

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2008



Brenda Jones Fox, CPA
Finance Director

W. David McNeill, Jr.
County Manager

Prepared by
Guilford County Finance Department

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	i
Certificate of Achievement for Excellence in Financial Reporting	vii
Principal Officials	ix
Organizational Chart	x

FINANCIAL SECTION

Independent Auditors' Report	1
Management's Discussion and Analysis	3a

Basic Financial Statements

Exhibit

	Government-Wide Financial Statements	
1	Statement of Net Assets	5
2	Statement of Activities	6
	Fund Financial Statements	
3	Balance Sheet - Governmental Funds	7
4	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	8
5	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	9
6	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	10
7	Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	11
8	Statement of Net Assets - Proprietary Funds - Internal Service Fund	12
9	Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds - Internal Service Fund	13
10	Statement of Cash Flows - Proprietary Funds - Internal Service Fund	14
11	Statement of Fiduciary Net Assets - Fiduciary Funds	15
12	Statement of Changes in Fiduciary Net Assets - Fiduciary Funds - Pension Trust Fund	16
	Notes to the Financial Statements	17

Required Supplementary Information

Law Enforcement Officers' Special Separation Allowance and	51
The Health Care Plan of Guilford County:	52
Schedule of Funding Progress	
Schedule of Employer Contributions	
Notes to the Required Schedules	

TABLE OF CONTENTS

Combining and Individual Fund Financial Statements and Schedules

Major Governmental Funds

Statement/ Schedule

General Fund

A-1	Schedule of Expenditures - Budget and Actual	55
-----	--	----

Capital Projects Funds

County Building Construction Fund:

A-2	Combining Schedule of Revenues and Expenditures	56
-----	---	----

A-2a	Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis - Annually Budgeted Projects)	57
------	---	----

A-2b	Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis - Project-Length Budgets)	58
------	---	----

Water and Sewer Construction Fund:

A-3	Combining Schedule of Revenues and Expenditures	59
-----	---	----

A-3a	Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis - Annually Budgeted Projects)	60
------	---	----

A-3b	Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis - Project-Length Budgets)	61
------	---	----

School Capital Outlay Fund:

A-4	Combining Schedule of Revenues and Expenditures	62
-----	---	----

A-4a	Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis - Annually Budgeted Projects)	63
------	---	----

A-4b	Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis - Project-Length Budgets)	64
------	---	----

A-4c	Schedule of Expenditures - Guilford Technical Community College - Budget and Actual (Budgetary Basis - Project-Length Budgets)	65
------	---	----

A-4d	Schedule of Expenditures - Guilford County Board of Education - Budget and Actual (Budgetary Basis - Project-Length Budgets)	66
------	---	----

Nonmajor Governmental Funds

Special Revenue Funds

B-1	Combining Balance Sheet	69
-----	-------------------------	----

B-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	70
-----	---	----

B-3	<i>Rural Fire Districts Fund</i> - Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual	71
-----	---	----

B-4	<i>Room Occupancy/Tourism Development Tax Fund</i> - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	72
-----	---	----

B-5	<i>Emergency Telephone System Fund</i> - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	73
-----	--	----

B-6	<i>Community Development Fund</i> - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis - Project-Length Budgets)	74
-----	---	----

TABLE OF CONTENTS

Agency Funds

Statement/ Schedule		
C-1	Combining Balance Sheet	77
C-2	Combining Statement of Changes in Assets and Liabilities	78

Additional Financial Data

D-1	Analysis of Current Tax Levy	81
D-2	Schedule of Property Taxes Receivable	83
D-3	Analysis of Current Tax Levy - County-Wide Levy	84
D-4	Analysis of Current Tax Levy - County-Wide Levy - General Information	85
D-5	General Obligation Debt Service Requirements and Maturity Schedule	86

STATISTICAL SECTION

Table

Financial Trends

1	Schedule of Changes in Net Assets / Net Assets by Component - Last Seven Fiscal Years	89
2	Schedule of Changes in Fund Balances / Fund Balances - Governmental Funds -Last Ten Fiscal Years	91

