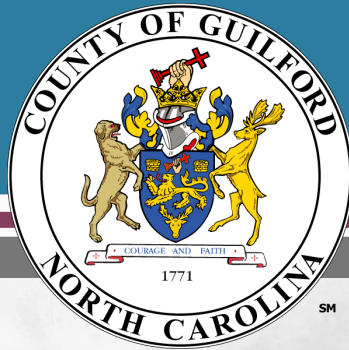


County of Guilford, North Carolina  
Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2015



## COVER

### ***Guilford County Seal***

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

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

### ***Old Guilford County Courthouse***

*(Photo by Sheryl McKenney)*

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

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

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2015



**N. Reid Baker III, CPA**  
**Finance Director**

**Marty K. Lawing**  
**County Manager**

**Prepared by**  
**Guilford County Finance Department**

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# Introductory Section

# LETTER OF TRANSMITTAL



## Guilford County

October 31, 2015

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

The Comprehensive Annual Financial Report (CAFR) of Guilford County, North Carolina, for the fiscal year ended June 30, 2015, is hereby submitted. This report was prepared by the County's Finance Department and consists of management's representations concerning the finances of Guilford County. Responsibility for the reliability, completeness, and fairness of the presentation of all of the information presented in this report rests with the County. In order to provide a reasonable basis for making these representations, management of Guilford County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Guilford County's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, Guilford County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. I believe this financial report is complete and reliable in all material respects.

This report is divided into three sections:

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

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

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

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

# LETTER OF TRANSMITTAL

Cherry Bekaert, LLP, a firm of licensed certified public accountants, has audited Guilford County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of Guilford County for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Guilford County's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The report of independent auditor is presented as the first component of the financial section of this report. The independent audit of the financial statements of Guilford County was part of a broader, Federal and State of North Carolina mandated "Single Audit" designed to meet the special needs of Federal and State grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal and State awards. These reports are available in Guilford County's separately issued Single Audit Report.

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

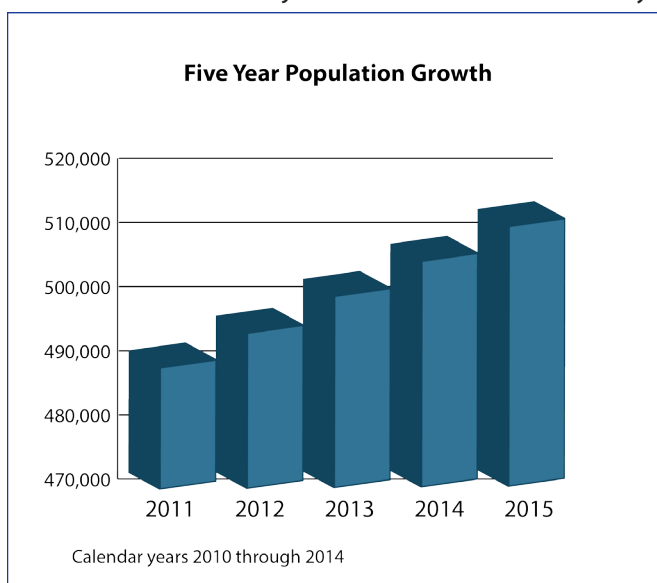
GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Guilford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

## County Government Profile

In January of 1771, the North Carolina General Assembly passed an act creating Guilford County. The new county was named after Francis North, first Earl of Guilford, whose son Frederick was Prime Minister of Great Britain at the time of the county's creation. In 1779, the southern portion of Guilford was taken to form Randolph County, and six years later the northern part was cut off to create Rockingham County, leaving Guilford with its present dimensions. Guilford County, with a population of 512,119, is the most populous county of the Piedmont Triad region. The Piedmont Triad is a twelve county area with a population in excess

of 1.7 million located in the north central portion of North Carolina between the Blue Ridge Mountains and the coastal plains. A moderate year-round climate enhances the lifestyle of the area. The County's 651 square miles contain ten municipalities including two of the state's nine largest cities.

The Board of County Commissioners is the chief administrative and policymaking body of Guilford County government, and consists of nine members, eight of whom are elected from districts and one is elected at-large. Board members serve four-year staggered terms. The Board chooses a Chairman and Vice Chairman from among its membership during its first meeting in December.



# LETTER OF TRANSMITTAL

Major duties of the Board of County Commissioners include:

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

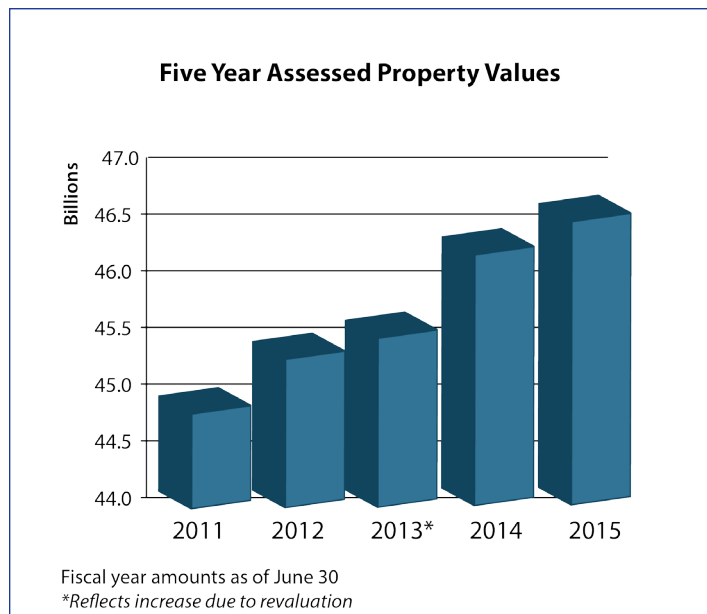
The Board of County Commissioners does not have complete authority over all the services provided within the County. Many County activities are administered by boards with varying degrees of autonomy and by elected officials who receive their instructions from laws passed by the General Assembly. Some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

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

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

## County Budget

The North Carolina Local Government Budget and Fiscal Control Act governs all local governments and their agencies in North Carolina. All moneys received or spent by local governments must be budgeted, disbursed and accounted for in accordance with this act. The annual budget serves as the foundation for Guilford County's financial planning and control. All departments and agencies of Guilford County are required to submit requests for appropriation to the Office of Budget and Management. The offices of Budget and Management and County Manager use these requests as the starting point for developing a proposed budget. The County Manager presents the proposed budget to the Board of County Commissioners by June 1. The Board of County Commissioners is required to hold a



# LETTER OF TRANSMITTAL

public hearing on the proposed budget and to adopt the budget ordinance making appropriations and setting the tax rate no later than July 1, the first day of Guilford County's fiscal year.

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

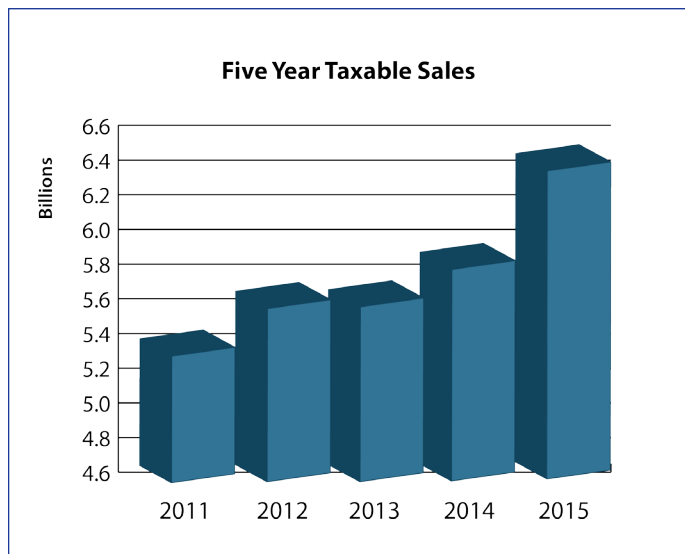
Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 10 as part of the basic financial statements for the governmental funds. For other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 69. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each governmental fund for which a project-length budget has been adopted and a more detailed comparison of General Fund expenditures by department, the legally adopted control level. The proprietary fund subsection beginning on page 87 presents budget-to-actual comparisons of the approved financial plan for the Internal Service Fund.

## Factors Affecting Financial Condition

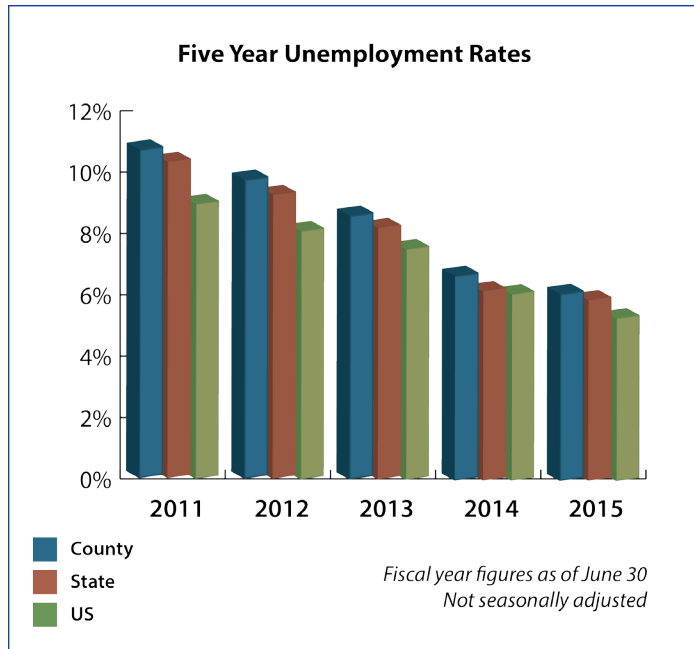
The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Guilford County operates.

**Local economy.** Guilford County generally enjoys a favorable economic environment, which until the recent economic downturn sustained consistent stable growth. While gross retail sales information is unavailable due to the national streamlined sales tax initiative, comparable State taxable sales figures are available to approximate retail sales growth. State taxable sales for Guilford County increased 9.85% in fiscal year 2015

after increases of 4.0%, 0.1%, and 5.2% in fiscal years 2014, 2013, and 2012, respectively. Taxable sales are \$6.45 billion for fiscal year 2015 as compared to \$5.87 billion for fiscal year 2014. Guilford County has a labor force of approximately 275,000. During the recent economic downturn, the Piedmont Triad



# LETTER OF TRANSMITTAL



region was affected more strongly than in the past due to the strong negative impact on traditional manufacturing industries. Guilford County's unemployment rate has historically been below both state and national averages; however, during 2009 this changed as the unemployment rate began to exceed those averages. The accompanying graph shows Guilford County's unemployment rate is trending downward but still lags progress seen at the State and National levels. The County, State, and U.S. unemployment rates as of June 30, 2015 are 6.3%, 6.1%, and 5.5%, respectively. Guilford County's economy has continued to change and diversify. In December 2014, manufacturing accounted for 11.7% of the County's jobs compared to 28.6% in 1980. Manufacturing jobs have declined

significantly in furniture and textiles but have shown growth in computer and electronic products and electrical equipment. Major employers with headquarters or divisions within Guilford County include semiconductor, communications, chemical, bus, truck, pharmaceutical, insurance, aircraft manufacturing and maintenance, healthcare, real estate development, and distribution services. The County is home to two state universities, four private colleges, a private school of law, and a community college with a cumulative enrollment exceeding 45,000 students.

*Site Selection* magazine has ranked the Greensboro-High Point Metropolitan Statistical Area (MSA) No. 1 in the nation during 2014 for attracting new and expanded corporate facilities among similar-sized areas (metros with populations of 200,000-1 million). This is up from last year's fourth-place ranking. In 2014, the Greensboro-High Point MSA had 41 projects that met the magazine's criteria; Guilford County accounted for 23 projects in all. This is the eighth year in a row that the MSA, composed of Guilford, Randolph, and Rockingham counties, has earned a Top 10 national ranking.

Honda Aircraft received provisional type certification from the Federal Aviation Administration (FAA) in March 2015; by August, the company reported that the FAA was nearing final certification. The company is hoping to deliver its first HondaJet by late summer. In October 2014, the company announced that construction had begun on a \$19 million, 74,000 square-foot expansion of its world headquarters campus at Piedmont Triad International Airport (PTI). That expansion, expected to be completed in the second half of 2015, will bring Honda's investment in facilities at PTI to about \$160 million and will increase its space to more than 680,000 square feet. By April 2015, the company had 1,300 employees at its headquarters and manufacturing campus on a 130-acre site near PTI.

A \$176.5 million road and taxiway bridge designed to open up close to 1,000 acres for economic development at PTI is underway. The work includes a 9.4 mile, four-lane section of the future Interstate 73 that will extend from Bryan Boulevard to just south of U.S. 220 near Haw River. The entire project is expected to be finished in 2017.

Officials with HAECO Americas, the Triad's largest aviation contractor, confirmed in August 2015 that they are moving forward with their plans for a new hangar that could yield 400 jobs at PTI. The company hopes to begin construction by 2016; the timeline is dependent on when they receive the necessary permits from the FAA and US Army Corps of Engineers. The Company plans to work on Boeing 777-300ER wide-body jetliners at the new hangar.

## LETTER OF TRANSMITTAL

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HAECO Americas also announced that it will locate its Cabin Solution division (formerly TIMCO Aerosystems) in a 250,000 square-foot vacant building in north High Point, previously occupied by TE Connectivity. The company plans to invest \$11.3 million on the project and pledges to create an additional 147 jobs over a five-year period. HAECO, which performs maintenance and repairs on airplanes and is headquartered at PTI, already employs more than 1,700 people.

Cone Health filed an application with State regulators in September for spending \$134.5 million to build a new five-story addition to Moses Cone Hospital for a replacement of Women's Hospital. Cone Health proposes to relocate women's health services into 118,000 square feet of new space built on the south side of the hospital. If the state signs off on their plans, construction of the new facility could begin in the fall of 2017 and open in mid-2020. The system also filed an application for a \$38.5 million project that will overhaul and modernize its operating suites at Wesley Long Hospital. Planning is also continuing for the replacement of its Behavioral Hospital.

Self-Help Ventures Fund, owner of Revolution Mill and the surrounding 45 acres north of downtown Greensboro, reported in July 2015 that it had closed on a financing package. Once completed, the \$100 million-plus redevelopment will include 142 apartments, 240,000 square feet of office space, two restaurants, and 40 artists' studios. The project is expected to create 1,200 jobs over the next 18 months with completion expected by the third quarter of 2016.

The merger between Greensboro-based RF Micro Devices, Inc. and Hillsboro, Oregon-based TriQuint Semiconductor, Inc. was completed in January 2015. The resulting company, Qorvo, has joint headquarters in Greensboro, North Carolina and Hillsboro, Oregon for an extended period of time. The merger created a top competitor and leading provider of core technologies and RF solutions for mobile, infrastructure and aerospace/defense applications. In September 2015, Qorvo announced that it is considering a \$25 million expansion of its Greensboro plant that would create 100 new jobs within 3 years. The proposed expansion includes \$19.5 million expansion of its existing facility along with \$5.5 million on equipment and machines.

The merger between Reynolds American, Inc. and Lorillard, Inc was completed in June 2015. Lorillard is one of Greensboro's biggest private employers and property taxpayers. The Reynolds acquisition of Lorillard includes a spin-off of several brands to Imperial Tobacco Group's ITG Brands as part of its three-way deal. ITG Brands will be headquartered in Greensboro and Lorillard has reported that most of its 2,900 workers will have jobs at ITG or Reynolds.

The Joint School of Nanoscience and Nanoengineering (JSNN) had already amassed a collection of 30 members to its Nanomanufacturing Innovation Consortium as of April 2015. The consortium, which was established in July 2013, allows members to gain access to JSNN's cutting-edge equipment and access to ideas and expertise from the school's scientists.

Procter and Gamble Company, the consumer products giant that selected its Browns Summit location in 2013 for its \$100 million plant expansion that would yield 200 jobs, had added all of those positions as of July 2014 increasing the headcount to 850. The company also announced in July 2014 its \$18.6 million purchase from Teva Pharmaceuticals of a production facility sited on 65 acres of land on South Swing Road. The company gained 200 additional workers with the purchase and now employs approximately 1,000 in the region.

FFF Enterprises, a California-based flu vaccine distributor, reported its purchase in November 2014 of the newly built Kernersville distribution and office facility, where it operates, for \$7.5 million. The company reported that it had created room for 164 workers in the facility. The property is located in Guilford County.

A developer announced its plans in January 2015 to begin construction in March on a \$14 million, 300,000 square-foot speculative industrial building at the McConnell Center Industrial Park in Greensboro. The building, which is expandable to 428,000 square feet, is expected to be complete by the end of 2015.

## LETTER OF TRANSMITTAL

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In late 2014, a developer announced its plans for a 200,000 square-foot speculative building at the 1,400 acre Rock Creek Center in Whitsett. The site, after development, leaves the park with about 392 acres available for development.

A local developer outlined plans in July 2014 for Bellemeade Village, a \$50 million downtown Greensboro mixed-use development that includes 300 upscale apartments and a six-story, 100+ room, \$14 million Hyatt Place hotel. The hotel is planned for the corner of Eugene and Bellemeade streets located near NewBridge Bank Park.

Organizers of Union Square Campus in Greensboro held a ground-breaking ceremony in April 2015 for the initial first phase of a larger project. The 85,000 square-foot facility will house a nursing collaboration between Cone Health, UNC-Greensboro, NC A&T University, and Guilford Technical Community College. The three-story, \$40 million facility, expected to be completed in summer 2016, is being built at the corner of Arlington and East Lee streets. Union Square Campus, set to utilize 2 of the 7-acre redevelopment area along South Elm and Lee streets, is the initial phase of a long-term project expected to encompass nearly 1 million square feet of new construction with components including a parking deck, apartment buildings, and office and retail space.

Construction is set to begin in fall 2015 on the Steven B. Tanger Center for the Performing Arts in Downtown Greensboro with an opening scheduled for fall 2017. The \$65 million center is being built with a combination of public and private money; \$30 million in City commitments and \$35 million from the Community Foundation of Greater Greensboro. The City has acquired downtown sites along North Elm and Lindsay streets where the center will be located. The demolition phase was well underway in May 2015; the design phase was still in process in July.

Thomas Built Buses, one of the nation's leading school bus manufacturers, has added more than 150 employees as of June 2015 as part of its 236-job expansion plan announced in October 2014. The company, a division of Daimler Trucks North America, is headquartered in High Point and has several facilities across the city. The company is adding workers at the W. Fairfield Road facility, which sits partly in High Point and Guilford County and partly in Randolph County.

Graphik Dimensions, a High Point family-owned manufacturing and printing business, announced in January 2015 that it is expanding in the Guilford County part of High Point. As part of its planned 150-job expansion, the company purchased an up-fitted 28,400 square-foot building. The new jobs are being added over a three-year period and include manufacturing, information technology, marketing, and human resources.

Packrite, a High Point based packaging firm, announced in March 2015 its plans for a 70,000 square-foot addition to its existing plant as it expects to add 100 jobs during the next five years.

APAC Customer Service, a national provider of call-center outsourcing, announced its plans in April 2014 to add 800 full-time workers to its call center in north High Point. Five hundred of those jobs are serving a major telecommunications client. The company answers sales and support customer service calls in the country.

Heritage Home Group announced in July 2014 its plans to move its corporate headquarters from St. Louis, Missouri to Eastchester Drive in High Point, adding approximately 300 jobs to the local economy. The company designs, manufactures and markets home furnishings. Their brands include Broyhill, Thomasville, Lane, Drexel-Heritage and Henredon.

BuzziSpace, Inc, a Belgian designer and maker of high-end furniture, announced its plans in February 2014 to locate its North American manufacturing headquarters in the former Pickett Cotton Mill on Redding Drive in High Point, creating 113 jobs and investing more than \$1.75 million over the next five years. The company opened operations in the 100-year old 105,000 square-foot factory in the fall of 2014.

Ralph Lauren Corporation, High Point's largest employer with 2,853 full-time equivalent employees, continued its ongoing High Point expansion project by adding 457 to its city workforce in 2014. In April 2014, the company announced its plans to build an 843,000 square-foot office and distribution facility in



## LETTER OF TRANSMITTAL

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the I-74 Corporate Park located in Forsyth County; the property received final annexation and rezoning approval from the City of High Point in April 2014. Construction began in spring 2014 on the \$34 million facility with completion planned in late 2015, becoming the first tenant of the corporate park.

High Point University had more than \$150 million in construction projects either underway or nearly complete as of August 2015. Construction is underway on the 220,000 square-foot School of Health Sciences and School of Pharmacy, an \$88 million building which is scheduled to be complete in 2017.

**Long-term financial planning.** In May of 2008, the voters authorized issuance of \$651.4 million in general obligation bonds for law enforcement, school, and community college facilities. Of this amount, \$157.72 million remain unissued for schools and GTCC at \$130.17 million and \$27.55 million, respectively. The jail facility was fully funded and completed so the timeframe to issue additional amounts of up to \$36.37 million was allowed to lapse. The timing and amount of future issuance of the school and community college bonds are contingent on the Board's reallocation of funds among school projects as well as anticipated cash flow requirements and financial market conditions. On April 17, 2014, the Board of Commissioners (Board) adopted an order extending the maximum time period permitted for issuing the remaining school and community college bonds from May 6 of 2015 to 2018. On May 22, 2014, the Board approved a resolution to provide for their issuance as bond anticipation notes (BANS) with no more than \$50 million principal outstanding at any time. The BANS provide funds on a more efficient basis as needed to pay these capital project costs at lower short term rates. The County will ultimately lock in long-term financing to pay off the notes by issuing fixed rate general obligation bonds.

The Guilford County Board of Commissioners continued implementation of the County's FY2013-2022 Capital Investment Plan (CIP) which was approved in 2012. The CIP includes planned expenditures and revenue sources over these 10 years for active capital projects, as well as estimated expenditures and revenues for proposed projects through FY2022. During FY2014-15, the Board continued its implementation of the CIP by funding a new Law Enforcement Special Operations building and renovations to the Governmental Plaza in downtown Greensboro. In addition, the County completed renovations to the Greene Street Building for the new Family Justice Center and finished construction of a new pool at Hagan-Stone Park. Staff presented additional proposed capital projects totaling \$66.5 million to the Board during the FY2015-16 budget development process. This amount includes \$52 million for Public Safety projects, \$11.2 million for General County and Courts projects, and \$3.3 million for Parks projects. The Board of Commissioners will consider these additions to the CIP during FY2015-16.

The County has historically provided post-retirement healthcare benefits to retirees meeting certain eligibility requirements, as more fully described under the Pension and other post employment benefits heading below. However, in an effort to address the long-term costs of this benefit, the Board of County Commissioners voted to discontinue all retiree health insurance eligibility for employees hired on or after July 1, 2009. A retirement health savings plan administered by ICMA with defined contributions providing better control of costs was implemented to replace this benefit for new employees. In addition, the County funded the annual required contribution (ARC) for the healthcare plan beyond the historical pay-as-you-go amounts by contributing \$2 million to an irrevocable trust during each of the fiscal years 2010 through 2013. The positive financial impact of these changes was apparent in the actuarial valuation report dated December 31, 2009. The ARC decreased from the December 31, 2007 report by \$6 million while the unfunded actuarial accrued liability decreased by \$73.2 million, to \$16.7 million and \$216.1 million, respectively. At a September 23, 2013 work session the Board of County Commissioners made additional changes aimed at further managing the cost of this benefit by providing Medicare-eligible retirees a fully insured Medicare advantage plan effective with the 2014 calendar year. This action removed the future claims liability from the self-funded plan. This strategy provided further positive financial benefits through reduced annual claims costs as well as in the actuarial valuation report dated December 31, 2013. The ARC decreased from the December 31, 2011

## LETTER OF TRANSMITTAL

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report by \$10.5 million while the unfunded actuarial accrued liability decreased by \$104.9 million, to \$13 million and \$142 million, respectively.

The unassigned fund balance of the General Fund at fiscal year end stood at 14.48% of the subsequent year's budget which exceeds the minimum of 8% set as a policy guideline by the Board of County Commissioners.

### **Cash management policies and practices**

Cash temporarily idle during the year was invested in fully insured or collateralized certificates of deposit, obligations of the U.S. Treasury and various Federal Agencies, prime quality commercial paper, and demand deposits in a State authorized money-market mutual fund whose portfolio consists of the types of instruments noted above. Investment income includes changes in the fair value of investments year-over-year. Changes in fair value during the current year, however, do not necessarily represent trends; nor are such amounts usually realized, especially in the case of temporary changes in the fair value of investments that Guilford County intends to hold to maturity. Interest earnings on investments only for the fiscal year ended June 30, 2015 were \$0.6 million on an average invested balance of \$174.3 million.

### **Risk management**

The County protects itself from the potential financial losses from the various risks it is exposed to using a combination of risk financing methods, which are accounted for in an Internal Service Fund. The County's insurance program consists of liability, property, workers' compensation, and employee healthcare coverage. The program consists of a combination of County funding, employee/retiree premiums, insurance and participation in the Local Government Excess Liability Fund, Inc. and the Local Government Property Insurance Deductible Fund, Inc. Additional information on Guilford County's risk management activity can be found in Note IV. E. of the notes to the financial statements.

### **Pension and other post employment benefits**

Guilford County provides pension and death benefits for its employees through the statewide North Carolina Local Governmental Employees' Retirement System (LGERS). LGERS is a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. Guilford County has no obligation in connection with employee benefits offered through this plan beyond making the required contributions as set by the North Carolina General Assembly. The July 1, 2014 contribution rate of 7.07% of salary for general employees and 7.41% for Law Enforcement employees was decreased to 6.67% and 7.01%, respectively beginning July 1, 2015. Guilford County administers a public employee retirement plan, the Law Enforcement Officers' Special Separation Allowance, a single-employer defined benefit pension plan that provides benefits to the County's qualified sworn law enforcement officers. The County is required to provide these benefits by the North Carolina General Statutes (Statutes).

The County contributes to the Supplemental Retirement Income Plan of North Carolina, a defined contribution pension plan administered by the North Carolina Department of State Treasurer and a Board of Trustees. All employees, who are currently members of a state-administered retirement plan, are eligible to participate from their date of employment. The authority to establish and amend benefits rests with the North Carolina General Assembly. The Statutes require that the County contribute monthly 5% of each law enforcement officer's qualified salary. During fiscal year 2015, the County elected to match the employee contribution up to 5% for all other eligible employees as well. All employees can make contributions to the plan in accordance with Internal Revenue Service Code Section 401(k).

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

## LETTER OF TRANSMITTAL

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Guilford County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. All assets and income of the plan are in a trust for the exclusive benefit of the participants and their beneficiaries. Guilford County also provides post-retirement healthcare benefits through its healthcare plan to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System and their dependents. (The Board of County Commissioners has voted to discontinue all retiree health insurance eligibility for employees hired on or after July 1, 2009.) In September 2013, the Board voted to provide Medicare-eligible retirees a fully insured Medicare advantage plan effective with the 2014 calendar year. For non Medicare-eligible retirees, the benefit premium charged is the same as for current employees. The County's contribution toward the employer's portion of the premium is determined by the number of years of creditable service. Retirees with less than 20 years creditable service must pay the entire employer's share of the premium in addition to the employee's share. The County pays 50% of the employer's premium for retirees with 20 to 25 years of service, 75% for retirees with 25 to 30 years, and 100% of the employer's premium for retirees with 30 or more years of service and former Commissioners. All but five years of creditable service must be with Guilford County. As of the end of the current fiscal year, these benefits were financed on a pay-as-you-go basis. In prior years, \$8.1 million has been contributed to the Guilford County Local Government Other-Post Employment Benefit (OPEB) Trust, an irrevocable trust, established by the County to meet the requirements of the governmental accounting standards and IRS regulations. As of June 30, 2015, the balance of the trust was \$12.1 million including investment earnings on the excess contributions.

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

### **Awards and Acknowledgments**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Guilford County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. This was the thirty-fourth consecutive year that Guilford County has received this prestigious award. In order to be awarded a Certificate of Achievement a governmental unit must publish an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

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

Respectfully submitted,



N. Reid Baker III, CPA  
Finance Director



Government Finance Officers Association

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

Presented to

**Guilford County  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

# PRINCIPAL OFFICIALS

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## **Board of County Commissioners**

**Hank Henning**  
Chairman

**Jeff Phillips**  
Vice Chairman

**Alan Branson**

**Kay Cashion**

**Carolyn Coleman**

**Justin Conrad**

**J. Carlvena Foster**

**Alan Perdue**

**Ray Trapp**

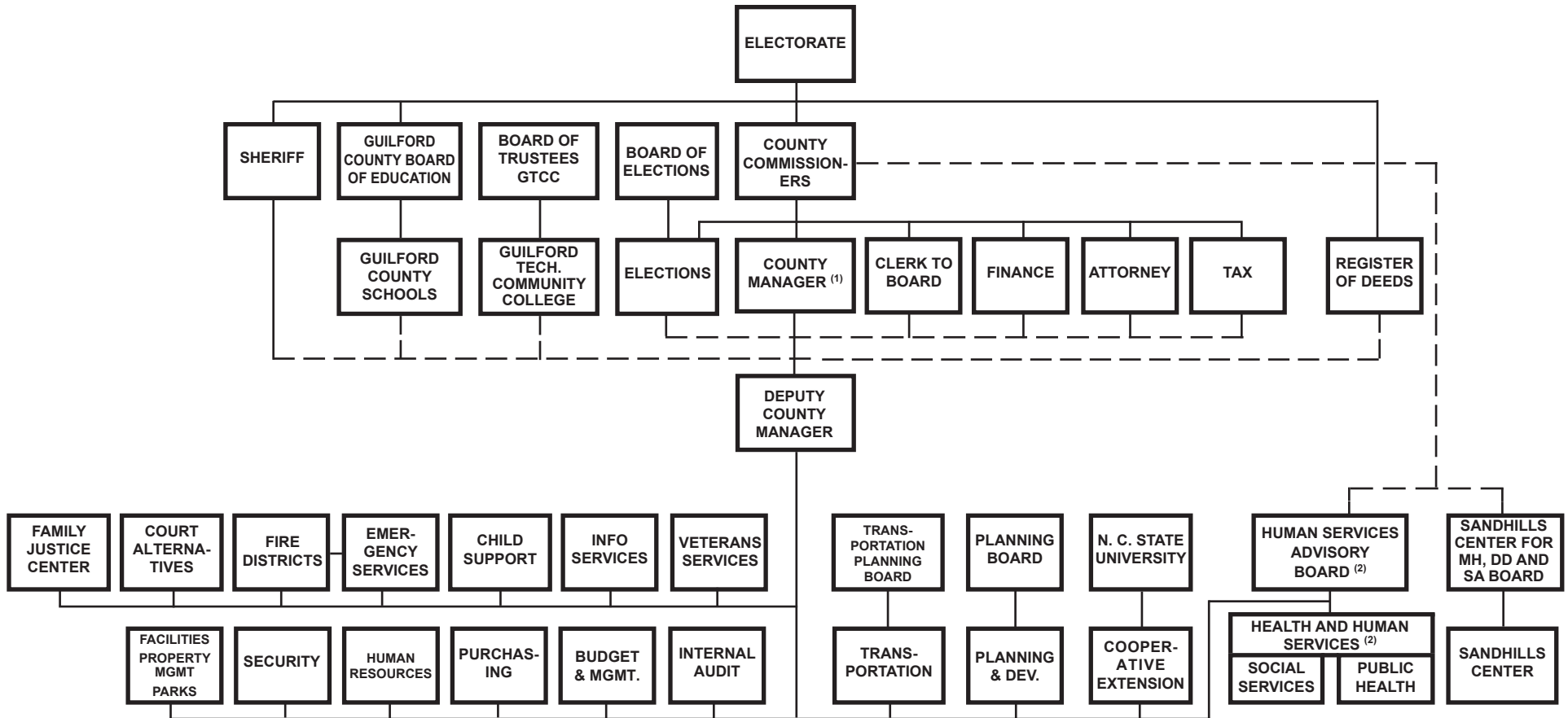
## **County Manager**

**Marty K. Lawing**

## **Finance Director**

**N. Reid Baker III, CPA**

# 2014-15 ORGANIZATIONAL CHART GUILFORD COUNTY, NORTH CAROLINA



AIX

(1) Information from any source for the Board of Commissioners regarding County policy and substantial fiscal matters is generally through the County Manager, the chief administrative officer of the County on behalf of the Board.

