Expenses</b>					
Governmental Activities:					
General Government	\$ 15,460,671	\$ 17,321,800	\$ 19,787,152	\$ 19,618,763	\$ 21,365,404
Public Safety	51,960,761	55,366,030	57,741,366	60,900,367	63,101,134
Public and Environmental Services	24,847,388	20,585,008	23,524,751	22,782,299	17,893,226
Planning/Community and Economic Development	9,899,800	11,390,298	16,788,296	15,898,598	12,449,280
Cultural and Recreation	20,555,513	26,720,902	20,674,411	23,703,990	27,132,052
Interest and Fiscal Charges	2,743,063	2,709,550	2,996,656	3,947,980	3,731,584
Total Governmental Activities Expenses	<u>125,467,196</u>	<u>134,093,588</u>	<u>141,512,632</u>	<u>146,851,997</u>	<u>145,672,680</u>
Business-type Activities:					
Water and Sewer	46,807,649	50,192,711	48,661,185	50,919,362	50,110,714
Electric	121,756,511	124,720,131	121,885,416	119,241,152	119,733,362
Mass Transit	3,225,595	4,042,764	3,948,597	4,697,373	5,266,676
Parking	559,156	559,055	573,733	605,963	421,434
Solid Waste	15,427,307	10,530,675	11,274,557	12,295,693	13,606,476
Stormwater	3,260,795	3,288,515	3,014,497	3,560,320	5,336,486
Total Business-type Activities Expenses	<u>191,037,013</u>	<u>193,333,851</u>	<u>189,357,985</u>	<u>191,319,863</u>	<u>194,475,148</u>
Total Primary Government Expenses	<u>\$ 316,504,209</u>	<u>\$ 327,427,439</u>	<u>\$ 330,870,617</u>	<u>\$ 338,171,860</u>	<u>\$ 340,147,828</u>
<b>Program Revenues</b>					
Governmental Activities:					
Charges for Services:					
General Government	\$ 12,212,903	\$ 12,431,425	\$ 14,020,612	\$ 15,721,430	\$ 16,618,809
Public Safety	745,450	830,332	758,338	782,124	770,613
Public and Environmental Services	1,333,961	1,878,269	2,224,966	1,887,212	2,265,068
Planning/Community and Economic Development	3,304,505	3,396,469	3,588,715	5,155,475	3,957,964
Cultural and Recreation	3,619,438	3,588,646	3,613,876	3,713,591	3,508,292
Operating Grants and Contributions:					
General Government	95,212	46,086	48,352	8,150	14,918
Public Safety	2,846,656	1,959,200	1,844,336	1,987,443	1,673,509
Public and Environmental Services	4,063,221	4,845,142	7,174,323	5,623,220	4,811,028
Planning/Community and Economic Development	2,353,266	1,841,654	6,315,303	5,883,731	3,176,711
Cultural and Recreation	770,685	1,891,157	521,109	3,606,310	605,498
Capital Grants and Contributions:					
General Government	1,212,815	935,072	231,744	313,452	196,431
Public and Environmental Services	870,990	2,006,346	852,756	551,067	2,921,669
Cultural and Recreation	-	-	-	78,500	134,167
Total Governmental Activities Program Revenues	<u>33,429,102</u>	<u>35,649,798</u>	<u>41,194,430</u>	<u>45,311,705</u>	<u>40,654,677</u>
Business-type Activities:					
Charges for Services:					
Water and Sewer	47,141,554	50,803,018	52,137,294	54,261,505	56,044,302
Electric	126,365,786	128,785,771	129,949,237	129,914,488	124,580,073
Mass Transit	885,200	955,149	924,514	839,169	762,320
Parking	251,058	225,294	222,482	271,562	224,545
Solid Waste	11,467,321	13,094,698	13,575,810	14,433,007	15,084,964
Stormwater	3,844,690	5,186,273	5,229,146	5,279,605	5,270,112
Operating Grants and Contributions:					
Water and Sewer	408,284	403,917	396,829	411,211	1,624,341
Electric	1,008,622	804,070	504,001	667,301	50,735
Mass Transit	1,627,939	2,114,281	544,276	3,889,594	1,237,211
Solid Waste	94,367	99,501	103,241	86,111	115,527
Stormwater	40,816	14,773	-	13,012	-
Capital Grants and Contributions:					
Water and Sewer	331,407	755,734	244,023	606,109	2,174,084
Mass Transit	-	6,189,639	-	-	-
Total Business-type Activities Program Revenues	<u>193,467,044</u>	<u>209,432,118</u>	<u>203,830,853</u>	<u>210,672,674</u>	<u>207,168,214</u>
Total Primary Government Program Revenues	<u>\$ 226,896,146</u>	<u>\$ 245,081,916</u>	<u>\$ 245,025,283</u>	<u>\$ 255,984,379</u>	<u>\$ 247,822,891</u>

(Continued)

**CITY OF HIGH POINT, NORTH CAROLINA**

**Table II  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Net (Expense)/Revenue</b>					
Governmental Activities	\$ (107,846,448)	\$ (90,315,642)	\$ (92,113,878)	\$ (92,524,553)	\$ (81,615,717)
Business-type Activities	9,407,272	9,212,146	13,687,045	3,767,384	6,580,240
Total Primary Government Net (Expense)/Revenue	<u>\$ (98,439,176)</u>	<u>\$ (81,103,496)</u>	<u>\$ (78,426,833)</u>	<u>\$ (88,757,169)</u>	<u>\$ (75,035,477)</u>
 <b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Property Taxes	\$ 58,337,793	\$ 61,296,936	\$ 59,914,895	\$ 61,232,282	\$ 59,579,994
Occupancy and Other Local Taxes	14,998,029	16,671,040	16,982,409	17,476,958	19,190,749
Unrestricted Revenues and Contributions	16,161,178	16,795,265	17,068,078	16,232,481	11,032,844
Gain (Loss) on Disposal of Capital Assets	-	251,912	299,973	194,779	155,332
Investment Earnings	415,424	489,126	86,991	329,076	272,801
Transfers	878,692	898,163	798,032	573,806	(2,360,223)
Total Governmental Activities	<u>90,791,116</u>	<u>96,402,442</u>	<u>95,150,378</u>	<u>96,039,382</u>	<u>87,871,497</u>
 Business-type Activities:					
Gain (Loss) on Disposal of Capital Assets	-	35,851	-	19,809	635,004
Working Capital Credit					
Investment Earnings	848,398	964,868	63,534	562,866	640,892
Transfers	(878,692)	(898,163)	(798,032)	(573,806)	2,360,223
Total Business-type Activities	<u>(30,294)</u>	<u>102,556</u>	<u>(734,498)</u>	<u>8,869</u>	<u>3,636,119</u>
Total Primary Government	<u>\$ 90,760,822</u>	<u>\$ 96,504,998</u>	<u>\$ 94,415,880</u>	<u>\$ 96,048,251</u>	<u>\$ 91,507,616</u>
 <b>Change in Net Position</b>					
Governmental Activities	\$ (17,055,332)	\$ 6,086,800	\$ 3,036,500	\$ 3,514,829	\$ 6,255,780
Business-type Activities	9,376,978	9,314,702	12,952,547	3,776,253	10,216,359
Total Primary Government	<u>\$ (7,678,354)</u>	<u>\$ 15,401,502</u>	<u>\$ 15,989,047</u>	<u>\$ 7,291,082</u>	<u>\$ 16,472,139</u>

**CITY OF HIGH POINT, NORTH CAROLINA**

**Table II  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Net (Expense)/Revenue</b>					
Governmental Activities	\$ (92,038,094)	\$ (98,443,790)	\$ (100,318,202)	\$ (101,540,292)	\$ (105,018,003)
Business-type Activities	2,430,031	16,098,267	14,472,868	19,352,811	12,693,066
Total Primary Government Net (Expense)/Revenue	<u>\$ (89,608,063)</u>	<u>\$ (82,345,523)</u>	<u>\$ (85,845,334)</u>	<u>\$ (82,187,481)</u>	<u>\$ (92,324,937)</u>
 <b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Property Taxes	\$ 59,088,421	\$ 59,359,042	\$ 62,065,257	\$ 62,942,486	\$ 63,683,015
Occupancy and Other Local Taxes	19,717,204	20,736,967	2,360,182	2,585,959	2,181,278
Unrestricted Revenues and Contributions	10,438,479	12,715,055	29,959,800	31,804,685	31,796,055
Gain (Loss) on Disposal of Capital Assets	235,025	506,503	634,442	623,304	594,370
Investment Earnings	515,426	311,509	839,010	1,629,298	1,115,101
Transfers	(53,966)	5,151,233	1,186,828	1,136,945	1,577,163
Total Governmental Activities	<u>89,940,589</u>	<u>98,780,309</u>	<u>97,045,519</u>	<u>100,722,677</u>	<u>100,946,982</u>
 Business-type Activities:					
Gain (Loss) on Disposal of Capital Assets	-	12,411	-	-	10,935
Working Capital Credit					17,463,999
Investment Earnings	1,354,575	565,697	1,410,339	3,959,723	3,982,445
Transfers	53,966	(5,151,233)	(1,186,828)	(1,136,945)	(1,577,163)
Total Business-type Activities	<u>1,408,541</u>	<u>(4,573,125)</u>	<u>223,511</u>	<u>2,822,778</u>	<u>19,880,216</u>
Total Primary Government	<u>\$ 91,349,130</u>	<u>\$ 94,207,184</u>	<u>\$ 97,269,030</u>	<u>\$ 103,545,455</u>	<u>\$ 120,827,198</u>
 <b>Change in Net Position</b>					
Governmental Activities	\$ (2,097,505)	\$ 336,519	\$ (3,272,683)	\$ (817,615)	\$ (4,071,021)
Business-type Activities	3,838,572	11,525,142	14,696,379	22,175,589	32,573,282
Total Primary Government	<u>\$ 1,741,067</u>	<u>\$ 11,861,661</u>	<u>\$ 11,423,696</u>	<u>\$ 21,357,974</u>	<u>\$ 28,502,261</u>

(Concluded)

**CITY OF HIGH POINT, NORTH CAROLINA**

**Table III  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund					
Non Spendable:					
Prepaid Items	\$ 37,518	\$ 31,778	\$ 19,801	\$ 19,659	\$ 37,153
Total Non Spendable	<u>37,518</u>	<u>31,778</u>	<u>19,801</u>	<u>19,659</u>	<u>37,153</u>
Restricted:					
Stabilization by State Statute	6,586,905	7,846,711	7,358,975	7,879,820	9,358,903
Transportation	358,736	494,796	412,796	498,562	506,779
Benefits and Wellness	60,000	-	-	-	-
Total Restricted	<u>7,005,641</u>	<u>8,341,507</u>	<u>7,771,771</u>	<u>8,378,382</u>	<u>9,865,682</u>
Committed:					
Public Safety	-	-	-	-	-
Economic Development	1,806,212	2,148,511	2,052,361	2,127,599	2,167,144
Market Development	10,303	10,303	15,303	-	18,042
Benefits and Wellness	-	193,048	199,439	745,254	926,426
Total Committed	<u>1,816,515</u>	<u>2,351,862</u>	<u>2,267,103</u>	<u>2,872,853</u>	<u>3,111,612</u>
Assigned:					
Subsequent Years' Expenditures	3,175,202	5,166,175	2,954,786	4,202,575	3,088,607
General Government	58,403	148,426	533,903	243,403	80,000
Public Safety	8,076	5,980	4,259	12,751	238,180
Culture & Recreation	406,357	398,397	428,593	479,232	447,095
Planning/Community and Economic Development	170,763	124,059	293,609	107,873	110,283
Public Services and Transportation	806,457	1,145,187	563,438	563,483	556,519
Total Assigned	<u>4,625,258</u>	<u>6,988,224</u>	<u>4,778,588</u>	<u>5,609,317</u>	<u>4,520,684</u>
Unassigned	<u>12,891,892</u>	<u>13,274,662</u>	<u>13,111,350</u>	<u>13,314,164</u>	<u>16,094,013</u>
Total General Fund	<u>\$ 26,376,824</u>	<u>\$ 30,988,033</u>	<u>\$ 27,948,613</u>	<u>\$ 30,194,375</u>	<u>\$ 33,629,144</u>

**CITY OF HIGH POINT, NORTH CAROLINA**

**Table III  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

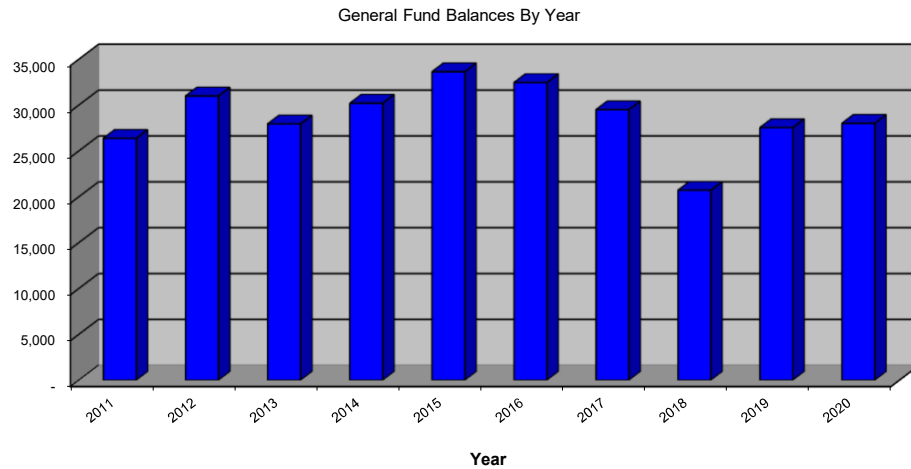
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund					
Non Spendable:					
Prepaid Items	\$ 41,024	\$ 45,046	\$ 30,254	\$ 101,903	\$ 109,556
Total Non Spendable	<u>41,024</u>	<u>45,046</u>	<u>30,254</u>	<u>101,903</u>	<u>109,556</u>
Restricted:					
Stabilization by State Statute	9,613,768	9,538,524	10,883,292	12,294,000	12,338,428
Transportation	639,255	701,578	757,978	757,978	615,470
Benefits and Wellness	-	-	-	-	-
Total Restricted	<u>10,253,023</u>	<u>10,240,102</u>	<u>11,641,270</u>	<u>13,051,978</u>	<u>12,953,898</u>
Committed:					
Public Safety	518,005	569,591	625,492	692,212	756,295
Economic Development	2,165,926	1,599,029	1,671,679	1,332,343	1,923,084
Market Development	18,042	2,042	2,042	2,042	2,042
Benefits and Wellness	-	-	-	-	-
Total Committed	<u>2,701,973</u>	<u>2,170,662</u>	<u>2,299,213</u>	<u>2,026,597</u>	<u>2,681,421</u>
Assigned:					
Subsequent Years' Expenditures	3,837,615	3,775,000	3,043,012	300,000	87,478
General Government	830,000	400,000	130,000	20,000	20,000
Public Safety	236,744	235,193	193,193	8,193	8,193
Culture & Recreation	364,718	341,866	92,242	10,491	7,269
Planning/Community and Economic Development	306,083	106,083	25,000	-	-
Public Services and Transportation	483,919	293,608	84,533	67,408	65,308
Total Assigned	<u>6,059,079</u>	<u>5,151,750</u>	<u>3,567,980</u>	<u>406,092</u>	<u>188,248</u>
Unassigned	<u>13,400,032</u>	<u>11,889,688</u>	<u>3,168,994</u>	<u>11,955,416</u>	<u>12,072,403</u>
Total General Fund	<u>\$ 32,455,131</u>	<u>\$ 29,497,248</u>	<u>\$ 20,707,711</u>	<u>\$ 27,541,986</u>	<u>\$ 28,005,526</u>

(Continued)

**CITY OF HIGH POINT, NORTH CAROLINA**

**Table III  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
All Other Governmental Funds					
Non Spendable:					
Prepaid Items	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non Spendable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted:					
Stabilization by State Statute	9,869,826	9,665,605	5,679,664	3,098,250	4,230,041
Grant Programs	742,010	237,495	666,563	550,211	2,648,258
Community and economic development	-	-	-	-	-
Debt Service	17,822,681	18,192,792	18,017,690	17,822,981	15,906,134
Capital Projects	21,023,204	17,417,702	11,250,769	15,327,136	14,825,968
Total Restricted	<u>49,457,721</u>	<u>45,513,594</u>	<u>35,614,686</u>	<u>36,798,578</u>	<u>37,610,401</u>
Committed:					
Capital Projects	-	508,826	1,174,200	1,026,997	1,296,580
Total Committed	<u>-</u>	<u>508,826</u>	<u>1,174,200</u>	<u>1,026,997</u>	<u>1,296,580</u>
Assigned:					
Subsequent year's expenditures	-	-	-	-	768,617
Total Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>768,617</u>
Unassigned	(1,971,929)	(17,135)	(708,936)	(856,334)	(1,616,750)
Total Other Governmental Funds	<u>\$ 47,485,792</u>	<u>\$ 46,005,285</u>	<u>\$ 36,079,950</u>	<u>\$ 36,969,241</u>	<u>\$ 38,058,848</u>



Note: The City implemented the new governmental funds presentation standard (GASB 54) in the fiscal year ended June 30, 2011. Presentations of prior years information have not been restated.



**CITY OF HIGH POINT, NORTH CAROLINA**

**Table III  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
All Other Governmental Funds					
Non Spendable:					
Prepaid Items	\$ -	\$ 12,942	\$ -	\$ -	\$ -
Total Non Spendable	<u>-</u>	<u>12,942</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted:					
Stabilization by State Statute	2,987,077	4,492,646	30,810,264	5,011,700	16,271,426
Grant Programs	5,430,867	5,897,950	6,326,859	5,425,478	6,259,594
Community and economic development	-	-	90,924	195,718	224,152
Debt Service	15,864,123	16,138,173	16,040,008	13,142,389	11,975,644
Capital Projects	12,312,726	9,724,624	3,197,067	4,123,066	1,256,472
Total Restricted	<u>36,594,793</u>	<u>36,253,393</u>	<u>56,465,122</u>	<u>27,898,351</u>	<u>35,987,288</u>
Committed:					
Capital Projects	<u>2,814,856</u>	<u>7,822,305</u>	<u>118,996</u>		-
Total Committed	<u>2,814,856</u>	<u>7,822,305</u>	<u>118,996</u>	<u>-</u>	<u>-</u>
Assigned:					
Subsequent year's expenditures	<u>519,141</u>	<u>-</u>	<u>971,135</u>	<u>-</u>	<u>300,000</u>
Total Assigned	<u>519,141</u>	<u>-</u>	<u>971,135</u>	<u>-</u>	<u>300,000</u>
Unassigned	<u>(995,443)</u>	<u>(1,702,797)</u>	<u>(891,066)</u>	<u>(1,138,270)</u>	<u>(480,891)</u>
Total Other Governmental Funds	<u>\$ 38,933,347</u>	<u>\$ 42,385,843</u>	<u>\$ 56,664,187</u>	<u>\$ 26,760,081</u>	<u>\$ 35,806,397</u>

(Concluded)

**CITY OF HIGH POINT, NORTH CAROLINA**

**Table IV**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Revenues:</b>					
Taxes:					
Property	\$ 58,146,211	\$ 61,001,315	\$ 59,811,095	\$ 61,607,105	\$ 59,860,275
Occupancy and other local taxes	1,642,302	1,740,540	1,797,289	1,922,853	2,140,094
Total taxes	<u>59,788,513</u>	<u>62,741,855</u>	<u>61,608,384</u>	<u>63,529,958</u>	<u>62,000,369</u>
Intergovernmental	39,106,819	34,397,969	35,052,184	34,490,686	38,170,212
Licenses and Permits	3,610,064	3,432,136	3,492,409	3,728,062	3,459,914
Charges for Services	4,564,077	4,563,760	4,636,533	6,778,018	4,509,856
Interest on Investments	415,424	489,126	86,991	329,076	272,801
Sale of capital assets	-	37,752	16,941	2,863	4,367
Administrative reimbursements	5,817,869	5,960,534	6,232,720	6,999,261	180,000
Miscellaneous	1,008,032	1,011,829	1,550,614	1,303,358	898,969
Total Revenues	<u>114,310,798</u>	<u>112,634,961</u>	<u>112,676,776</u>	<u>117,161,282</u>	<u>109,496,488</u>
<b>Expenditures:</b>					
General Government	15,360,012	14,979,376	15,551,120	15,632,281	10,730,114
Public Safety	41,942,128	43,019,604	44,632,915	45,525,308	45,682,145
Public Services Transportation	-	-	19,883,261	15,503,251	11,739,651
Public and Environmental Services	17,674,426	20,704,623	5,814,386	6,235,195	234,683
Planning/Community and Economic Development	10,885,099	9,133,261	10,717,405	10,177,354	9,662,937
Culture and Recreation	18,348,122	18,917,317	19,230,604	18,653,916	18,601,744
Debt Service:					
Principal	7,230,454	7,242,872	7,189,429	7,347,136	6,795,725
Interest	4,019,972	3,859,447	3,452,249	3,509,474	2,913,357
Total Expenditures	<u>115,460,213</u>	<u>117,856,500</u>	<u>126,471,369</u>	<u>122,583,915</u>	<u>106,360,356</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,149,415)</u>	<u>(5,221,539)</u>	<u>(13,794,593)</u>	<u>(5,422,633)</u>	<u>3,136,132</u>
<b>Other Financing Sources (Uses):</b>					
Limited obligation bonds issuance	-	-	-	-	-
Federal loan issuance	-	-	-	-	-
Federal loan proceeds	-	-	-	-	1,350,000
Installment purchase issuance	-	-	-	-	-
Installment purchase proceeds	-	1,375,000	-	1,500,000	438,268
Transfers in	9,845,423	8,846,884	7,792,511	7,996,476	7,864,780
Transfers in related to payments in lieu of taxes	820,000	785,500	811,435	805,173	845,007
Transfers out	(8,954,926)	(8,702,415)	(7,774,108)	(8,196,037)	(11,070,010)
Proceeds from general obligation bonds	-	5,785,000	-	6,115,000	-
Bond Issuance Premium	-	262,272	-	1,224,202	-
Refunded bonds payment to trustee	-	-	-	(15,312,845)	-
Gain (loss) on extinguishment of debt	-	-	-	(92,192)	-
Refunding bonds issued	-	-	-	14,517,909	-
Total other financing sources (uses)	<u>1,710,497</u>	<u>8,352,241</u>	<u>829,838</u>	<u>8,557,686</u>	<u>(571,955)</u>
Net change in fund balances	<u>\$ 561,082</u>	<u>\$ 3,130,702</u>	<u>\$ (12,964,755)</u>	<u>\$ 3,135,053</u>	<u>\$ 2,564,177</u>
Debt service as a percentage of non-capital expenditures	10.43%	10.22%	9.28%	9.30%	9.39%