(2) Effective May 22, 2014, the Board of County Commissioners assumed the powers and duties of the separate Boards of Social Services and Public Health and created both a consolidated human services agency (the Department of Health and Human Services) and the Human Services Advisory Board.

**NOTE:** Dotted line denotes substantial fiscal and/or appointive control. As shown above, the Deputy County Manager serves in a coordinative capacity regarding the activities of the agencies shown.

# Financial Section

## Report of Independent Auditor

The Board of County Commissioners  
Guilford County, North Carolina

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Guilford County, North Carolina (the "County"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2015, and the respective changes in financial position and cash flows, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.



## **Emphasis of Matter**

As discussed in Note IV K to the basic financial statements, the County adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. As a result, net position as of June 30, 2014 has been restated. Our opinion is not modified with respect to these matters.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the County. The introductory section, combining and individual fund statements and schedules, additional financial data, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2015 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Raleigh, North Carolina  
October 31, 2015

# MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Guilford County, we are presenting to the readers of Guilford County's financial statements this narrative overview and analysis of the financial activities of Guilford County for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the Introductory Section of this report on pages i - x.

## Financial Highlights

### *Government-Wide*

- The liabilities and deferred inflows of Guilford County exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$445.2 million (net position).
- The County's total net position increased by \$29 million compared to the prior year (as restated). This increase is dampened by spending on education capital projects. The County issues general obligation debt to fund school and community college construction and for which it remains responsible until the bonds are paid. The County School system and community college (separate entities) are the owners of the facilities (assets) that are renovated or constructed from the proceeds. Because the County has no corresponding asset to offset the liability it has incurred, the County's net position is reduced.
- The County's increase in net position was over and above the \$35 million spent on Education capital assets net of dedicated revenues which indicates that the remainder of the County's activities generated offsetting increases in net position of approximately \$64 million.
- The County's outstanding debt decreased by \$55.9 million to \$790.5 million during the fiscal year, while its investment in capital assets decreased only \$5.5 million to \$248.1 million.

### *The County's Funds*

- At the fiscal year end, Guilford County's governmental funds reported a combined fund balance of \$187.4 million, a decrease of \$21.2 million from the previous fiscal year end. Approximately 36.9% of this combined fund balance, or \$69.1 million, is non spendable or restricted. The decreases occurred in the Capital Outlay Funds from capital project expenditures funded mainly by bond issues during prior fiscal years.
- The fund balance of the County's General Fund increased \$11.9 million as revenues exceeded expenditures by \$16.8 million while net other financing sources and uses reduced this by \$4.9 million.
- The unassigned fund balance for the General Fund (the County's major operating fund) increased by \$5.5 million to \$84.9 million at fiscal year end equaling 15.6% of the total General Fund expenditures for the year.

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

## Overview of the Financial Report

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

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

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

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

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Guilford County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Guilford County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The fund financial statements provide more detailed information about the County's most significant funds.

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

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Guilford County maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and three capital projects fund types—the County Building Construction Fund, Water and Sewer Construction Fund, and School Capital Outlay Fund—all of which are considered to be major funds. During fiscal year 2015, all existing water and sewer projects were completed, the Water and Sewer Construction Fund was closed and all remaining equity was transferred to the County Building Construction Fund. Data from the other two governmental funds are combined into a single, aggregated presentation under nonmajor governmental funds.

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

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

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

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

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

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16-61 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information regarding Guilford County's progress in funding its obligations to provide certain pension benefits to its qualified employees, Register of Deeds and sworn law enforcement officers as well as other postemployment health care benefits to its retirees and their dependents. This supplementary information is required by generally accepted accounting principles and can be found on pages 64-67 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Guilford County, net position is negatively impacted by the fact that the County issues debt to fund the construction of capital assets that become the assets of other governmental entities upon completion. The County issues general obligation debt to fund the majority of the cost of constructing these assets. Liabilities and deferred inflows exceeded assets and deferred outflows by \$445.2 million at the close of the most recent fiscal year (net position). Comparative information for net position for the primary government is shown below in summarized form (see Table A-1).

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-1  
**GUILFORD COUNTY'S Net Position**  
(Primary Government)

	Governmental Activities	
	2015	2014
Current and other assets	\$ 268,712,808	276,892,130
Capital assets	<u>248,051,377</u>	<u>253,537,355</u>
<b>Total assets</b>	<b>516,764,185</b>	<b>530,429,485</b>
Deferred Outflows	<b>8,551,548</b>	<b>1,484,967</b>
Long-term liabilities outstanding	899,098,689	949,769,684
Other liabilities	<u>42,905,623</u>	<u>40,156,808</u>
<b>Total liabilities</b>	<b>942,004,312</b>	<b>989,926,492</b>
Deferred Inflows	<b>28,534,884</b>	<b>898,064</b>
Net position:	<b>(Restated)</b>	
Net investment in capital assets	142,750,411	140,904,947
Restricted	74,322,854	68,114,126
Unrestricted	<u>(662,296,728)</u>	<u>(667,929,177)</u>
<b>Total net position</b>	<b>\$ <u>(445,223,463)</u></b>	<b><u>(458,910,104)</u></b>

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

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

Guilford County, along with many other counties in North Carolina, issues debt to fund school facilities that become assets of the school district and community college facilities that become property of the community college. In addition, Guilford County has issued debt to fund water and sewer lines that become assets of various municipalities. General obligation bonds have been issued by the County to fund the majority of the cost of these assets. The County's liabilities at June 30, 2015 include outstanding general obligation debt of \$636.8 million (\$2.4 million are bond anticipation notes) and limited obligation bonds of \$16.8 million related to funding these non-county assets. This represents 87.7% of the County's outstanding bonded debt. Because the County does not retain the related assets, this debt liability (less any unspent proceeds) reduces the County's total net position and presents a less favorable picture as compared to governments that do not extensively fund the capital assets of other governmental entities. Comparative information for changes in net position for the primary government is shown below (see Table A-2).

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	Governmental Activities	
	2015	2014
<b>Revenues</b>		
<b>Program revenues</b>		
Charges for services	\$ 38,868,916	39,643,583
Operating grants and contributions	82,024,988	75,214,658
Capital grants and contributions	139,573	460,052
<b>General revenues</b>		
Taxes:		
Property taxes for general purposes	358,939,154	360,244,176
Property taxes for fire districts	13,123,817	11,935,061
Sales taxes for general purpose	59,767,510	54,873,264
Sales taxes for fire districts	2,554,151	2,163,798
Sales taxes for school capital/debt	16,599,395	15,346,062
Occupancy taxes for tourism development	5,371,235	4,909,445
Other taxes	3,224,990	2,740,483
Grants and contributions not restricted	1,540,704	1,985,093
Unrestricted investment earnings	983,438	983,218
Other	499,868	203,773
<b>Total revenues</b>	<b>583,637,739</b>	<b>570,702,666</b>
<b>Expenses</b>		
General government	40,163,299	40,117,035
Human services	126,324,488	124,275,553
Public safety	119,621,993	115,011,980
Environmental protection	1,422,030	1,372,025
Culture and recreation	6,209,636	6,191,194
Economic development/urban redevelopment	9,526,319	9,802,441
Education	227,558,717	275,978,578
Interest on long-term debt	23,819,755	26,275,019
<b>Total expenses</b>	<b>554,646,237</b>	<b>599,023,825</b>
<b>Changes in net position</b>	<b>28,991,502</b>	<b>(28,321,159)</b>
Net position at beginning of year	(458,910,104)	(430,588,945)
Restatement	(15,304,861)	-
Net position at end of year	<b>\$ (445,223,463)</b>	<b>(458,910,104)</b>

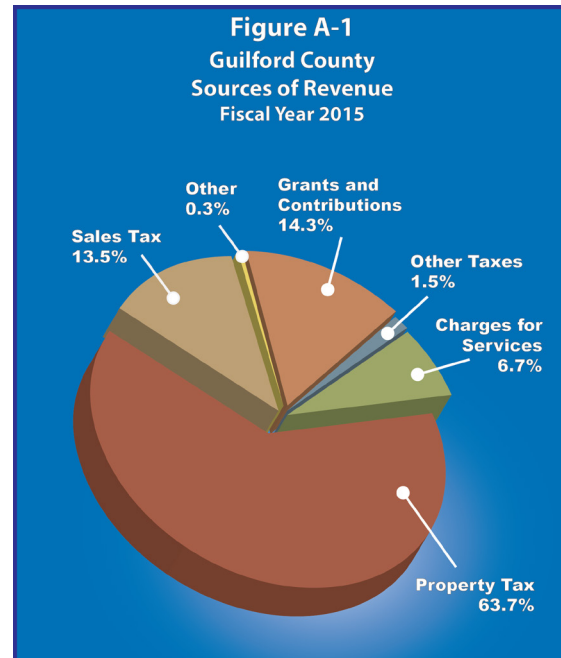
The County implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, beginning July 1, 2014. Two of the County's pensions, the North Carolina Local Government Employees' Retirement System and Register of Deeds' Supplemental Pension Fund, fall under the scope of Statement 68. The implementation required a restatement to reduce beginning net position by \$15.3 million to record a proportionate share of a net pension asset and net pension liability as well as deferred outflows of resources for County contributions made during the measurement period (fiscal year ending June 30, 2014). Decisions regarding the allocations were made by plan administrators, not by Guilford County management.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As noted in the highlights Guilford County's net position (as restated) increased \$29 million during the current fiscal year partly as a result of increased program and general revenues net of increased expenses other than capital funding provided for school and community college facilities from bond proceeds and other sources. The expenses under the education activity include \$34.9 million in capital spending with \$32.2 million for school facilities and \$2.7 million for community college facilities. The increased net position is primarily a result of the decreased education capital spending down \$51.6 million from the prior fiscal year's \$86.5 million.

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

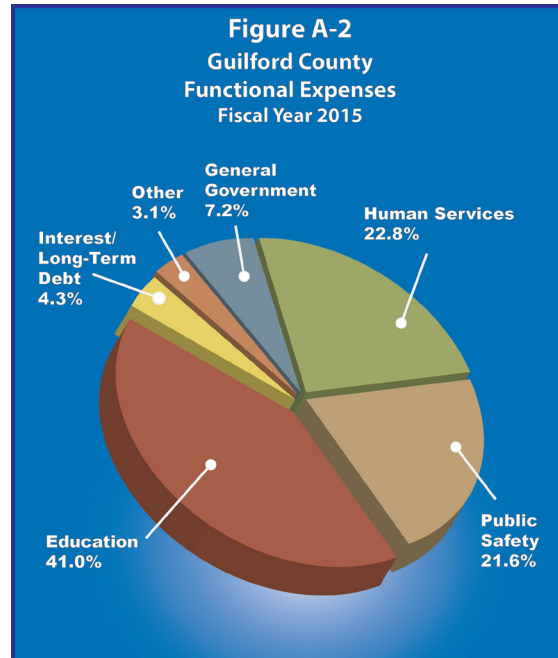
- Guilford County's activities would increase net position even more if the expenses related to capital funding provided to outside entities and debt and restricted revenue supporting these expenses were eliminated.
- Program revenues covered 21.8% of program expenses, increasing from 19.3% last year.



- Program revenues totaled \$121 million increasing by \$5.7 million from the previous year. Charges for services decreased relative to the prior year \$0.8 million to \$38.9 million. Operating grants from the State and Federal government increased \$6.8 million to \$82 million while capital grants and contributions decreased \$0.3 million to \$0.1 million. Human Services and Public Safety charges for services were down \$1.1 million and \$0.1 million, respectively, while Economic Development and Assistance was up \$0.5 million. The most significant decrease in Human Services was \$1 million in Public Health. The net increases in departmental charges for services and operating and capital grants are due principally to the same changes in governmental fund charges for services and intergovernmental revenues that are more fully discussed under this section.
- General revenues totaled \$462.6 million increasing by \$7.2 million over the previous year. Property tax revenue decreased \$0.1 million to \$372.1 million as the County-wide tax rate remained at \$.77 per hundred of assessed value. Sales tax revenue increased \$6.5 million to \$78.9 million. The remaining general revenues increased \$0.8 million overall.
- Expenses decreased 7.4% or \$44.4 million to \$554.6 million. Education expenses were down \$48.4 million or 17.5% due mainly to a decrease in capital funds expended by the schools and community college as operating funds increased \$3.1 million. Interest on long-term debt decreased 9.3% or \$2.5 million to \$23.8 million as principle continues to pay down without a bond issue. Human services expenses increased \$2 million or 1.6% due mainly to Medicaid administration related costs in Social Services. Public safety expenses increased \$4.6 million or 4% due to increased Law Enforcement salaries and benefits mainly in Detention Services and increased funding to the rural Fire Districts. The remaining functional levels of general

## MANAGEMENT'S DISCUSSION AND ANALYSIS

government, environmental protection, culture/recreation and economic development had only minor changes from FY2014. These changes in expenses are due principally to the same changes in governmental fund expenditures that are more fully discussed under this section. In addition, pension expenditures at the fund level are reduced \$7.3 million overall from the current year implementation of Governmental Accounting Standards Board Statement Nos. 68 and 71 offset somewhat by an increased expense of \$4.1 million from the current year Internal Service Fund operating loss allocation of \$1.2 million versus the prior year gain of \$3 million. Also, Human Resources expenses are not decreased by the \$0.8 million Guilford County portion of the retiree premium that decreased in the General Fund as it gets allocated to all departments in the Statement of Activities.



- Net position (as restated) increased \$29 million versus a \$28.3 million decline in the previous year. Increases in program and general revenues net of increased expenses other than capital funding provided to outside entities continues to generate net position.

### Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Guilford County's governmental funds reported combined ending fund balances of \$187.4 million, a decrease of \$21.2 million in comparison with the prior year. Most of the decrease is attributable to the current expenditure of general and limited obligation bonds for school, community college, park and water and sewer capital projects. Other sources of funds were expended on public safety and other capital projects as well. The fund balance available for appropriation, which is not reserved under North Carolina general statutes, makes up 71.4% of the total or \$133.7 million. The remainder of fund balance is reserved to indicate that it is not available for general purposes because it is legally restricted or has been contractually committed: (1) non spendable prepaid expenses and inventories (\$1.3 million), (2) to liquidate contracts and purchase orders of the prior period (\$12.3 million), or (3) reserved under other state statutory requirements (\$40.1 million).

Approximately \$15.5 million of the available fund balance is restricted for a specific purpose, mainly capital, while another \$17.2 million has been committed for a specific purpose, again mainly capital. Assigned fund balance of \$32.6 million has for the most part been appropriated in the FY2016 budget or assigned towards capital projects. The unassigned fund balance totals \$68.5 million.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The General Fund is the chief operating fund of Guilford County. At the end of the current fiscal year, fund balance available in the General Fund was \$116.6 million, up \$6.6 million, while total fund balance rose \$11.9 million to \$163 million. Fund balance may be available for restricted, committed, assigned or general purposes. As a measure of the General Fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures. Available fund balance represents 21.4% of total General Fund expenditures, while total fund balance represents 29.9% of that same amount. The Local Government Commission (LGC), which is established by statute to oversee local government financial affairs, has recommended that the General Fund undesignated fund balance (as defined prior to GASB Statement No. 54) be maintained at a minimum level of eight percent of the subsequent year's budget. This undesignated fund balance, or Guilford County's current unassigned fund balance of \$84.9 million is equal to 14.48% of the fiscal year 2015-16 General Fund budget.

The fund balance of Guilford County's General Fund increased \$11.9 million during the current fiscal year. Revenues of \$562.6 million were more than expenditures by \$16.8 million and other financing sources and uses reduced this by \$4.9 million. Revenue was up 1.7% over all, increasing by \$9.6 million over last fiscal year. General Fund revenue activities are as follows:

- Property tax revenue decreased to \$360.9 million, down \$2 million or 0.6% due to a decrease in prior year collections as well as a prior year windfall of vehicle taxes from the statewide change that requires a tax payment prior to a vehicle license tag renewal. Current non-vehicle revenue increased \$6.1 million. Overall, assessed values increased from \$46.3 billion to \$46.6 billion while the County-wide tax rate remained at \$.77 per hundred of assessed value.
- Sales tax revenue in the General Fund increased by \$6.1 million or 8.8% to \$76.4 million as taxable retail sales increased \$578.6 million or 9.85% to \$6.4 billion.
- Excise tax revenue remained down from its highs due to the slumping real estate market although continued modest increases over recent fiscal years is encouraging.
- Charges for services decreased \$1.9 million to \$32.4 million, down 5.5%. The most significant decreases were in Public Health for \$1 million, Emergency Services for \$0.4 million and Elections for \$0.3 million. The Public Health decrease was due to the State not settling and paying timely additional Medicaid funds due the County. Ambulance fees and the Medicaid settlement were down in Emergency Services while Elections revenues did not include participation by any municipalities from a local election.
- Intergovernmental revenue increased \$5.6 million or 7.3% to \$82.3 million. Most of the change is related to Social Services up \$5.5 million due in part to increased Medicaid Administrative funds to support additional costs to transition to new Medicaid eligibility processes using the State NC FAST system.
- Investment income for the General Fund decreased by \$0.1 million to \$0.5 million due to continued record low interest rates decreasing yields as well as a lower average invested balance.
- Other revenues increased \$1.4 million, up 22.6%.

General Fund expenditures were \$545.8 million, increasing \$8.5 million or 1.6% from last year. Highlights of significant areas of change include:

- Debt service costs decreased \$0.2 million to 83 million due mainly to increased principal costs offset by decreased interest costs as legal, liquidity and remarketing costs remained stable.
- Public Safety expenditures increased \$2.6 million to \$97.3 million, a 2.8% increase mainly in Law Enforcement expenditures which increased \$2.2 million, up 3.6% as salaries and benefits were up \$2 million, mainly in the Detention Division. All other Public Safety department increases totaling \$0.4 million were spread among the remaining departments.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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- General Government expenditures increased only \$0.2 million, due mainly to decreases in Human Resources of \$0.7 million primarily for retiree health care offset by a \$0.5 million increase in Information Services' personnel and technology equipment costs. Smaller increases and decreases were generally spread among the other departments.
- Human Services expenditures increased \$3.1 million, up 2.6% due mainly to increased expenditures of \$2.6 million in Social Services for additional staffing, technology and temp service costs mainly for Medicaid administration and \$0.5 million in Public Health. Less significant increases and decreases were spread among the other departments.
- Economic Development and Assistance expenditures decreased \$0.4 million to \$1.4 million, down 19.9% due to decreased economic incentive payments.
- Education expenditures increased \$3.1 million as the Guilford Technical Community College funding increased \$0.9 million to \$13.3 million while the Guilford County Schools amount increased \$2.2 million to \$179.4 million.

The other major governmental funds are the following three capital outlay funds: County Building Construction, which primarily handles capital projects in which the assets are retained entirely or in part by the County; Water and Sewer Construction Fund, which funds the construction of water and sewer lines and facilities which are transferred to the cities and towns upon completion; and School Capital Outlay Fund which funds the construction of school buildings and facilities for the Guilford County Board of Education and Guilford Technical Community College.

The County Building Construction Fund fund balance decreased \$2.3 million. Revenue and other sources included \$0.1 million from park grants, \$0.4 million from outside agencies for their portion of the Greene Street Center and 800 MHz Radio Replacement projects due in FY2015, and \$1.2 million transfer of County funds from the closing of the Water and Sewer Construction Fund. Expenditures of \$4.4 million included general government projects of \$0.5 million mainly for the renovation of buildings; public safety projects of \$1.4 million included \$1 million for the 800 MHz Radio and Infrastructure projects as well as \$0.3 million for the Law Enforcement Special Operations Building project; while park projects with total expenditures of \$2.5 million included expenditures for park improvements, a new swimming pool and open space acquisitions.

The Water and Sewer Construction Fund was closed during the fiscal year after completion of the remaining projects budgeted. Fund balance decreased \$2.5 million prior to closure as minimal fees and other revenues were less than expenditures of \$2.6 million. All remaining funds totaling \$1.2 million were transferred out to the County Building Construction Fund upon closing.

The School Capital Outlay Fund fund balance decreased \$27.6 million to a \$6 million deficit as the 2012 bond issues continued to be utilized as the major funding source. Other financing sources were \$5.3 million transfers in from the General Fund and \$2.3 million bond anticipation notes issued from the \$50 million authorization. Expenditures of \$34.9 million consisted of \$32.2 million and \$2.7 million for Guilford County Schools and Guilford Technical Community College projects, respectively. The deficit is due to year end accounts payable and funding for the future payments is available from the bond anticipation notes with a remaining authorization at June 30, 2015 of \$47.65 million.

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

Operating expenditures of internal service operations exceeded operating revenues by \$1.2 million. Non-operating revenue (net investment gain) added \$0.1 million resulting in an overall loss of \$1.1 million.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The County anticipated using up to \$1.1 million to reduce excess reserves based on the original annual financial plan. The sole purpose of the fund is the operation of the County's risk management programs. The overall loss was generated from the Risk Retention programs (Liability, Property and Workers' Compensation) as claims, insurance and administrative costs exceeded premium and other revenues by \$3 million, partially offset by a \$1.9 million gain generated from the Health Care and Wellness programs.

### General Fund Budgetary Highlights

The final General Fund budget for fiscal year 2014-15 was \$577.7 million, an increase of \$10.1 million from the original budget of \$567.6 million which is a 1.8% increase.

Table A-3 Summary of GUILFORD COUNTY'S Additional Appropriations (General Fund)			
	<u>Sources</u>		<u>Uses</u>
Fund Balance	\$ 6,015,846	County Administration	\$ (482,772)
		Human Resources	(1,494,981)
Intergovernmental Revenue	3,747,324	Information Services	693,028
		Facilities	830,950
Transfers In	233,686	Public Health	348,205
		Social Services	1,569,974
		Law Enforcement	5,473,596
		Economic Development & Assistance	2,064,426
Other Sources	64,372	Other Uses	1,058,802
	<u>\$ 10,061,228</u>		<u>\$ 10,061,228</u>

The County amends its budget each year to carry forward outstanding encumbrances from the prior year utilizing fund balance. The carry forward budget amendment for the fiscal year ending June 30, 2015 was \$4.9 million for all General Fund departments. This accounts for most of the \$6 million additional fund balance appropriation, representing 59.8% of the budget increase. Guilford County typically increases its budget appropriation as a result of additional State and Federal funding received during the fiscal year. These grant funds generally provide funding for Economic Development; various human services programs of the Health and Human Services Department's Social Services and Public Health divisions; and the public safety programs of the Law Enforcement, Emergency Services, and other public safety departments. The increase in this type of funding reported as intergovernmental revenues was \$3.7 million or 37.2% of the budget increase. Other changes during the year resulted in small increases in several other revenues and a transfer in totaling \$0.3 million. Decreases in County Administration and Human Resources are mainly to transfer appropriations from Administration's contingency budget and transfer merit pool funds to the individual departments.

The final General Fund budget for fiscal year 2014-15 was \$577.7 million, increasing \$7.6 million over the previous year's final budget. Significant increases in Public Safety, Education and Transfers Out were buffered by decreases to General Government and Economic Development and Assistance. Public Safety departments increased \$4.8 million mainly in Law Enforcement and Emergency Services by \$3.8 million and \$0.8 million, respectively. Law Enforcement was mainly for eight new detention officers, replacement vehicles and technology warranties, replacements and upgrades and Emergency Services was to fund operations of a new EMS facility as well as Guilford-Metro 911 increases. Education increased \$3.1 million for Guilford County Schools (GCS) and Guilford Technical Community College (GTCC) operations by \$2.2 million and \$0.9 million, respectively. Transfers Out increased \$2.3 million with increases to GCS and

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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GTCC capital outlay of \$2.8 million and \$1.5 million, respectively offset by a decrease to County capital projects of \$2 million. General Government departments decreased \$1.8 million overall and in Human Resources specifically due mainly to decreases to retiree health care premiums and to funding for the implementation of an employee equity pay study. Other General Government departments had less significant decreases and increases that offset each other. While Human Services departments had no significant overall change, an increase of \$2.7 million to Social Services was offset mainly by decreases in Public Health of \$0.6 million and Mental Health of \$1.3 million. Social Services increased due to additional staffing and temp service costs mainly for Medicaid administration while the Mental Health decrease related to carryover obligations during the prior year that ceased with County only funding for these services to a separate Authority. Economic Development & Assistance decreased \$1.1 million from a lower original budget for potential incentive payments as well as less grants and carryover of incentive obligations encumbered at year end and not yet earned by the companies. General Fund expenditures and other uses for the 2015 fiscal year were 95.4% of the final budget, similar to the 94.8% from fiscal year 2014.

The resulting \$26.6 million variance in the actual expenditures and other uses from the final budget versus \$29.8 million in the prior fiscal year continues to exceed the typical range. Variances usually result from conservative budget practices such as, budgeting fully for positions in many departments; the need to allow for fluctuation in Public Assistance, grant programs and management of the large number of service contracts in the Human Services area; capital purchases which are not completed at year end; and budgeting conservatively for interest on variable-rate bonds. The variances above the typical range occurred in Debt Service as a planned issue was delayed because Guilford County Schools and Guilford Technical Community College were not spending on capital projects as quickly as cash flow data projected and the County issued bond anticipation notes in lieu of an immediate bond issue for some limited cash flow needs. The Law Enforcement and Emergency Services variances increased \$1.6 million and \$0.8 million partly from vehicle orders that were not delivered by year end. Otherwise, variances generally declined as budgets continued to tighten throughout the County. The \$2 million decrease in the General Government variances included \$1.1 million in the Human Resources department due to a delayed implementation of a pay equity study until FY2015. The \$2.6 million decrease in the Human Services variances was concentrated in the Public Health and Mental Health departments by \$1.1 million each.

### **Capital Asset and Debt Administration**

**Capital assets.** Guilford County's investment in capital assets for its governmental activities as of June 30, 2015, amounts to \$248.1 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, vehicles, intangibles, and construction in progress. Infrastructure capital assets at the County's park facilities and watershed facilities have been included under improvements since the amounts are relatively insignificant. Guilford County's net decrease in its investment in capital assets was \$5.5 million during the current fiscal year.

Construction in progress increased \$2.5 million before transfers, mainly for the Family Justice Center (Greene Street Center project) Law Enforcement Special Ops Building and Hagan-Stone Park Pool. Buildings increased \$0.6 million mainly from closing the completed Family Justice Center renovations (Greene Street Center project) out of construction in progress. Also included was a building at Hagan-Stone Park. Improvements other than buildings increased \$2.5 million before depreciation, mainly in Triad Park and closing the completed Hagan-Stone Swimming Pool project out of construction in progress. Machinery and equipment increased \$1.2 million before depreciation as additions of \$1.6 million mainly for public safety communication and other equipment outpaced disposals. Vehicles decreased \$0.2 million, before depreciation as additions of \$1.6 million mainly for Fleet, Law Enforcement and Emergency Services were outpaced by disposals due to vehicle orders that

## MANAGEMENT'S DISCUSSION AND ANALYSIS

were not received by year end. Intangible assets increased \$0.2 million before depreciation from the County's financial system software upgrade.

Additional information on Guilford County's capital assets can be found in Note III. C. on pages 31 and 32 of this report.

Table A-4		
<b>GUILFORD COUNTY'S Capital Assets</b>		
(Net of Accumulated Depreciation)		
	Governmental Activities	
	2015	2014
Land	\$ 49,890,491	49,920,583
Buildings	161,445,083	166,165,111
Improvements other than buildings	11,569,439	10,063,095
Machinery and equipment	16,913,187	17,852,288
Vehicles	3,649,520	4,458,332
Construction in progress	386,389	145,740
Intangibles	4,197,268	4,932,206
<b>Total</b>	<b><u>\$ 248,051,377</u></b>	<b><u>253,537,355</u></b>

**Debt Administration.** At the end of the current fiscal year, Guilford County had total bonded debt outstanding of \$743.2 million, \$726.4 million of which were general obligation bonds backed by the full faith and credit of the County and \$16.8 million of which were limited obligation bonds backed by collateral. In addition there were \$46.8 million in unamortized bond issuance premiums, \$2.3 million of bond anticipation notes and \$3.8 million of obligations under capital leases and installment financings all net of interest rate swap termination charges of \$5.8 million. Guilford County's total debt decreased \$55.9 million during the fiscal year, due mainly to \$53.3 million of scheduled principal payments on general obligation bonds and other debt.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to eight percent of its total assessed valuation. The current debt limitation for Guilford County is \$3.7 billion, which is significantly in excess of Guilford County's outstanding and unissued general obligation debt.

Additional information on Guilford County's long-term debt can be found in Note III. E. on pages 33-37 of this report.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-5  
**GUILFORD COUNTY'S Outstanding Debt**

	<b>Governmental Activities</b>	
	2015	2014
General obligation bonds	\$ 726,380,000	778,375,000
Plus bond issuance premiums	46,811,655	52,674,184
Less swap termination fees	(5,758,459)	(6,723,073)
Limited obligation bonds	16,845,000	16,845,000
Bond anticipation notes	2,350,000	50,000
Capital leases and purchase money installment contracts	3,826,754	5,102,338
<b>Total</b>	<b>\$ 790,454,950</b>	<b>846,323,449</b>

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

- The County's fiscal 2016 General Fund budget has increased by \$18.7 million from the fiscal year 2015 original budget to \$586.4 million, a 3.3% increase.
- The General Fund appropriated fund balance of \$27.1 million for the fiscal year 2016 is \$0.7 million more than last year's original General Fund budget, and maintains a stable unassigned fund balance at June 30, 2015 of 14.48% of the 2016 budget, up from the 14% at June 30, 2014. Increases to appropriations from generally available fund balance were \$2.8 million while decreases to appropriations from restricted, committed and assigned funding sources accounted for \$2.1 million. While the budget again did not provide for a post employment benefit contribution to a pension trust fund in the amount of \$2 million as in fiscal years 2010 - 2013, the Board and management have seen a positive impact on the latest actuarial valuation due to changes in the Health Care Plan.
- The General Fund ad valorem tax rate levied for fiscal year 2016 is \$.76 per \$100 valuation, a decrease of \$.01 from the 2015 level of \$.77. The rate decrease combined with a 2.25% increase in the County's estimated tax base to \$47 billion will add \$6.2 million in current tax revenue, a 1.8% increase over the previous year. This increase is slightly bolstered as well by an increase in prior year's tax revenue of \$0.5 million. Estimated sales tax revenue of \$75 million for the fiscal year 2016 is \$5.2 million greater than last year's original General Fund budget, up 7.5%. Other significant changes in revenue include increases in intergovernmental revenue of \$3.6 million and net increases in other sources (mainly user charges and interest on taxes) totaling \$2.6 million.
- The General Fund budgets with the most significant decreases are Human Resources and Public Assistance Mandates. The Human Resources budget is down \$0.9 million or 10.4% to \$7.8 million due mainly to allocating merit funds to each department instead of initially budgeting them in Human Resources. The Public Assistance Mandates budget is down \$0.9 million or 15.1% to \$4.8 million to better align expected costs in the Special Assistance to Adults and Medical Assistance programs.
- The 2016 General Fund budgets with the most significant increases over the 2015 amounts are Education related as operating support increased \$5.1 million or 2.6% to \$197.7 million with appropriations to Guilford County Schools up \$4 million to \$183.4 million and to

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Guilford Technical Community College up \$1.1 million to \$14.4 million. Capital support increased with Transfers Out to Guilford County Schools Capital Outlay up \$1.2 million to \$5 million and to Guilford Technical Community College Capital Outlay for \$1.5 million. Pay-as-you-go financing of County capital needs was reinstated at a level of \$1.8 million. Other significant increases were to Social Services up \$3.2 million or 4.6% to \$73.3 million mainly to fund additional personnel costs to help meet the County's Medicaid eligibility and adult services responsibilities and service costs to continue transition to new Medicaid eligibility processes using the State NC FAST system; Emergency Services up \$1.6 million or 6.4% to \$27.1 million mainly to fund increased Medical and Fire personnel, equipment replacement and training costs as well as Guilford-Metro 911 operations; Debt Service up \$1.2 million or 1.4% to \$92.2 million; Elections up \$1.2 million or 72.3% to \$2.9 million to fund a number of election cycle changes; and Law Enforcement up \$1.1 million or 1.7% to \$64.9 million for additional personnel costs including ten new positions.