**CITY OF HIGH POINT, NORTH CAROLINA**

**Table IV  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Revenues:</b>					
Taxes:					
Property	\$ 59,266,182	\$ 59,791,630	\$ 62,369,866	\$ 63,109,264	\$ 63,785,941
Occupancy and other local taxes	2,156,934	2,261,604	2,376,854	2,585,959	2,181,278
Total taxes	<u>61,423,116</u>	<u>62,053,234</u>	<u>64,746,720</u>	<u>65,695,223</u>	<u>65,967,219</u>
Intergovernmental	40,148,030	40,006,483	40,742,352	44,927,436	42,126,350
Licenses and Permits	3,135,055	4,085,043	4,669,193	5,001,978	4,987,616
Charges for Services	5,369,569	4,956,107	4,848,329	5,004,816	3,970,523
Interest on Investments	507,913	292,075	794,723	1,558,782	1,046,439
Sale of capital assets	819	39,081	100,625	1,152,832	21,778
Administrative reimbursements	180,000	180,000	180,000	-	-
Miscellaneous	790,754	1,044,514	5,699,118	5,893,743	3,487,119
Total Revenues	<u>111,555,256</u>	<u>112,656,537</u>	<u>121,781,060</u>	<u>129,234,810</u>	<u>121,607,044</u>
<b>Expenditures:</b>					
General Government	10,972,727	11,222,907	13,270,518	12,651,323	13,777,792
Public Safety	49,384,806	50,213,647	53,167,743	56,755,318	64,436,699
Public Services Transportation	14,114,201	13,714,438	17,123,776	16,232,154	9,762,365
Public and Environmental Services	274,661	238,350	235,749	249,577	274,086
Planning/Community and Economic Development	9,748,216	11,057,475	17,023,367	16,478,509	11,851,068
Culture and Recreation	19,526,652	24,915,589	43,824,221	53,386,599	22,665,973
Debt Service:					-
Principal	6,711,174	7,172,437	6,215,085	5,619,316	7,525,227
Interest	2,762,137	2,658,960	2,455,415	4,038,643	3,378,137
Total Expenditures	<u>113,494,574</u>	<u>121,193,803</u>	<u>153,315,874</u>	<u>165,411,439</u>	<u>133,671,347</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,939,318)</u>	<u>(8,537,266)</u>	<u>(31,534,814)</u>	<u>(36,176,629)</u>	<u>(12,064,303)</u>
<b>Other Financing Sources (Uses):</b>					
Limited obligation bonds issuance	-	-	35,000,000	-	18,175,000
Federal loan issuance	-	-	694,000	-	650,000
Federal loan proceeds	2,000,000	-	-	-	-
Installment purchase issuance	-	-	-	5,155,000	1,330,176
Installment purchase proceeds	156,240	3,700,000	-	-	-
Transfers in	6,815,873	14,809,575	9,621,515	5,072,697	9,397,558
Transfers in related to payments in lieu of taxes	893,328	937,230	889,492	897,139	915,892
Transfers out	(7,763,167)	(10,595,572)	(9,324,178)	(4,832,891)	(8,736,287)
Proceeds from general obligation bonds	-	16,956,921	-	-	-
Bond Issuance Premium	-	2,746,880	-	214,853	-
Refunded bonds payment to trustee	-	(19,523,155)	-	-	(10,725,054)
Gain (loss) on extinguishment of debt	-	-	-	-	-
Refunding bonds issued	-	-	-	6,600,000	10,566,874
Total other financing sources (uses)	<u>2,102,274</u>	<u>9,031,879</u>	<u>36,880,829</u>	<u>13,106,798</u>	<u>21,574,159</u>
Net change in fund balances	<u>\$ 162,956</u>	<u>\$ 494,613</u>	<u>\$ 5,346,015</u>	<u>\$ (23,069,831)</u>	<u>\$ 9,509,856</u>
Debt service as a percentage of non-capital expenditures	8.75%	8.63%	7.12%	7.72%	9.22%

# CITY OF HIGH POINT, NORTH CAROLINA

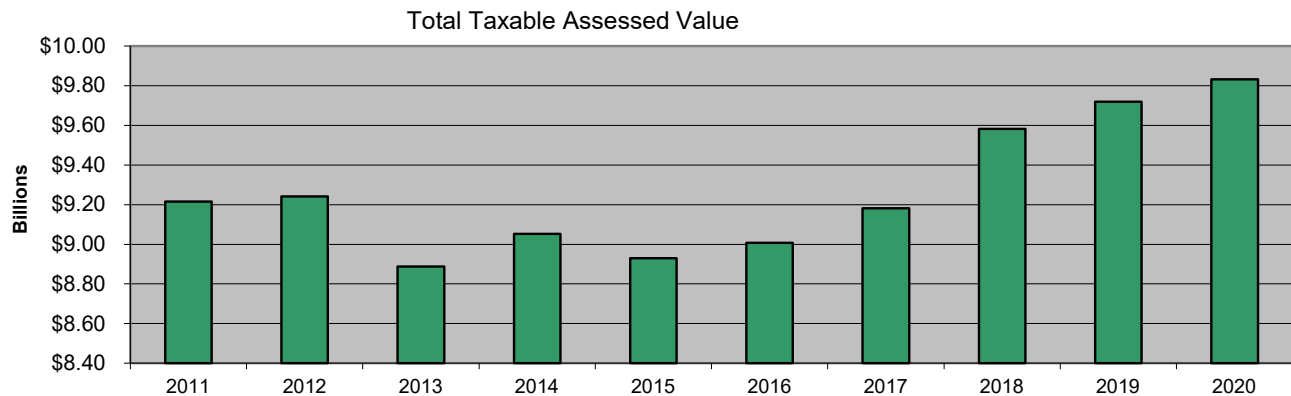
**Table V**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year	Real Property (3)			Total	Personal Property
	Residential Property (4) (5)	Commercial Property (4) (5)	Industrial Property (4) (5)		
2011	-	-	-	7,682,834,650	1,402,419,615
2012	-	-	-	7,655,916,694	1,455,701,042
2013	4,300,290,483	1,949,336,323	987,346,355	7,236,973,161	1,501,465,603
2014	4,315,429,943	2,149,860,980	969,318,600	7,434,609,523	1,489,840,190
2015	4,397,388,367	1,872,215,206	977,839,178	7,247,442,751	1,555,428,785
2016	4,349,667,380	1,910,440,163	1,018,606,564	7,278,714,107	1,587,787,369
2017	4,429,691,766	1,942,245,655	993,448,540	7,365,385,961	1,674,065,813
2018	4,581,596,716	2,093,081,705	1,036,916,309	7,711,594,730	1,724,751,200
2019	4,617,512,541	2,073,676,161	1,111,145,808	7,802,334,510	1,774,628,867
2020	4,682,399,768	2,160,965,902	1,076,074,949	7,919,440,619	1,765,251,099

Sources: Annual County Report of Valuation and Property Tax Levies (NC Department of Revenue) and Guilford, Davidson, Forsyth, and Randolph County Tax Departments

Notes:

- (1) Public service companies valuations are provided to the County by the NC Dept. of Revenue. These amounts include both real and personal property.
- (2) The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the NC Dept. of Revenue. The ratio is based on actual property sales which took place during the fiscal year.
- (3) Property in Guilford County is reassessed every five years. The last reassessment was on January 1, 2017.
- (4) The breakdown of real property (residential, commercial, industrial) was not available from counties during 2011 & 2012.
- (5) Due to a change in reporting from Guilford County, the comparative data for fiscal years 2008-2014 is not presented in the same manner as future years as relates to exemptions, exclusions and deferments by class.



**CITY OF HIGH POINT, NORTH CAROLINA**

**Table V**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Public Service Companies (1)</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value (2)</b>
2011	129,766,404	9,215,020,669	0.6330	9,697,980,077
2012	129,074,157	9,240,691,893	0.6620	8,909,267,155
2013	148,989,146	8,887,427,910	0.6750	8,944,673,822
2014	128,387,727	9,052,837,440	0.6750	9,111,148,792
2015	126,857,380	8,929,728,916	0.6640	9,333,886,188
2016	140,281,138	9,006,782,614	0.6500	9,212,215,009
2017	141,688,783	9,181,140,557	0.6475	9,204,150,934
2018	144,885,945	9,581,231,875	0.6475	10,113,185,429
2019	142,350,789	9,719,314,166	0.6475	10,632,659,628
2020	146,722,026	9,831,413,744	0.6475	11,291,390,541

# CITY OF HIGH POINT, NORTH CAROLINA

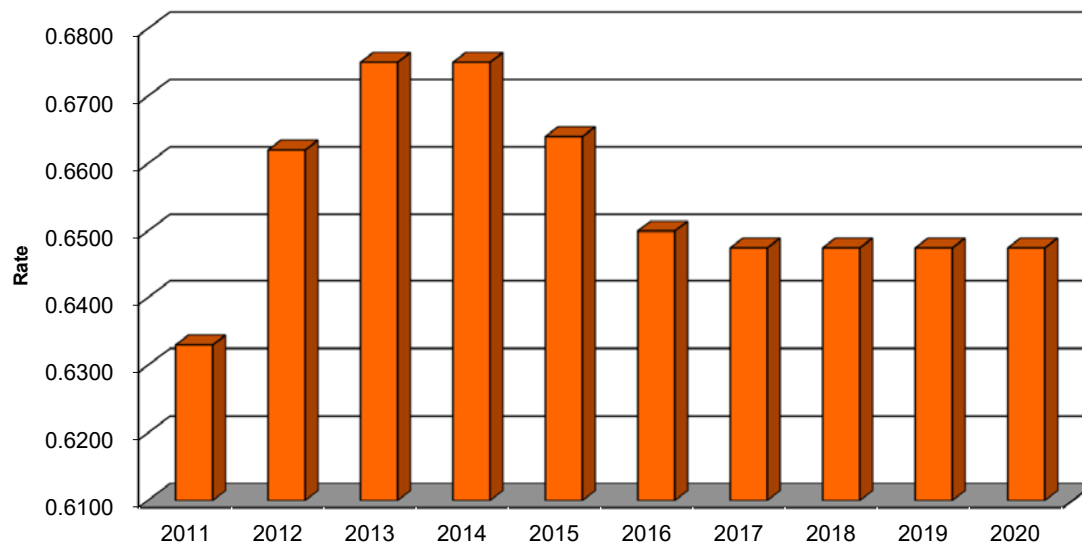
**Table VI**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Guilford County <sup>1</sup>	\$ 0.7374	\$ 0.7824	\$ 0.7804	\$ 0.7700	\$ 0.7700	\$ 0.7600	\$ 0.7550	\$ 0.7305	\$ 0.7305	\$ 0.7305
High Point City										
Operating rate	0.5990	0.6280	0.6397	0.6410	0.6300	0.6160	0.6135	0.6135	0.6135	0.6135
Debt service rate	0.0340	0.0340	0.0353	0.0340	0.0340	0.0340	0.0340	0.0340	0.0340	0.0340
Total High Point City	0.6330	0.6620	0.6750	0.6750	0.6640	0.6500	0.6475	0.6475	0.6475	0.6475
Total direct & overlapping rates	\$ 1.3704	\$ 1.4444	\$ 1.4554	\$ 1.4450	\$ 1.4340	\$ 1.4100	\$ 1.4025	\$ 1.3780	\$ 1.3780	\$ 1.3780

<sup>1</sup> Source: Guilford County Tax Department. The County does not delineate components of the tax levy but adopts total rate as operating.

Notes: Overlapping rates are those of local and county governments that apply to property owners within the City of High Point.  
Real property was revalued on January 1, 2017.

## High Point Property Tax Rates Per \$100



**CITY OF HIGH POINT, NORTH CAROLINA**

**Table VII  
Principal Property Tax Payers  
Fiscal Years Ended June 30, 2020 and June 30, 2011**

Taxpayer	Type of Business	Fiscal Year 2020			Fiscal Year 2011		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
International Market Centers, LP (IHFC)	Home Furnishings Showroom	\$ 326,976,934	1	3.33%	\$ 184,898,593	1	2.01%
Blue Ridge Companies	Real Estate	69,908,629	2	0.71%	-	-	-
Thomas Built Buses/Daimler Trucks	Bus Manufacturing	69,889,863	3	0.71%	53,358,200	8	0.58%
Carolina Investment Properties	Real Estate	64,703,200	4	0.66%	-	-	-
Liberty Property Trust	Real Estate	63,423,661	5	0.65%	116,508,630	2	1.26%
North State Communications	Communications Utility	52,142,809	6	0.53%	-	-	-
Ralph Lauren Corporation	Distribution/Customer Service	44,030,809	7	0.45%	59,587,894	6	0.65%
EBSCO	Real Estate	43,657,022	8	0.44%	55,420,810	7	0.60%
CHC Realty LLC	Real Estate	42,742,156	9	0.43%	-	-	-
Sampson Marketing	Home Furnishings Showroom	41,865,250	10	0.43%	-	-	-
Market Square LLC	Real Estate	-	-	-	82,469,500	3	0.89%
HP Showplace Investors	Real Estate	-	-	-	70,972,153	4	0.77%
Tyco Electronics (formerly RFMicro, formerly AMP Inc.)	Electrical Parts	-	-	-	64,466,054	5	0.70%
High Point Development Ltd. Partnership	Real Estate	-	-	-	43,944,825	9	0.48%
Market Square II LLC	Real Estate	-	-	-	40,506,782	10	0.44%
Totals		<u>\$ 819,340,333</u>		<u>8.34%</u>	<u>\$ 772,133,441</u>		<u>8.38%</u>

Source: Guilford County Tax Department

**CITY OF HIGH POINT, NORTH CAROLINA**

**Table VIII  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2011	58,762,018	57,169,238	97.29%	\$ 1,435,959	\$ 58,605,197	99.73%
2012	61,481,406	59,769,314	97.22%	1,461,565	61,230,879	99.59%
2013	60,356,131	58,559,431	97.02%	1,503,232	60,062,663	99.51%
2014	61,501,088	60,320,711	98.08%	944,149	61,264,860	99.62%
2015	59,711,713	58,958,280	98.74%	587,569	59,545,849	99.72%
2016	58,936,348	58,298,675	98.92%	474,548	58,773,223	99.72%
2017	60,762,657	60,180,914	99.04%	424,009	60,604,923	99.74%
2018	63,604,014	63,017,379	99.08%	370,686	63,388,065	99.66%
2019	64,510,219	63,891,264	99.04%	302,782	64,194,046	99.51%
2020	65,233,464	64,623,352	99.06%	-	64,623,352	99.06%

Source: Guilford, Randolph, Davidson and Forsyth County Tax Departments



**CITY OF HIGH POINT, NORTH CAROLINA**

**Table IX  
Principal Water Customers  
Fiscal Years Ended June 30, 2020 and June 30, 2011**

<b>Water Customer</b>	<b>Fiscal Year 2020</b>			<b>Fiscal Year 2011</b>		
	<b>Water Charges</b>	<b>Rank</b>	<b>Percentage Water Charges</b>	<b>Water Charges</b>	<b>Rank</b>	<b>Percentage Water Charges</b>
High Point University	\$ 576,956	1	2.85%	\$ 354,746	1	2.21%
High Point Housing Authority	318,679	2	1.57%	239,628	2	1.49%
Kao Specialties Americas, LLC	226,452	3	1.12%	182,051	4	1.14%
Hunter Jersey Farms	216,348	4	1.07%	127,843	7	0.80%
Slane Hosiery Mills, Inc	200,526	5	0.99%	196,804	3	1.23%
International Market Centers, LP	200,281	6	0.99%	-	-	-
Guilford County Schools <sup>1</sup>	187,769	7	0.93%	-	-	-
Dairy Fresh LLC	139,272	8	0.69%	111,914	8	0.70%
Wake Forest Baptist Health - High Point Medical Center	130,243	9	0.64%	151,068	5	0.94%
The Presbyterian Homes, Inc.	114,686	10	0.57%	-	-	-
Town of Jamestown	-	-	-	150,855	6	0.94%
ThermoFisher Scientific (formerly Patheon, Banner Pharmacaps)	-	-	-	108,240	9	0.68%
Crowne at James Landing	-	-	-	100,010	10	0.62%
<b>Totals</b>	<b>\$ 2,311,212</b>		<b>11.42%</b>	<b>\$ 1,723,159</b>		<b>10.75%</b>

Source: City of High Point Water and Sewer Department

Note:

<sup>1</sup> Prior to Fiscal Year 2018, Guilford County Schools was presented as multiple customers by location.

**CITY OF HIGH POINT, NORTH CAROLINA**

**Table X  
Principal Sewer Customers  
Fiscal Years Ended June 30, 2020 and June 30, 2011**

Sewer Customer	Fiscal Year 2020			Fiscal Year 2011		
	Sewer Charges	Rank	Percentage Sewer Charges	Sewer Charges	Rank	Percentage Sewer Charges
Town of Jamestown	\$ 673,720	1	1.96%	\$ 548,496	1	2.08%
High Point University	576,914	2	1.67%	321,064	4	1.22%
City of Archdale	547,664	3	1.59%	-	-	-
High Point Housing Authority	542,282	4	1.57%	408,087	3	1.55%
Slane Hosiery Mills, Inc.	406,195	5	1.18%	425,403	2	1.61%
Hunter Jersey Farms	376,733	6	1.09%	208,171	8	0.79%
International Market Centers, LP	361,181	7	1.05%	-	-	-
Kao Specialties Americas, LLC	360,048	8	1.05%	299,087	5	1.13%
Guilford County Schools <sup>1</sup>	292,275	9	0.85%	-	-	-
Dairy Fresh LLC	264,469	10	0.77%	254,809	6	0.97%
Wake Forest Baptist Health - High Point Medical Center	-	-	-	209,376	7	0.79%
ThermoFisher Scientific (formerly Patheon, Banner Pharmacaps)	-	-	-	108,240	9	0.41%
Crowne at James Landing	-	-	-	43,823	10	0.17%
Totals	<u>\$ 4,401,481</u>		<u>12.78%</u>	<u>\$ 2,826,556</u>		<u>10.72%</u>

Source: City of High Point Water and Sewer Department

Note:

<sup>1</sup> Prior to Fiscal Year 2018, Guilford County Schools was presented as multiple customers by location.

**CITY OF HIGH POINT, NORTH CAROLINA**

**Table XI  
Principal Electric Customers  
Fiscal Years Ended June 30, 2020 and June 30, 2011**

Taxpayer	Fiscal Year 2020			Fiscal Year 2011		
	Electric Charges	Rank	Percentage of Total Electric Charges	Electric Charges	Rank	Percentage of Total Electric Charges
International Market Centers, LP	\$ 5,068,490	1	4.07%	\$ 2,226,309	2	1.97%
High Point University	4,785,784	2	3.84%	2,351,193	1	2.08%
Wake Forest Baptist Health - High Point Medical Center	2,548,949	3	2.05%	2,025,202	3	1.79%
Guilford County Schools <sup>1</sup>	2,161,275	4	1.74%	-	-	-
Kao Specialties Americas LLC	1,662,745	5	1.34%	1,325,021	4	1.17%
Ali Amer	1,363,615	6	1.10%	-	-	-
Fiber Dynamics	1,197,161	7	0.96%	-	-	-
Thermo Fisher Scientific (formerly Patheon, Banner Pharmacaps)	1,163,110	8	0.93%	1,175,966	6	1.04%
High Point Housing Authority	1,124,111	9	0.90%	1,013,125	7	0.90%
Thomas Built Buses/Daimler Trucks	928,131	10	0.75%	927,235	8	0.82%
High Point City Waste Disposal	-	-	-	1,314,218	5	1.16%
Liberty Property LTD	-	-	-	784,792	9	0.70%
North State Communications	-	-	-	729,444	10	0.65%
Totals	<u>\$ 22,003,371</u>		<u>17.68%</u>	<u>\$ 13,872,505</u>		<u>12.28%</u>

Source: City of High Point Utilities

Note:

<sup>1</sup> Prior to Fiscal Year 2018, Guilford County Schools was presented as multiple customers by location.