### **Requests for Information**

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

# Basic Financial Statements

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The Basic Financial Statements consist of the government-wide financial statements which display all the financial activities except fiduciary activities of the County and its discretely presented component units; the fund financial statements which provide information about the County's funds, including its fiduciary funds; and the notes to the financial statements. They present the financial position of Guilford County, North Carolina as of June 30, 2015, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.



**GUILFORD COUNTY, NORTH CAROLINA**

**Statement of Net Position**

June 30, 2015

**Exhibit 1**

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental</u>	<u>Greensboro/Guilford</u>
	<u>Activities</u>	<u>County Tourism</u>
		<u>Development Authority</u>
<b>Assets</b>		
Cash and cash equivalents/investments	\$ 200,152,628	3,489,141
Receivables:		
Property taxes (net)	5,010,453	-
Accrued interest on property taxes (net)	844,267	-
Other taxes	518,596	-
Due from governmental units and agencies	36,928,865	79,828
Due from primary government	-	314,954
Service fees (net)	2,826,904	-
Special assessments	787,101	-
Accrued interest on investments	111,586	1,801
Other	4,353	4,504
Total receivables	<u>47,032,125</u>	<u>401,087</u>
Deposits and other assets	9,675,662	-
Net pension asset	11,852,393	-
Total non-capital assets	<u>268,712,808</u>	<u>3,890,228</u>
Non-depreciable capital assets	50,500,880	-
Depreciable capital assets (net)	197,550,497	125,107
Total capital assets	<u>248,051,377</u>	<u>125,107</u>
Total assets	<u>516,764,185</u>	<u>4,015,335</u>
<b>Deferred Outflows of Resources</b>		
Unamortized bond refunding charges	734,940	-
Related to pension plans	7,816,608	-
Total deferred outflows of resources	<u>8,551,548</u>	<u>-</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	40,816,452	356,033
Due to component unit	314,954	-
Deposits	402,581	-
Derivative instrument - rate swaps	1,371,636	-
Current portion of long-term liabilities	61,382,911	-
Noncurrent portion of long-term liabilities	837,715,778	-
Total liabilities	<u>942,004,312</u>	<u>356,033</u>
<b>Deferred Inflows of Resources</b>		
Unearned revenue	974,075	-
Related to pension plans	27,560,809	-
Total deferred inflows of resources	<u>28,534,884</u>	<u>-</u>
<b>Net Position</b>		
Net investment in capital assets	142,750,411	125,107
Restricted for:		
Stabilization by State statute	53,638,367	578,717
Self-funded insurance deposits	9,330,082	-
Guilford County Schools capital outlay	4,813,067	-
Other purposes	6,541,338	-
Unrestricted (deficit)	<u>(662,296,728)</u>	<u>2,955,478</u>
Total net position	\$ <u>(445,223,463)</u>	<u>3,659,302</u>

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

**GUILFORD COUNTY, NORTH CAROLINA**  
**Statement of Activities**  
**For the fiscal year ended June 30, 2015**

**Exhibit 2**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	Greensboro/Guilford County Tourism Development Authority
<b>Primary Government:</b>						
Governmental activities:						
General government	\$ 40,163,299	6,219,877	55,002	-	(33,888,420)	-
Human services	126,324,488	7,967,733	71,149,616	27,628	(47,179,511)	-
Public safety	119,621,993	23,211,790	1,940,793	111,945	(94,357,465)	-
Environmental protection	1,422,030	50,018	954,951	-	(417,061)	-
Culture - recreation	6,209,636	887,220	201,525	-	(5,120,891)	-
Economic development and assistance	9,526,319	526,389	284,805	-	(8,715,125)	-
Education	227,558,717	-	(52,592)	-	(227,611,309)	-
Interest on long-term debt	23,819,755	5,889	7,490,888	-	(16,322,978)	-
Total primary government	<u>\$ 554,646,237</u>	<u>38,868,916</u>	<u>82,024,988</u>	<u>139,573</u>	<u>(433,612,760)</u>	<u>-</u>
<b>Component Unit:</b>						
Greensboro/Guilford Co Tourism Dev Authority:						
Tourism promotion and development	<u>\$ 4,149,513</u>	<u>55,556</u>	<u>4,700,418</u>	<u>-</u>	<u>-</u>	<u>606,461</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes					358,939,154	-
Property taxes, levied for fire districts					13,123,817	-
Sales taxes, levied for general purposes					59,767,510	-
Sales taxes, levied for fire districts					2,554,151	-
Sales taxes, levied for school capital and/or debt					16,599,395	-
Occupancy taxes, levied for tourism development					5,371,235	-
Excise tax					2,434,052	-
Local gross receipts taxes					790,938	-
Grants and contributions not restricted to specific programs					1,540,704	-
Unrestricted investment earnings net of fair value increase of investment derivatives					983,438	7,870
Other					499,868	-
Total general revenues					<u>462,604,262</u>	<u>7,870</u>
Change in net position					28,991,502	614,331
Net position at beginning of year:						
As previously reported					(458,910,104)	3,044,971
Restatement					(15,304,861)	-
As restated					<u>(474,214,965)</u>	<u>3,044,971</u>
Net position at end of year					<u>\$ (445,223,463)</u>	<u>3,659,302</u>

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

**GUILFORD COUNTY, NORTH CAROLINA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**

**Exhibit 3**

	General	County Building Construction	Water and Sewer Construction	School Capital Outlay	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents/investments	\$ 140,861,295	27,819,742	-	334,752	1,751,734	170,767,523
Receivables:						
Property taxes (net)	4,891,802	-	-	-	118,651	5,010,453
Accrued interest on property taxes (net)	844,267	-	-	-	-	844,267
Other taxes	68,662	-	-	-	449,934	518,596
Due from governmental units and agencies	34,813,892	446,453	-	837,979	825,219	36,923,543
Service fees (net)	2,534,422	-	-	-	-	2,534,422
Special assessments	-	787,101	-	-	-	787,101
Accrued interest on investments	83,526	11,589	-	-	767	95,882
Other	4,353	-	-	-	-	4,353
Total receivables	43,240,924	1,245,143	-	837,979	1,394,571	46,718,617
Deposits and other assets	1,268,584	-	-	-	-	1,268,584
Total assets	\$ <u>185,370,803</u>	<u>29,064,885</u>	<u>-</u>	<u>1,172,731</u>	<u>3,146,305</u>	<u>218,754,724</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 15,559,871	469,663	-	7,084,739	134,980	23,249,253
Due to component unit	-	-	-	-	314,954	314,954
Deposits	402,581	-	-	-	-	402,581
Total liabilities	15,962,452	469,663	-	7,084,739	449,934	23,966,788
Deferred Inflows of Resources	6,375,610	879,352	-	51,665	127,969	7,434,596
Fund balances:						
Non spendable	1,268,584	-	-	-	-	1,268,584
Restricted	49,782,226	9,379,617	-	5,651,046	3,018,336	67,831,225
Committed	16,630	12,796,001	-	4,349,557	-	17,162,188
Assigned	27,036,247	5,540,252	-	-	-	32,576,499
Unassigned	84,929,054	-	-	(15,964,276)	(449,934)	68,514,844
Total fund balances (deficits)	163,032,741	27,715,870	-	(5,963,673)	2,568,402	187,353,340
Total liabilities, deferred inflows of resources and fund balances	\$ <u>185,370,803</u>	<u>29,064,885</u>	<u>-</u>	<u>1,172,731</u>	<u>3,146,305</u>	<u>218,754,724</u>

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

**GUILFORD COUNTY, NORTH CAROLINA**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2015**

**Exhibit 4**

<b>Total fund balances - total governmental funds (Exhibit 3)</b>	<b>\$</b>	<b>187,353,340</b>
<p>Amounts reported for governmental activities in the statement of net position are different because (see also Note II.A.):</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		248,051,377
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows of resources in the funds. (Note II.A.1.)		6,641,821
Prepaid expenses (assets) consumed in governmental activities are not financial resources when reported as expenditures in the funds using the purchases method. (Note II.A.2.)		12,148,953
Deferred outflows (asset-like charges) as used in governmental activities are not financial resources and therefore are not reported in the funds. (Note II.A.3.)		8,544,242
The Internal Service Fund is used by management to charge the costs of risk management and insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the statement of net position. (See Exhibit 8)		29,914,127
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (Note II.A.4.)		(910,342,414)
Deferred inflows (liability-like credits) as used in governmental activities are not financial uses and therefore are not reported in the funds. (Note II.A.5.)		<u>(27,534,909)</u>
<b>Total net position of governmental activities (Exhibit 1)</b>	<b>\$</b>	<b><u>(445,223,463)</u></b>

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

**GUILFORD COUNTY, NORTH CAROLINA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the fiscal year ended June 30, 2015**

**Exhibit 5**

	General	County Building Construction	Water and Sewer Construction	School Capital Outlay	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes:						
Property taxes	\$ 360,929,655	-	-	-	13,176,754	374,106,409
Sales tax	76,366,905	-	-	-	2,554,151	78,921,056
Occupancy taxes	-	-	-	-	5,447,955	5,447,955
Excise tax	2,434,052	-	-	-	-	2,434,052
Local gross receipts tax	790,938	-	-	-	-	790,938
Licenses and permits	1,872,630	-	-	-	-	1,872,630
Intergovernmental	82,263,435	142,787	-	(52,592)	-	82,353,630
Charges for services	32,400,601	26,117	129,291	-	-	32,556,009
Investment earnings	494,644	50,789	-	-	2,100	547,533
Other	5,048,626	419,247	1,321	-	-	5,469,194
Total revenues	<u>562,601,486</u>	<u>638,940</u>	<u>130,612</u>	<u>(52,592)</u>	<u>21,180,960</u>	<u>584,499,406</u>
<b>Expenditures</b>						
Current:						
General government	41,862,561	-	-	-	-	41,862,561
Human services	123,157,149	-	-	-	-	123,157,149
Public safety	97,344,206	-	-	-	15,167,370	112,511,576
Environmental protection	1,368,887	-	-	-	-	1,368,887
Culture - recreation	5,031,761	-	-	-	-	5,031,761
Economic development and assistance	1,437,954	-	-	-	5,447,955	6,885,909
Intergovernmental:						
Education	192,658,088	-	-	34,900,629	-	227,558,717
Capital outlay	-	4,431,187	2,640,410	-	-	7,071,597
Debt service:						
Principal retirement	53,270,585	-	-	-	-	53,270,585
Interest and fiscal charges	29,718,383	-	-	-	-	29,718,383
Total expenditures	<u>545,849,574</u>	<u>4,431,187</u>	<u>2,640,410</u>	<u>34,900,629</u>	<u>20,615,325</u>	<u>608,437,125</u>
Excess (deficiency) of revenues over expenditures	<u>16,751,912</u>	<u>(3,792,247)</u>	<u>(2,509,798)</u>	<u>(34,953,221)</u>	<u>565,635</u>	<u>(23,937,719)</u>
<b>Other Financing Sources (Uses)</b>						
Bond anticipation notes issued	-	-	-	2,300,000	-	2,300,000
Transfers in	233,686	1,249,212	-	5,270,000	-	6,752,898
Transfers out	(5,270,000)	-	(1,249,212)	(233,686)	-	(6,752,898)
Sale of capital assets	187,320	250,000	-	-	-	437,320
Total other financing sources (uses)	<u>(4,848,994)</u>	<u>1,499,212</u>	<u>(1,249,212)</u>	<u>7,336,314</u>	<u>-</u>	<u>2,737,320</u>
Net changes in fund balances	11,902,918	(2,293,035)	(3,759,010)	(27,616,907)	565,635	(21,200,399)
Fund balances at beginning of year	151,129,823	30,008,905	3,759,010	21,653,234	2,002,767	208,553,739
Fund balances (deficits) at end of year	<u>\$ 163,032,741</u>	<u>27,715,870</u>	<u>-</u>	<u>(5,963,673)</u>	<u>2,568,402</u>	<u>187,353,340</u>

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

**GUILFORD COUNTY, NORTH CAROLINA**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the fiscal year ended June 30, 2015**

**Exhibit 6**

<b>Net changes in fund balances - total governmental funds (Exhibit 5)</b>	<b>\$ (21,200,399)</b>
<p>Amounts reported for governmental activities in the statement of activities are different because (see also Note II.B.):</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. (Note II.B.1.)</p>	(5,497,448)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to decrease net position. (Note II.B.2.)</p>	11,470
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds until they are available. (Note II.B.3.)</p>	(1,768,379)
<p>Increases (decreases) in the fair value of hedging derivatives reported as an addition to (a reduction of) investment earnings in the statement of activities do not provide (require the use of) current financial resources and, therefore, are not reported as revenues (expenditures) in the governmental funds. (Note III.E. Derivative Instruments)</p>	322,021
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal consumes the current financial resources. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (Note II.B.4.)</p>	50,970,584
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. Some expenditures reported in the governmental funds do require the use of current financial resources because items are prepaid using the purchases method and, therefore, are not reported as expenses in the statement of activities. (Note II.B.5.)</p>	7,205,725
<p>The Internal Service Fund is used by management to charge the costs of risk management and insurance to individual funds. The net gain of the Internal Service Fund is reported with governmental activities. (See Exhibit 9)</p>	<u>(1,052,072)</u>
<b>Change in net position of governmental activities (Exhibit 2)</b>	<b>\$ <u>28,991,502</u></b>

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

**GUILFORD COUNTY, NORTH CAROLINA**

**General Fund**

**Exhibit 7**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
For the fiscal year ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary and GAAP Basis</u>	<u>Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Taxes:				
Property taxes	\$ 349,553,000	349,553,000	359,194,070	9,641,070
Interest on delinquent property taxes	900,000	900,000	1,735,585	835,585
Total property taxes	350,453,000	350,453,000	360,929,655	10,476,655
Sales tax	69,800,000	69,800,000	76,366,905	6,566,905
Excise tax	1,900,000	1,900,000	2,434,052	534,052
Local gross receipts tax	687,000	687,000	790,938	103,938
Licenses and permits	1,644,236	1,644,236	1,872,630	228,394
Intergovernmental	78,383,957	82,131,281	82,263,435	132,154
Charges for services	34,343,003	34,316,124	32,400,601	(1,915,523)
Investment earnings	357,500	357,514	494,644	137,130
Other	3,619,806	3,711,043	5,048,626	1,337,583
Total revenues	<u>541,188,502</u>	<u>545,000,198</u>	<u>562,601,486</u>	<u>17,601,288</u>
<b>Expenditures</b>				
Current:				
General government	45,351,085	45,272,434	41,862,561	3,409,873
Human services	126,383,460	128,584,343	123,157,149	5,427,194
Public safety	98,387,425	103,995,240	97,344,206	6,651,034
Environmental protection	1,356,083	1,399,344	1,368,887	30,457
Culture - recreation	5,258,928	5,468,311	5,031,761	436,550
Economic development and assistance	2,013,699	4,078,125	1,437,954	2,640,171
Intergovernmental:				
Education	192,658,088	192,658,088	192,658,088	-
Debt service:				
Principal retirement	53,370,585	53,370,585	53,270,585	100,000
Interest and fiscal charges	36,089,927	36,104,038	29,718,383	6,385,655
Bond issuance costs	1,472,500	1,472,500	-	1,472,500
Total expenditures	<u>562,341,780</u>	<u>572,403,008</u>	<u>545,849,574</u>	<u>26,553,434</u>
Excess (deficiency) of revenues over expenditures	<u>(21,153,278)</u>	<u>(27,402,810)</u>	<u>16,751,912</u>	<u>44,154,722</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	233,686	233,686	-
Transfers out	(5,270,000)	(5,270,000)	(5,270,000)	-
Sale of capital assets	110,000	110,000	187,320	77,320
Total other financing sources (uses)	<u>(5,160,000)</u>	<u>(4,926,314)</u>	<u>(4,848,994)</u>	<u>77,320</u>
Net change in fund balances	<u>(26,313,278)</u>	<u>(32,329,124)</u>	<u>11,902,918</u>	<u>44,232,042</u>
Fund balances at beginning of year	151,129,823	151,129,823	151,129,823	-
Fund balances at end of year	\$ <u>124,816,545</u>	<u>118,800,699</u>	<u>163,032,741</u>	<u>44,232,042</u>

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

GUILFORD COUNTY, NORTH CAROLINA  
Statement of Net Position  
Proprietary Funds - Internal Service Fund  
June 30, 2015

Exhibit 8

	<b>Governmental Activities</b>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents/investments	\$ 29,385,105
Receivables:	
Due from governmental units and agencies	5,322
Service fees (net)	292,482
Accrued interest on investments	15,704
Total receivables	313,508
Deposits and other assets	9,330,528
Total current assets	39,029,141
Noncurrent assets:	
Net pension asset	10,224
Total assets	39,039,365
 <b>Deferred Outflows of Resources</b>	
Related to pension plans	7,306
 <b>Liabilities</b>	
Current liabilities:	
Accounts payable and accrued liabilities	7,695,110
Total liabilities	7,695,110
 <b>Deferred Inflows of Resources</b>	
Unearned revenues	1,411,534
Related to pension plans	25,900
Total deferred inflows of resources	1,437,434
 <b>Net Position</b>	
Restricted for self-funded insurance deposits	9,330,082
Unrestricted	20,584,045
Total net position	\$ 29,914,127

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



**GUILFORD COUNTY, NORTH CAROLINA**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds - Internal Service Fund**  
**For the fiscal year ended June 30, 2015**

**Exhibit 9**

	Governmental Activities
Operating revenues:	
Charges for services	\$ 39,663,032
Other	389,007
Total operating revenues	40,052,039
Operating expenses:	
Personal services	109,084
Other direct service costs	3,113
Professional services	1,538,352
Claims, premiums and bonding	39,562,383
Total operating expenses	41,212,932
Operating loss	(1,160,893)
Nonoperating revenues:	
Net investment gain	108,821
Change in net position	(1,052,072)
Net position at beginning of year:	
As previously reported	30,980,931
Restatement	(14,732)
As restated	30,966,199
Net position at end of year	\$ 29,914,127

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

**GUILFORD COUNTY, NORTH CAROLINA**  
**Statement of Cash Flows**  
**Proprietary Funds - Internal Service Fund**  
**For the fiscal year ended June 30, 2015**

**Exhibit 10**

	<b>Governmental Activities</b>
<b>Increase (decrease) in cash and cash equivalents:</b>	
<b>Cash flows from operating activities:</b>	
Cash received from user departments and participants	\$ 39,600,538
Other operating revenues	389,007
Cash paid to employees for services	(129,556)
Cash paid to suppliers, participants and others	<u>(38,870,678)</u>
Net cash provided by operating activities	<u>989,311</u>
<b>Cash flows from investing activities:</b>	
Interest and dividends on investments	<u>62,173</u>
Net increase in cash and cash equivalents	1,051,484
Cash and cash equivalents at beginning of year	<u>28,333,621</u>
Cash and cash equivalents at end of year	<u>\$ 29,385,105</u>
 <b>Reconciliation of operating loss to net cash provided by operating activities:</b>	
Operating loss	\$ <u>(1,160,893)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Change in assets, deferred outflows, liabilities and deferred inflows:	
Increase in accounts receivable	(101,480)
Increase in deposits and other assets	(96,677)
Increase in net pension asset	(10,224)
Increase in deferred outflows of resources - related to pension plans	(553)
Increase in accounts payable	2,425,190
Decrease in accrued salaries and benefits payable	(1,879)
Decrease in accrued vacation and compensatory benefits	(12,231)
Decrease in net pension liability	(21,485)
Decrease in deferred inflows of resources - unearned revenues	(56,357)
Increase in deferred inflows of resources - related to pension plans	<u>25,900</u>
Total adjustments	<u>2,150,204</u>
Net cash provided by operating activities	<u>\$ 989,311</u>

**Non-cash investing, capital and financing activities:**

During the year, deposits and other assets also increased by \$37,166 from a fund in the banking pool in which the County participates where the risk of loss is retained.

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

GUILFORD COUNTY, NORTH CAROLINA  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2015

Exhibit 11

	Pension Trust Funds	Agency Funds
<b>Assets</b>		
Pooled cash and cash equivalents/investments	\$ 1,096,086	\$ 909,256
State Treasurer's Local Government Other Post Employment Benefits (OPEB) Fund:		
Short-Term OPEB Fund	2,550,943	-
Long-Term OPEB Fund	1,036,891	-
OPEB Equity Fund	8,487,577	-
Cash and cash equivalents/investments	13,171,497	909,256
Receivables:		
Accrued interest on investments	567	-
Total assets	13,172,064	\$ 909,256
<b>Liabilities</b>		
Accounts payable and accrued liabilities	34,413	\$ 427,359
Representative payee clients payable	-	353,467
Due to other taxing units	-	128,430
Total liabilities	34,413	\$ 909,256
<b>Net Position</b>		
Held in trust for pension benefits	\$ 13,137,651	

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

**GUILFORD COUNTY, NORTH CAROLINA**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds - Pension Trust Funds**  
**For the fiscal year ended June 30, 2015**

**Exhibit 12**

	Pension Trust Funds
<b>Additions</b>	
Employer contributions	\$ 7,777,290
Retiree contributions	1,568,236
Net investment income	604,772
Total additions	9,950,298
 <b>Deductions</b>	
Benefits	9,185,686
Administrative expenses	34,773
Total deductions	9,220,459
Change in net position	729,839
Net position at beginning of year	12,407,812
Net position at end of year	\$ 13,137,651

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

**GUILFORD COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the fiscal year ended June 30, 2015**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

***Discretely presented component units.***

***Greensboro/Guilford County Tourism Development Authority***

The Greensboro/Guilford County Tourism Development Authority (the Authority) is a public authority under the North Carolina General Statutes, created to promote activities and programs which encourage travel and tourism to the area. The County is financially accountable for the Authority because it levies the occupancy tax which is the major source of the Authority's revenues and has final approval over the annual budget. The Authority, which has a June 30 year end, is presented as a governmental fund type. Of the \$5,447,955 County levied occupancy taxes earned and included as an economic development and assistance expense of the County, \$3,813,568 is reported as part of the Authority's operating grants and contributions program revenue along with \$955,898 from a separate City of Greensboro levy. The complete financial statements of the Authority may be obtained from its administrative office at Greensboro/Guilford County Tourism Development Authority, 2411 High Point Road, Greensboro, North Carolina 27403.

***Guilford County Industrial Facility and Pollution Control Financing Authority***

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

**B. Basis of Presentation**

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

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

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by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of the County's fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. The County has no enterprise funds on which to report.

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

The County reports the following major governmental funds:

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

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

The *Water and Sewer Construction Fund*, a capital projects fund type, accounts for the financing and construction of various water and sewer construction projects through joint agreements with various municipalities. These agreements have been terminated and during fiscal year 2015, all commitments under existing water and sewer projects were completed, the Water and Sewer Construction Fund was closed, and all remaining equity was transferred to the County Building Construction Fund.

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

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

Additionally, the County reports the following fund types:

Proprietary fund:

The *Internal Service Fund* accounts for risk retention services provided to other departments of the County on a cost reimbursement basis.

Fiduciary funds:

*Pension Trust Funds* are used to account for activities which accumulate resources for post-employment benefits to qualified individuals. The County's pension trust funds are the

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Law Enforcement Officers' (LEO) Special Separation Allowance Fund and the Other Post-Employment Benefits Fund. The LEO Special Separation Allowance Fund accounts for the activities of a single employer, public retirement system, and accumulates resources for pension benefit payments to qualified law enforcement officers. The resources in the LEO Special Separation Allowance Fund have been set aside to pay future obligations of the LEO Special Separation Allowance but are not held in a trust that meets the criteria outlined in GASB Statement No. 68, paragraph 4. The Other Post-Employment Benefits Fund accounts for the activities of a single employer defined benefit Health Care Plan and provides post-employment healthcare benefits to eligible retirees of the County who participate in the North Carolina Local Government Employees' Retirement System.

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

**C. Measurement Focus, Basis of Accounting**

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

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

The government-wide (governmental activities) financial statements of the County follow Financial Accounting Standards Board Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with or contradict guidance of the Governmental Accounting Standards Board.

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

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Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, property taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. See also Note I.E.2 for additional explanation. Those revenues susceptible to accrual are sales taxes, collected and held by the State at year end on behalf of the County, certain intergovernmental revenues and charges for services, and interest on investments. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amount will be reimbursed to the County; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. Some types of charges for services are susceptible to accrual. Human Services Departments' client and contract fees and Emergency Services Department ambulance fees net of an adjustment for estimated uncollectible fees are recognized when earned because they are considered both measurable and available. All other charges for services as well as licenses and permits and other revenues are not susceptible to accrual because, generally, they are not measurable until received in cash.

**D. Budgetary Control**

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

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

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



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**E. Assets, Liabilities and Equity**

**1. Cash and Cash Equivalents/Investments**

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

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

General Statute 159-30.1 allows local governments to establish an OPEB Trust Fund managed by the staff of the Department of the State Treasurer and operated in accordance with State laws and regulations. General Statute 159-30(g) allows the County to make contributions to the Fund. The Fund is not registered with the SEC. The State Treasurer in her discretion may invest the proceeds in equities of certain publicly held companies and long- or short-term fixed income investments as detailed in General Statutes 147-69.2(b)(1-6) and (8). Funds submitted are managed in three different sub-funds, the State Treasurer's Short Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by General Statute 147-69.1; the long-term investment fund (LTIF) consisting of investment grade corporate securities, treasuries, and agencies; and various BlackRock Alpha Tilts Funds authorized under General Statute 147-69.2(b)(8). Neither the STIF nor the LTIF is registered with the SEC. Under the authority of General Statute 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund.

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost which approximates fair value. Investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. The securities of the North Carolina Capital Management Trust (NCCMT) Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price of \$1 at June 30, 2015. The NCCMT Term Portfolio's securities are valued at fair value which resulted in a \$9.68 per-share value at June 30, 2015. In accordance with State law, the County has invested in securities which are callable and may provide for periodic interest rate increases in specific increments until maturity; these and all other investments are stated at fair value. As to the OPEB Trust funds, the STIF securities are reported at cost and maintain a constant \$1 per share value; the LTIF is reported at fair value and is also valued at \$1 per share. The BlackRock Alpha Tilts Funds are valued at fair value which is \$21.9957 per share for the Global Ex-US Alpha Tilts Fund B and \$53.0437 per share for the Russell 3000 Alpha Tilts Fund B at June 30, 2015.

**2. Property Taxes Receivable**

The County's property tax is levied each July 1 on the assessed value as of the prior January 1, for all taxable real and personal property (except registered motor vehicles) located in the County. Property taxes attach as an enforceable lien on real property as of the listing date. Assessed personal property values are established annually at estimated market value. A revaluation of all real property is required to be performed no less than every eight years, with the one affecting the fiscal year 2013 levy completed as of January 1, 2012. On February 6, 2014, the Board of Commissioners

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approved the policy of conducting future revaluations every five years. North Carolina General Statutes require that property taxes levied as of the beginning of the fiscal year are due September 1. Taxes are collected net of a ½% discount during July and August, in full from September 1 through January 5 and with additional penalties and interest accrued beginning January 6.

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

Property taxes receivable in the governmental fund financial statements are not recognized as revenue because the amount is not susceptible to accrual. At June 30, 2015, property taxes receivable are materially past due and, consequently, cannot be considered an available resource with which to pay liabilities of the current period, although the amount due is measurable. Therefore, all property taxes receivable are recorded net of an allowance for estimated uncollectible delinquent taxes, with the net receivable recorded as deferred inflows of resources.

**3. Allowances for Doubtful Accounts**

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

**4. Capital Assets**

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

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

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

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**5. Vacation, Compensatory and Sick Leave Benefits**

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

According to the provisions of The Fair Labor Standards Act, nonexempt employees may earn compensatory time at the rate of one and one-half hours for each hour worked in excess of specified limits. However, the Board of County Commissioners approved a revision to the personnel regulations effective August 30, 2009, that provided payment of overtime for non-exempt employees in lieu of compensatory time accrual. Further, the revision requires nonexempt employees to use compensatory balances prior to using other types of leave. The personnel regulations revision also eliminated compensatory time for exempt employees; however, at the request of a department director and upon approval of the County Manager/Assistant County Manager, or his/her designee, exempt employees may be granted up to a maximum of 80 hours of management leave time per calendar year for extra hours worked beyond their standard work week. Unused management leave balances at the end of the calendar year are forfeited for future use and are not paid to the employee at the end of service. Accumulated compensatory benefits that have not been used for both exempt and nonexempt employees are payable upon separation from County services at the rate of pay that was in effect on August 30, 2009, the date of the effective revision.

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

The County's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the County has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave is made.

**6. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for *Deferred Outflows of Resources*, which represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion—unamortized bond refunding charges, pension related deferrals, and contributions made to the pension plans in the current fiscal year.

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

**7. Long-term Obligations**

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

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approximates the effective interest method. Termination fees for swaps on effective hedges are deferred and amortized over the life of the associated refunding bonds using the effective interest method. Bonds payable are reported net of the applicable bond premiums and swap termination fees. Bond issuance costs are expensed in the reporting period in which they are incurred.

**8. Net Position/Fund Balances**

**Net Position**

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

**Fund Balances**

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

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

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

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

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**9. Defined Benefit Pension Plans**

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

**10. Change in Accounting Principles**

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement No. 68)*, beginning July 1, 2014. Two of the County's pensions, the North Carolina Local Government Employees' Retirement System and Register of Deeds' Supplemental Pension Fund, fall under the scope of Statements 68 and 71. The implementation of the statements required the County to record a beginning net pension asset, net pension liability and deferred outflow of resources for County contributions made during the measurement period (fiscal year ending June 30, 2014). As a result, net position for the governmental activities decreased by \$15,304,861, including \$14,732 in the Internal Service Fund.