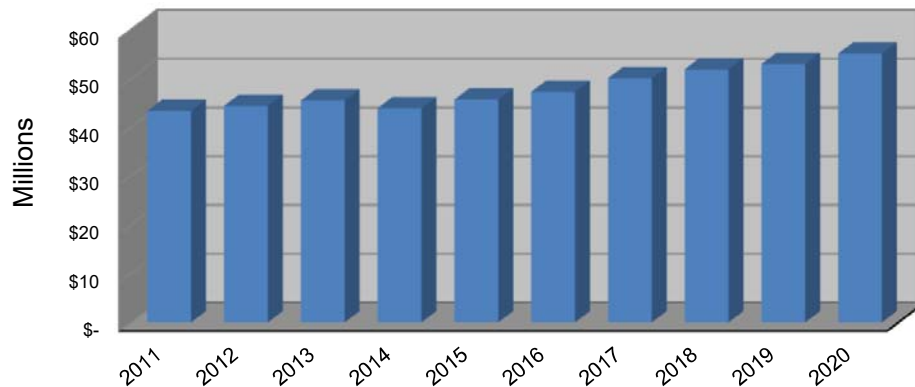
**CITY OF HIGH POINT, NORTH CAROLINA**

**TABLE XII**  
**Schedule of Water and Sewer, and Electric Operating Revenues**  
**Last Ten Fiscal Years**

<b>Water and Sewer</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Sales - Sewer	\$ 24,379,005	\$ 25,061,926	\$ 25,865,952	\$ 25,105,930	\$ 26,072,357
Sales - Water	15,353,517	15,651,242	16,089,213	15,710,758	16,522,347
City Sales - Sewer	193,330	184,153	182,279	179,580	174,271
City Sales - Water	593,654	581,959	503,458	281,268	348,056
Wastewater - Archdale	414,047	418,892	474,606	519,136	477,633
Wastewater - Jamestown	548,496	546,968	654,662	693,862	700,736
Wastewater - Greensboro	433,517	399,605	466,784	455,526	445,347
Wastewater - Sedgewfield	107,821	50,741	73,794	80,631	65,936
Davidson County	223,736	256,893	275,578	290,617	272,827
Other	1,118,923	1,262,362	921,519	619,543	635,738
<b>Total</b>	<b>\$ 43,366,046</b>	<b>\$ 44,414,741</b>	<b>\$ 45,507,845</b>	<b>\$ 43,936,851</b>	<b>\$ 45,715,248</b>

<b>Electric</b>					
Residential	\$ 44,666,603	\$ 43,361,313	\$ 45,364,572	\$ 48,148,458	\$ 49,360,975
Industrial	11,931,773	12,569,847	15,332,140	15,189,126	16,116,188
Commercial	47,595,194	47,573,774	54,568,671	51,694,482	53,087,246
City	4,216,150	4,135,521	4,442,319	4,735,894	4,702,109
City - Street Lighting	1,900,714	2,010,148	2,079,650	2,211,708	2,503,420
Private Lighting	1,935,588	2,037,561	2,319,342	2,468,486	2,599,843
Other	876,338	1,230,113	485,801	1,563,746	997,207
<b>Total</b>	<b>\$ 113,122,360</b>	<b>\$ 112,918,277</b>	<b>\$ 124,592,495</b>	<b>\$ 126,011,900</b>	<b>\$ 129,366,988</b>

**Water and Sewer Revenues By Year**



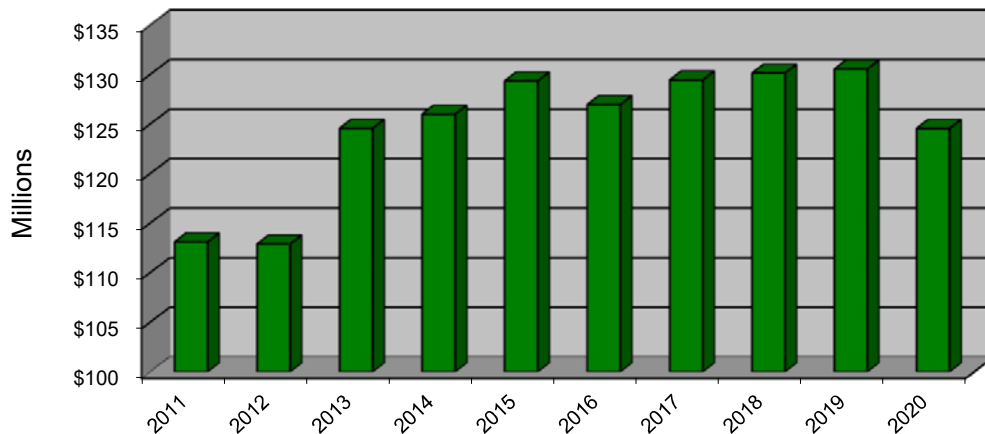
**CITY OF HIGH POINT, NORTH CAROLINA**

**TABLE XII**  
**Schedule of Water and Sewer, and Electric Operating Revenues**  
**Last Ten Fiscal Years**

<b>Water and Sewer</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Sales - Sewer	\$ 27,113,988	\$ 28,770,706	\$ 29,899,150	\$ 30,557,158	\$ 31,760,904
Sales - Water	17,121,806	18,036,424	18,694,169	18,763,168	19,938,462
City Sales - Sewer	219,784	231,501	279,487	296,056	266,803
City Sales - Water	376,853	438,771	431,901	385,020	247,163
Wastewater - Archdale	570,489	498,023	424,846	626,654	602,116
Wastewater - Jamestown	728,865	711,125	629,039	713,036	735,661
Wastewater - Greensboro	413,808	403,786	433,553	455,663	510,681
Wastewater - Sedgefield	69,420	59,034	59,116	89,927	99,329
Davidson County	296,769	337,077	360,194	376,512	385,313
Other	367,866	583,101	685,958	714,217	586,228
<b>Total</b>	<b>\$ 47,279,648</b>	<b>\$ 50,069,548</b>	<b>\$ 51,897,413</b>	<b>\$ 52,977,411</b>	<b>\$ 55,132,660</b>

<b>Electric</b>					
Residential	\$ 48,056,282	\$ 49,080,288	\$ 50,475,856	\$ 50,710,403	\$ 48,573,848
Industrial	16,454,899	16,649,766	16,231,970	16,068,461	15,840,661
Commercial	52,236,766	52,727,964	52,712,428	51,683,360	51,102,907
City	4,622,383	4,735,783	4,863,741	4,880,523	4,980,808
City - Street Lighting	2,146,849	2,147,808	2,149,373	2,148,358	7,586
Private Lighting	2,602,306	2,642,477	2,657,222	2,648,825	2,696,501
Other	856,990	1,484,604	1,068,913	2,419,447	1,377,762
<b>Total</b>	<b>\$ 126,976,475</b>	<b>\$ 129,468,690</b>	<b>\$ 130,159,503</b>	<b>\$ 130,559,377</b>	<b>\$ 124,580,073</b>

**Electric Revenues by Year**



## CITY OF HIGH POINT, NORTH CAROLINA

**Table XIII**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Business-type Activities			Total Primary Government	Per Capita	Percentage of Personal Income
	General Obligation Bonds	Limited Obligation Bonds	Notes and Loans	Installment Purchases	General Obligation Bonds	Revenue Bonds	Notes and Loans			
2011	75,192,672	\$ -	\$ -	9,786,789	54,132,325	131,873,909	10,869,735	\$ 281,855,430	2,663	7.62%
2012	76,614,425	-	-	8,582,564	49,195,571	129,099,806	10,650,293	274,142,659	2,558	6.96%
2013	72,071,112	-	-	5,663,133	44,563,896	124,417,609	8,318,976	255,034,726	2,355	6.20%
2014	73,820,095	-	-	4,214,505	40,639,911	161,974,117	7,027,780	287,676,408	2,633	6.74%
2015	67,954,413	-	1,350,000	4,684,336	35,760,593	157,974,950	5,736,583	273,460,875	2,472	6.28%
2016	62,294,128	-	3,350,000	6,745,930	30,340,878	153,816,642	4,837,559	261,385,137	2,334	5.79%
2017	54,529,432	-	3,228,000	10,263,853	24,465,575	141,867,202	4,173,920	238,527,982	2,126	5.10%
2018	49,446,091	35,000,000	3,803,000	8,195,534	19,643,916	136,686,019	3,391,311	256,165,871	2,264	5.20%
2019	51,275,719	35,000,000	4,423,000	13,413,226	15,769,288	165,517,192	2,608,702	288,007,127	2,522	5.60%
2020	46,640,006	51,690,000	4,941,000	13,064,344	12,692,113	159,394,315	1,826,092	290,247,870	2,512	5.48%

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

See Table XVIII for personal income and population data.

These ratios are calculated using personal income and population data for the prior calendar year.

These amounts are presented net of premiums/discounts.

**CITY OF HIGH POINT, NORTH CAROLINA**

**Table XIV  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Bonded Debt Outstanding</b>			<b>Percentage of Personal Income</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita</b>
	<b>General Obligation Bonds</b>	<b>Less: Amounts Restricted to Repaying Principal</b>	<b>Total</b>			
2011	\$ 129,324,997	17,822,826	\$ 111,502,171	3.01%	1.21%	1,053
2012	125,809,996	18,315,597	107,494,399	2.73%	1.16%	1,003
2013	116,635,008	18,018,990	98,616,018	2.40%	1.11%	911
2014	114,460,006	17,837,607	96,622,399	2.27%	1.07%	884
2015	103,715,006	16,676,951	87,038,055	2.00%	0.97%	787
2016	92,635,006	16,384,565	76,250,441	1.69%	0.85%	681
2017	78,995,007	16,138,173	62,856,834	1.34%	0.68%	560
2018	69,090,007	17,011,143	52,078,864	1.06%	0.54%	460
2019	67,045,007	13,240,140	53,804,867	1.05%	0.55%	471
2020	59,332,119	12,198,627	47,133,492	0.89%	0.48%	408

Notes: Details regarding the City's outstanding debt can be found in the notes to the Financial Statements.

See Table XVIII for personal income and population data. These ratios are calculated using personal income and population data for the prior calendar year.

See Table V for property value data.

These amounts are presented net of premiums/discounts.

**CITY OF HIGH POINT, NORTH CAROLINA**

**Table XV**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
(dollars in thousands)

	<b>Fiscal Year</b>				
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Assessed Value of Property	\$ 9,215,021	\$ 9,240,692	\$ 8,887,428	\$ 9,052,837	\$ 8,929,729
Debt Limit, 8% of Assessed Value (Statutory Limitation)	737,202	739,255	710,994	724,227	714,378
Amount of Debt Applicable to Limit					
General obligation debt	129,325	125,810	116,635	114,460	103,715
Less: Amount available for repayment of general obligation bonds	17,823	18,316	18,019	17,838	16,677
Debt outstanding for water purposes	13,194	11,681	10,455	8,891	7,306
Total net debt applicable to limit	98,308	95,813	88,161	87,731	79,732
Legal Debt Margin Available	<u>\$ 638,894</u>	<u>\$ 643,442</u>	<u>\$ 622,833</u>	<u>\$ 636,496</u>	<u>\$ 634,646</u>
Total net debt applicable to the limit as a percentage of debt limit	13.34%	12.96%	12.40%	12.11%	11.16%

Note: NC Statute GS159-55 limits the City's outstanding general obligation debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross general obligation debt to arrive at net debt applicable to the limit: Money held for payment of principal; debt incurred for water, gas, or electric systems and power purchases; uncollected special assessments, and funding and refunding bonds not yet issued.  
The legal debt margin is the difference between the debt limit and the City's net debt outstanding applicable to the limit, and represents the City's legal borrowing authority.

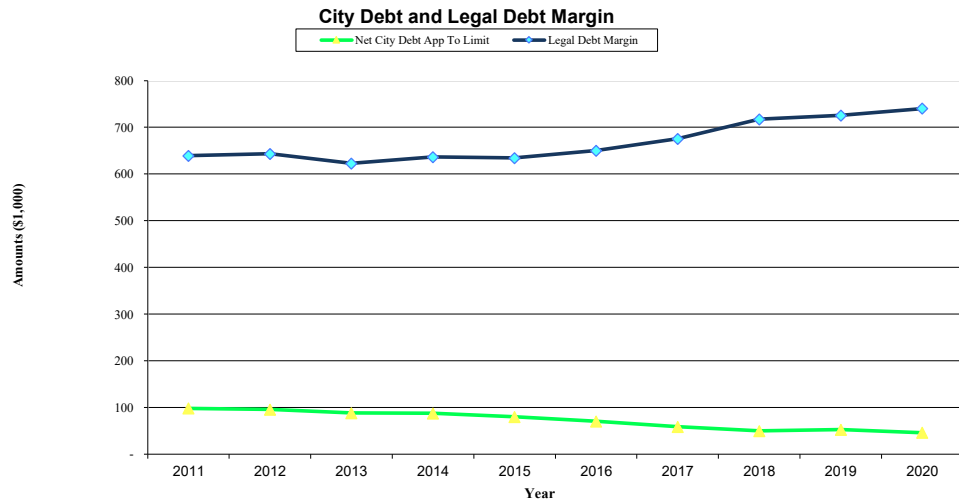
Note: Debt is presented net of bond premiums/discounts.



**CITY OF HIGH POINT, NORTH CAROLINA**

**Table XV  
Legal Debt Margin Information  
Last Ten Fiscal Years  
(dollars in thousands)**

	Fiscal Year				
	2016	2017	2018	2019	2020
Assessed Value of Property	\$ 9,006,783	\$ 9,181,141	\$ 9,581,232	\$ 9,719,314	\$ 9,831,414
Debt Limit, 8% of Assessed Value (Statutory Limitation)	720,543	734,491	766,499	777,545	786,513
Amount of Debt Applicable to Limit					
General obligation debt	92,635	78,995	69,090	67,045	59,332
Less: Amount available for repayment of general obligation bonds	16,385	16,138	17,011	13,240	12,199
Debt outstanding for water purposes	5,607	3,936	2,589	1,650	1,060
Total net debt applicable to limit	70,643	58,921	49,490	52,155	46,073
Legal Debt Margin Available	\$ 649,900	\$ 675,570	\$ 717,009	\$ 725,390	\$ 740,440
Total net debt applicable to the limit as a percentage of debt limit	9.80%	8.02%	6.46%	6.71%	5.86%



**CITY OF HIGH POINT, NORTH CAROLINA**

**Table XVI  
Direct and Overlapping Debt  
As of June 30, 2020**

Name of Governmental Unit	Net Debt Outstanding	Percentage Applicable To This Governmental Unit	City of High Point's Share of Debt
City of High Point	\$ 116,335,350	100.0%	\$ 116,335,350
Guilford County	712,080,131	18.6%	132,446,904
Total direct and overlapping debt			<u>\$ 248,782,254</u>

Sources: Guilford County debt outstanding data provided by Guilford County. Assessed value data used to estimate applicable percentage provided by Guilford County Tax Department.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents of the City of High Point. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

# CITY OF HIGH POINT, NORTH CAROLINA

**Table XVII**  
**Water and Sewer Revenue Bond Coverage**  
**Last Ten Fiscal Years**

Fiscal Year	Prior Year Unrestricted Net Position <sup>1</sup>	Operating Revenues <sup>2</sup>	Operating Expenses <sup>3</sup>	Income Available for Debt Service	Parity Debt Service Requirement	Total Debt Service Requirement	Coverage on Parity Debt Including 15% Unrestricted Net Position <sup>4</sup>	Coverage on Total Debt Excluding 15% Unrestricted Net Position <sup>5</sup>
2011	\$ 32,203,114	\$ 43,366,046	\$ 19,237,092	\$ 24,128,954	\$ 8,742,498	\$ 15,638,679	3.31	1.54
2012	38,814,116	44,414,741	18,493,021	25,921,720	8,907,951	16,723,587	3.56	1.55
2013	44,956,670	45,507,845	19,046,882	26,460,963	9,343,666	16,720,685	3.55	1.58
2014	29,062,125	43,936,851	20,386,312	23,550,539	9,245,021	16,069,628	3.02	1.47
2015	41,880,994	45,715,248	23,783,202	21,932,046	10,833,752	17,374,755	2.60	1.26
2016	41,150,901	47,279,648	25,838,884	21,440,764	10,948,291	17,506,371	2.52	1.22
2017	47,339,717	50,069,548	29,259,407	20,810,141	11,675,981	18,509,189	2.39	1.12
2018	43,429,880	51,897,413	29,480,331	22,417,082	11,168,972	16,628,493	2.59	1.35
2019	39,021,515	52,977,411	29,682,361	23,295,050	11,671,602	16,584,889	2.50	1.40
2020	47,242,190	55,132,660	29,761,890	25,370,770	12,299,117	15,596,399	2.64	1.63

Notes: The City issued water and sewer revenue bonds in the amount of \$40,375,000 dated October 2004, \$31,380,000 dated June 2006, \$41,745,000 dated June 2008, \$23,210,000 dated June 2010, \$37,640,000 dated May 2014, and \$47,610,000 dated June 2019. The City issued water and sewer revenue refunding bonds in the amount of \$32,125,000 dated June 2012 and \$50,575,000 dated November 2016.

<sup>1</sup> From the Comprehensive Annual Financial Report for the prior fiscal year.

<sup>2</sup> From the current combined financial statements.

<sup>3</sup> Operating Expenses exclude depreciation, and accrued expenses for stipends, pension and post-employment benefits.

<sup>4</sup> Most restrictive required coverage is 1.20

<sup>5</sup> Most restrictive required coverage is 1.00

**CITY OF HIGH POINT, NORTH CAROLINA**

**Table XVIII  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

<b>Year</b>	<b>Population (1)</b>	<b>Total Personal Income (2)</b>	<b>Per Capita Personal Income (2)</b>	<b>Public School Enrollment (3)</b>	<b>Unemployment Rate (4)</b>	<b>Number of Building Inspections Performed (5)</b>
2011	105,843	\$ 3,699,001	34,948	13,747	9.88%	7,619
2012	107,157	3,937,805	36,748	14,516	10.13%	8,191
2013	108,285	4,113,747	37,990	14,696	9.29%	9,864
2014	109,270	4,265,573	39,037	14,575	6.98%	11,090
2015	110,638	4,354,933	39,362	15,455	5.63%	10,785
2016	111,967	4,517,197	40,344	15,355	5.50%	8,950
2017	112,201	4,677,772	41,691	15,317	5.22%	8,078
2018	113,125	4,927,273	43,556	15,402	4.82%	7,588
2019	114,183	5,142,117	45,034	15,253	4.12%	8,495
2020	115,526	5,299,755	45,875	15,007	4.10%	10,365

Source:

(1) Population estimate provided by the City of High Point Planning and Development Department as of April 1

(2) Personal income and per capita income provided by Bureau of Economic Analysis, US Department of Commerce. Figures are provided as of the end of the calendar year for the prior calendar year.

(3) Public school enrollment provided by NC Department of Public Instruction, first / second month average daily membership.

(4) Unemployment rate provided by the NC Department of Commerce as of the end of the calendar year.

(5) Building inspections data provided by the City of High Point Planning and Development Department.

**CITY OF HIGH POINT, NORTH CAROLINA**

**Table XIX  
Principal Employers  
Current Year and Nine Years Ago**

Employer	2020			2011		
	Employees <sup>3</sup>	Rank	Percentage of Total County Employment <sup>1</sup>	Employees <sup>3</sup>	Rank	Percentage of Total County Employment <sup>1</sup>
Ralph Lauren Corporation	2,681	1	0.93%	1,222	6	0.55%
Wake Forest Baptist Health - (High Point Regional UNC Health Care)	2,566	2	0.89%	2,036	2	0.92%
High Point University	1,657	3	0.58%	879	9	0.40%
Bank of America <sup>2</sup>	1,650	4	0.57%	2,145	1	0.97%
Guilford County Schools	1,633	5	0.57%	1,769	3	0.80%
Thomas Built Buses/Daimler Trucks	1,600	6	0.56%	1,248	5	0.57%
City of High Point	1,467	7	0.51%	1,289	4	0.58%
Alorica (formerly NCO Group) <sup>4</sup>	1,450	8	0.50%	-	-	0.00%
Aetna	1,350	9	0.47%	852	10	0.39%
Environmental Air Systems	977	10	0.34%	-	-	-
Cornerstone Healthcare	-	-	-	946	7	0.43%
TE Connectivity (Tyco Electronics)	-	-	-	900	8	0.41%

Source: North Carolina ESC, City of High Point Economic Development

Notes:

<sup>1</sup> Total employment figures available for Guilford County only.

<sup>2</sup> These organizations have multiple locations in the Piedmont Triad Area. The numbers shown reflect High Point-based employees only.

<sup>3</sup> Full time equivalent number of employees as of December of the prior calendar year.

<sup>4</sup> This company did not respond to the 2019 survey. So its number comes from December 2018.

**CITY OF HIGH POINT, NORTH CAROLINA**

**Table XX  
Full-Time City Government Employees by Function  
Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General Government	119	118	120	121	131
Public Safety	487	487	492	492	495
Public Services	119	119	118	118	73
Planning and Community Development	48	47	48	49	49
Cultural and Recreation	174	174	174	174	176
Water and Sewer	139	138	138	137	137
Electric	122	123	123	123	124
Mass Transit	35	35	39	40	41
Parking	4	3	2	2	2
Landfill/Solid Waste	47	47	47	47	93
Storm Water	22	22	22	22	23
Central Services	<u>37</u>	<u>36</u>	<u>34</u>	<u>32</u>	<u>24</u>
 Total	 <u><u>1,353</u></u>	 <u><u>1,349</u></u>	 <u><u>1,357</u></u>	 <u><u>1,357</u></u>	 <u><u>1,368</u></u>

Source: City of High Point Budget and Evaluation Department.