**II. Reconciliation of government-wide and fund financial statements**

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

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

1. "Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows of resources in the funds."	
Property taxes receivable (net)	\$ 5,010,453
Accrued interest on property taxes receivable (net)	844,267
Special assessments receivable	<u>787,101</u>
Net adjustment to increase total fund balances - total governmental funds to arrive at net position of governmental activities	<u>\$ 6,641,821</u>
2. "Prepaid expenses (assets) consumed in governmental activities are not financial resources when reported as expenditures in the funds using the purchases method."	
Net pension asset - NC Local Government Employees' Retirement System (NCLGERS)	\$ 10,876,744
Net pension asset - NC Register of Deeds' Supplemental Pension (NCROD)	975,649
Net pension asset for excess contributions to the Pension Trust Fund	<u>306,784</u>
Subtotal	<u>12,159,177</u>
Less: NCLGERS net pension asset of the Internal Service Fund	<u>(10,224)</u>
Net adjustment to increase total fund balances - total governmental funds to arrive at net position of governmental activities	<u>\$ 12,148,953</u>

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3. "Deferred outflows (asset-like charges) as used in governmental activities are not financial resources and therefore are not reported in the funds."	
Contributions to NCLGERS pension plan in current fiscal year	\$ 7,772,719
Contributions to NCROD pension plan in current fiscal year	34,936
NCROD other pension plan related resources	8,953
Unamortized bond refunding charges	<u>734,940</u>
Subtotal	8,551,548
Less: NCLGERS plan contributions and other resources of the Internal Service Fund	<u>(7,306)</u>
Net adjustment to increase total fund balances - total governmental funds to arrive at net position of governmental activities	\$ <u><u>8,544,242</u></u>
4. "Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds."	
General obligation bonds payable	\$ 726,380,000
Less: Interest rate swap termination payment (to be amortized as interest expense)	(5,758,459)
Plus: Issuance premiums (to be amortized against interest expense)	46,811,655
Accrued interest payable	9,872,089
Derivative liability	1,371,636
Limited obligation bonds payable	16,845,000
Capital leases and installment financings payable	3,826,754
Bond anticipation notes payable	2,350,000
Accrued compensated absences payable	9,427,539
Net other postemployment benefits obligation - Health Care Benefits Plan	<u>99,216,200</u>
Net adjustment to decrease total fund balances - total governmental funds to arrive at net position of governmental activities	\$ <u><u>910,342,414</u></u>
5. "Deferred inflows (liability-like credits) as used in governmental activities are not financial uses and therefore are not reported in the funds."	
NCLGERS pension related resource deferrals	\$ 27,554,093
NCROD pension related resource deferrals	<u>6,716</u>
Subtotal	27,560,809
Less: NCLGERS pension resource deferrals of the Internal Service Fund	<u>(25,900)</u>
	\$ <u><u>27,534,909</u></u>

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

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

1. "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period."	
Capital outlay (net of Internal Service Fund amount of \$-0-)	\$ 6,713,417
Less: depreciation expense (net of Internal Service Fund amount of \$-0-)	<u>(12,210,865)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ (5,497,448)</u>
2. "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase net position."	
In the statement of activities, only the gain or loss on the disposal of capital assets is reported. However, in the governmental funds, only the proceeds from a sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost net of accumulated depreciation of the capital assets disposed.	\$ (68,530)
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	<u>80,000</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ 11,470</u>
3. "Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds until they are available."	
Property taxes receivable (net)	\$ (1,954,052)
Accrued interest on property taxes receivable (net)	(89,386)
Occupancy taxes receivable	(76,720)
Due from governmental units (cities) for reimbursement by contract of County watershed bonded debt	(14,210)
Special assessments receivable	<u>365,989</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ (1,768,379)</u>

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

Debt issued or incurred:

Issuance of bond anticipation notes	\$ (2,300,000)
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Principal repayments:

General obligation bonds	51,995,000
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Capital leases and installment financings	<u>1,275,584</u>
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Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ 50,970,584</u>
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5. "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. Some expenditures reported in the governmental funds do require the use of current financial resources because items are prepaid using the purchases method and, therefore, are not reported as expenses in the statement of activities."

Accrued interest	\$ 747,524
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Compensated absences	(147,281)
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Amortization of deferred charge on refunding	(625,716)
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Amortization of interest rate swap termination payment	(964,614)
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Amortization of bond premiums	5,862,529
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Net other postemployment benefits obligation - Health Care Benefits Plan	(5,062,454)
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NC Local Government Employees' Retirement System pension expense	7,346,295
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NC Register of Deeds' Supplemental pension expense	60,396
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Net pension asset for excess contributions to the Pension Trust Fund	<u>(10,954)</u>
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Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ 7,205,725</u>
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**GUILFORD COUNTY, NORTH CAROLINA**  
NOTES TO THE FINANCIAL STATEMENTS

**III. DETAILED NOTES ON ALL FUNDS**

**A. Cash and Cash Equivalents/Investments**

As previously discussed, cash for all County funds is pooled for investment purposes. With the exception of a separate checking account, the Greensboro/Guilford County Tourism Development Authority (Authority) uses the County's pool for its investment purposes. At June 30, 2015, the cash and investments included the following:

Account Balances	Ownership of Funds
	Primary Government – Guilford County
Petty cash/cash on hand	Governmental Funds
\$ 82,864	\$ 170,767,523
Demand deposits	Internal Service Fund
17,037,772	29,385,105
Public Funds Money Market Accounts	Total Governmental Activities
12,467,639	200,152,628
Certificates of deposit	Pension Trust Funds
31,625,554	13,171,497
Investments	Agency Funds
144,433,282	909,256
OPEB Trust Funds	Component Unit – Authority
12,075,411	3,489,141
\$ 217,722,522	\$ 217,722,522

**Deposits**

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

At year-end, the deposit portion of pooled cash and investments had a carrying amount of \$61,101,553 and a bank balance of \$62,711,169. Of the bank balance, \$1,250,781 was covered by Federal depository insurance, and \$18,367,195 in non-interest-bearing deposits and \$43,093,193 in interest-bearing deposits were covered by collateral held under the Pooling Method.

Deposits of the Authority not included with the pool had a carrying amount of \$29,412 and a bank balance of \$62,171 which was fully covered by Federal depository insurance.

**Investments**

North Carolina General Statute 159-30(c) authorizes the County and Authority to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the

**GUILFORD COUNTY, NORTH CAROLINA**  
NOTES TO THE FINANCIAL STATEMENTS

United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain nonguaranteed Federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

At June 30, 2015, the County's pooled investment balances were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Months)</u>
U.S. Treasury Securities	\$ 3,633,684	7.30
U.S. Government Agencies	68,391,771	16.57
Commercial Paper and Bankers' Acceptances	<u>63,625,027</u>	3.48
	135,650,482	10.18
N.C. Capital Management Trust		
Cash Portfolio	1,727,978	Demand
Term Portfolio*	<u>7,054,822</u>	2.28
Total Pooled Investments	\$ <u>144,433,282</u>	

\* Investments in the NCCMT Term Portfolio are available next day but the fund has a duration of .19 years.

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

The County is invested in a "pay-fixed, receive-variable" interest rate swap with notional amount of \$30,000,000. The County makes monthly fixed payments and receives variable payments based on 60.4% of the five-year LIBOR swap. The swap was executed in November 2006 and matures in February 2020. Additional details on the swap are included in Note III. E. under the Derivative Instruments section. At June 30, 2015, the fair value of the swap is (\$1,371,636) and is reported as a derivative liability.

*Credit Risk.* The County's investment policy incorporates State laws concerning allowable investment and imposes additional restrictions on concentration in certain types of investments and on allowable maturities. North Carolina General Statutes limits investment in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2015, the County's investments in commercial paper were rated A1 or better by Moody's Investors Service and P1 by Standard and Poors and F1 or better by Fitch Ratings. The County's investments in the NCCMT Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2015. The County'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 as permitted under North Carolina General Statutes 159-30 as amended. The County's investments in U.S. Agencies (Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation) are rated AA+ by Standard & Poor's and Aaa by Moody's.

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

**GUILFORD COUNTY, NORTH CAROLINA**  
NOTES TO THE FINANCIAL STATEMENTS

*Concentration of Credit Risk.* The County's investment policy limits investment in any one commercial paper issuer to no more than 15% of the total portfolio, which is defined by the County's investment policy to include interest-bearing bank deposits. As of June 30, 2015, the following investment categories account for more than 5% of the County's investments as reported herein: ABN AMRO North America Commercial Paper, 5.5%; Credit Suisse New York Commercial Paper, 9.0%; Toyota Motor Credit Commercial Paper, 6.2%; Federal Farm Credit Banks, 7.0%; Federal Home Loan Bank, 27.4%; Federal Home Loan Mortgage Corporation, 10.9%; and NCCMT Term Portfolio, 6.1%.

*OPEB Trust Funds*

At June 30, 2015, the Guilford County Health Care Plan (the HC Plan) Fund had \$12,075,411 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Fund pursuant to General Statute 147-69.4. The State Treasurer's OPEB Fund may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year end, 21.12% of the HC Plan funds were invested in the State Treasurer's Short-Term Investment Fund (STIF), 8.59% were invested in the Long-Term Investment Fund (LTIF) and 70.29% were invested in equity funds. The equity investment allocation is 25% international equities via the BlackRock Global Ex-US Alpha Tilts Fund and 75% domestic through the BlackRock Russell 3000 Alpha Tilts Fund, but due to changes in valuation, the Funds comprised 22.28% and 77.72%, respectively, of the equity balance in the OPEB Trust.

*Interest Rate Risk.* The County does not have a formal investment interest rate policy regarding the HC Plan Fund that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer's STIF is unrated and had a weighted average maturity of 1.5 years at June 30, 2015. The State Treasurer's LTIF is unrated and had a weighted average maturity of 18.0 years at June 30, 2015.

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

**B. Receivables**

Receivables are recorded net of an allowance for estimated uncollectible accounts at June 30, 2015 in the County's individual funds as follows:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Fund
Allowance for uncollectible accounts on:				
Property taxes	\$ 9,429,877	167,948	9,597,825	-
Accrued interest on property taxes	3,809,193	-	3,809,193	-
Service fees	<u>20,259,103</u>	<u>-</u>	<u>20,259,103</u>	<u>31,272</u>
	<u>\$ 33,498,173</u>	<u>167,948</u>	<u>33,666,121</u>	<u>31,272</u>

**GUILFORD COUNTY, NORTH CAROLINA**  
NOTES TO THE FINANCIAL STATEMENTS

**C. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2015 follows:

**Primary Government – Governmental Activities**

A summary of changes in capital assets, net of accumulated depreciation, for the fiscal year ended June 30, 2015 follows:

	Balance July 1, 2014	Increases	Decreases	Transfers	Balance June 30, 2015
Non-depreciable capital assets:					
Land	\$ 49,920,583	-	(30,092)	-	49,890,491
Construction in progress	145,740	2,536,943	-	(2,296,294)	386,389
Intangibles - non-depreciable	224,000	-	-	-	224,000
Total non-depreciable capital assets	<u>50,290,323</u>	<u>2,536,943</u>	<u>(30,092)</u>	<u>(2,296,294)</u>	<u>50,500,880</u>
Depreciable capital assets:					
Buildings	232,449,130	4,905	-	560,605	233,014,640
Improvements other than buildings	21,750,841	775,707	(31,419)	1,735,689	24,230,818
Machinery and equipment	40,312,606	1,622,409	(468,253)	-	41,466,762
Vehicles	26,740,624	1,646,121	(1,859,547)	-	26,527,198
Intangibles - depreciable	9,082,575	207,332	-	-	9,289,907
Total depreciable capital assets	<u>330,335,776</u>	<u>4,256,474</u>	<u>(2,359,219)</u>	<u>2,296,294</u>	<u>334,529,325</u>
Less accumulated depreciation for:					
Buildings	(66,284,019)	(5,285,538)	-	-	(71,569,557)
Improvements other than buildings	(11,687,746)	(996,974)	23,341	-	(12,661,379)
Machinery and equipment	(22,460,318)	(2,535,170)	441,913	-	(24,553,575)
Vehicles	(22,282,292)	(2,450,913)	1,855,527	-	(22,877,678)
Intangibles	(4,374,369)	(942,270)	-	-	(5,316,639)
Total accumulated depreciation	<u>(127,088,744)</u>	<u>(12,210,865)</u>	<u>2,320,781</u>	<u>-</u>	<u>(136,978,828)</u>
Total depreciable capital assets (net)	<u>203,247,032</u>	<u>(7,954,391)</u>	<u>(38,438)</u>	<u>2,296,294</u>	<u>197,550,497</u>
Governmental activities capital assets (net)	<u>\$ 253,537,355</u>	<u>(5,417,448)</u>	<u>(68,530)</u>	<u>-</u>	<u>248,051,377</u>

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

Function/Program	
General government	\$ 2,879,785
Human services	1,202,514
Public safety	6,894,714
Environmental protection	38,183
Culture - recreation	<u>1,195,669</u>
Total government activities depreciation expense	<u>\$ 12,210,865</u>

**GUILFORD COUNTY, NORTH CAROLINA**  
NOTES TO THE FINANCIAL STATEMENTS

Guilford County's construction in progress at June 30, 2015 is composed of the following:

Project Name	Project Authoriza- tion <sup>(1)</sup>	Expended to June 30, 2015	Placed in Service in FY 2015	Remaining CIP Balance June 30, 2015	Estimated Costs to Complete	Required Future Financing
Northeast Park	\$ 3,589,009	3,494,482	3,494,482	-	94,527	-
High Point Courthouse Renovations	468,626	57,806	-	57,806	410,820	-
Greene Street Center	638,180	516,146	465,561	50,585	122,034	-
Bellemeade Center Renovations	811,025	93,044	93,044	-	717,981	-
BB&T Building	5,194,402	5,157,175	5,157,175	-	37,227	-
Hagan-Stone Park	64,000	27,502	25,502	-	36,498	-
EMS Maintenance/Logistics Facility	5,213,000	-	-	-	5,213,000	-
Law Enforcement Special Op Building	3,950,000	277,998	-	277,998	3,672,002	-
Hagan-Stone Park Swimming Pool	2,000,000	1,735,690	1,735,690	-	264,310	-
	<u>\$ 21,928,242</u>	<u>11,359,843</u>	<u>10,973,454</u>	<u>386,389</u>	<u>10,568,399</u>	<u>-</u>

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

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

A summary of changes in capital assets, net of accumulated depreciation, for the fiscal year ended June 30, 2015 follows:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Depreciable capital assets:				
Furniture, fixtures and equipment	\$ 340,032	12,535	(42,578)	309,989
Less accumulated depreciation	(189,021)	(38,439)	42,578	(184,882)
Tourism Authority capital assets, net	<u>\$ 151,011</u>	<u>(25,904)</u>	<u>-</u>	<u>125,107</u>

**GUILFORD COUNTY, NORTH CAROLINA**  
NOTES TO THE FINANCIAL STATEMENTS

**D. Accounts Payable and Accrued Liabilities**

**Primary Government – Governmental Activities**

Accounts payable and accrued liabilities at June 30, 2015 includes the following balances:

	Vendors	Salaries, Benefits Accrued & Withheld	Accrued Interest	Due to Gov. Units, Districts & Agencies	Other	Total
Major Governmental Funds:						
General	\$ 7,681,559	6,540,331	-	975,269	362,712	15,559,871
County Building Construction	469,663	-	-	-	-	469,663
School Capital Outlay (1)	-	-	-	7,084,739	-	7,084,739
Nonmajor Governmental Funds	-	-	-	134,980	-	134,980
Internal Service Fund (2)	48,158	3,244	-	-	7,643,708	7,695,110
Reconciliation of balances in fund financial statements to government-wide financial statements	-	-	9,872,089	-	-	9,872,089
<b>Total - Governmental Activities</b>	<b>\$ 8,199,380</b>	<b>6,543,575</b>	<b>9,872,089</b>	<b>8,194,988</b>	<b>8,006,420</b>	<b>40,816,452</b>

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

(2) Other payable is County's insurance claims liability, all due within one year, of \$7,643,708. See Note IV. E. 4.

**E. Long-term Liabilities**

**Primary Government – Governmental Activities**

A summary of changes in long-term liabilities for the fiscal year ended June 30, 2015 follows:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Current Portion of Balance
Bonds payable:					
General obligation bonds	\$ 778,375,000	-	(51,995,000)	726,380,000	55,670,000
Plus bond issuance premiums	52,674,184	-	(5,862,529)	46,811,655	-
Less swap termination fees	(6,723,073)	-	964,614	(5,758,459)	-
Total bonds payable	824,326,111	-	(56,892,915)	767,433,196	55,670,000
Limited obligation bonds	16,845,000	-	-	16,845,000	-
Capital leases and installment financings	5,102,338	-	(1,275,584)	3,826,754	1,275,585
Bond anticipation notes	50,000	2,300,000	-	2,350,000	-
Compensated absences	9,292,489	6,621,338	(6,486,288)	9,427,539	4,437,326
Net pension liability (1)	23,708,704	-	(23,708,704)	-	-
Net other postemployment benefits obligation	94,153,746	11,915,507	(6,853,053)	99,216,200	-
<b>Total</b>	<b>\$ 973,478,388</b>	<b>20,836,845</b>	<b>(95,216,544)</b>	<b>899,098,689</b>	<b>61,382,911</b>

(1) The June 30, 2014 balance has been restated to include net pension liability from the implementation of GASB Statement No. 68. The zero ending balance is due to an actuarially reported net pension asset as of June 30, 2015.

**GUILFORD COUNTY, NORTH CAROLINA**  
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The County issues general obligation bonds to provide funds for the acquisition, development, and construction of major capital facilities and to provide funding for Guilford County Schools and Guilford Technical Community College facilities. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the County and principal and interest requirements are appropriated in the General Fund when due. The remaining long-term liabilities of the governmental activities are generally liquidated by the General Fund also. The installment financing agreement is collateralized by a deed of trust on the land and building involved in the financing. The limited obligation bonds are collateralized by school facilities which are not owned by the County. The Internal Service Fund predominantly serves the governmental funds, therefore, any long-term liabilities are included as part of the above totals for governmental activities. Any capital leases that finance equipment used in Internal Service Fund operations are reported as long-term debt in the Fund when issued and are retired by its resources.

Of total governmental activities debt of \$790,454,950, only \$112,135,435 relates to assets to which the County holds title. Unexpended debt proceeds related to this debt amount to \$6,834,469.

The County is subject to the Local Government Bond Act of North Carolina which limits the amount of net debt, exclusive of funding and refunding bonds, bonds issued for water, gas, or electric power purposes, and bonds issued for certain other specified purposes. The County may have outstanding and unissued an amount not to exceed 8% of the appraised value of property subject to taxation. At June 30, 2015, such statutory limit for the County was \$3,727,986,418 providing a debt margin of approximately \$2.75 billion.

Bonds authorized and unissued at June 30, 2015 are as follows:

<u>For Additions and/or Improvements To</u>	<u>Date Approved</u>	<u>Balance</u>
Public Schools	05/06/2008	\$ 130,170,000
Community College	05/06/2008	27,550,000
Refunding	02/02/2012	<u>74,500,000</u>
		<u>\$ 232,220,000</u>

**GUILFORD COUNTY, NORTH CAROLINA**  
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Long-term liabilities outstanding as of June 30, 2015 include the following:

General Obligation Bonds:

February 2005 \$9,220,000 Public Improvement serial bonds due in annual installments of \$610,000 to \$615,000 through March 2020; variable rate interest synthetically fixed at 3.22% upon issuance due monthly.	\$ 3,070,000
February 2005 \$80,780,000 Public Improvement serial bonds due in annual installments of \$5,385,000 to \$5,390,000 through March 2020; variable rate interest synthetically fixed at 3.22% upon issuance due monthly.	26,930,000
February 2005 \$93,220,000 Public Improvement serial bonds due in annual installments of \$2,000,000 to \$18,645,000 from March 2019 through 2025; interest due monthly at variable rates.	93,220,000
February 2005 \$54,380,000 General Obligation Refunding bonds due in annual installments of \$6,500,000 to \$7,900,000 through October 2016; interest at 5.00%.	14,400,000
March 2007 \$45,000,000 Public Improvement serial bonds due in annual installments of \$11,250,000 from April 2023 through 2027; interest due monthly at variable rates.	45,000,000
March 2007 \$40,440,000 Public Improvement serial bonds due in annual installments of \$6,000,000 to \$8,000,000 through April 2018; interest at 4.00% to 5.00%.	21,000,000
February 2009 \$164,600,000 Public Improvement serial bonds due in annual installments of \$8,230,000 through February 2029; interest at 4.00% to 5.00%.	115,220,000
April 2010 \$82,500,000 Public Improvement serial bonds due in annual installments of \$8,250,000 through August 2020; interest at 5.00%.	49,500,000
April 2010 \$82,500,000 taxable Build America Bonds (Public Improvement) due in annual installments of \$8,250,000 from August 2021 through 2031; interest at 4.541% to 5.461%.	82,500,000
April 2010 \$84,775,000 General Obligation Refunding Bonds due in annual installments of \$5,900,000 to \$6,695,000 through February 2022, interest at 2.50% to 5.00%.	49,585,000
April 2010 \$51,215,000 General Obligation Refunding Bonds due in annual installments of \$10,155,000 to \$10,325,000 from August 2018 through 2022, interest at 4.00% to 5.00%.	51,215,000
September 2011 \$20,635,000 General Obligation Refunding Bonds due in annual installments of \$155,000 to \$4,120,000 through October 2018, interest at 2.00% to 5.00%.	12,485,000
April 2012 \$133,745,000 Public Improvement serial bonds due in annual installments of \$280,000 to \$9,705,000 through March 2031; interest at 2.00% to 5.00%.	119,610,000
April 2012 \$17,145,000 Taxable General Obligation Qualified School Construction bonds due March 2032; interest at 3.934%. Sinking fund installments of \$1,408,258 to \$3,900,000 begin March 2028.	17,145,000
April 2012 \$25,500,000 General Obligation Refunding Bonds due in annual installments of \$585,000 to \$7,125,000 from October 2016 through 2020, interest at 2.00% to 5.00%.	25,500,000
Total general obligation bonds	\$ <u>726,380,000</u>

Limited Obligation Bonds:

April 2012 \$16,845,000 Taxable Limited Obligation Qualified School Construction bonds due April 2032; interest at 4.564%. Sinking fund installments of \$100,000 to \$3,875,000 began March 2014.	\$ <u>16,845,000</u>
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Obligations under capital leases and installment financings:

For \$8,291,300 building and land obligation due in semi-annual installments of \$637,792 plus interest at 3.406% through March 2018.	\$ <u>3,826,754</u>
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Bond Anticipation Notes:

June 2014 letter-of-credit facility for up to \$50,000,000 against May 2008 authorization for Public Schools and Community College. Interest payable monthly at 70% of one-month LIBOR plus 35 basis points. Expires June 2017.	\$ <u>2,350,000</u>
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**GUILFORD COUNTY, NORTH CAROLINA**  
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The County has remarketing and standby purchase agreements with banks which provide for remarketing of certain variable-rate bonds when payment is demanded or the bank will purchase the bonds. The agreements have a maximum interest rate of 12%. The standby purchasing agreements covering \$123.22 million of the County's outstanding 2005 variable rate bonds and \$45 million outstanding 2007 variable rate bonds have been extended to December 31, 2017 with provision for extension. The remarketing agreements expire with final repayment of the bonds. The County paid \$841,769 in fiscal year 2015 pursuant to these agreements.

**Derivative Instruments**

The County has an interest-rate swap in effect to hedge its borrowing costs. The swap was determined to be an ineffective or investment derivative. As such, the (negative) positive fair value is reported as a derivative (liability) asset on the Statement of Net Position and current year changes in fair value flow through investment revenue.

*Objective of the interest rate swaps.* As a means to lower its borrowing costs, the County entered into interest rate swaps in connection with its variable-rate general obligation bonds. The intention of the swaps was to effectively change the County's variable interest rate on the bonds to a synthetic fixed rate. No amount was paid at the inception of any of these swaps. All of the County's swaps were related to government activities. The County's remaining interest rate swap is summarized in the table as follows. Bond amount and swap notional amount are as of June 30, 2015.

	<u>Investment Derivative Instruments</u>
Date of contract	November 2006
Effective Date	February 1, 2008
Type of transaction	Pay-fixed interest rate swap
Objective	Hedge of changes in cash flows on related bonds
Bonds:	
Amount	\$30 million
Description	2005 Series A & B
Maturity	March 1, 2020
Principal payments begin	March 1, 2016
Rate	variable
Rate basis	SIFMA
Swap:	
Notional amount	\$30 million
Maturity	February 1, 2020
Notional value declines begin	February 1, 2016
Rate County pays	3.220%
Rate County receives	variable
Rate basis received	60.4% of 5-year LIBOR swap
Spread	None
June 30, 2015 information:	
Fair value of swap	(\$1,371,636)
Fair value classification	Investment
Increase (decrease) in fair value of swap from 2014	\$322,021
Increase (decrease) in fair value reported in	Investment revenue

*Fair value.* The fair values in the table were estimated using the market value method. This method calculates the net present value of cash flows to maturity for payments at the prevailing market rate versus the executed swap rate.

**GUILFORD COUNTY, NORTH CAROLINA**  
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*Credit risk.* As of June 30, 2015, the County was not exposed to credit risk on its outstanding swap because the swap had a negative fair value as indicated in the table. However, should interest rates change and the fair value of the swap becomes positive, the County would be exposed to credit risk in the amount of the derivative's fair value. The County has no policy requiring collateral or other security to support derivative agreements subject to credit risk, nor is there a policy requiring netting arrangements with counterparties. Bank of America is counterparty on both of the County's swaps and at June 30, 2015 their senior unsecured debt was rated A1 by Moody's, and A by Standard & Poor's and A+ by Fitch Ratings.

*Basis risk.* The swap exposes the County to basis risk because the variable-rate payments received by the County are based on indices other than interest rates the County pays on its hedged variable-rate debt, which is remarketed every seven days. At June 30, 2015, the weighted average interest rate on the County's hedged variable-rate debt was .08% while 67% of 1 month LIBOR was .12%. Depending on the future relationship between LIBOR and SIFMA, the expected cost savings may not be realized.

*Termination risk.* The County or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bonds would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the County would be liable to the counterparty for a payment equal to the fair value of the swap.

As of June 30, 2015, aggregate debt service requirements on the County's fixed and variable rate debt and net payments on associated hedging derivative instruments are as follows including interest payments of \$184,547,805, which includes \$11,293 on the \$2,350,000 bond anticipation note not reflected in the table below. These amounts assume that current interest rates on variable rate bonds and the current reference rates of hedging derivative instruments will remain the same until maturity. As these rates vary, interest payments on variable rate bonds and net receipts/payments on the hedging derivative instruments will vary.

Year Ending June 30	General Obligation Bonds		Limited Obligation Bonds, Capital Leases, and Installment Financings		Total
	Principal	Interest	Principal	Interest	
2016	\$ 55,670,000	25,954,810	1,275,585	888,301	83,788,696
2017	56,640,000	23,454,310	1,275,585	844,848	82,214,743
2018	57,600,000	21,083,660	1,275,584	801,395	80,760,639
2019	57,370,000	18,225,402	-	768,806	76,364,208
2020	58,330,000	15,646,510	-	768,806	74,745,316
2021-2025	291,135,000	48,309,245	-	3,844,029	343,288,274
2026-2030	123,960,000	16,982,115	-	3,844,029	144,786,144
2031-2032	25,675,000	1,582,635	16,845,000	1,537,611	45,640,246
	<u>\$ 726,380,000</u>	<u>171,238,687</u>	<u>20,671,754</u>	<u>13,297,825</u>	<u>931,588,266</u>

Federal legislation currently provides for a rebate of 35% of interest paid on the County's taxable 2010 Build America Bonds and 100% of the interest paid on the 2012 Qualified School Construction Bond (QSCB) issues. If unchanged, this rebate would be \$2,901,766 in fiscal year 2016 and would provide a total rebate of \$40,840,489 over the remaining life of the bonds. Historically, some amounts received through fiscal 2015 have been reduced from 7.2% to 8.7% due to the budget sequestration; future amounts will also be reduced until the federal budget impasse is resolved. The IRS has announced that rebates will be reduced by 6.8% in the Federal budget year beginning October 1, 2015. The rebate is not reflected in the above table.

**GUILFORD COUNTY, NORTH CAROLINA**  
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**F. Deferred Inflows of Resources - Revenues**

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

Deferred inflows of resources at June 30, 2015 is composed of the following unearned and unavailable revenues:

	Major Governmental				Total
	General Fund	County Building Construction Fund	School Capital Outlay Fund	Nonmajor Governmental and Other Funds	
<b>Governmental Funds:</b>					
Unearned revenues:					
Property tax collections not yet earned	\$ 630,416	-	-	9,318	639,734
Prepaid special assessments not yet billed or earned	-	92,251	-	-	92,251
Federal, State and private foundation grants received in advance	9,125	-	51,665	-	60,790
Total unearned revenues	639,541	92,251	51,665	9,318	792,775
Unavailable revenues:					
Property taxes receivable (net)	4,891,802	-	-	118,651	5,010,453
Accrued interest on property taxes receivable (net)	844,267	-	-	-	844,267
Special assessments receivable	-	787,101	-	-	787,101
Total unavailable revenues	5,736,069	787,101	-	118,651	6,641,821
Total deferred inflows of resources: Governmental Funds	\$ 6,375,610	879,352	51,665	127,969	7,434,596
<b>Internal Service Fund:</b>					
Unearned revenues:					
Service fees collected in advance from external sources				\$ 181,300	181,300
Service fees collected in advance from internal sources <sup>(1)</sup>				1,230,234	1,230,234
Total unearned revenues - Internal Service Fund				\$ 1,411,534	1,411,534

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

**Governmental Activities:**

Unearned revenues:	
Governmental Funds per above	\$ 792,775
Internal Service Fund (from external sources) per above	181,300
Total unearned revenues - Governmental Activities	\$ 974,075

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**G. Net Position/Fund Balances (Deficits)**

The following are summaries of Guilford County's net position restricted for stabilization by State statute, restricted for other purposes, and unrestricted, as of June 30, 2015:

Net position restricted for stabilization by State statute	Amount
Reserved for encumbrances	\$ 12,292,987
Reserved by State statute	<u>41,345,380</u>
Net position restricted for stabilization by State statute	<u>\$ 53,638,367</u>
Net position restricted for other purposes	Amount
Rural Fire Districts	\$ 1,861,067
Public Health programs	2,950,169
Law Enforcement	1,287,320
Register of Deeds automation enhancement	375,632
Other	<u>67,150</u>
Net position restricted for other purposes	<u>\$ 6,541,338</u>
Unrestricted net position (liabilities)	Amount
Water and sewer	\$ (4,784,967)
Guilford County Schools	(603,980,562)
Guilford Technical Community College	(79,556,856)
Other	<u>26,025,657</u>
Unrestricted net position	<u>\$ (662,296,728)</u>

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

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

**GUILFORD COUNTY, NORTH CAROLINA**  
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The following are details of Guilford County's fund balances (deficits) as of June 30, 2015:

	General	County Building Construction	School Capital Outlay	Nonmajor Govern- mental Funds	Total Govern- mental Funds
<b>Non spendable:</b>					
Prepays reserve <sup>(1)</sup>	\$ 1,231,262	-	-	-	1,231,262
Inventories reserve <sup>(1)</sup>	37,322	-	-	-	37,322
Total non spendable <sup>(1)</sup>	<u>1,268,584</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,268,584</u>
<b>Restricted:</b>					
State statute reserve <sup>(1)</sup>	37,504,855	458,042	837,979	1,275,920	40,076,796
Encumbrance reserve <sup>(1)</sup>	7,652,129	4,640,858	-	-	12,292,987
Total stabilization by State statute <sup>(1)</sup>	45,156,984	5,098,900	837,979	1,275,920	52,369,783
Public Health programs	2,950,169	-	-	-	2,950,169
Law Enforcement	1,232,291	-	-	-	1,232,291
Register of Deeds automation enhancement	375,632	-	-	-	375,632
Public building projects	-	1,818,219	-	-	1,818,219
Law Enforcement projects	-	1,196,066	-	-	1,196,066
Park projects	-	1,266,432	-	-	1,266,432
Guilford County Schools projects	-	-	4,813,067	-	4,813,067
Rural fire districts	-	-	-	1,742,416	1,742,416
Other	67,150	-	-	-	67,150
Total restricted	<u>49,782,226</u>	<u>9,379,617</u>	<u>5,651,046</u>	<u>3,018,336</u>	<u>67,831,225</u>
<b>Committed:</b>					
Public Health programs	16,630	-	-	-	16,630
County building projects	-	12,796,001	-	-	12,796,001
Guilford County Schools projects	-	-	2,775,747	-	2,775,747
Guilford Technical Community College projects	-	-	1,573,810	-	1,573,810
Total committed	<u>16,630</u>	<u>12,796,001</u>	<u>4,349,557</u>	<u>-</u>	<u>17,162,188</u>
<b>Assigned:</b>					
Law Enforcement	1,552,205	-	-	-	1,552,205
Other	100,000	-	-	-	100,000
Appropriated in subsequent year's budget <sup>(2)</sup>	25,384,042	-	-	-	25,384,042
Capital projects	-	5,540,252	-	-	5,540,252
Total assigned	<u>27,036,247</u>	<u>5,540,252</u>	<u>-</u>	<u>-</u>	<u>32,576,499</u>
Unassigned	84,929,054	-	(15,964,276)	(449,934)	68,514,844
Total fund balance (deficit) <sup>(3)</sup>	<u>\$ 163,032,741</u>	<u>27,715,870</u>	<u>(5,963,673)</u>	<u>2,568,402</u>	<u>187,353,340</u>

<sup>(1)</sup> Reserved fund balances not available for appropriation under North Carolina General Statute 159.8(a).