Notes: The number reported is budgeted full time positions for the fiscal year.

**CITY OF HIGH POINT, NORTH CAROLINA**

**Table XX  
Full-Time City Government Employees by Function  
Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
General Government	137	136	139	141	145
Public Safety	514	522	532	534	533
Public Services	76	76	76	76	76
Planning and Community Development	53	53	53	53	53
Cultural and Recreation	172	172	176	177	179
Water and Sewer	138	138	138	139	144
Electric	126	126	126	126	128
Mass Transit	42	42	54	54	54
Parking	2	2	2	2	2
Landfill/Solid Waste	91	91	91	92	96
Storm Water	24	24	24	25	26
Central Services	<u>23</u>	<u>23</u>	<u>23</u>	<u>23</u>	<u>24</u>
 Total	 <u><u>1,398</u></u>	 <u><u>1,405</u></u>	 <u><u>1,434</u></u>	 <u><u>1,442</u></u>	 <u><u>1,460</u></u>

**CITY OF HIGH POINT, NORTH CAROLINA**

**Table XXI  
Operating Indicators For Major Functions/Programs  
Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Police</b>					
Calls dispatched	119,529	118,549	122,412	115,744	119,271
<b>Fire</b>					
Emergency responses	11,209	11,179	11,917	12,189	12,403
Inspections	4,270	4,701	4,983	4,944	5,135
<b>Streets</b>					
Streets paved (lane miles)	-	-	-	6	3
<b>Water and Sewer</b>					
Water pumped (mgd)	12	11	12	12	12
Sewer treated (mgd)	16	16	17	17	15
<b>Electric</b>					
Number of billed locations	39,256	39,613	39,935	39,528	40,429
kWh purchased	1,189,044,000	1,152,207,000	1,163,302,000	1,176,760,896	1,186,769,290

Source: City of High Point Police, Fire, Public Services, Engineering, and Electric Departments.

Note: Customer number for Electric is based on location count for FY 2016 and forward. In years prior, this was counted in a different manner.



**CITY OF HIGH POINT, NORTH CAROLINA**

**Table XXI  
Operating Indicators For Major Functions/Programs  
Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Police</b>					
Calls dispatched	120,830	118,511	130,816	125,639	113,058
<b>Fire</b>					
Emergency responses	12,981	14,723	15,087	15,721	15,144
Inspections	5,921	5,569	4,670	4,961	5,453
<b>Streets</b>					
Streets paved (lane miles)	8	8	9	9	7
<b>Water and Sewer</b>					
Water pumped (mgd)	13	12	13	14	13
Sewer treated (mgd)	16	16	15	20	18
<b>Electric</b>					
Number of billed locations	41,787	42,003	42,331	41,719	41,766
kWh purchased	1,167,068,089	1,185,365,125	1,189,815,609	1,180,977,893	1,164,599,433

**CITY OF HIGH POINT, NORTH CAROLINA**

**Table XXII**  
**Capital Asset Statistics, By Function/Program**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Police</b>					
Stations	1	1	1	1	1
Patrol Units	222	223	229	229	239
<b>Fire stations</b>	14	14	14	14	14
<b>Streets</b>					
Paved Streets (miles)	435	436	440	443	448
Unpaved Streets (miles)	1	1	1	1	2
Alleys (miles)	2	2	2	2	2
<b>Parks and Recreation</b>					
Public Swimming Pools (City owned)	2	2	2	2	2
Golf Courses (City owned)	2	2	2	2	2
Recreation and Community Centers	7	7	7	7	7
<b>Library</b>					
Books and Volumes	271,030	294,974	308,786	308,786	312,696
<b>Theatre</b>					
Seats	963	963	963	963	963
<b>Water and Sewer</b>					
Water and Sewer mains (miles)	1,350	1,378	1,285	1,284	1,283
Water storage capacity (mgd)	19	19	19	19	19
Water and Sewer Treatment capacity(mgd)	58	58	58	64	56
<b>Electric</b>					
Overhead lines (miles)	420	438	408	405	410
Underground lines (miles)	327	327	331	342	332
Electric substations	13	14	14	14	14
<b>Mass Transit</b>					
Buses	17	17	17	17	16
<b>Parking</b>					
Off Street Parking spaces	1,234	1,234	1,234	1,234	1,234
<b>Storm Water</b>					
Storm sewers (miles)	433	447	453	461	469

Source: City of High Point Police, Fire, Public Services, Parks, Library, Theatre, Electric, and Transportation departments.

Note: Streets in fiscal years 2010 and prior may have included private and/or state owned streets. Fiscal years 2011 and forward only include City owned streets.

**CITY OF HIGH POINT, NORTH CAROLINA**

**Table XXII  
Capital Asset Statistics, By Function/Program  
Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Police</b>					
Stations	1	1	1	1	1
Patrol Units	239	239	252	202	186
<b>Fire stations</b>	14	14	14	14	14
<b>Streets</b>					
Paved Streets (miles)	447	447	448	448	450
Unpaved Streets (miles)	2	2	2	1	1
Alleys (miles)	2	2	2	2	2
<b>Parks and Recreation</b>					
Swimming pools (City owned)	2	2	2	3	3
Golf Courses (City owned)	2	2	2	2	2
Recreation and Community Centers	7	7	7	7	7
<b>Library</b>					
Books and Volumes	367,324	393,958	412,002	437,637	437,828
<b>Theatre</b>					
Seats	929	929	929	929	929
<b>Water and Sewer</b>					
Water and Sewer mains (miles)	1,289	1,289	1,291	1,291	1,309
Water storage capacity (mgd)	19	19	19	19	19
Water and Sewer Treatment capacity(mgd)	56	58	58	58	58
<b>Electric</b>					
Overhead lines (miles)	410	407	405	404	404
Underground lines (miles)	332	349	353	360	307
Electric substations	14	14	14	13	14
<b>Mass Transit</b>					
Buses	16	17	17	17	17
<b>Parking</b>					
Off Street Parking spaces	1,234	1,234	1234	1234	1234
<b>Storm Water</b>					
Storm sewers (miles)	480	480	480	509	520



CITY OF HIGH POINT, NORTH CAROLINA

## COMPLIANCE SECTION



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

To the Honorable Mayor and  
Members of the City Council  
City of High Point, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the blended and discretely presented component units, each major fund, and the aggregate remaining fund information of the City of High Point, North Carolina (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 30, 2020. Our report includes a reference to other auditors who audited the financial statements of the City of High Point ABC Board (the "Board"), a discretely presented component unit, and Forward High Point (the "FHP"), a blended component unit, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Board and FHP were not audited in accordance with *Government Auditing Standards*.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-01 that we consider to be a significant deficiency.

**City of High Point, North Carolina's Response to Finding**

City of High Point, North Carolina's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. City of High Point, North Carolina's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Compliance and Other Matters**

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

**Purpose of this Report**

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

Handwritten signature of Cheryl Behrman in cursive script, followed by the text "LLP".

Raleigh, North Carolina  
October 30, 2020



**Report of Independent Auditor on Compliance for Each Major Federal Program and on  
Internal Control over Compliance in Accordance with OMB Uniform Guidance and  
the State Single Audit Implementation Act**

To the Honorable Mayor and  
Members of the City Council  
City of High Point, North Carolina

**Report on Compliance for Each Major Federal Program**

We have audited the City of High Point, North Carolina (the “City”), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City’s major federal programs for the year ended June 30, 2020. The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Our audit, described below, did not include the operations of the City of High Point ABC Board (the “Board”), a discretely presented component unit, and Forward High Point (the “FHP”), a blended component unit. Our audit, described below, did not include the operations of these component units since they were audited by other auditors.

**Management’s Responsibility**

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

**Auditor’s Responsibility**

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

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

**Opinion on Each Major Federal Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs for the year ended June 30, 2020.

### **Report on Internal Control over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

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

*Cheryl Behrman LLP*

Raleigh, North Carolina  
October 30, 2020

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

To the Honorable Mayor and  
Members of the City Council  
City of High Point, North Carolina

**Report on Compliance for Each Major State Program**

We have audited the City of High Point, North Carolina (the “City”), compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the City’s major state programs for the year ended June 30, 2020. The City’s major state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Our audit, described below, did not include the operations of the City of High Point ABC Board (the “Board”), a discretely presented component unit, and Forward High Point (the “FHP”), a blended component unit. Our audit, described below, did not include the operations of these component units since they were audited by other auditors.

**Management’s Responsibility**

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

**Auditor’s Responsibility**

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

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

**Opinion on Each Major State Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

## Report on Internal Control over Compliance

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

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

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

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

*Cheryl Behant LLP*

Raleigh, North Carolina  
October 30, 2020

**CITY OF HIGH POINT, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2020

**Section I—Summary of Auditor’s Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to U.S. GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?      ☐ yes      ☒ no
- Significant deficiency(ies) identified?      ☒ yes      ☐ none reported

Noncompliance material to financial statements noted?

☐ yes      ☒ no

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?      ☐ yes      ☒ no
- Significant deficiency(ies) identified?      ☐ yes      ☒ none reported

Noncompliance material to federal awards?

☐ yes      ☒ no

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ yes      ☒ no

Identification of major federal programs:

**CFDA No.**

14.218  
 97.036  
 14.239

**Name of Federal Program or Cluster**

CDBG – Entitlement Grants Cluster  
 Disaster Grants – Public Assistance  
 HOME Investment Partnerships Program

Dollar threshold used to distinguish between Type A and Type B Programs:

\$ 750,000

Auditee qualified as low-risk auditee?

☒ yes      ☐ no

**CITY OF HIGH POINT, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

*YEAR ENDED JUNE 30, 2020*

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**State Awards**

Internal control over major state programs:

- Material weakness(es) identified?                      ☐ yes                      ☒ no
- Significant deficiency(ies) identified?                      ☐ yes                      ☒ none reported

Noncompliance material to state awards?                      ☐ yes                      ☒ no

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

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

Identification of major state programs:

**Program Name**

Powell Bill

Disaster Grants – Public Assistance, which is a State match on the major federal program listed above.

# CITY OF HIGH POINT, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

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### Section II—Financial Statement Findings

#### Significant Deficiency Finding 2020-001

**Criteria:** The City is responsible for executing formal contracts when conducting business with legally separate entities.

**Condition:** We could not find evidence of a formal contract to develop and construct affordable housing between the City and Core City CDC (“CDC”) or the for-profit developer. We would have expected to see a formal executed contract that governs the sources and uses of funding for acquisition of land parcels and subsidized development costs incurred by the City and subsequently conveyed for the purpose of providing affordable housing.

**Effect:** With no formal contract between the City and the CDC or developer, the public property conveyed to a legally separate entity may be used for a purpose other than affordable housing.