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

<sup>(3)</sup> The School Capital Outlay fund has a deficit fund balance due to year end accounts payable and funding for the future payments is available from the County's bond anticipation notes with a remaining authorization at June 30, 2015 of \$47.65 million.

**GUILFORD COUNTY, NORTH CAROLINA**  
NOTES TO THE FINANCIAL STATEMENTS

Computation of fund balance that is available for appropriation as of June 30, 2015 under North Carolina General Statute 159.8(a):

	General
Total fund balance	\$ 163,032,741
Less reserves by State statute:	
Non spendable	(1,268,584)
Restricted	(45,156,984)
Fund balance available for appropriation	116,607,173
Available for restricted purposes:	
Total restricted sources	4,625,242
Appropriated in subsequent year's budget	(1,533,204)
Available for restricted purposes	3,092,038
Available for committed purposes:	
Total committed sources	16,630
Appropriated in subsequent year's budget	(7,000)
Available for committed purposes	9,630
Available for assigned purposes:	
Total assigned	27,036,247
Appropriated in subsequent year's budget:	
From assigned sources	(136,207)
From unassigned sources	(25,384,042)
Available for assigned purposes	1,515,998
Available for unassigned purposes:	
Total unassigned	84,929,054
Board minimum - 8% of subsequent year's budget	(46,908,530)
Available for unassigned purposes	38,020,524
Fund balance available for appropriation	116,607,173
Appropriated in subsequent year's budget	(27,060,453)
Board minimum - 8% of subsequent year's budget	(46,908,530)
Total available for restricted, committed, assigned and unassigned purposes	\$ 42,638,190

**GUILFORD COUNTY, NORTH CAROLINA**  
NOTES TO THE FINANCIAL STATEMENTS

**H. Interfund Transfers**

The following is a summary of interfund transfers for Guilford County for the fiscal year ended June 30, 2015:

	Transfers Out				Total
	Major Governmental Funds			Total	
Transfers In	General	Water & Sewer Construction	School Capital Outlay		
Major Governmental Funds:					
General	\$ -	-	233,686	233,686	
County Building Construction	-	1,249,212	-	1,249,212	
School Capital Outlay	<u>5,270,000</u>	-	-	<u>5,270,000</u>	
Total	<u>\$ 5,270,000</u>	<u>1,249,212</u>	<u>233,686</u>	<u>6,752,898</u>	

Transfers from the General Fund to the School Capital Outlay Fund are for funding the Guilford County Schools Capital Maintenance FY2015 project totaling \$3.77 million and the Guilford Technical Community College Capital Maintenance FY2015 project in the amount of \$1.5 million.

Transfers to the County Building Construction Fund are from the closing of the Water and Sewer Construction Fund approved by the Board of County Commissioners effective March 31, 2015 (as adjusted) including the transfer of all remaining assets, liabilities and equity in the net amount of \$1,249,212. All agreements with the municipalities under the water and sewer program have been terminated and all projects were completed as of March 31 as to the County's obligation. The remaining equity and future revenues earned will fund County capital needs going forward.

Transfers from the School Capital Outlay Fund to the General Fund totaling \$233,686 are to move Qualified School Construction Bonds (QSCBs) that were not timely expended for school capital purposes and apply them towards bond issue costs incurred when the QSCBs were issued.

There were no interfund receivables or payables at June 30, 2015.

**IV. OTHER INFORMATION**

**A. Employees Retirement Systems and Plans**

**Primary Government**

**1. North Carolina Local Governmental Employees' Retirement System**

**Plan Description**

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

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State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

***Benefits Provided***

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

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

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

***Contributions***

Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Plan members are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2015, was 7.41% of compensation for law enforcement officers and 7.07% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. The County's contributions to the LGERS for the years ended June 30, 2015, 2014, and 2013 were \$7,772,719, \$7,451,419, and \$7,539,360, respectively. The contributions made by the County equaled the required contributions for each year.

***Refunds of Contributions***

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



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

At June 30, 2015, the County reported an asset of \$10,876,744 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2014, the County's proportion was 1.844%, which was a decrease of .123% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$420,062. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	1,188,473
Net difference between projected and actual earnings on pension plan investments	-	25,320,827
Changes in proportion and difference between County contributions and proportionate share of contributions	-	1,044,793
County contributions subsequent to the measurement date	<u>7,772,719</u>	-
Total	<u>\$ 7,772,719</u>	<u>27,554,093</u>

The \$7,772,719 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2016	\$ (6,889,923)
2017	(6,889,923)
2018	(6,889,923)
2019	<u>(6,884,324)</u>
Total	<u>\$ (27,554,093)</u>

***Actuarial Assumptions.*** The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	36.0%	2.5%
Global Equity	40.5%	6.1%
Real Estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation Protection	4.5%	3.7%
Total	100.0%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2013 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 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8%, and Inflation Protection 3.4%.

*Discount rate.* The discount rate used to measure the total pension liability was 7.25%. 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

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on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability (asset)	\$ 36,920,390	\$ (10,876,744)	\$ (51,120,395)

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

**2. Law Enforcement Officers' Special Separation Allowance**

***Plan Description***

Guilford County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of General Statute Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The plan does not issue a separate stand-alone financial report. For reporting purposes, the Separation Allowance is presented as a pension trust fund; however, it does not meet the criteria for trust funds outlined in GASB Statement No. 68.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2014, the Separation Allowance's membership consisted of:

Retirees receiving benefits	39
Active plan members	273
Total	312

***Summary of Significant Accounting Policies:***

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

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

***Contributions***

The County is required by Article 12D of General Statute Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the current year, the County contributed \$924,237 or 6.38% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

**GUILFORD COUNTY, NORTH CAROLINA**  
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The annual required contribution for the current year was determined as part of the December 31, 2013 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return and (b) projected salary increases ranging from 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2013 was 17 years.

***Annual Pension Cost and Net Pension Obligation (Asset)***

The County's annual pension cost and net pension obligation (asset) of the Separation Allowance for the current year were as follows:

Annual required contribution	\$ 924,237
Interest on net pension obligation	(15,887)
Adjustment to annual required contribution	<u>26,841</u>
Annual pension cost	935,191
Contributions made	<u>924,237</u>
Decrease in net pension asset	10,954
Net pension obligation (asset) beginning of year	<u>(317,738)</u>
Net pension obligation (asset) end of year	<u>\$ (306,784)</u>

***Funded Status and Funding Progress***

Three Year Trend Information			
Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
6/30/2013	\$ 745,907	99.46	\$ (328,063)
6/30/2014	767,953	98.66	(317,738)
6/30/2015	935,191	98.83	(306,784)

As of December 31, 2014, the most recent actuarial valuation date, the plan was 11.51% funded. The actuarial accrued liability for benefits was \$8,502,626 and the actuarial value of assets was \$978,886, resulting in an unfunded actuarial accrued liability (UAAL) of \$7,523,740. The covered payroll (annual payroll of active employees covered by the plan) was \$14,480,738, and the ratio of the UAAL to the covered payroll was 51.96%.

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

**GUILFORD COUNTY, NORTH CAROLINA**  
NOTES TO THE FINANCIAL STATEMENTS

The following are financial statements for the Law Enforcement Officers' Special Separation Allowance Pension Trust Fund included as Fiduciary Funds in Exhibits 11 and 12 at June 30, 2015:

**Statement of Plan Net Position**  
**June 30, 2015**

	<u>Law Enforcement Officers' Special Separation Allowance</u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents/investments	\$ 1,096,086
Receivables:	
Accrued interest on investments	<u>567</u>
Total assets	<u>1,096,653</u>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	<u>34,413</u>
<b>Net Position</b>	
Held in trust for pension benefits	<u>\$ 1,062,240</u>

**Statement of Changes in Plan Net Position**  
**For the fiscal year ended June 30, 2015**

	<u>Law Enforcement Officers' Special Separation Allowance</u>
<b>Additions</b>	
Employer contributions	\$ 924,237
Net investment income	<u>2,478</u>
Total additions	<u>926,715</u>
<b>Deductions</b>	
Benefits	764,397
Administrative expenses	<u>682</u>
Total deductions	<u>765,079</u>
Change in net position	161,636
Net position at beginning of year	<u>900,604</u>
Net position at end of year	<u>\$ 1,062,240</u>

**3. Supplemental Retirement Income Plan**

**Plan Description**

The County contributes to the Supplemental Retirement Income Plan of North Carolina (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. All law enforcement officers and any other employees, who are currently members of a state-administered retirement plan, are eligible to participate from the date of employment. Article 5 of General Statute 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Plan is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

**GUILFORD COUNTY, NORTH CAROLINA**  
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***Funding Policy***

Article 12E of General Statute Chapter 143 requires that the County contribute each month an amount equal to 5% of each law enforcement officer's qualified salary. During the year ended June 30, 2015, the County also elected to contribute up to a 5% match of qualified salaries for all other eligible employees. All covered employees may make voluntary contributions to the Plan. All contributions and investment earnings allocated to the employees' accounts are fully vested immediately. County contributions for the year ended June 30, 2015, to law enforcement officers' accounts and other employees' accounts were \$719,218 and \$2,614,193, respectively. Voluntary contributions to the Plan were \$3,941,624.

**4. Registers of Deeds' Supplemental Pension Fund**

***Plan Description***

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

***Benefits Provided***

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

***Contributions***

Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County pursuant to Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution for this fiscal year and the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. For the fiscal year ended June 30, 2015, the County's required and actual contributions to the RODSPF were \$34,936.

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

At June 30, 2015, the County reported an asset of \$975,649 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF

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employers. At June 30, 2014, the County's proportion was 4.30%, which was an increase of .01% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of (\$25,460). At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,953	-
Net difference between projected and actual earnings on pension plan investments	-	5,251
Changes in proportion and difference between County contributions and proportionate share of contributions	-	1,465
County contributions subsequent to the measurement date	34,936	-
Total	<u>\$ 43,889</u>	<u>6,716</u>

The \$34,936 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2016	\$ 2,093
2017	2,093
2018	(632)
2019	<u>(1,317)</u>
Total	<u>\$ 2,237</u>

**Actuarial Assumptions.** The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 7.75 percent, including inflation and productivity factor
Investment rate of return	5.75 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

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reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2014 is 2.5%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 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 3.19%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (4.75%)	Discount Rate (5.75%)	1% Increase (6.75%)
County's proportionate share of the net pension liability (asset)	\$ (876,087)	\$ (975,649)	\$ (1,061,222)

*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. Deferred Compensation Plans**

**1. Guilford County**

Guilford County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. All assets and income of the plan are in a trust for the exclusive benefit of the participants and their beneficiaries and therefore are not a part of the County's financial statements. The compensation deferred for the fiscal year ended June 30, 2015 was \$129,072.

**2. Discretely Presented Component Unit**

**Greensboro Area Convention and Visitors Bureau Deferred Compensation Plan**

The Authority offers its employees a Deferred Compensation Plan (Plan) created in accordance with Internal Revenue Code 457. The Plan, available to all full-time employees who have completed



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one year of service and are at least 21 years old, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement or death. The Authority has complied with changes in the laws that govern deferred compensation plans, requiring all assets of the plan to be held in trust for the exclusive benefit of the participants and their beneficiaries.

The Authority makes a matching contribution in an amount equal to the employees deferred contribution up to a maximum of 6%. All employees may defer amounts up to the maximum allowed by the Internal Revenue Service each year. Employees' contributions vest immediately. The Authority's contributions are fully vested after five years of continuous service. The employee receives credit for his contribution as well as the Authority's, and benefits are based on the total assets owned in the employee's individual accounts. Authority and employee contributions for the fiscal year ended June 30, 2015 were \$36,072 and \$44,061, respectively.

**C. Other Postemployment Benefits (OPEB)**

**1. Health Care Benefits**

**Plan Description**

Under the terms of a County resolution, Guilford County administers a single-employer defined benefit Health Care Plan (the HC Plan). This plan provides postemployment healthcare benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System). Employees hired or rehired on or after July 1, 2009 are not eligible for these benefits with limited exceptions. The County's contribution is determined by the number of years of creditable service prior to retirement. Non-Medicare eligible retirees with at least 30 years of creditable service and their dependents may participate with the County contributing the normal employer share of the premium and the retiree paying the normal employee share of the premium. Non-Medicare eligible retirees with at least 25 years of creditable service and their dependents may participate with the County contributing 75 percent of the employer's share and the retiree paying the balance of the employer's share of the premium as well as the normal employee share of the premium. Non-Medicare eligible retirees with at least 20 years of creditable service and their dependents may participate with the County contributing 50 percent of the employees share and the retiree paying the balance of the employer's share of the premium as well as the normal employee share of the premium. Prior to January 1, 2014, Medicare-eligible retirees who are enrolled in both Medicare Parts A and B are eligible to participate with the County contributing a flat amount for retirees with 30 years of creditable service, 75 percent of that rate for retirees with at least 25 years of creditable service and 50 percent of that rate for retirees with at least 20 years of creditable service. Effective January 1, 2014, all Medicare-eligible participants are covered by a fully insured Medicare Advantage Plan with the County contributing the same percentages of the premium as noted above for retirees with at least 30 years, 25 years, and 20 years of creditable service. Employer and participants' costs for the fiscal year ending June 30, 2015 were \$1,419,570 and \$247,858. Medicare-eligible participants receive secondary coverage. A separate report was not issued for the plan.

Membership of the HC Plan consisted of the following at December 31, 2013, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Employees	Total
Retirees receiving benefits	N/A	N/A	933
Active plan members	1,347	210	1,557
Total			2,490

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***Funding Policy***

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

The current annual required contribution rate is 16.66% of annual covered payroll. For the current year, the County contributed \$6,583,053 (retiree claims paid, insurance and other costs less premiums received) or 8.4% of annual covered payroll. The contribution for fiscal year 2015 did not include an additional amount to prefund benefits deposited in the Guilford County Local Government Other Post-Employment Benefit (OPEB) Trust, an irrevocable trust, to meet the requirements of the governmental accounting standards and IRS regulations. The County provides healthcare coverage through self insurance. The County's required contributions, under a County resolution establishing premium amounts for different coverages, for employees and retirees were 32.2% and 6.9% of covered payroll, respectively. Contributions (premiums) made by employees and retirees were 6.8% and 2.0% of covered payroll, respectively. The County's obligation to contribute to the HC Plan is established and may be amended by the County's Board of County Commissioners.

***Summary of Significant Accounting Policies***

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

***Annual OPEB Cost and Net OPEB Obligation***

The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the healthcare benefits:

Annual required contribution	\$ 13,040,988
Interest on net OPEB obligation	4,707,687
Adjustment to annual required contribution	<u>(5,833,168)</u>
Annual OPEB cost	11,915,507
Contributions made	<u>6,853,053</u>
Increase in net OPEB obligation	5,062,454
Net OPEB obligation beginning of year	<u>94,153,746</u>
Net OPEB obligation end of year	<u>\$ 99,216,200</u>

**GUILFORD COUNTY, NORTH CAROLINA**  
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The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013, 2014, and 2015 were as follows:

Three Year Trend Information			
Fiscal Year Ended	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2013	\$ 22,633,555	37.5	\$ 89,332,940
6/30/2014	11,973,134	59.7	94,153,746
6/30/2015	11,915,507	57.5	99,216,200

***Funded Status and Funding Progress***

As of December 31, 2013, the most recent actuarial valuation date, the plan was 7.2% funded. The actuarial value of assets was \$10,956,349. The actuarial accrued liability for benefits was \$152,928,720 and, thus, the unfunded actuarial accrued liability (UAAL) was \$141,972,371. The covered payroll (annual payroll of active employees covered by the plan) was \$78,276,642, and the ratio of the UAAL to the covered payroll was 181.4%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

***Actuarial Methods and Assumptions***

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 5% investment rate of return which included a 3% inflation assumption. They also included a Pre-Medicare annual cost trend rate of 7.75% - 5% and a Post Medicare annual trend rate of 5.75% - 5%. The actuarial value of assets was determined using the market value of investments. The UAAL is being amortized as a level dollar amount on an open basis. The remaining amortization period at December 31, 2013 was 30 years.

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The following are financial statements for the Other Post Employment Benefits Pension Trust Fund included as Fiduciary Funds in Exhibits 11 and 12 at June 30, 2015:

**Statement of Plan Net Position**  
**June 30, 2015**

	<b>Other Post Employment Benefits</b>
<b>Assets</b>	
Current assets:	
State Treasurer's Local Government Other Post Employment Benefits (OPEB) Fund:	
Short-Term OPEB Fund	\$ 2,550,943
Long-Term OPEB Fund	1,036,891
OPEB Equity Fund	8,487,577
Cash and cash equivalents/investments	\$ 12,075,411
<b>Net Position</b>	
Held in trust for pension benefits	\$ 12,075,411

**Statement of Changes in Plan Net Position**  
**For the fiscal year ended June 30, 2015**

	<b>Other Post Employment Benefits</b>
<b>Additions</b>	
Employer contributions	\$ 6,853,053
Retiree contributions	1,568,236
Net investment income	602,294
Total additions	9,023,583
<b>Deductions</b>	
Benefits	8,421,289
Administrative expenses	34,091
Total deductions	8,455,380
Change in net position	568,203
Net position at beginning of year	11,507,208
Net position at end of year	\$ 12,075,411

**2. Medicare Supplement Plan**

Eligible retirees after age 65 who do not opt to participate in the HC Plan may participate in a Medicare supplement plan. The service requirements are the same for the Medicare supplement plan as noted above for the healthcare benefit. The County contributes up to \$40 per month for each retiree with at least 30 years of creditable service and 75 percent of that amount for each retiree with at least 25 years of creditable service. The cost of retiree Medicare supplement benefits is recognized as an expenditure when the premiums are paid. As of June 30, 2015, four Medicare-eligible retirees who did not opt to participate in the HC Plan, participate in the Medicare supplement benefit. For the fiscal year ended June 30, 2015, the County paid \$1,584 for Medicare supplement coverage.

**3. Guilford County Retiree Welfare Benefits Plan**

The County administers the Retiree Welfare Benefits Plan (the Vantagecare Retirement Health Savings Plan) to replace coverage under the County's Health Care Plan (Note IV. C. 1.) for all employees hired on or after July 1, 2009. This plan allows participants to accumulate assets to pay for health insurance and out-of-pocket medical expenses in retirement for participants, their spouses and dependents. Retirees must be members of the North Carolina Local Governmental

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Employees' Retirement System. Participation in the Retiree Welfare Benefits Plan is mandatory and under the adoption agreement the County and the participant are required to contribute per biweekly pay period \$12.50 and \$7.70, respectively. The County's contribution becomes vested pursuant to a vesting schedule in which 50% is vested after 10 years of service, 75% after 15 years of service and 100% after 20 years of service. The participant's contribution is 100% vested at all times.

A participant is eligible to receive benefits at separation from service. All assets and income of the plan are in a trust for the exclusive benefit of the participant and their beneficiaries and therefore are not a part of the County's financial statements. Employer and participant contributions for the fiscal year ended June 30, 2015 were \$252,999 and \$155,848, respectively.

**D. Other Employment Benefits**

The County has elected to provide death benefits to employees through the Death Benefit Plan for Members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer State-administered cost-sharing plan funded on a one-year term cost basis. Lump sum death benefits are provided to beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The benefit payment is equal to the employee's 12 highest months salary in a row during the 24 months prior to his/her death, but the benefit must be between \$25,000 and \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Due to a surplus in the death benefit, a decision was made by the State to temporarily stop employer contributions to the LGERS Death Benefit Plan beginning July 1, 2012. Guilford County has had a three-year reprieve because it had been contributing for more than 20 years. Contributions will resume for fiscal year beginning July 1, 2015.

**E. Risk Management**

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

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

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

**1. Liability and Property Insurance**

The liability program is self-funded, including participation in the Local Government Excess Liability Fund, Inc. (ELF), a public entity banking pool of funds designed to cover certain types of liability claims and whose structure provides for no transfer of risk to the member units. Fund balances within each ELF Fund are segregated by member and in the event of loss, are made available for claims payment by the respective member, on a loan or withdrawal basis. The structure is considered to be similar to a claims-servicing arrangement. The ELF Revolving Fund - Primary

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Liability Coverage (Primary Liability Fund) covers claims in excess of \$100,000 up to \$5,000,000 per occurrence. The ELF Self-Retention Fund – Guilford County (Self-Retention Fund) was established as a transitional fund to pay claims not covered by the Primary Liability Fund and other related expenses. As of June 30, 2015, the County’s balances in the Primary Liability and Self-Retention Funds were \$7,303,927 and \$531,652, respectively, which were recorded in the Internal Service Fund as a deposit. The County covers the first \$100,000 in liability claims and the claims in excess of the \$5,000,000 per occurrence out of its available Internal Service Fund reserves.

The property insurance program is financed using a combination of self-funding, which includes participation in the Local Government Property Insurance Deductible Fund, Inc., a public entity banking pool (Property Fund) and purchased insurance. The Property Fund’s structure provides for no transfer of risk to the member units. Fund balances are segregated by member and in the event of loss, are made available for claims payment by the respective member, on a loan or withdrawal basis. The Property Fund pays property losses up to \$50,000 per occurrence after application of a \$10,000 deductible requirement. A purchased insurance policy provides excess coverage above \$50,000 up to 100% replacement cost, limited to \$391 million per occurrence. As of June 30, 2015, the County’s balance in the Property Fund of \$152,218 was recorded in the Internal Service Fund as a deposit. Deductibles are covered out of the County’s available Internal Service Fund reserves.

The County has the right to withdraw its interest in the Funds of the Local Government Excess Liability Fund, Inc. and the Local Government Property Insurance Deductible Fund, Inc. when all claims against the Funds have been settled and all legal obligations have been paid.

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

In accordance with North Carolina General Statute 159-29, the Director of Finance and Tax Collector are individually bonded for \$100,000 each. The remaining employees that have access to funds are bonded under a \$50,000 blanket bond.

**2. Workers’ Compensation Insurance**

The workers compensation program is financed using a combination of self-funding, which includes participation in the Local Government Excess Liability Fund, Inc. (ELF), and purchased insurance. The County is self-insured for the first \$100,000 per occurrence from the County’s available Internal Service Fund reserves. Claims from \$100,000 to \$600,000 are covered by the ELF Revolving Fund-Employers’ Liability/Workers’ Compensation (WC Fund). Claims above \$600,000 are covered by a purchased insurance policy with an unlimited indemnity for workers compensation losses and employers’ liability. Amounts paid by the WC Fund are repaid in subsequent years by the governmental unit incurring the loss, thus, no risk of loss has been transferred by the County to the WC Fund, a banking pool. Annual deposits by members are actuarially determined. As of June 30, 2015, the County’s balance in the WC Fund of \$673,671 was recorded in the Internal Service Fund as a deposit.

**3. Employee Healthcare Insurance**

The employee healthcare program is financed using a combination of self-funding supplemented by employee contributions and purchased insurance. Effective January 1, 2014 Guilford County made significant changes to their healthcare program. Medicare-eligible retirees were transitioned from the self-funded health insurance plan to a fully insured Medicare Advantage plan, resulting in a significant reduction in per-retiree costs. Also one of two previously available healthcare plan options was eliminated. The remaining plan is available to employees, non-Medicare eligible retirees generally hired before July 1, 2009, covered dependents and eligible former employees. The County administers the plan through a self-funded program, supplemented by

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employee contributions, to pay claims administration and medical claims of the employees and their covered dependents. Specific stop-loss insurance with a deductible level of \$375,000 per member for all occurrences is purchased to limit the County's losses for the overall program. The County provides a basic and an enhanced dental plan for employees, retirees, and covered dependents, supplemented by employee contributions, which are also accounted for in the self-funded program.

**4. Reconciliation of Claims Liability**

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

	Fiscal Year 2014-2015					Fiscal Year
	Liability	Property	Workers' Compensation	Employee Healthcare	Total	2013-14 Total
Balance Beginning of Year	\$ 170,819	55,850	2,816,548	2,200,671	5,243,888	4,909,272
Incurred Claims (Including IBNRs) and Changes in Estimates	2,264,248	263,208	1,993,066	32,070,963	36,591,485	34,565,623
Less Claims Payments	203,199	304,855	1,850,579	31,833,032	34,191,665	34,231,007
Balance End of Year	<u>\$ 2,231,868</u>	<u>14,203</u>	<u>2,959,035</u>	<u>2,438,602</u>	<u>7,643,708</u>	<u>5,243,888</u>

**F. Benefit Payments Issued by the State**

The State, on behalf of the County, makes benefit payments from Federal and State monies directly to recipients. County personnel are involved with certain functions, primarily eligibility determinations that cause these payments to be issued. The following amounts, which disclose the additional aid to County recipients, do not appear in the basic financial statements because they are not revenues and expenditures of the County.

Program Title	Federal	State
Aid to the Blind	\$ 91,092	22,257
Aid to Families with Dependent Children	(1,824)	(500)
SC/SA Domiciliary Care	-	2,644,406
Refugee Assistance	150,853	-
Adoption Assistance - CWS	-	2,086,850
Adoption Assistance - IV-E	2,563,887	666,169
Medical Assistance	365,008,169	199,523,080
Health Choice	5,309,145	1,677,218
Woman, Infants and Children	10,477,239	-
Supplemental Nutrition Assistance Program	150,205,862	-
Temporary Assistance for Needy Families	2,395,095	-
Total benefit payments issued by the State	<u>\$ 536,199,518</u>	<u>206,619,480</u>

**GUILFORD COUNTY, NORTH CAROLINA**  
NOTES TO THE FINANCIAL STATEMENTS

**G. Commitments and Contingencies**

The County leases certain equipment under long-term lease agreements. At June 30, 2015, such arrangements with initial or remaining noncancellable terms in excess of one year are as follows:

Year Ending June 30	Capital Leases and Installment Financings	Operating Leases
2016	\$ 1,395,079	248,408
2017	1,351,627	20,291
2018	1,308,174	12,057
2019	-	10,820
2020	-	10,820
Total minimum payments	<u>4,054,880</u>	<u>302,396</u>
Less amount representing interest	<u>228,126</u>	
Present value of net minimum payment	<u>\$ 3,826,754</u>	

There were no contingent rentals or sublease rentals associated with leases in effect at June 30, 2015. The total rental expense amounted to \$689,153 for the fiscal year ended June 30, 2015.

Expenditures incurred for improvements to property of the Guilford County Board of Education and Guilford Technical Community College are reimbursed upon request. Because Guilford County is not a party to the contracts for school improvements, the unexecuted balances of such contracts are considered obligations of the applicable school systems. Further, additional payments, if any, to be made by Guilford County will be from future appropriations. For these reasons, the unexecuted balances of such contracts, aggregating approximately \$20.3 million at June 30, 2015, represent commitments.

The County participates in a number of Federal and State of North Carolina financial assistance programs. For the fiscal year ended June 30, 2015, these programs were subject to audit in accordance with generally accepted auditing standards, Government Auditing Standards, the provisions of OMB Circular A-133, and the State Single Audit Implementation Act. The amount, if any, of expenditures which may be disallowed by the granting agencies resulting from this and other audits cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

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

**H. Conduit Debt Obligations**

The Guilford County Industrial Facilities and Pollution Control Financing Authority (the Authority) has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2015, there were eight series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$45,365,431.



**GUILFORD COUNTY, NORTH CAROLINA**  
NOTES TO THE FINANCIAL STATEMENTS

**I. Joint Venture**

***Guilford Technical Community College***

The County, in conjunction with the State of North Carolina and Guilford County Board of Education, participates in a joint venture to operate the Guilford Technical Community College. Each of the three participants appoints four members of the thirteen-member board of trustees of the community college. The president of the community college's student government serves as an ex officio nonvoting member. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. Of the general obligation bond and bond anticipation note issues for this purpose, \$74,947,505 in debt is still outstanding. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$13,297,690 for operating purposes during the fiscal year ended June 30, 2015. In addition, the County made debt service payments of \$9,765,429 net of applicable rebates, during the fiscal year on general obligation bonds issued for community college capital facilities. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2015. Complete financial statements for the community college may be obtained from the community college's administrative offices at 601 High Point Road, Jamestown, North Carolina 27282.

**J. Jointly Governed Organizations**

***Piedmont Triad Airport Authority***

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

***High Point Convention and Visitors Bureau***

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

***Piedmont Authority for Regional Transportation***

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

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

The County participates with eight other counties in the Sandhills Center for Mental Health, Developmental Disabilities and Substance Abuse Services (Center). The Center is governed by a twenty-three member Area Board. A County Commissioner from each participating government sits on the Board. The remaining fourteen members are allocated based on population in each county. The County Commissioners in each county then appoint these remaining members that are allotted to their county. None of the participating governments have an equity interest in the Center, so no equity interest has been reflected in the County's financial statements at June 30, 2015. During the fiscal year ended June 30, 2015, the County paid \$9,674,000 to the Center to supplement its activities. Complete financial statements for the Center may be obtained from the Center's offices at 1120 Seven Lakes Drive, PO Box 9, West End, NC 27376.

**GUILFORD COUNTY, NORTH CAROLINA**  
NOTES TO THE FINANCIAL STATEMENTS

***Piedmont Triad Regional Council***

The County participates with eleven other counties and sixty-one municipalities in the Piedmont Triad Regional Council (PTRC). The PTRC was established to promote regional issues and cooperation among its members and to coordinate various funding received from Federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership dues of \$105,222 to the PTRC during the fiscal year ended June 30, 2015.

**K. Excess of Expenditures Over Appropriations**

For the fiscal year ended June 30, 2015, the expenditures reported in the County's Internal Service Fund, Risk Retention Department (liability/property/workers' compensation), exceeded the authorized appropriations of the governing board by \$1,822,059. This over-expenditure occurred due to an increase in the incurred but not reported claims liability adjustment based on an actuarial report which is not completed until after June 30 of each year. The increase was significantly greater than recent history and thus would have been difficult to predict.

**L. Subsequent Event**

The County has evaluated subsequent events through October 31, 2015 in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.



# Required Supplementary Information

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

Local Government Employees' Retirement System (LGERS):

Proportionate Share of Net Pension Liability (Asset)

County Contributions

Register of Deeds' Supplemental Pension Fund (RODSPF):

Proportionate Share of Net Pension Liability (Asset)

County Contributions

Law Enforcement Officers' Special Separation Allowance:

Schedule of Funding Progress

Schedule of Employer Contributions

Notes to the Required Schedules

The Health Care Plan of Guilford County:

Schedule of Funding Progress

Schedule of Employer Contributions

Notes to the Required Schedules

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

**Proportionate Share of Net Pension Liability (Asset) <sup>(1)</sup>**

Fiscal Year	Proportion of the Net Pension Liability (Asset)	Proportion of the Net Pension Liability (Asset) NPL(A) (a)	Covered Employee Payroll (b)	Proportionate Share of NPL(A) as a % of Covered Employee Payroll (a / b)	Plan Fiduciary Net Position as a % of the Total Pension Liability (Asset) <sup>(2)</sup>
2014	1.96690%	\$ 23,708,704	\$ 109,811,167	21.59%	94.35%
2015	1.84431	(10,876,744)	104,985,908	(10.36)	102.64

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

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

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

<sup>(2)</sup> This will be the same percentage for all participant employers in the LGERS plan.

**County Contributions <sup>(1)</sup>**

Fiscal Year	Contractually Required Contribution (a)	Contributions in Relation to the Contractually Required Contribution (b)	Contribution Deficiency (Excess) (b - a)	Covered Employee Payroll (c)	Contributions as a % of Covered Employee Payroll (b / c)
2014	\$ 7,451,417	7,451,417	-	104,985,908	7.10%
2015	7,772,719	7,772,719	-	109,247,583	7.11

<sup>(1)</sup> Ten-year trend information is being developed in this table.

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

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

**Proportionate Share of Net Pension Liability (Asset) <sup>(1)</sup>**

Fiscal Year	Proportion of the Net Pension Liability (Asset)	Proportion of the Net Pension Liability (Asset) NPL(A) (a)	Covered Employee Payroll (b)	Proportionate Share of NPL(A) as a % of Covered Employee Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability (Asset) <sup>(2)</sup>
2014	4.29451%	\$ (917,307)	\$ 109,792	(835.50)%	190.50%
2015	4.30446	(975,649)	111,018	(878.82)	193.88

<sup>(1)</sup> The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.  
Ten-year trend information is being developed in this table.

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

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

**County Contributions <sup>(1)</sup>**

Fiscal Year	Contractually Required Contribution (a)	Contributions in Relation to the Contractually Required Contribution (b)	Contribution Deficiency (Excess) (b - a)	Covered Employee Payroll (c)	Contributions as a % of Covered Employee Payroll (b / c)
2014	\$ 35,145	35,145	-	111,018	31.66%
2015	34,936	34,936	-	112,895	30.95

<sup>(1)</sup> Ten-year trend information is being developed in this table.

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

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

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/09	\$ 1,207,354	7,677,564	6,470,210	15.7%	\$ 12,737,800	50.8%
12/31/10	1,030,668	7,320,905	6,290,237	14.1	13,996,047	44.9
12/31/11	963,291	7,744,871	6,781,580	12.4	14,564,460	46.6
12/31/12	892,971	7,685,267	6,792,296	11.6	14,249,536	47.7
12/31/13	928,399	8,128,731	7,200,332	11.4	13,812,657	52.1
12/31/14	978,886	8,502,626	7,523,740	11.5	14,480,738	52.0

**Schedule of Employer Contributions**

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2010	\$ 521,280	100.0
2011	657,157	100.0
2012	675,368	100.0
2013	741,844	100.0
2014	757,628	100.0
2015	924,237	100.0

**Notes to the Required Schedules**

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

Valuation date	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	16 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	From 4.25% to 7.85% per year
*Includes inflation at	3.00%
Cost of living adjustments	N/A

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

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/05	\$ 0	280,036,182	280,036,182	0.0%	\$ 110,448,627	253.5%
12/31/07	0	289,259,990	289,259,990	0.0	119,246,270	242.6
12/31/09 <sup>(1)</sup>	1,137,926	217,207,018	216,069,092	0.5	121,446,107	177.9
12/31/11 <sup>(1)</sup>	5,468,262	252,343,625	246,875,363	2.2	101,161,493	244.0
12/31/13 <sup>(1) (2)</sup>	10,956,349	152,928,720	141,972,371	7.2	78,276,642	181.4

<sup>(1)</sup> The plan is closed to new entrants as of July 1, 2009. The covered payroll does not include employees who have been excluded due to the closure of the Plan.

<sup>(2)</sup> Effective January 1, 2013 the County merged Mental Health operations with a multi-County authority; therefore, covered payroll no longer includes these employees of the authority. Effective January 1, 2014 the County provided Medicare-eligible retirees a fully insured Medicare advantage plan.

**Schedule of Employer Contributions**

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2010	\$ 16,746,459	38.9
2011	16,746,459	43.4
2012	23,532,302	37.4
2013	23,532,302	36.1
2014	13,040,988	54.8
2015	13,040,988	52.6

**Notes to the Required Schedules**

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

Valuation date	12/31/2013
Actuarial cost method	Projected unit credit
Amortization method	Level dollar amount, open
Remaining amortization period	30 years
Amortization factor	16.1411
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Medical cost trend rate	
Pre-Medicare trend rate	7.75%-5.00%
Post-Medicare trend rate	5.75%-5.00%
Year of Ultimate trend rate	2019
*Includes inflation at	3.00%

The assumed investment rate of return reflects the fact that assets are set aside within Guilford County that are legally held exclusively for retiree health benefits.





# Major Governmental Funds

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## General Fund

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

## Capital Projects Funds

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

- *County Building Construction Fund* - Accounts for the financing and construction of various capital assets and improvements thereto of the County. Financing is provided principally by operating transfers from the General Fund, interest on investments and proceeds of general obligation bonds when issued.
- *Water and Sewer Construction Fund* - Accounts for the financing and construction of various water and sewer construction projects through joint agreements with various municipalities, including the cities of Greensboro, High Point, and Archdale. Prior to the recent termination of these agreements, the primary revenue sources were acreage user fees, joint operation fees and assessments with additional financing provided principally by the proceeds of general obligation bonds when issued.
- *School Capital Outlay Fund* - Accounts for the County's portion of the financing of school capital assets for the Guilford County Public School System as well as Guilford Technical Community College. Financing may be provided from three principal sources: (1) County-wide funds, primarily operating transfers from the General Fund; (2) Revenue from the North Carolina Public School Building Capital Fund (Average Daily Membership and Lottery) and the North Carolina Public School Building Bond Fund; and (3) Proceeds of general obligation bonds issued by Guilford County. Under North Carolina law, such bonds cannot be issued by the respective school.

**GUILFORD COUNTY, NORTH CAROLINA**  
**General Fund**

A-1

Schedule of Expenditures - Budget and Actual  
For the fiscal year ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary and GAAP Basis	Final Budget Positive (Negative)
Current:				
General government:				
County commissioners	\$ 462,288	543,689	391,785	151,904
Clerk to the board	169,882	169,902	154,735	15,167
County administration	1,333,157	850,385	692,512	157,873
County attorney	1,906,070	1,911,073	1,837,292	73,781
Human resources	8,756,543	7,261,562	7,126,911	134,651
Budget and management	474,407	477,908	437,406	40,502
Internal audit	511,337	511,339	443,806	67,533
Finance	2,478,943	2,463,005	2,263,232	199,773
Purchasing	388,429	391,511	340,416	51,095
Information services	8,751,963	9,444,991	8,803,775	641,216
Tax	5,611,566	5,708,205	5,617,033	91,172
Register of deeds	2,268,141	2,318,145	2,167,139	151,006
Elections	1,695,768	1,696,769	1,583,453	113,316
Planning and development	727,621	749,976	660,052	89,924
Facilities	7,383,031	8,213,981	7,061,732	1,152,249
Security	1,632,888	1,657,890	1,640,763	17,127
Fleet operation	799,051	902,103	640,519	261,584
Total general government	<u>45,351,085</u>	<u>45,272,434</u>	<u>41,862,561</u>	<u>3,409,873</u>
Human services:				
Health and Human Services:				
Public health	31,262,327	31,610,532	29,812,115	1,798,417
Social services	70,023,056	71,593,030	69,096,834	2,496,196
Mental health	9,674,000	9,747,609	9,747,609	-
Public assistance - adults, families, medical	5,649,394	5,619,394	5,000,072	619,322
Child support enforcement	5,994,303	6,044,812	5,897,906	146,906
Cooperative extension service	584,601	608,978	480,371	128,607
Coordinated services	1,497,510	1,540,716	1,482,417	58,299
Veteran services	124,772	124,874	117,428	7,446
Transportation	1,573,497	1,694,398	1,522,397	172,001
Total human services	<u>126,383,460</u>	<u>128,584,343</u>	<u>123,157,149</u>	<u>5,427,194</u>
Public safety:				
Law enforcement	63,794,042	69,267,638	64,920,263	4,347,375
Emergency services	25,467,466	25,586,720	24,024,903	1,561,817
Inspections	2,053,242	2,067,199	1,988,069	79,130
Court alternatives	2,563,284	2,398,230	2,224,988	173,242
Family Justice Center	-	57,134	42,418	14,716
Animal services	3,119,455	3,134,195	2,817,453	316,742
Other protection	1,389,936	1,484,124	1,326,112	158,012
Total public safety	<u>98,387,425</u>	<u>103,995,240</u>	<u>97,344,206</u>	<u>6,651,034</u>
Environmental protection:				
Sanitation	1,098,589	1,135,847	1,112,185	23,662
Soil and water conservation	257,494	263,497	256,702	6,795
Total environmental protection	<u>1,356,083</u>	<u>1,399,344</u>	<u>1,368,887</u>	<u>30,457</u>
Culture - recreation:				
Culture & libraries	1,827,807	1,827,807	1,827,807	-
Recreation - parks	3,431,121	3,640,504	3,203,954	436,550
Total culture - recreation	<u>5,258,928</u>	<u>5,468,311</u>	<u>5,031,761</u>	<u>436,550</u>
Economic development and assistance	2,013,699	4,078,125	1,437,954	2,640,171
Intergovernmental:				
Education - current appropriation:				
Guilford Technical Community College	13,297,690	13,297,690	13,297,690	-
Guilford County Board of Education	179,360,398	179,360,398	179,360,398	-
Total education	<u>192,658,088</u>	<u>192,658,088</u>	<u>192,658,088</u>	<u>-</u>
Debt service:				
Principal retirement	53,370,585	53,370,585	53,270,585	100,000
Interest and fiscal charges	36,089,927	36,104,038	29,718,383	6,385,655
Bond issuance costs	1,472,500	1,472,500	-	1,472,500
Total debt service	<u>90,933,012</u>	<u>90,947,123</u>	<u>82,988,968</u>	<u>7,958,155</u>
Total expenditures	<u>\$ 562,341,780</u>	<u>572,403,008</u>	<u>545,849,574</u>	<u>26,553,434</u>

**GUILFORD COUNTY, NORTH CAROLINA**  
**County Building Construction Capital Projects Fund**  
**Combining Schedule of Revenues and Expenditures**  
**For the fiscal year ended June 30, 2015**

A-2

	Annually Budgeted Projects	Project- Length Budgets	Total
<b>Revenues</b>			
Intergovernmental	\$ -	142,787	142,787
Charges for services	26,117	-	26,117
Interest on investments	50,789	-	50,789
Other	3,671	415,576	419,247
Total revenues	80,577	558,363	638,940
<b>Expenditures</b>			
Capital outlay	-	4,431,187	4,431,187
Excess (deficiency) of revenues over expenditures	80,577	(3,872,824)	(3,792,247)
<b>Other Financing Sources</b>			
Transfers in	1,249,212	-	1,249,212
Sale of capital assets	250,000	-	250,000
Total other financing sources	1,499,212	-	1,499,212
Excess (deficiency) of revenues and other sources over expenditures	\$ 1,579,789	(3,872,824)	(2,293,035)

GUILFORD COUNTY, NORTH CAROLINA  
 County Building Construction Capital Projects Fund  
 Schedule of Revenues and Expenditures -  
 Budget and Actual (Budgetary Basis - Annually Budgeted Projects)  
 For the fiscal year ended June 30, 2015

A-2a

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary and</u> <u>GAAP Basis</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>				
Charges for services	\$ -	-	26,117	26,117
Interest on investments	-	-	50,789	50,789
Other	-	-	3,671	3,671
Total revenues	<u>-</u>	<u>-</u>	<u>80,577</u>	<u>80,577</u>
<b>Expenditures</b>				
Capital outlay:				
County building construction				
for future projects	-	1,249,212	-	1,249,212
Total expenditures	<u>-</u>	<u>1,249,212</u>	<u>-</u>	<u>1,249,212</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1,249,212)</u>	<u>80,577</u>	<u>1,329,789</u>
<b>Other Financing Sources</b>				
Transfers in	-	1,249,212	1,249,212	-
Sale of capital assets	-	-	250,000	250,000
Total other financing sources	<u>-</u>	<u>1,249,212</u>	<u>1,499,212</u>	<u>250,000</u>
Excess of revenues and other sources over expenditures	<u>\$ -</u>	<u>-</u>	<u>1,579,789</u>	<u>1,579,789</u>

**GUILFORD COUNTY, NORTH CAROLINA**  
**County Building Construction Capital Projects Fund**  
**Schedule of Revenues and Expenditures -**  
**Budget and Actual (Budgetary Basis - Project-Length Budgets)**  
**From inception and for the fiscal year ended June 30, 2015**

A-2b

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
Intergovernmental	\$ 3,610,911	3,442,388	142,787	3,585,175
Other	3,393,034	1,614,867	415,576	2,030,443
Total revenues	<u>7,003,945</u>	<u>5,057,255</u>	<u>558,363</u>	<u>5,615,618</u>
<b>Expenditures</b>				
Capital outlay:				
General Government Projects:				
BB&T Building	10,077,000	9,864,850	-	9,864,850
New Financial Reporting System	5,331,636	4,790,449	-	4,790,449
Upgrade to Financial Reporting System	481,150	427,502	-	427,502
High Point Courthouse Renovations	1,728,626	547,646	34,175	581,821
Greene Street Center	648,180	19,565	505,838	525,403
Governmental Plaza Renovations	376,000	-	-	-
Human Services Projects:				
Bellemeade Center Renovations	833,114	110,895	-	110,895
Public Safety Projects:				
Law Enforcement Special Ops Building	3,950,000	7,500	270,498	277,998
800 MHz Radio Replacement	8,274,300	7,077,028	157,827	7,234,855
800 MHz Infrastructure Upgrade	12,044,000	4,453,674	857,312	5,310,986
Fire/EMS Paging Systems Narrowbanding	502,000	245,116	79,871	324,987
EMS Maintenance/Logistics Facility	6,213,000	-	-	-
EMS Base Station 4 Relocation	335,000	2,475	-	2,475
Culture-Recreation Projects:				
Bicentennial Greenway Trail Phase III	3,753,474	3,640,019	-	3,640,019
Triad Park	5,192,622	4,445,194	635,232	5,080,426
Bryan Park - Phase I	100,000	3,920	21,955	25,875
Bur Mil Park Improvements	2,923,352	2,776,770	59,001	2,835,771
Northeast Park	9,242,725	9,031,563	1,400	9,032,963
Open Space Acquisition	10,148,246	9,529,336	52,557	9,581,893
Hagan-Stone Park Swimming Pool	2,000,000	-	1,735,690	1,735,690
Hagan-Stone Park	1,384,499	1,349,219	19,831	1,369,050
Trails Development	363,938	74,135	-	74,135
Atlantic & Yadkin Greenway-Stimulus	664,549	279,964	-	279,964
Economic Development & Assistance Projects:				
Haystack Site Development Project	30,000	26,352	-	26,352
Total expenditures	<u>86,597,411</u>	<u>58,703,172</u>	<u>4,431,187</u>	<u>63,134,359</u>
Deficiency of revenues over expenditures	<u>(79,593,466)</u>	<u>(53,645,917)</u>	<u>(3,872,824)</u>	<u>(57,518,741)</u>
<b>Other Financing Sources</b>				
General obligation bonds issued	25,896,384	25,896,433	-	25,896,433
Capital-related debt issued	10,077,000	10,077,000	-	10,077,000
Premiums on general obligation bonds issued	4,554,347	4,554,347	-	4,554,347
Transfers in	3,414,638	3,469,667	-	3,469,667
Appropriated fund balance	35,651,097	-	-	-
Total other financing sources	<u>79,593,466</u>	<u>43,997,447</u>	<u>-</u>	<u>43,997,447</u>
Deficiency of revenues and other sources over expenditures	\$ <u>-</u>	<u>(9,648,470)</u>	<u>(3,872,824)</u>	<u>(13,521,294)</u>

**GUILFORD COUNTY, NORTH CAROLINA**  
**Water and Sewer Construction Capital Projects Fund**  
**Combining Schedule of Revenues and Expenditures**  
**For the fiscal year ended June 30, 2015**

**A-3**

	Annually Budgeted Projects	Project- Length Budgets	Total
<b>Revenues</b>			
Charges for services	\$ 129,291	-	129,291
Other	<u>1,321</u>	-	<u>1,321</u>
Total revenues	130,612	-	130,612
 <b>Expenditures</b>			
Capital outlay	<u>-</u>	<u>2,640,410</u>	<u>2,640,410</u>
Excess (deficiency) of revenues over expenditures	130,612	(2,640,410)	(2,509,798)
 <b>Other Financing Uses</b>			
Transfers out	<u>(1,249,212)</u>	-	<u>(1,249,212)</u>
Deficiency of revenues over expenditures and other uses	<u>\$ (1,118,600)</u>	<u>(2,640,410)</u>	<u>(3,759,010)</u>

**GUILFORD COUNTY, NORTH CAROLINA**  
**Water and Sewer Construction Capital Projects Fund**  
**Schedule of Revenues and Expenditures -**  
**Budget and Actual (Budgetary Basis - Annually Budgeted Projects)**  
**For the fiscal year ended June 30, 2015**

A-3a

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary and GAAP Basis	Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for services:				
Assessments	\$ -	129,291	129,291	-
Other	-	1,321	1,321	-
Total revenues	-	130,612	130,612	-
<b>Expenditures</b>				
Capital outlay	-	-	-	-
Excess of revenues over expenditures	-	130,612	130,612	-
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	(1,249,212)	(1,249,212)	-
Appropriated fund balance	-	1,118,600	-	(1,118,600)
Total other financing sources (uses)	-	(130,612)	(1,249,212)	(1,118,600)
Deficiency of revenues and other sources over expenditures and other uses	\$ -	-	(1,118,600)	(1,118,600)



**GUILFORD COUNTY, NORTH CAROLINA**  
**Water and Sewer Construction Capital Projects Fund**  
**Schedule of Revenues and Expenditures -**  
**Budget and Actual (Budgetary Basis - Project-Length Budgets)**  
**From inception and for the fiscal year ended June 30, 2015**

**A-3b**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Expenditures</b>				
Capital outlay:				
Sanitary sewer:				
Lynwood Lakes Sewer	\$ 5,518,255	3,271,236	2,247,019	5,518,255
Water:				
Lynwood Lakes Water	<u>2,921,769</u>	<u>2,528,378</u>	<u>393,391</u>	<u>2,921,769</u>
Total expenditures	8,440,024	5,799,614	2,640,410	8,440,024
<b>Other Financing Sources</b>				
Appropriated fund balance	<u>8,440,024</u>	-	-	-
Deficiency of other sources over expenditures	\$ <u><u>-</u></u>	<u><u>(5,799,614)</u></u>	<u><u>(2,640,410)</u></u>	<u><u>(8,440,024)</u></u>

**GUILFORD COUNTY, NORTH CAROLINA**  
**School Capital Outlay Capital Projects Fund**  
**Schedule of Revenues and Expenditures -**  
**Budget and Actual (Budgetary Basis - Project-Length Budgets)**  
**From inception and for the fiscal year ended June 30, 2015**

A-4

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
Intergovernmental:				
State Lottery Funds	\$ 2,238,299	2,178,234	-	2,178,234
Public School Building Capital Fund	16,027,725	15,615,090	(52,592)	15,562,498
Public School Building Bond Fund	12,500,102	12,500,102	-	12,500,102
Guilford County Schools	17,079,051	17,138,103	-	17,138,103
Total revenues	<u>47,845,177</u>	<u>47,431,529</u>	<u>(52,592)</u>	<u>47,378,937</u>
<b>Expenditures</b>				
Intergovernmental:				
Education:				
Guilford Technical				
Community College	97,343,570	67,917,782	2,667,900	70,585,682
Guilford County Board of Education	814,785,096	657,089,710	32,232,729	689,322,439
Total expenditures	<u>912,128,666</u>	<u>725,007,492</u>	<u>34,900,629</u>	<u>759,908,121</u>
Deficiency of revenues over expenditures	<u>(864,283,489)</u>	<u>(677,575,963)</u>	<u>(34,953,221)</u>	<u>(712,529,184)</u>
<b>Other Financing Sources (Uses)</b>				
General obligation bonds issued	794,387,876	634,319,894	-	634,319,894
Bond anticipation notes issued	-	50,000	2,300,000	2,350,000
Premium on put bonds	3,442,106	3,442,106	-	3,442,106
Capital-related debt issued	16,683,416	16,683,415	-	16,683,415
Transfers in	46,874,311	41,604,315	5,270,000	46,874,315
Transfers out	(233,686)	-	(233,686)	(233,686)
Appropriated fund balance	3,129,466	-	-	-
Total other financing sources	<u>864,283,489</u>	<u>696,099,730</u>	<u>7,336,314</u>	<u>703,436,044</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ <u>-</u>	<u>18,523,767</u>	<u>(27,616,907)</u>	<u>(9,093,140)</u>

**GUILFORD COUNTY, NORTH CAROLINA**  
**School Capital Outlay Capital Projects Fund**  
**Schedule of Expenditures - Guilford Technical Community College**  
**Budget and Actual (Budgetary Basis - Project-Length Budgets)**  
**From inception and for the fiscal year ended June 30, 2015**

A-4a

<u>Project Name</u>	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
GTCC - Northwest Campus	\$ 47,461,030	45,410,469	1,601,303	47,011,772
Aviation Classroom Building	8,500,000	8,048,092	254,822	8,302,914
Medlin Learning Center - HVAC and Renovations	9,557,543	5,790,885	131,926	5,922,811
GTCC - Transportation and Welding Facilities	28,824,997	7,532,584	389,411	7,921,995
Capital Maintenance FY2012	1,500,000	1,135,752	290,438	1,426,190
Capital Maintenance FY2015	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	\$ <u>97,343,570</u>	<u>67,917,782</u>	<u>2,667,900</u>	<u>70,585,682</u>

**GUILFORD COUNTY, NORTH CAROLINA**  
**School Capital Outlay Capital Projects Fund**  
**Schedule of Expenditures - Guilford County Board of Education**  
**Budget and Actual (Budgetary Basis - Project-Length Budgets)**  
**From inception and for the fiscal year ended June 30, 2015**

A-4b

Project Name	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
System Wide Air Conditioning Renovation	\$ 21,139,311	21,114,840	-	21,114,840
Andrews High School	10,445,234	9,798,242	296,421	10,094,663
Dudley High School	32,334,301	32,317,717	-	32,317,717
Northwest High School	18,667,108	18,666,936	-	18,666,936
Smith High School Academy	5,797,246	5,774,304	-	5,774,304
Sedalia Elementary School	6,497,629	6,417,629	-	6,417,629
Southern Middle School	25,889,162	25,889,146	16	25,889,162
Gateway Education Center West	12,823,091	12,822,867	-	12,822,867
Gibsonville Elementary School	13,260,337	12,994,966	-	12,994,966
Irving Park Elementary School	3,135,759	3,114,307	-	3,114,307
Jamestown Middle School	34,205,563	33,149,693	-	33,149,693
Madison Elementary School	2,396,440	2,259,356	-	2,259,356
Northeast High School	12,454,899	12,020,370	73,751	12,094,121
Northeast Middle School	5,403,087	5,318,130	-	5,318,130
Northern Elementary School	14,047,129	14,046,586	-	14,046,586
Northern High School	54,013,259	53,988,742	(1,483)	53,987,259
Oak View Elementary School	5,335,104	5,137,361	-	5,137,361
Parkview Elementary School	7,713,081	7,694,190	-	7,694,190
Ragsdale High School	51,940,032	39,520,598	5,063,637	44,584,235
Reedy Fork Area Elementary School	16,347,859	16,249,604	-	16,249,604
Southern High School	9,149,764	9,088,961	-	9,088,961
Union Hill Elementary School	17,861,344	17,846,995	-	17,846,995
McLeansville Elementary School	5,090,756	5,061,358	-	5,061,358
Eastern Guilford High School Replacement	52,529,277	51,877,454	68,402	51,945,856
High Point SCALE Site	3,200,000	2,933,901	10,945	2,944,846
System-Wide Renovations/Various Sch Sites	5,188,619	4,909,933	18,973	4,928,906
Southeast High School	33,311,222	23,786,059	4,653,232	28,439,291
Alamance Elementary School	15,102,463	14,460,597	(22,800)	14,437,797
Summerfield Elementary School	17,949,766	16,214,391	271,027	16,485,418
Southwest High School	22,162,553	19,920,640	(75,601)	19,845,039
Southeast Area Elementary School	24,893,360	17,091,611	2,185,824	19,277,435
Allen Middle School	6,165,416	4,739,866	378,051	5,117,917
Southeast Middle School	13,194,475	10,594,890	163,122	10,758,012
North Greensboro Area Elementary School	25,362,974	18,885,728	371,971	19,257,699
Grimsley High School	11,369,253	10,422,437	584,655	11,007,092
Airport Area High School	26,427,872	515,172	-	515,172
Airport Middle School - Land	2,087,969	56,018	-	56,018
Northwest Middle School	7,741,712	6,904,287	(17,002)	6,887,285
Subtotal expenditures	\$ 652,634,426	573,605,882	14,023,141	587,629,023

**GUILFORD COUNTY, NORTH CAROLINA**  
**School Capital Outlay Capital Projects Fund**  
**Schedule of Expenditures - Guilford County Board of Education**  
**Budget and Actual (Budgetary Basis - Project-Length Budgets)**  
**From inception and for the fiscal year ended June 30, 2015**

A-4b

Project Name	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Subtotal expenditures forward	\$ 652,634,426	573,605,882	14,023,141	587,629,023
Allen Jay Middle School	13,508,318	9,767,823	2,931,800	12,699,623
Dudley High School	2,619,786	2,596,959	(19,324)	2,577,635
Dudley High School - Athletics	6,215,878	6,071,354	15,476	6,086,830
Mobile Classrooms	2,386,250	1,367,680	(233)	1,367,447
High Point Central High School	5,758,121	5,709,349	(66,417)	5,642,932
McLeansville Elementary School	6,309,892	3,927,947	95,345	4,023,292
Northwest High School - Site & Athletics	4,270,346	3,975,934	30,785	4,006,719
Simeon Stadium	1,764,229	1,392,157	(9,425)	1,382,732
Tracks	2,075,000	1,601,588	91,007	1,692,595
Tennis Courts	1,249,000	339,469	4,860	344,329
HVAC	9,948,943	5,237,617	1,133,261	6,370,878
Page High School - Athletics	2,127,651	1,591,920	(4,847)	1,587,073
HVAC - FY10 Medicaid Swap	2,149,670	1,812,543	116,526	1,929,069
Archer Elementary	733,303	75,358	565,692	641,050
Mclver Education Center	98,987	12,794	-	12,794
HVAC - QSCB	10,753,131	9,805,519	947,612	10,753,131
Roof Replacement/Repair - QSCB	4,877,233	2,567,147	2,310,085	4,877,232
Windows/Door Replacement - QSCB	3,018,031	2,230,819	787,212	3,018,031
Falkner/Hairston Autism Wing	11,503,195	8,275,056	45,432	8,320,488
Roof Repair/Replace-Allen Jay Elem Sch	553,181	553,180	-	553,180
Roof Repair/Replace-Andrews High Sch	767,481	767,480	(4,976)	762,504
Roof Repair/Replace-Erwin Montessori	68,466	68,465	-	68,465
Roof Repair/Replace-Pleasant Garden ES	258,630	222,891	4,977	227,868
Roof Repair/Replace-Weaver Education Ctr	423,327	423,326	-	423,326
System-Wide Renovation FY2012	4,559,057	4,056,629	121,981	4,178,610
Roofing System-wide	3,998,052	2,095,365	531,162	2,626,527
Page High School-Roofing	164,135	1,235	153,538	154,773
Bluford Elementary School - Renovation	8,294,462	434	460,395	460,829
Dudley High School - New Traffic Pattern	750,000	963	57,516	58,479
Guilford Middle School - Replacement	1,909,680	1,076	773,491	774,567
High Point Central - Add/Renovation	12,457,591	434	412,671	413,105
Hunter Elementary School - Replacement	19,273,675	1,076	527,281	528,357
Northwest High School - New Traffic Pattern	1,156,200	963	73,811	74,774
Northwood Elementary Sch - Kitchen Reno	639,225	434	48,650	49,084
Smith High School - Athletic Renovation	527,836	434	220,295	220,729
Western High School - Addition/Renovation	560,200	434	296,146	296,580
Academy at Central High School	1,750,000	1,744,700	-	1,744,700
System-Wide Renov Security/CommUpgrd	812,993	-	812,992	812,992
Capital Maintenance FY2012	4,266,511	4,185,276	81,235	4,266,511
Capital Maintenance FY2013	2,000,000	-	2,000,000	2,000,000
Capital Maintenance FY2014	2,000,000	1,000,000	1,000,000	2,000,000
Capital Maintenance FY2015	3,593,004	-	1,663,576	1,663,576
<b>Total expenditures</b>	<b>\$ 814,785,096</b>	<b>657,089,710</b>	<b>32,232,729</b>	<b>689,322,439</b>

# Nonmajor Governmental Funds

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## Special Revenue Funds

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

- *Rural Fire Districts Fund* - Accounts for voter-approved property taxes levied to provide fire protection services. In accordance with North Carolina General Statute Section 159-26(b)(2), separate accounts have been established for accounting purposes within the Rural Fire Districts Fund for each of the fire tax or protection districts.

- *Room Occupancy/Tourism Development Tax Fund* - Accounts for occupancy taxes collected from various hotels, motels and similar establishments in Guilford County. Under North Carolina General Statutes, Chapter 988, Guilford County levies a three percent occupancy tax. In accordance with Section 6 of the statute, the County remits 70 percent of the net proceeds to the Greensboro/Guilford County Tourism Development Authority (a component unit) and the remaining 30 percent to the City of High Point.