**Cause:** The City entered into transactions including conveyance of public property and incurred certain development costs associated with each property without a formal executed contract in place that clearly stated the roles and responsibilities of each respective party.

**Recommendation:** We recommend the City establish a formal contract(s) for conducting business transactions with the CDC and / or the developer, to specify the services, terms, and conditions of the respective parties and their roles in acquiring or developing public property for the purpose of providing affordable housing or any other intended public purpose.

**Views of Responsible Officials:** See Corrective Action Plan.

### Section III—Federal Award Findings and Questioned Costs

None reported.

### Section IV—State Award Findings and Questioned Costs

None reported.

**CITY OF HIGH POINT, NORTH CAROLINA**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

*YEAR ENDED JUNE 30, 2020*

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None reported.





October 30, 2020

Please see below for the City of High Point's corrective action plan in response to the FY20 audit finding.

**Finding: 2020-001**

**Corrective Action:** The City is in the process of reviewing and strengthening the contractual relationship between the City and Core City CDC to ensure properties are appropriately conveyed to our development partners with the intention of creating affordable housing. The review of the program is underway and corrective action will be taken in the fiscal year ended June 30, 2021.

  
Randy McCaslin  
Interim City Manager

  
Date

**CITY OF HIGH POINT, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For The Year Ended June 30 , 2020**

<u>Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures (Direct and Passed Through)</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs			
CDBG Entitlement Grants Cluster			
Community Development Block Grant	14.218		\$ 950,458
COVID-19 Community Development Block Grant	14.218		19,032
Total CDBG Entitlement Grants Cluster			<u>969,490</u>
HOME PJ	14.239		345,462
Section 108 Loans Program (note 3)	14.248		225,000
<u>U.S. Department of Justice</u>			
Direct Programs			
Forfeiture Funds	16.922		17,817
COPS Hiring	16.710		121,208
OVW	16.590		43,630
Coronavirus Emergency Supplemental Funding	16.034		23,478
Passed Through N.C. Governor's Crime Commission			
Offender Focused Domestic Violence Initiative	16.588	PROJ012737	15,745
Offender Focused Domestic Violence Initiative	16.588	PROJ013392	48,422
Passed Through NC Gang Investigators Association			
Project Safe Neighborhood	16.609		1,580
Passed Through Research Foundation of CUNY			
National Network for Safe Communities	16.526		1,656
<u>U.S. Department of Homeland Security</u>			
Passed-through NC Department of Public Safety			
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA-04-NC-4393	1,324,266
<u>U.S. Department of Transportation</u>			
Direct Programs			
Federal Transit Cluster			
Section 5307 Capital Grant - FY 2010-2011 (NC-90-X470)	20.507		22,020
Section 5307 Capital Grant - FY 2011-2012 (NC-90-X470-01)	20.507		2,243
Section 5307 Capital Grant - FY 2013-2015 (NC-90-X581)	20.507		84,105
Section 5307 Capital Grant - FY2015-2016 (NC-2016-042-00)	20.507		274,709
Section 5307 Capital Grant - FY 2017-2018 (NC-2018-032-00)	20.507		238
Section 5307 Operating Grant - FY 2018-2019 (NC-2018-054)	20.507		16,445
Total Federal Transit Cluster			<u>399,760</u>
Highway Planning and Construction Cluster			
Passed Through N.C. Department of Transportation			
Section 104(f) Highway Planning Grant	20.205	WBS 44842.1.12	301,018
Model Farm Bridge	20.205	WBS 46072.1.1	36,873
N Main & Lexington Pedestrial Improvements	20.205	WBS 43250	240,000
Safe Routes to School	20.205	WBS 40924.3.81	9,303
Total Highway Planning and Construction Cluster			<u>587,194</u>
Passed Through N.C. Department of Transportation			
Section 5303 Planning Grant	20.505	WBS 36230.19.16.1	43,878
Highway Safety Cluster			
Passed Through Guilford County			
DWI Task Force (Y7)	20.600	AL-19-02-07	4,442
DWI Task Force (Y8)	20.600	AL-20-02-08	19,448
Total Highway Safety Cluster			<u>23,890</u>
<u>U.S. Department of the Interior</u>			
Passed Through N.C. Department of Cultural Resources			
Historic Preservation Fund	15.904	CLG-19	960

(continued)

**CITY OF HIGH POINT, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For The Year Ended June 30 , 2020**

	State Expenditures (Direct and Passed Through)	Passed Through to Subrecipients
<u>U.S. Department of Housing and Urban Development</u>		
Direct Programs		
CDBG Entitlement Grants Cluster		
Community Development Block Grant	\$ -	\$ 67,895
COVID-19 Community Development Block Grant	-	-
Total CDBG Entitlement Grants Cluster	-	67,895
HOME PJ	-	-
Section 108 Loans Program	-	-
<u>U.S. Department of Justice</u>		
Direct Programs		
Forfeiture Funds	3,900	-
COPS Hiring	-	-
OVW	-	35,198
Coronavirus Emergency Supplemental Funding	-	-
Passed Through N.C. Governor's Crime Commission		
Offender Focused Domestic Violence Initiative	-	15,745
Offender Focused Domestic Violence Initiative	-	48,422
Passed Through NC Gang Investigators Association		
Project Safe Neighborhood	-	-
Passed Through Research Foundation of CUNY		
National Network for Safe Communities	-	-
<u>U.S. Department of Homeland Security</u>		
Direct Programs		
FEMA	405,711	-
<u>U.S. Department of Transportation</u>		
Direct Programs		
Federal Transit Cluster		
Section 5307 Capital Grant - FY 2010-2011 (NC-90-X470)	-	-
Section 5307 Capital Grant - FY 2011-2012 (NC-90-X470-01)	-	-
Section 5307 Capital Grant - FY 2013-2015 (NC-90-X581)	-	-
Section 5307 Capital Grant - FY2015-2016 (NC-2016-042-00)	-	-
Section 5307 Capital Grant - FY 2017-2018 (NC-2018-032-00)	-	-
Section 5307 Operating Grant - FY 2018-2019 (NC-2018-054)	-	-
Total Federal Transit Cluster	-	-
Highway Planning and Construction Cluster		
Passed Through N.C. Department of Transportation		
Section 104(f) Highway Planning Grant	-	-
Model Farm Bridge	-	-
N Main & Lexington Pedestrial Improvements	-	-
Safe Routes to School	-	-
Total Highway Planning and Construction Cluster	-	-
Passed Through N.C. Department of Transportation		
Section 5303 Planning Grant	5,485	-
Highway Safety Cluster		
Passed Through Guilford County		
DWI Task Force (Y7)	-	-
DWI Task Force (Y8)	-	-
Total Highway Safety Cluster	-	-
<u>U.S. Department of the Interior</u>		
Passed Through N.C. Department of Cultural Resources		
Historic Preservation Fund	-	-

(continued)

**CITY OF HIGH POINT, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For The Year Ended June 30 , 2020**

<u>Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures (Direct and Passed Through)</u>
<u>U.S. Department of the Treasury</u>			
Passed Through Reinvestment Partners (appropriated by the N.C. General Assembly)			
Volunteer Income Tax Assistance	21.009	301194115655	4,500
<u>National Endowment for the Humanities</u>			
Direct Programs			
High Point Museum-Analysis & Optimization of the Museum's Preservation	45.149		20,339
<u>Institute of Museum and Library Services</u>			
Passed Through N.C. Department of Cultural Resources			
LSTA	45.310	NC19-11	14,693
LSTA Bookmobile	45.310	NC19-10	50,000
<u>N.C. Housing Finance Agency</u>			
Direct Programs			
Construction Training Program			-
Urgent Repair Program			-
<u>N.C. Department of Transportation</u>			
Direct Programs			
Depot Roof			-
Powell Bill			-
Furniture Market Transportation			-
State Maintenance Assistance Program (SMAP)			-
State Capital Match (ADA Facility)			-
<u>N.C. Department of Environmental Quality</u>			
Direct Programs			
Waste Reduction & Recycling			-
<u>N.C. Department of Health and Human Services</u>			
Passed Through Piedmont Triad Regional Council			
Senior Center General Purpose		02398(20)	-
<u>N.C. Department of Cultural Resources</u>			
Direct Programs			
State Aid to Libraries			-
 Total Federal and State Assistance			 \$ 4,282,968

**CITY OF HIGH POINT, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For The Year Ended June 30 , 2020**

<u>Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>State Expenditures (Direct and Passed Through)</u>	<u>Passed Through to Subrecipients</u>
<u>U.S. Department of the Treasury</u>		
Passed Through Reinvestment Partners (appropriated by the N.C. General Assembly)		
Volunteer Income Tax Assistance	-	-
<u>National Endowment for the Humanities</u>		
Direct Programs		
High Point Museum-Analysis & Optimization of the Museum's Preservation	-	-
<u>Institute of Museum and Library Services</u>		
Passed Through N.C. Department of Cultural Resources		
LSTA	-	-
LSTA Bookmobile	-	-
<u>N.C. Housing Finance Agency</u>		
Direct Programs		
Construction Training Program	39,362	39,362
Urgent Repair Program	70,796	-
<u>N.C. Department of Transportation</u>		
Direct Programs		
Depot Roof	257,936	-
Powell Bill	2,900,511	-
Furniture Market Transportation	700,989	700,989
State Maintenance Assistance Program (SMAP)	623,788	-
State Capital Match (ADA Facility)	117,974	-
<u>N.C. Department of Environmental Quality</u>		
Direct Programs		
Waste Reduction & Recycling	30,000	-
<u>N.C. Department of Health and Human Services</u>		
Passed Through Piedmont Triad Regional Council		
Senior Center General Purpose	10,513	-
<u>N.C. Department of Cultural Resources</u>		
Direct Programs		
State Aid to Libraries	74,794	-
 Total Federal and State Assistance	 <u>\$ 5,241,759</u>	 <u>\$ 907,611</u>

**Note 1: Basis of Presentation**

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and state grant activity of the City of High Point under the programs of the federal government and the State of North Carolina for the year ended June 30, 2020. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the City of High Point, it is not intended to and does not present the financial position, changes in net position or cash flows of the City of High Point.

**Note 2: Summary of Significant Accounting Policies**

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

**Note 3: Loans Outstanding**

The City of High Point had the following loan balances outstanding at June 30, 2020 for loans that the grantor has still imposed continuing compliance requirements. Loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. The balance of loans outstanding at June 30, 2020 consist of:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Outstanding</u>
Section 108 Loans Program (Kirkwood)	14.248	\$ 1,666,000
Section 108 Loans Program (Addington)	14.248	1,227,000
Section 108 Loans Program (Avondale)	14.248	639,000
Section 108 Loans Program (Hartley)	14.248	650,000
		<u>\$ 4,182,000</u>

**Note 4:** FEMA expenses for FY19-20 total \$1,729,976.03 which have all been reported. There is a total of \$597,518.49 in AR that has not yet been received.