**GUILFORD COUNTY, NORTH CAROLINA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds -**  
**Special Revenue Funds**  
**June 30, 2015**

**B-1**

	Rural Fire Districts	Room Occupancy/ Tourism Development Tax	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash and cash equivalents/ investments	\$ 1,751,734	-	1,751,734
Receivables:			
Property taxes (net of allowance for estimated uncollectible delinquent taxes of \$171,588)	118,651	-	118,651
Other taxes	-	449,934	449,934
Due from governmental units and agencies	825,219	-	825,219
Accrued interest on investments	767	-	767
Total receivables	944,637	449,934	1,394,571
Total assets	\$ 2,696,371	449,934	3,146,305
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	134,980	134,980
Due to component unit	-	314,954	314,954
Total liabilities	-	449,934	449,934
Deferred Inflows of Resources	127,969	-	127,969
Fund balances:			
Restricted	2,568,402	449,934	3,018,336
Unassigned	-	(449,934)	(449,934)
Total fund balances	2,568,402	-	2,568,402
Total liabilities, deferred inflows of resources and fund balances	\$ 2,696,371	449,934	3,146,305

**GUILFORD COUNTY, NORTH CAROLINA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds -**  
**Special Revenue Funds**  
**For the fiscal year ended June 30, 2015**

**B-2**

	Rural Fire Districts	Room Occupancy/ Tourism Development Tax	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Taxes:			
Property taxes	\$ 13,176,754	-	13,176,754
Sales tax	2,554,151	-	2,554,151
Occupancy taxes	-	5,447,955	5,447,955
Investment earnings	2,100	-	2,100
Total revenues	15,733,005	5,447,955	21,180,960
<b>Expenditures</b>			
Current:			
Public safety	15,167,370	-	15,167,370
Economic development and assistance	-	5,447,955	5,447,955
Total expenditures	15,167,370	5,447,955	20,615,325
Net changes in fund balances	565,635	-	565,635
Fund balances at beginning of year	2,002,767	-	2,002,767
Fund balances at end of year	\$ 2,568,402	-	2,568,402



**GUILFORD COUNTY, NORTH CAROLINA**  
**Rural Fire Districts Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual**  
**For the fiscal year ended June 30, 2015**

B-3

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary and GAAP Basis	
<b>Revenues</b>				
Taxes:				
Property taxes	\$ 12,543,229	12,527,771	13,124,929	597,158
Interest on delinquent taxes	-	-	51,825	51,825
Total property taxes	12,543,229	12,527,771	13,176,754	648,983
Sales tax	1,969,865	1,969,865	2,554,151	584,286
Investment earnings	-	-	2,100	2,100
Total revenues	14,513,094	14,497,636	15,733,005	1,235,369
<b>Expenditures</b>				
Current:				
Public safety:				
Alamance Community Fire District	1,128,422	1,128,422	1,128,422	-
Climax Fire District (FD)	104,063	104,063	104,063	-
Climax Fire Protection Service District	19,346	19,346	19,346	-
Colfax FD	525,366	525,366	525,366	-
Colfax Fire Protection Service District	159,710	159,710	159,710	-
Deep River FD	220,052	220,052	220,052	-
Friedens Community FD	159,975	159,975	159,975	-
Gibsonville FD	14,281	14,281	14,281	-
Guilford College Community FD	461,002	512,685	512,685	-
Guilford College Community FPSD	95,685	15,875	15,875	-
Guil-Rand FD	146,323	146,323	146,323	-
Guil-Rand FPSD	27,412	27,412	27,412	-
Fire Protection District No. 1	27,456	27,456	27,456	-
Fire Protection Service District No. 13	272,449	272,449	272,449	-
Fire Protection Service District No. 14	46,583	46,583	46,583	-
Julian FD	67,900	67,900	67,900	-
Kimesville FD	110,990	110,990	110,990	-
McLeansville FD	848,650	848,650	848,650	-
Mount Hope Community FD	664,661	664,661	664,661	-
Northeast FD	886,084	886,084	886,084	-
Northeast FPSD	207,186	207,186	207,186	-
Oak Ridge FD	1,222,652	1,222,652	1,222,652	-
Pincroft-Sedgefield FD	1,807,322	1,807,322	1,807,322	-
Pincroft-Sedgefield FPSD	114,451	114,451	114,451	-
Pleasant Garden FD	680,199	680,199	680,199	-
PTIA Fire Protection Service District	83,224	95,893	95,893	-
Rankin FD	971,312	971,312	971,312	-
Southeast FD	199,755	199,755	199,755	-
Stokesdale FD	688,924	688,924	688,924	-
Summerfield FD	2,057,648	2,057,648	2,057,648	-
Summerfield FPSD	509,909	509,909	509,909	-
Whitsett FD	477,178	477,178	477,178	-
No. 14 FD	176,658	176,658	176,658	-
Total expenditures	15,182,828	15,167,370	15,167,370	-
Net change in fund balance	(669,734)	(669,734)	565,635	1,235,369
Fund balance at beginning of year	2,002,767	2,002,767	2,002,767	-
Fund balance at end of year	\$ 1,333,033	1,333,033	2,568,402	1,235,369

**GUILFORD COUNTY, NORTH CAROLINA**  
**Room Occupancy/Tourism Development Tax Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual**  
**For the fiscal year ended June 30, 2015**

**B-4**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary and</u> <u>GAAP Basis</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>				
Taxes:				
Occupancy	\$ 5,500,000	6,000,000	5,447,955	(552,045)
<b>Expenditures</b>				
Current:				
Economic development and assistance	<u>5,500,000</u>	<u>6,000,000</u>	<u>5,447,955</u>	<u>552,045</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



# Proprietary Fund

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

GUILFORD COUNTY, NORTH CAROLINA

Internal Service Fund

C-1

Schedule of Revenues and Expenditures - Financial Plan and Actual (Non - GAAP)

For the fiscal year ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary and GAAP Basis	Final Budget Positive (Negative)
<b>Revenues</b>				
Operating revenues:				
Charges for services	\$ 40,263,174	40,263,174	39,663,032	(600,142)
Other	40,000	40,000	389,007	349,007
Total operating revenues	40,303,174	40,303,174	40,052,039	(251,135)
Nonoperating revenues:				
Net investment gain	40,000	40,000	108,821	68,821
Total revenues	40,343,174	40,343,174	40,160,860	(182,314)
<b>Expenditures</b>				
Risk Retention-Liability/Property/WC:				
Personnel services			90,491	
Other direct service costs			3,113	
Professional services			86,403	
Claims, premiums and bonding	-	-	4,943,962	-
Total Risk Retention	3,189,966	3,301,910	5,123,969	(1,822,059)
Health Care & Wellness:				
Professional services			1,451,949	
Claims, premiums and bonding	-	-	34,618,421	-
Total Health Care & Wellness	38,263,174	38,263,174	36,070,370	2,192,804
Total expenditures	41,453,140	41,565,084	41,194,339	370,745
Excess (deficiency) of revenues over expenditures	(1,109,966)	(1,221,910)	(1,033,479)	188,431
<b>Other financing sources:</b>				
Appropriated fund balance	1,109,966	1,221,910	-	(1,221,910)
Deficiency of revenues and other sources over expenditures	\$ -	-	(1,033,479)	(1,033,479)
<b>Reconciliation from financial plan basis (modified accrual) to full accrual:</b>				
Increase in net pension asset			(10,224)	
Increase in deferred outflows of resources - related to pension plans			(553)	
Decrease in accrued vacation pay			(12,231)	
Decrease in net pension liability			(21,485)	
Increase in deferred inflows of resources - related to pension plans			25,900	
Total			(18,593)	
Change in net position			\$ (1,052,072)	

# Fiduciary Funds

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

## Individual Fund Descriptions:

### Pension Trust Funds

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

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

## Individual Fund Descriptions:

### Agency Funds

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

GUILFORD COUNTY, NORTH CAROLINA  
Pension Trust Funds  
Combining Statement of Net Position  
June 30, 2015

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	Pension Trust Funds		
	Law Enforcement Officers' Special Separation Allowance	Other Post Employment Benefits	Total
<b>Assets</b>			
Current assets:			
Pooled cash and cash equivalents/investments	\$ 1,096,086	-	1,096,086
State Treasurer's Local Government Other Post Employment Benefits (OPEB) Fund:			
Short-Term OPEB Fund	-	2,550,943	2,550,943
Long-Term OPEB Fund	-	1,036,891	1,036,891
OPEB Equity Fund	-	8,487,577	8,487,577
Cash and cash equivalents/investments	1,096,086	12,075,411	13,171,497
Receivables:			
Accrued interest on investments	567	-	567
Total assets	1,096,653	12,075,411	13,172,064
<b>Liabilities</b>			
Accounts payable and accrued liabilities	34,413	-	34,413
<b>Net Position</b>			
Held in trust for pension benefits	\$ 1,062,240	12,075,411	13,137,651

GUILFORD COUNTY, NORTH CAROLINA  
Pension Trust Funds  
Combining Statement of Changes in Plan Net Position  
For the fiscal year ended June 30, 2015

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	Pension Trust Funds		
	Law Enforcement Officers' Special Separation Allowance	Other Post Employment Benefits	Total
<b>Additions</b>			
Employer contributions	\$ 924,237	6,853,053	7,777,290
Retiree contributions	-	1,568,236	1,568,236
Net investment income	2,478	602,294	604,772
Total additions	<u>926,715</u>	<u>9,023,583</u>	<u>9,950,298</u>
<b>Deductions</b>			
Benefits	764,397	8,421,289	9,185,686
Administrative expenses	682	34,091	34,773
Total deductions	<u>765,079</u>	<u>8,455,380</u>	<u>9,220,459</u>
Change in net position	161,636	568,203	729,839
Net position at beginning of year	<u>900,604</u>	<u>11,507,208</u>	<u>12,407,812</u>
Net position at end of year	<u>\$ 1,062,240</u>	<u>12,075,411</u>	<u>13,137,651</u>



GUILFORD COUNTY, NORTH CAROLINA  
 Agency Funds  
 Combining Statement of Assets and Liabilities  
 June 30, 2015

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	Agency Funds			
	Tax Collection	Fines and Forfeitures	Representative Payee	Total
<b>Assets</b>				
Cash and cash equivalents/investments	\$ <u>128,430</u>	<u>427,359</u>	<u>353,467</u>	<u>909,256</u>
Total assets	\$ <u><u>128,430</u></u>	<u><u>427,359</u></u>	<u><u>353,467</u></u>	<u><u>909,256</u></u>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ -	427,359	-	427,359
Representative payee clients payable	-	-	353,467	353,467
Due to other taxing units	<u>128,430</u>	<u>-</u>	<u>-</u>	<u>128,430</u>
Total liabilities	\$ <u><u>128,430</u></u>	<u><u>427,359</u></u>	<u><u>353,467</u></u>	<u><u>909,256</u></u>

GUILFORD COUNTY, NORTH CAROLINA  
Agency Funds  
Combining Statement of Changes in Assets and Liabilities  
For the fiscal year ended June 30, 2015

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	<u>Balance 7/1/14</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/15</u>
<b><u>Tax Collection Fund</u></b>				
<b>Assets</b>				
Cash and cash equivalents/investments	\$ <u>203,303</u>	<u>233,067,103</u>	<u>233,141,976</u>	<u>128,430</u>
<b>Liabilities</b>				
Due to other taxing units	\$ <u>203,303</u>	<u>233,067,103</u>	<u>233,141,976</u>	<u>128,430</u>
<b><u>Fines and Forfeitures Fund</u></b>				
<b>Assets</b>				
Cash and cash equivalents/investments	\$ <u>365,065</u>	<u>2,128,856</u>	<u>2,066,562</u>	<u>427,359</u>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ <u>365,065</u>	<u>2,128,856</u>	<u>2,066,562</u>	<u>427,359</u>
<b><u>Representative Payee Fund</u></b>				
<b>Assets</b>				
Cash and cash equivalents/investments	\$ <u>324,812</u>	<u>2,492,395</u>	<u>2,463,740</u>	<u>353,467</u>
<b>Liabilities</b>				
Representative payee clients payable	\$ <u>324,812</u>	<u>2,492,395</u>	<u>2,463,740</u>	<u>353,467</u>
<b><u>Total Agency Funds</u></b>				
<b>Assets</b>				
Cash and cash equivalents/investments	\$ <u>893,180</u>	<u>237,688,354</u>	<u>237,672,278</u>	<u>909,256</u>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 365,065	2,128,856	2,066,562	427,359
Representative payee clients payable	324,812	2,492,395	2,463,740	353,467
Due to other taxing units	<u>203,303</u>	<u>233,067,103</u>	<u>233,141,976</u>	<u>128,430</u>
Total liabilities	\$ <u>893,180</u>	<u>237,688,354</u>	<u>237,672,278</u>	<u>909,256</u>



# **Additional Financial Data**

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

Analysis of Current Tax Levy

Schedule of Property Taxes Receivable

Analysis of Current Tax Levy -  
County-Wide Levy

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

Bonded Debt Service Requirements  
and Maturity Schedule

GUILFORD COUNTY, NORTH CAROLINA

E-1

Analysis of Current Tax Levy  
For the fiscal year ended June 30, 2015

	Assessed Value	Rate (1)	Total Adjusted Tax Levy (2)	Current Tax Collections	Uncollected at June 30, 2015
County-wide	\$ 46,599,830,231	0.7700	\$ 358,668,156	(355,313,986)	3,354,170
Rural fire districts:					
Alamance Community	955,021,309	0.0998	952,050	(940,118)	11,932
Gibsonville	10,579,340	0.0972	11,431	(11,422)	9
Climax	87,157,474	0.1000	87,005	(85,560)	1,445
Climax FPSD	87,151,074	0.0200	17,397	(17,111)	286
Colfax	447,912,897	0.1000	448,837	(445,872)	2,965
Colfax FPSD	447,899,378	0.0359	157,956	(156,891)	1,065
Deep River	196,132,372	0.0941	184,170	(181,772)	2,398
Friedens Community	135,438,137	0.1000	136,038	(134,530)	1,508
Guilford College Community	433,827,905	0.1000	433,191	(432,864)	327
Guilford College FPSD	63,917,390	0.0255	16,268	(16,212)	56
Guil-Rand	117,908,316	0.1000	118,554	(116,171)	2,383
Guil-Rand FPSD	117,908,316	0.0200	23,629	(23,152)	477
Julian	57,667,590	0.1011	58,391	(57,869)	522
Kimesville	85,244,990	0.1097	93,587	(91,580)	2,007
McLeansville	725,182,566	0.1000	724,552	(713,071)	11,481
Mount Hope Community	733,446,225	0.0800	586,443	(582,201)	4,242
Northeast	754,154,160	0.1000	752,897	(743,980)	8,917
Northeast FPSD	59,330,948	0.0299	218,687	(216,021)	2,666
Oak Ridge	1,222,414,040	0.0848	1,036,051	(1,031,930)	4,121
Pinecroft-Sedgefield	1,537,258,395	0.1000	1,536,255	(1,523,705)	12,550
Pinecroft-Sedgefield FPSD	1,499,637,286	0.0080	119,586	(118,585)	1,001
Pleasant Garden	568,017,472	0.1000	567,780	(558,478)	9,302
Rankin	819,067,062	0.1000	822,826	(811,305)	11,521
Rankin FPSD	819,051,064	0.0300	246,040	(242,589)	3,451
Southeast	137,525,628	0.1250	173,002	(170,303)	2,699
Stokesdale	595,440,880	0.1000	594,800	(589,485)	5,315
Summerfield	1,768,227,112	0.1000	1,761,306	(1,755,367)	5,939
Summerfield FPSD	1,768,227,112	0.0310	533,903	(532,062)	1,841
Whitsett	480,769,733	0.0866	419,816	(416,750)	3,066
No. 14 (Franklin Blvd.)	146,837,143	0.1000	146,769	(144,152)	2,617
No. 14 FPSD	146,837,143	0.0275	40,324	(39,604)	720
FPSD No. 1 (Hornetown)	22,352,553	0.1040	23,104	(22,789)	315
PTIA FPSD	369,334,632	0.0228	84,026	(84,002)	24
Total rural fire districts			13,126,671	(13,007,503)	119,168
Total entity-wide			\$ 371,794,827	(368,321,489)	3,473,338

Percent of current year adjusted tax levy collected:

County-wide	<u>99.06</u> %
Rural fire districts	<u>99.09</u>
Entity-wide	<u>99.07</u>

Notes:

- (1) Per \$100 of assessed value.
- (2) Assessed value times rate will not equal total adjusted tax levy due to rounding differences, preferential rate treatments to certain properties, discoveries and releases at prior years' rates, current year discounts which are not rate related and four months of motor vehicles levied at prior year tax rates in accordance with North Carolina General Statutes.

**GUILFORD COUNTY, NORTH CAROLINA**  
**Schedule of Property Taxes Receivable**  
**June 30, 2015**

**E-2**

Fiscal Year	Uncollected Balance June 30, 2014	Total Adjusted Tax Levy	Collections and Credits	Uncollected Balance June 30, 2015
2014-2015	\$ -	371,794,827	368,321,489	3,473,338
2013-2014	5,488,076	-	3,027,993	2,460,083
2012-2013	3,342,638	-	1,112,853	2,229,785
2011-2012	2,181,741	-	553,964	1,627,777
2010-2011	1,378,884	-	314,995	1,063,889
2009-2010	1,130,383	-	188,788	941,595
2008-2009	1,102,696	-	135,116	967,580
2007-2008	870,094	-	96,281	773,813
2006-2007	621,115	-	56,803	564,312
2005-2006	544,273	-	38,167	506,106
2004-2005	542,621	-	542,621	-
	<u>\$ 17,202,521</u>	<u>371,794,827</u>	<u>374,389,070</u>	14,608,278
Less allowance for estimated uncollectible delinquent taxes:				
General Fund			\$ (9,429,877)	
Rural Fire Districts Fund			(167,948)	(9,597,825)
Property taxes receivable (net)				<u>\$ 5,010,453</u>
<b>Reconcilement with revenues:</b>				
General Fund:				
Ad valorem taxes			\$ 359,194,070	
Interest on delinquent taxes			1,735,585	\$ 360,929,655
Rural Fire Districts Fund:				
Ad valorem taxes			13,124,929	
Interest on delinquent taxes			51,825	13,176,754
Plus collections and credits not included in revenues:				
Releases net of refunds on prior fiscal years			1,446,780	
Penalties on delinquent taxes			254,208	
Amounts written off for year 2004 - 2005 per statute of limitations			542,621	2,243,609
Subtotal				376,350,018
Less revenues not included in collections and credits:				
Collections on years prior to 2005 - 2006			(129,010)	
Payments in lieu of taxes			(44,528)	
Interest collected			(1,787,410)	(1,960,948)
Total collections and credits				<u>\$ 374,389,070</u>

**GUILFORD COUNTY, NORTH CAROLINA**  
**Analysis of Current Tax Levy**  
**County-Wide Levy**  
**For the fiscal year ended June 30, 2015**

**E-3**

	<u>County-Wide</u>			<u>Total Levy</u>	
	<u>Assessed Value</u>	<u>Rate (1)</u>	<u>Total Levy</u>	<u>Property Excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Adjusted levy before penalties:					
Property taxed at current year's rate (2)	\$ 46,599,001,660	0.7700	358,402,013	329,076,984	29,325,029
Registered motor vehicles taxed at prior year's rate	<u>828,571</u>	0.7700	<u>6,380</u>	<u>-</u>	<u>6,380</u>
Total	<u>46,599,830,231</u>		<u>358,408,393</u>	<u>329,076,984</u>	<u>29,331,409</u>
Penalties			<u>259,763</u>	<u>259,763</u>	<u>-</u>
Total adjusted tax levy			358,668,156	329,336,747	29,331,409
Uncollected taxes at June 30, 2015			<u>(3,354,170)</u>	<u>(3,351,436)</u>	<u>(2,734)</u>
Current year's taxes collected			\$ <u>355,313,986</u>	<u>325,985,311</u>	<u>29,328,675</u>
Current adjusted tax levy collection percentage			<u>99.06%</u>	<u>98.98%</u>	<u>99.99%</u>

Notes:

- (1) Per \$100 of assessed value.
- (2) Assessed value times rate will not equal amount of levy because the levy includes discoveries and releases at prior years' rates and current year discounts which are not rate related.

**GUILFORD COUNTY, NORTH CAROLINA**  
**Analysis of Current Tax Levy**  
**County-Wide Levy - General Information**  
**For the fiscal year ended June 30, 2015**

**Secondary Market Disclosures:**

Assessed Valuation:	
Assessment Ratio (1)	100%
Real Property (2)	\$ 37,288,572,740
Personal Property	8,207,816,947
Public Service Companies (3)	<u>1,103,440,544</u>
Total Assessed Valuation	\$ <u>46,599,830,231</u>
Tax Rate per \$100 (4)	<u>0.7700</u>
Adjusted Levy (5)	\$ <u>371,794,827</u>

**Notes:**

- (1) Percentage of appraised value has been established by State Statute.
- (2) Real property assessment is based on 2013 market values as established by the last revaluation. Pursuant to State law, revaluation is required to take place not less frequently than every eight years. On February 6, 2014 the Board of County Commissioners approved a policy of conducting future revaluations every five years.
- (3) Valuation of railroads, telephone companies, and other utilities as determined by the North Carolina Property Tax Commission.
- (4) In addition to the County-wide rates shown, most property in the unincorporated areas was also subject to a special fire district tax.
- (5) Total adjusted tax levy including County-wide and special districts:

County-wide	\$ 358,668,156
Special Fire Districts	<u>13,126,671</u>
Total Levy	\$ <u>371,794,827</u>

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



**GUILFORD COUNTY, NORTH CAROLINA**  
**Bonded Debt Service Requirements**  
**and Maturity Schedule**  
**As of June 30, 2015**

	<u>UTILITY</u>		<u>OTHER</u>		<u>TOTAL</u>	
	<u>Existing Debt</u>		<u>Existing Debt</u>		<u>Existing Debt</u>	
<b>General Obligation</b>						
Fiscal Year	Principal	Principal & Interest	Principal	Principal & Interest	Principal	Principal & Interest
2015-16	\$ 2,242,552	2,479,574	53,427,448	79,145,236	55,670,000	81,624,810
2016-17	1,965,306	2,101,971	54,674,694	77,992,339	56,640,000	80,094,310
2017-18	668,698	751,146	56,931,302	77,932,514	57,600,000	78,683,660
2018-19	279,861	340,733	57,090,139	75,254,669	57,370,000	75,595,402
2019-20	266,648	314,100	58,063,352	73,662,410	58,330,000	73,976,510
2020-21	262,203	301,656	59,327,797	72,709,915	59,590,000	73,011,571
2021-22	263,092	289,435	59,996,908	71,322,596	60,260,000	71,612,031
2022-23	263,759	276,947	60,116,241	69,392,411	60,380,000	69,669,358
2023-24	-	-	55,450,000	63,059,578	55,450,000	63,059,578
2024-25	-	-	55,455,000	62,091,706	55,455,000	62,091,706
2025-26	-	-	36,870,000	42,422,832	36,870,000	42,422,832
2026-27	-	-	36,920,000	41,388,862	36,920,000	41,388,862
2027-28	-	-	23,570,000	26,933,686	23,570,000	26,933,686
2028-29	-	-	17,790,000	20,011,253	17,790,000	20,011,253
2029-30	-	-	8,810,000	10,185,483	8,810,000	10,185,483
2030-31	-	-	8,530,000	9,438,151	8,530,000	9,438,151
2031-32	-	-	17,145,000	17,819,484	17,145,000	17,819,484
	\$ <u>6,212,119</u>	<u>6,855,562</u>	<u>720,167,881</u>	<u>890,763,125</u>	<u>726,380,000</u>	<u>897,618,687</u>

**Limited Obligation**

2015-16	\$	-	768,806	-	768,806
2016-17		-	768,806	-	768,806
2017-18		-	768,806	-	768,806
2018-19		-	768,806	-	768,806
2019-20		-	768,806	-	768,806
2020-21		-	768,806	-	768,806
2021-22		-	768,806	-	768,806
2022-23		-	768,806	-	768,806
2023-24		-	768,806	-	768,806
2024-25		-	768,806	-	768,806
2025-26		-	768,806	-	768,806
2026-27		-	768,806	-	768,806
2027-28		-	768,806	-	768,806
2028-29		-	768,806	-	768,806
2029-30		-	768,806	-	768,806
2030-31		-	768,806	-	768,806
2031-32		-	768,806	-	768,806
			<u>16,845,000</u>		<u>17,613,806</u>
	\$		<u>16,845,000</u>		<u>29,914,702</u>
			<u>16,845,000</u>		<u>17,613,806</u>
			<u>16,845,000</u>		<u>29,914,702</u>

# Statistical Section

# Statistical Section

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

<b>Contents</b>	<b>Tables</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.	<b>1 - 2</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the County’s ability to generate its property taxes.	<b>3 - 6</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.	<b>7 - 9</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place and to help make comparisons over time and with other governments.	<b>10 - 11</b>
<b>Operating Information</b> These schedules contain information about the County’s operations and resources to help the reader understand how the County’s financial information relates to the services the County provides and the activities it performs.	<b>12 - 14</b>

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

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental activities:										
General government (1)	\$ 43,691,593	41,915,381	42,686,479	43,920,236	40,228,036	43,193,135	46,807,995	42,965,674	40,117,035	40,163,299
Human services	170,986,656	167,658,603	187,408,591	183,143,016	167,271,667	165,311,991	158,946,804	144,195,031	124,275,553	126,324,488
Public safety (1)	83,334,706	90,576,330	101,980,944	104,015,673	102,286,880	101,857,575	111,502,379	119,896,894	115,011,980	119,621,993
Environmental protection	1,127,138	1,194,998	1,395,364	1,319,735	1,293,411	1,317,107	1,368,749	1,357,646	1,372,025	1,422,030
Culture - recreation	4,790,197	6,244,857	5,981,193	6,822,953	6,662,104	5,847,964	5,817,799	7,220,201	6,191,194	6,209,636
Urban redevelopment and housing	158,816	165,681	-	185,987	219,047	-	-	-	-	-
Economic development and assistance	9,679,480	6,961,147	6,711,552	7,179,186	6,591,833	21,510,154	7,239,287	21,261,349	9,802,441	9,526,319
Education	258,171,386	311,169,199	274,425,035	263,067,760	251,720,561	274,154,519	282,303,468	253,356,987	275,978,578	227,558,717
Interest on long-term debt	15,477,774	18,787,205	22,265,124	21,720,267	22,513,943	26,371,175	26,392,310	28,750,330	26,275,019	23,819,755
<b>Total primary government expenses</b>	<b>587,417,746</b>	<b>644,673,401</b>	<b>642,854,282</b>	<b>631,374,813</b>	<b>598,787,482</b>	<b>639,563,620</b>	<b>640,378,791</b>	<b>619,004,112</b>	<b>599,023,825</b>	<b>554,646,237</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	8,092,944	7,908,972	7,329,664	6,493,504	5,930,518	5,565,128	8,209,756	6,383,668	6,225,569	6,219,877
Human services	20,768,155	16,414,577	17,390,778	18,196,954	17,062,584	15,107,982	17,713,928	11,659,633	9,034,653	7,967,733
Public safety	17,697,563	17,901,405	19,486,002	20,476,409	19,375,549	20,229,569	20,018,789	22,715,104	23,355,125	23,211,790
Economic development and assistance	2,699,976	2,796,826	3,089,466	1,933,971	2,364,652	1,785,255	72,337	89,664	15,137	526,389
Other activities	198,133	139,105	139,174	107,016	85,534	63,185	301,158	534,000	1,013,099	943,127
Operating grants and contributions:										
Human services	80,654,657	81,501,929	85,671,190	88,445,374	87,497,137	90,171,609	84,760,563	75,384,567	65,324,711	71,149,616
Public safety	2,916,616	2,086,924	1,818,775	1,199,627	1,637,406	1,374,698	1,382,428	1,875,697	1,012,073	1,940,793
Education	4,165,991	16,594,201	13,482,032	4,206,914	1,121,632	2,976,116	61,328	1,491,820	27,643	(52,592)
Interest on long-term debt	-	-	6,000,000	12,500,000	8,000,000	9,496,397	6,257,976	7,883,817	7,470,576	7,490,888
Other activities	3,683,034	1,020,755	826,942	1,788,851	1,024,903	921,022	1,365,697	1,348,201	1,379,655	1,496,283
Capital grants and contributions:										
General government	6,000	-	-	-	10,000	-	-	-	-	-
Human services	5,518	1,107,265	61,185	258,777	243,318	326,015	115,355	311,817	97,554	27,628
Public safety	490,261	22,810	110,975	349,110	223,545	431,312	299,356	374,780	201,543	111,945
Culture - recreation	50,300	-	1,000	6,306,168	2,381,838	520,844	-	124,074	160,955	-
Other activities	17,883	-	-	-	-	-	-	-	-	-
<b>Total primary government program revenues</b>	<b>141,447,031</b>	<b>147,494,769</b>	<b>155,407,183</b>	<b>162,262,675</b>	<b>146,958,616</b>	<b>148,969,132</b>	<b>140,558,671</b>	<b>130,176,842</b>	<b>115,318,293</b>	<b>121,033,477</b>
<b>Total primary government net expenses</b>	<b>(445,970,715)</b>	<b>(497,178,632)</b>	<b>(487,447,099)</b>	<b>(469,112,138)</b>	<b>(451,828,866)</b>	<b>(490,594,488)</b>	<b>(499,820,120)</b>	<b>(488,827,270)</b>	<b>(483,705,532)</b>	<b>(433,612,760)</b>

**General Revenues and Other**

**Changes in Net Position**

Governmental activities:

Taxes:

Property taxes	267,195,969	286,570,949	307,477,528	336,155,671	339,016,318	339,701,250	363,239,575	365,639,259	372,179,237	372,062,971
Sales taxes	82,561,886	88,839,038	88,097,598	72,903,563	62,749,914	62,543,117	66,753,745	69,157,461	72,383,124	78,921,056
Occupancy taxes	4,485,837	4,419,986	4,618,458	4,036,491	3,853,035	4,084,391	4,441,971	4,627,346	4,909,445	5,371,235
Excise taxes	3,399,037	3,268,199	3,155,087	1,686,397	1,560,241	1,544,182	1,628,390	1,900,114	2,019,417	2,434,052
911 charges	824,713	788,590	381,944	-	-	-	-	-	-	-
Local gross receipts taxes	746,443	736,098	751,131	631,080	578,291	628,422	685,671	687,863	721,066	790,938
Franchise taxes	618,753	462,080	143,515	148,147	149,479	82,213	-	-	-	-
Unrestricted grants and contributions	1,347,053	1,060,902	1,472,030	1,421,855	2,841,217	3,474,304	1,945,810	1,466,619	1,985,093	1,540,704
Unrestricted investment earnings	15,391,864	17,075,971	17,427,005	7,875,270	1,289,848	3,151,886	(2,517,050)	2,279,877	983,218	983,438
Other	313,562	2,019,617	371,374	225,855	257,879	6,045,727	452,404	352,415	203,773	499,868
Total primary government general revenues and other changes in net position	376,885,117	405,241,430	423,895,670	425,084,329	412,296,222	421,255,492	436,630,516	446,110,954	455,384,373	462,604,262

**Changes in Net Position**

Governmental activities / primary government	\$ (69,085,598)	(91,937,202)	(63,551,429)	(44,027,809)	(39,532,644)	(69,338,996)	(63,189,604)	(42,716,316)	(28,321,159)	28,991,502
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**Net Position by Component**

Governmental activities:

				(Restated) (2)	(Reclassified) (3)	(3),(4)				(Restated) (5)
Invested in capital assets, net of related debt	\$ 115,542,072	116,246,292	115,992,624	120,573,365	122,628,297	129,476,162	133,301,449	138,096,814	140,904,947	142,750,411
Restricted	27,765,244	30,720,400	36,221,646	37,896,605	143,817,796	93,262,484	81,943,441	84,400,139	68,114,126	74,322,854
Unrestricted	(153,017,492)	(248,614,070)	(317,413,077)	(371,277,681)	(518,786,448)	(547,421,671)	(603,117,519)	(653,085,898)	(667,929,177)	(662,296,728)
Governmental activities / primary government	\$ (9,710,176)	(101,647,378)	(165,198,807)	(212,807,711)	(252,340,355)	(324,683,025)	(387,872,629)	(430,588,945)	(458,910,104)	(445,223,463)

Notes:

- (1) The 2006 amounts have been reclassified for comparative purposes.
- (2) The 2009 unrestricted net position has been reduced by \$3,581,095 to reflect the restatement of beginning net position required by the 2010 implementation of Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.
- (3) The 2010 restricted and unrestricted net position has been reclassified to reflect the impact of the 2011 implementation of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The years prior to 2010 have not been reclassified.
- (4) The 2011 restricted and unrestricted net position has been reduced by \$3,003,674 to reflect the write-off of \$2,581,105 in bond issuance costs and \$422,569 in deferred refunding costs comprised of unamortized issuance costs on previously refunded debt as a result of the 2012 implementation of Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*.
- (5) Beginning July 1, 2014 unrestricted net position has been reduced by \$15,304,861 to reflect the restatement of beginning net position required by the 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Taxes:										
Property taxes	\$ 267,441,956	285,914,118	306,464,934	334,877,456	338,881,551	338,901,967	361,701,450	363,917,353	374,929,286	374,106,409
Sales taxes	82,561,886	88,839,038	88,097,598	72,903,563	62,749,914	62,543,117	66,753,745	69,157,461	72,383,124	78,921,056
Occupancy taxes	4,485,837	4,419,986	4,618,458	4,036,491	3,853,035	4,084,391	4,441,971	4,530,714	4,929,357	5,447,955
Excise taxes	3,399,037	3,268,199	3,155,087	1,686,397	1,560,241	1,544,182	1,628,390	1,900,114	2,019,417	2,434,052
911 charges	824,713	788,590	381,944	-	-	-	-	-	-	-
Local gross receipts taxes	746,443	736,098	751,131	631,080	578,291	628,422	685,671	687,863	721,066	790,938
Franchise taxes	618,753	462,080	143,515	148,147	149,479	82,213	-	-	-	-
Total taxes	360,078,625	384,428,109	403,612,667	414,283,134	407,772,511	407,784,292	435,211,227	440,193,505	454,982,250	461,700,410
Licenses and permits	3,470,989	2,420,370	2,263,699	1,585,588	1,440,463	1,565,894	1,515,015	1,615,435	1,599,130	1,872,630
Intergovernmental	92,559,452	101,329,674	108,160,439	108,853,768	102,154,244	108,877,034	95,334,713	88,797,966	76,942,485	82,353,630
Charges for services	42,299,395	37,116,489	39,836,114	40,359,429	38,919,317	37,771,760	39,396,379	35,376,318	34,300,511	32,556,009
Investment earnings	14,408,915	15,605,317	15,895,947	7,130,248	3,098,015	1,761,870	1,084,348	913,633	628,946	547,533
Other	5,309,364	7,631,167	7,235,788	7,234,433	5,787,254	4,859,173	6,647,123	6,165,660	4,544,614	5,469,194
Total revenues	518,126,740	548,531,126	577,004,654	579,446,600	559,171,804	562,620,023	579,188,805	573,062,517	572,997,936	584,499,406
<b>Expenditures</b>										
General government	43,048,897	40,509,958	39,464,132	41,209,590	39,026,532	41,211,152	41,411,153	44,636,072	41,705,096	41,862,561
Human services	170,804,456	167,594,028	173,386,520	171,232,873	157,837,907	156,312,988	149,105,449	135,334,550	120,065,222	123,157,149
Public safety	83,730,591	88,984,727	92,098,335	95,895,858	94,698,652	94,936,538	101,788,522	109,199,054	108,271,215	112,511,576
Environmental protection	1,086,756	1,237,988	1,171,174	1,141,212	1,203,142	1,236,978	1,259,345	1,260,849	1,306,171	1,368,887
Culture - recreation	4,230,945	4,979,283	5,154,091	5,774,257	5,757,497	4,882,347	4,794,610	5,435,795	4,959,362	5,031,761
Urban redevelopment & housing	158,816	165,681	-	185,987	219,047	-	-	-	-	-
Economic development & assistance	7,046,010	5,421,073	5,653,323	5,156,366	4,580,634	5,764,008	6,763,125	5,665,860	6,724,093	6,885,909
Education (1)	150,696,921	166,425,861	175,956,849	186,918,211	186,918,211	186,918,211	186,918,211	187,383,088	189,528,088	192,658,088
Capital outlay - Education (1)	107,474,465	144,743,338	98,468,186	76,149,549	64,802,350	87,236,308	95,385,257	65,973,899	86,450,490	34,900,629
Capital outlay - Other	11,182,101	12,158,726	11,038,077	9,880,574	31,362,531	76,124,528	32,100,377	25,984,432	7,732,346	7,071,597
Debt service:										
Principal	19,410,000	19,790,000	27,715,000	28,160,200	36,215,200	37,545,200	45,602,892	49,495,585	51,210,585	53,270,585
Interest	17,228,026	18,171,528	22,211,212	19,935,396	20,852,231	27,018,923	27,136,589	33,104,335	30,972,615	28,839,478
Other fiscal charges	504,413	470,194	985,535	854,108	3,834,542	1,776,942	1,859,397	1,025,997	1,052,028	878,905
Bond issuance / put bond costs	-	542,749	-	300,443	1,748,409	-	1,499,741	-	-	-
Total expenditures	616,602,397	671,195,134	653,302,434	642,794,624	649,056,885	720,964,123	695,624,668	664,499,516	649,977,311	608,437,125
Excess (deficiency) of revenues over expenditures	(98,475,657)	(122,664,008)	(76,297,780)	(63,348,024)	(89,885,081)	(158,344,100)	(116,435,863)	(91,436,999)	(76,979,375)	(23,937,719)

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

Refunding bonds issued	-	-	-	-	135,990,000	-	46,135,000	-	-	-
General obligation bonds issued	-	185,440,000	-	164,600,000	165,000,000	-	150,890,000	-	-	-
Bond anticipation notes issued	-	-	-	-	-	-	-	50,000	2,300,000	-
Refunding capital-related debt issued	-	-	-	-	-	-	3,316,300	-	-	-
Capital-related debt issued	253,812	485,187	5,102,000	-	-	-	21,820,000	-	-	-
Payment to bond refunding escrow agent	-	-	-	-	(146,310,850)	-	(53,364,279)	-	-	-
Premiums on bonds/put bonds/refunding bonds issued	-	1,879,435	-	10,526,417	30,354,381	-	29,039,009	-	-	-
Payment to terminate interest rate swaps	-	-	-	-	(11,211,119)	-	(4,660,034)	-	-	-
Payment to refinance capital-related debt	-	-	-	-	-	-	(3,316,300)	-	-	-
Transfers in	9,131,329	1,494,729	5,317,116	2,930,621	9,781,781	6,794,162	1,500,000	5,141,210	5,500,000	6,752,898
Transfers out	(9,131,329)	(1,494,729)	(5,317,116)	(2,930,621)	(9,781,781)	(6,794,162)	(1,500,000)	(5,141,210)	(5,500,000)	(6,752,898)
Sale of capital assets	250,004	2,317,974	248,922	119,073	165,734	7,822,165	104,378	288,165	127,435	437,320
Total other financing sources (uses) and other changes in fund balances	503,816	190,122,596	5,350,922	175,245,490	173,988,146	7,822,165	189,964,074	288,165	177,435	2,737,320
<b>Changes in Fund Balances</b>										
Governmental funds	\$ (97,971,841)	67,458,588	(70,946,858)	111,897,466	84,103,065	(150,521,935)	73,528,211	(91,148,834)	(76,801,940)	(21,200,399)
Debt service as a percentage of noncapital expenditures (2)	6.02%	5.78%	7.80%	7.64%	8.94%	9.39%	10.98%	12.70%	12.81%	13.65%
<b>Fund Balances</b>										
General fund:					(Reclassified) (3)	(3)				
Reserved	\$ 43,905,906	48,386,558	49,298,419	49,720,293	-	-				
Unreserved	73,346,411	75,041,272	77,941,742	95,477,488	-	-				
Non spendable	-	-	-	-	54,351	499,646	1,358,046	1,441,612	1,293,053	1,268,584
Restricted	-	-	-	-	60,625,494	51,084,382	57,971,070	53,372,359	46,166,524	49,782,226
Committed	-	-	-	-	33,342	27,692	24,472	20,575	16,630	16,630
Assigned	-	-	-	-	25,541,815	25,447,565	27,107,976	24,751,319	24,180,984	27,036,247
Unassigned	-	-	-	-	53,291,259	55,209,633	53,990,425	58,714,232	79,472,632	84,929,054
Total general fund	117,252,317	123,427,830	127,240,161	145,197,781	139,546,261	132,268,918	140,451,989	138,300,097	151,129,823	163,032,741
All other governmental funds:						(3)				
Reserved	9,403,431	10,531,341	14,888,243	14,873,636	85,380,194	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	1,005,990	1,215,613	1,277,213	657,736	310,200	-	-	-	-	-
Capital projects funds	133,324,238	193,269,780	114,092,089	208,666,019	228,261,582	-	-	-	-	-
Non spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	148,181,022	195,194,337	127,209,068	36,393,081	18,048,999
Committed	-	-	-	-	-	18,629,202	29,582,739	11,369,186	20,985,641	17,145,558
Assigned	-	-	-	-	-	5,587,932	15,656,754	14,066,459	4,651,608	5,540,252
Unassigned	-	-	-	-	-	(1,690,772)	(4,381,306)	(5,589,131)	(4,606,414)	(16,414,210)
Total all other governmental funds	143,733,659	205,016,734	130,257,545	224,197,391	313,951,976	170,707,384	236,052,524	147,055,582	57,423,916	24,320,599
Total fund balances	\$ 260,985,976	328,444,564	257,497,706	369,395,172	453,498,237	302,976,302	376,504,513	285,355,679	208,553,739	187,353,340

## Notes:

- (1) For years 2006 - 2010, annual capital appropriations to Guilford Technical Community College and Guilford County Board of Education from the General Fund are included in Capital outlay - Education as in the future years when these appropriations were reported in the School Capital Outlay Fund.
- (2) Debt service as a percentage of noncapital expenditures reflects principal and interest only divided by the sum of total expenditures less capital expenditures in all functional categories but only to the extent capitalized as an asset by the County. Water and sewer and school capital expenditures in the Capital Projects Funds which are assets of the municipalities, Guilford County Schools and Guilford Technical Community College are included in noncapital expenditures for the purposes of this calculation.
- (3) The 2010 fund balances have been reclassified to reflect the impact of the 2011 implementation of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The years prior to 2010 have not been reclassified.

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

Fiscal Year	Total Real Property (1)		Personal Property (2)	Public Service Companies' Property (2)	Total		Ratio of Total Assessed To Total Estimated Actual Taxable Value	Total Direct Tax Rate (4)
	Assessed Taxable Value	Estimated Actual Taxable Value	Assessed Taxable Value	Assessed Taxable Value	Assessed Taxable Value	Estimated Actual Taxable Value		
2006	\$ 32,679,098,070	33,112,876,755	7,016,390,035	1,047,823,964	40,743,312,069	41,177,090,754	98.9 %	\$ 0.6636
2007	33,648,245,400	35,006,497,503	7,548,094,997	1,079,835,566	42,276,175,963	43,634,428,066	96.9	0.6829
2008	34,819,671,635	37,553,571,651	7,476,297,491	1,101,662,076	43,397,631,202	46,131,531,218	94.1	0.7130
2009	35,994,252,248	39,295,035,205	7,459,633,640	1,134,193,063	44,588,078,951	47,888,861,908	93.1	0.7575
2010	36,596,181,356	40,193,499,567	7,223,197,327	1,072,382,177	44,891,760,860	48,489,079,071	92.6	0.7590
2011	36,814,403,214	38,743,846,784	7,017,828,595	1,034,274,005	44,866,505,814	46,795,949,384	95.9	0.7592
2012	37,039,761,422	35,711,301,024	7,304,372,150	1,013,624,243	45,357,757,815	44,029,297,417	103.0	0.8040
2013 <sup>(3)</sup>	36,867,575,947	37,030,510,192	7,610,406,089	1,067,428,654	45,545,410,690	45,708,344,935	99.6	0.8042
2014	36,986,215,133	37,224,451,623	8,246,115,049	1,065,598,325	46,297,928,507	46,536,164,997	99.5	0.7938
2015	37,288,572,740	38,185,942,386	8,207,816,947	1,103,440,544	46,599,830,231	47,497,199,877	98.1	0.7981

Notes:

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



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

	Fiscal Year Taxes Are Payable									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
County Direct Rates:										
General Levy (1):										
Property taxed at current year's rate	\$ 0.6191	0.6367	0.6693	0.7148	0.7164	0.7182	0.7609	0.7580	0.7471	0.7700
Registered motor vehicles at prior rate	0.0228	0.0241	0.0211	0.0212	0.0210	0.0192	0.0203	0.0225	0.0229	0.0000
Total general direct rate	0.6419	0.6608	0.6904	0.7360	0.7374	0.7374	0.7812	0.7805	0.7700	0.7700
Fire Protection Districts (2)	0.0217	0.0221	0.0226	0.0215	0.0216	0.0218	0.0228	0.0237	0.0238	0.0281
Total direct rate	\$ <u>0.6636</u>	<u>0.6829</u>	<u>0.7130</u>	<u>0.7575</u>	<u>0.7590</u>	<u>0.7592</u>	<u>0.8040</u>	<u>0.8042</u>	<u>0.7938</u>	<u>0.7981</u>
City Rates:										
Burlington (3)	\$ 0.5550	0.6247	0.6250	0.6250	0.5904	0.5900	0.5801	0.5800	0.5800	0.5800
Greensboro	0.5700	0.6158	0.6369	0.6374	0.6375	0.6352	0.6349	0.6351	0.6350	0.6350
High Point	0.5914	0.6075	0.6323	0.6330	0.6330	0.6330	0.6613	0.6746	0.6750	0.6646
Kernersville (3)	N/A	N/A	N/A	0.5500	0.4975	0.4975	0.4975	0.4975	0.5273	0.5424
Town Rates:										
Archdale (4)	\$ 0.2600	0.2600	0.2900	0.2900	0.2900	0.2900	0.2900	0.2900	0.2900	0.2900
Gibsonville (4)	0.5150	0.5150	0.5150	0.5150	0.5100	0.5100	0.5100	0.5100	0.5100	0.5100
Jamestown	0.3500	0.3500	0.3500	0.3693	0.3700	0.3895	0.3900	0.3948	0.4434	0.4544
Oak Ridge	0.0863	0.0863	0.0863	0.0863	0.0863	0.0863	0.0863	0.0863	0.0863	0.0863
Pleasant Garden	0.0500	0.0500	0.0500	0.0260	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250
Sedalia	0.2000	0.2000	0.2000	0.2000	0.2000	0.2729	0.2750	0.2750	0.2750	0.2750
Summerfield (5)	0.0523	0.0395	0.0390	0.0351	0.0018	0.0350	0.0350	0.0350	0.0350	0.0279
Whitsett	None	None	None	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.1438
Sedgefield Sanitary District	\$ 0.0398	0.0257	0.0298	0.0300	0.0300	0.0300	0.0300	0.0358	0.0360	0.0360

Notes:

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

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

Taxpayer	Fiscal Year 2015		Fiscal Year 2006	
	Assessed Value	Percentage of Total Assessed Value	Assessed Value	Percentage of Total Assessed Value
Duke Energy Corporation	\$ 405,938,222	0.87	\$ 321,206,468	0.79
Lorillard Tobacco Company	350,739,945	0.75	240,411,357	0.59
American Express Travel Related Services Co.	238,488,675	0.51	-	-
Koury Corporation	235,336,534	0.51	271,934,102	0.67
Procter & Gamble Manufacturing Company	199,618,601	0.43	-	-
CBL LLC	168,934,000	0.36	-	-
Lincoln National Life Insurance (formerly Jefferson-Pilot)	162,679,642	0.35	147,831,024	0.49
Highwoods Forsyth LTD	153,793,230	0.33	154,896,600	0.38
International Home Furnishings Center	150,855,722	0.32	181,792,585	0.45
TYCO Electronics	142,772,982	0.31	150,090,344	0.37
BellSouth	-	-	182,995,785	0.45
Starmount Company	-	-	169,503,100	0.41
RF Micro Devices, Inc.	-	-	162,468,700	0.40
<b>Total Top Ten Principal Taxpayers</b>	<b>\$ <u>2,209,157,553</u></b>	<b><u>4.74</u></b>	<b>\$ <u>1,983,130,065</u></b>	<b><u>5.00</u></b>

Source: Guilford County Tax Department.

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

Fiscal Year	(1) Taxes Levied for the Fiscal Year	Subsequent Years' Adjustments	Total Adjusted Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percent of Original Levy		Amount	Percent of Adjusted Tax Levy
2006	\$ 268,492,562	(445,241)	268,047,321	265,412,691	98.85	2,128,524	267,541,215	99.81
2007	287,334,796	(2,215,600)	285,119,196	283,471,941	98.66	1,082,943	284,554,884	99.80
2008	308,030,341	(378,374)	307,651,967	303,163,588	98.42	3,714,566	306,878,154	99.75
2009	336,841,767	(294,068)	336,547,699	330,670,794	98.17	4,909,326	335,580,120	99.71
2010	339,838,448	(295,199)	339,543,249	333,596,483	98.16	5,005,171	338,601,654	99.72
2011	339,943,072	(266,513)	339,676,559	333,063,607	97.98	5,549,063	338,612,670	99.69
2012	363,248,000	(361,887)	362,886,113	355,095,355	97.76	6,162,981	361,258,336	99.55
2013 <sup>(2)</sup>	365,428,942	(1,272,965)	364,155,977	356,582,243	97.58	5,343,949	361,926,192	99.39
2014	372,017,706	(498,285)	371,519,421	366,529,630	98.52	2,529,708	369,059,338	99.34
2015	371,794,827	-	371,794,827	368,321,489	99.07	-	368,321,489	99.07

Note:

- (1) Original levy adjusted for discoveries, penalties, discounts allowed and releases as of fiscal year end of the levy.
- (2) A revaluation of real property is required by the North Carolina General Statutes at least every eight years. The latest revaluation is reflected in the increased real property values in fiscal year 2013 which generally result in appeals of these revalued amounts and thus, larger adjustments due to releases based on these appeals.

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

Fiscal Year	General Bonded Debt Outstanding			Other Governmental Activities Debt		Total Primary Government (1)	Percentage of Personal Income (3)	Per Capita (3)
	General Obligation Bonds (1)	Percentage of Estimated Actual Taxable Value of Property (2)	Per Capita	Limited Obligation Bonds, Capital Leases and Installment Financings (1)				
2006	\$ 426,858,183	1.04	952.40	423,913		427,282,096	2.67	953.35
2007	592,036,829	1.36	1,290.43	571,479		592,608,308	3.45	1,291.67
2008	563,189,520	1.22	1,202.20	5,422,364		568,611,884	3.19	1,213.77
2009	709,758,171	1.48	1,485.44	4,783,962		714,542,133	3.99	1,495.46
2010	846,091,651	1.74	1,747.47	4,147,088		850,238,739	4.80	1,756.04
2011	806,334,450	1.72	1,646.73	3,571,400		809,905,850	4.49	1,654.03
2012	932,027,810	2.12	1,882.26	24,498,508		956,526,318	5.11	1,931.73
2013	879,076,323	1.92	1,754.58	23,222,923		902,299,246	4.57	1,800.93
2014	824,376,111	1.77	1,627.24	21,947,338		846,323,449	4.24	1,670.56
2015	769,783,196	1.62	1,503.13	20,671,754		790,454,950	3.82	1,543.50

Notes:

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

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

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

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

Guilford County, North Carolina  
 Direct and Overlapping Governmental Activities Debt  
 June 30, 2015

<u>Jurisdiction</u>	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable (1),(2)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Guilford County	\$ 796,213,409	100.00	\$ <u>796,213,409</u>
City of Greensboro	214,007,805	100.00	214,007,805
City of High Point	72,638,750	94.54	68,672,674
Town of Oak Ridge	986,667	100.00	986,667
Town of Kernersville	12,372,766	2.97	367,471
Town of Gibsonville	417,389	48.11	200,806
Town of Jamestown	162,681	100.00	162,681
City of Burlington	7,792,854	1.72	134,037
City of Archdale	1,728,070	2.70	<u>46,658</u>
Total overlapping debt			<u>284,578,799</u>
Total direct and overlapping debt			\$ <u><u>1,080,792,208</u></u>

Notes:

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

**Table 9**

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 3,259,465	3,382,094	3,471,810	3,567,046	3,591,341	3,589,320	3,628,621	3,643,633	3,703,834	3,727,986
Total net debt applicable to limit	<u>610,091</u>	<u>603,424</u>	<u>1,232,525</u>	<u>1,204,916</u>	<u>1,158,903</u>	<u>1,185,811</u>	<u>1,167,675</u>	<u>1,118,988</u>	<u>1,068,470</u>	<u>979,518</u>
Legal debt margin	\$ <u>2,649,374</u>	<u>2,778,670</u>	<u>2,239,285</u>	<u>2,362,130</u>	<u>2,432,438</u>	<u>2,403,509</u>	<u>2,460,946</u>	<u>2,524,645</u>	<u>2,635,364</u>	<u>2,748,468</u>
Total net debt applicable to limit as a percentage of debt limit	18.72%	17.84%	35.50%	33.78%	32.27%	33.04%	32.18%	30.71%	28.85%	26.27%

**Legal Debt Margin Calculation for Fiscal Year 2015**

Assessed value of taxable property	\$ <u>46,599,830,231</u>
Debt limit (8% of total assessed value)	\$ <u>3,727,986,418</u>
Debt applicable to limit:	
Bonded debt	728,730,000
Bonds authorized, unissued	232,220,000
Limited obligation bonds and obligations under purchase money installment contracts	<u>20,671,754</u>
Gross debt	981,621,754
Less statutory deductions:	
Bonds issued and outstanding for water purposes	<u>2,103,306</u>
Net amount of debt applicable to debt limit	<u>979,518,448</u>
Legal debt margin	\$ <u>2,748,467,970</u>

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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (2) (in thousands)</u>	<u>Per Capita Income (3)</u>	<u>Median Age (4)</u>	<u>Public School Enrollment (5)</u>	<u>Unemployment Rate (6)</u>
2006	448,192	\$ 15,993,283	\$ 35,684	36.17	68,118	4.6 %
2007	458,792	17,194,148	37,477	36.25	69,677	4.7
2008	468,466	17,850,428	38,104	36.29	70,707	6.0
2009	477,809	17,899,203	37,461	36.33	70,968	10.6
2010	484,180	17,717,115	36,592	36.39	70,710	11.1
2011	489,657	18,023,785	36,809	36.52	71,227	10.4
2012	495,165	18,717,732	37,801	36.54	71,587	9.5
2013	501,018	19,726,081	39,372	36.62	71,885	8.2
2014	506,610	19,941,183	39,362	36.73	71,787	6.4
2015	512,119	20,698,826	40,418	36.89	71,502	5.8

Sources:

- (1) Calendar years 2005 through 2013  
Calendar year 2014  
Bureau of Economic Analysis, U.S. Department of Commerce.  
United States Census Bureau estimates.
- (2) Computed as a factor of population times per capita income.
- (3) Calendar years 2005 through 2013  
Calendar year 2014  
Bureau of Economic Analysis, U.S. Department of Commerce.  
Piedmont Triad Council of Governments estimate.
- (4) Fiscal years 2006 through 2015  
North Carolina Office of State Planning estimates.
- (5) Average daily membership of Guilford County Schools as compiled by North Carolina Department of Public Instruction.
- (6) North Carolina Employment Security Commission - Calendar year annual average except for 2015 which is the average adjusted monthly rate for January through June.

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

Employer	2015		2006	
	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
Guilford County School System	10,256	4.38	8,000	3.49
Cone Health	8,753	3.74	6,200	2.71
City of Greensboro	2,996	1.28	2,400	1.05
Ralph Lauren Corporation	2,853	1.22	920	0.40
United States Postal Service	2,640	1.13	2,800	1.22
Guilford County Government	2,443	1.04	2,700	1.18
University of North Carolina at Greensboro	2,345	1.00	2,500	1.09
Bank of America	2,300	0.98	1,800	0.79
High Point Regional Health System	2,300	0.98	1,975	0.86
The Volvo Group	2,200	0.94	1,600	0.70
United Parcel Service (UPS)	1,917	0.82	1,900	0.83
North Carolina A & T State University	1,846	0.79	1,710	0.75
Total County Employment	234,312		229,199	

Sources:

Principal employer data is from the Triad Business Journal and the individual employers. Total County employment is for calendar years 2005 and 2014 from the North Carolina Department of Commerce.



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

Function/Program	Total Number of Employees Paid as of June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government (1)	462	380	419	338	464	323	320	315	312	306
Human services	1,460	1,376	1,369	1,366	1,264	1,176	1,051	987	973	995
Public safety	891	897	892	953	913	932	1,021	1,034	1,031	1,031
Environmental protection	6	6	5	5	5	4	7	7	7	8
Culture-recreation (2)	-	-	2	2	2	2	2	101	95	103
Total	<u>2,819</u>	<u>2,659</u>	<u>2,687</u>	<u>2,664</u>	<u>2,648</u>	<u>2,437</u>	<u>2,401</u>	<u>2,444</u>	<u>2,418</u>	<u>2,443</u>

Note:

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

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

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government:										
Real estate documents processed (8)	541,936	598,176	590,300	510,744	329,094	357,284	351,377	423,053	337,840	329,352
Vital records recorded and issued (8)	63,240	64,870	73,560	79,814	68,196	69,484	72,477	70,806	73,434	77,532
Building permits issued (2)	2,659	2,660	2,800	2,800	2,200	2,200	2,870	2,870	3,804	4,091
Bldg,plumb,mech & elec insp completed (2)	56,881	51,152	45,700	45,700	29,200	29,700	22,014	22,014	27,000	32,351
Human Services:										
Laboratory tests performed (2),(10)	165,916	180,160	194,148	187,314	203,250	209,096	200,364	194,378	187,677	188,086
Number of prescriptions filled (2),(10)	89,393	80,791	82,825	82,000	77,906	98,741	59,703	42,284	44,346	43,637
Adoption assistance cases (2),(4)	1,100	1,117	1,118	1,090	1,059	1,027	1,011	993	950	902
Children in Social Services custody (2),(4)	559	496	475	475	386	374	341	345	386	552
Public Safety:										
911 calls received (1),(3)	121,709	117,180	125,201	123,504	128,892	130,947	131,072	143,930	150,968	153,459
Emergency HazMat responses (2),(11)	95	90	90	70	70	42	22	111	105	12
Average daily population juvenile detention (2),(13)	48	48	48	48	48	35	30	18	24	28
Average daily population adult jail (6)	875	885	914	907	955	920	875	883	932	932
Number of animals received (2),(12)	14,935	15,100	15,827	15,993	16,890	17,000	16,000	16,000	13,933	11,487
Number of spay/neuter surgeries performed (2),(12)	6,149	4,500	6,500	5,495	5,098	7,200	4,000	4,000	5,525	6,229
Environmental protection: (9)										
Number of scrap tires processed	590,000	620,000	555,000	490,000	565,000	610,000	550,000	520,000	540,000	570,000
Number of white goods disposed of (tons)	1,732	1,387	468	332	236	169	97	85	85	125
Culture - recreation: (2)										
Number of park and rec participants	1,815,100	1,825,100	1,925,100	2,385,100	2,770,350	2,788,440	2,788,440	3,025,000	3,136,000	3,160,600
Education:										
Average daily membership (5)	68,118	69,677	70,707	70,968	70,710	71,227	71,587	71,885	71,787	71,502
County appropriation per pupil (7)	\$ 2,079.71	\$ 2,248.45	\$ 2,335.91	\$ 2,468.23	\$ 2,477.24	\$ 2,459.26	\$ 2,446.89	\$ 2,443.21	\$ 2,467.44	\$ 2,508.47

Note:

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

Sources:

- (2) Guilford County Annual Budget
- (3) Guilford -Metro 911 Emergency Communications Center
- (4) Guilford County Department of Social Services for 2006 - 2015
- (5) North Carolina Department of Public Instruction
- (6) Guilford County Annual Budget except for 2008, 2011-2015 per Law Enforcement Department
- (7) Guilford County Current Appropriations per average daily membership
- (8) Guilford County Register of Deeds
- (9) Guilford County Planning and Development
- (10) Guilford County Public Health 2011-2015
- (11) Guilford County Emergency Services 2011-2015
- (12) Guilford County Animal Shelter 2014-2015
- (13) Guilford County Juvenile Detention 2011 - 2015

Table 14

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

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Human Services: (2),(5)										
Public health occupied square footage	95,806	101,098	101,098	101,098	101,098	101,098	101,098	101,098	101,098	101,098
Mental health occupied square footage (10)	203,515	176,673	208,742	208,742	208,742	119,750	119,750	-	-	-
Social services occupied square footage	148,262	148,262	148,262	148,262	148,262	155,738	155,860	155,860	155,860	155,860
Cooperative extension occupied square footage	47,022	47,022	47,022	47,022	47,022	47,022	47,022	47,022	47,022	47,022
Child support occupied square footage	9,040	9,040	9,040	9,040	9,040	15,101	15,101	15,101	15,101	15,101
Public Safety:										
Number of law enforcement vehicles (4),(5)	319	344	363	376	426	419	406	425	438	405
Number of law enforcement centers (5)	2	2	2	2	2	2	2	2	2	2
Number of emergency medical vehicles (4),(6)	73	75	77	84	92	83	84	82	82	89
Number of emergency medical stations (6)	11	12	14	14	14	15	15	15	15	16
Number of fire marshall vehicles (4),(6)	16	23	19	19	15	21	24	25	24	22
Number of volunteer fire stations (3),(6)	37	37	37	37	37	36	36	38	38	39
Number of volunteer firefighters (6)	800	691	629	629	629	682	682	620	621	621
Number of animal control vehicles (4),(5)	13	13	16	17	14	14	13	16	19	20
Culture-recreation:										
Parks (9)	257	266	268	275	275	275	275	275	275	275
Libraries (7)	10	10	10	10	10	10	10	10	11	11
Education: (1)										
Number of schools (8)	108	116	120	120	121	122	124	129	130	130

Notes:

- (1) Includes Guilford County Schools only.
- (2) Human service square footage is based on occupancy of County owned properties only and does not include data related to services moving to non-County owned properties.
- (3) Includes any volunteer fire station which serves Guilford County regardless of location. In 2002 two stations began operation under the City of Greensboro and in 2006 one station began operation under Gibsonville.

Sources:

- (4) Guilford County Risk Management
- (5) Guilford County Fixed Assets System
- (6) Guilford County Emergency Medical Services Department
- (7) Cities of Greensboro, High Point, Gibsonville and Jamestown
- (8) Guilford County Schools
- (9) Guilford County Planning and Development
- (10) Guilford County Mental Health services merged with Sandhills Center for Mental Health, Developmental Disabilities and Substance Abuse Services on January 1, 2013