Revenue Capacity

3	Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	93
4	Property Tax Rates - Direct and Overlapping Governments (Per \$100 of Assessed Value) - Last Ten Fiscal Years	94
5	Principal Taxpayers - Current Year and Nine Years Ago	95
6	Property Tax Levies and Collections - Last Ten Fiscal Years	96

Debt Capacity

7	Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	97
8	Direct and Overlapping Governmental Activities Debt - June 30, 2008	98
9	Legal Debt Margin Information - Last Ten Fiscal Years	99

Demographic and Economic Information

10	Demographic and Economic Statistics - Last Ten Fiscal Years	100
11	Principal Employers - Current Year and Nine Years Ago	101

Operating Information

12	Total County Government Employees by Function - Last Ten Fiscal Years	102
13	Operating Indicators by Function - Last Ten Fiscal Years	103
14	Capital Asset Statistics by Function - Last Ten Fiscal Years	104

Introductory Section

LETTER OF TRANSMITTAL



Guilford County

November 14, 2008

The Board of County Commissioners
and Mr. W. David McNeill, Jr., County Manager
Guilford County, North Carolina

The Comprehensive Annual Financial Report (CAFR) of Guilford County, North Carolina, for the fiscal year ended June 30, 2008, 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 organization chart of Guilford County government.

The **Financial Section** contains the independent auditor's report, 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. This section reflects changes related to the implementation of Governmental Accounting Standards Board Statement No. 44, *Economic Condition Reporting: The Statistical Section* first effective in the fiscal year ended 2006.

North Carolina General Statutes Chapter 15, 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, & Holland, L.L.P., 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, 2008, 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 unqualified opinion that Guilford County's financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with GAAP. The independent auditor's report 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. 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 MD&A and should be read in conjunction with it. Guilford County 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 468,850, is the most populous county of the Piedmont Triad region. The Piedmont Triad is a twelve county area with a population in excess of 1.5 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 life-style 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 eleven members, nine of whom are elected from districts and two of whom are elected at-large. Board members serve four-year staggered terms. The Board chooses a Chairman and Vice Chairman from among its membership during its first meeting in December.

Major duties of the Board of County Commissioners include:

1. Adoption of an annual budget.
2. Establishment of an annual property tax rate for the County.
3. Appointment of various officials and the following County employees - County Manager, County Attorney, 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.

LETTER OF TRANSMITTAL

The Board of County Commissioners does not have complete authority over all the services provided by 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, social services, health, 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, a Aa1 from Moodys, and a AA+ from Fitch IBCA on all of its nonrefunded outstanding debt.

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 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 district; and the Room Occupancy/Tourism Tax Fund and Emergency Telephone Fund appropriations, which are 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 raise salaries. 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 year-end and open encumbrances must be 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 11 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 54. 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.

LETTER OF TRANSMITTAL

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 enjoys a favorable economic environment, which has enjoyed consistent stable growth. State sales tax collections are the only comparable figures available to measure retail sales growth. Due to the national streamlined sales tax initiative, taxable sales are reported beginning in fiscal year 2006 rather than gross retail sales. While the taxable collections growth is not identical to either taxable sales growth or gross retail sales growth, it is a reasonable proxy. State sales tax collections for Guilford County grew by 1.5% in fiscal year 2008 after growing by 5.7% and 1.9% respectively, in the two previous fiscal years. Taxable sales are \$6.08 billion for fiscal year 2007-08 as compared to \$5.99 billion in fiscal year 2006-07. Guilford County has a labor force of approximately 245,000. During the recent economic downturn, the Piedmont Triad 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 2001 this changed as the unemployment rate began to exceed the national average. During 2004 the County's unemployment rate improved and once again was below the national average but has since been in line with the national average. The unemployment rate for Guilford County was 4.6% for 2006 and 4.7% for 2007; the U.S. unemployment rate was 4.6% for 2006 and 4.6% for 2007. Guilford County's unemployment rate of 5.5% for the first six months of 2008 is slightly above the U.S. rate of 5.3% and equal to the North Carolina rate.

Guilford County's economy has continued to change and diversify, improving its overall strength. In June 2008, manufacturing accounted for 14% of the County's 230,669 jobs compared to 28.6% of the County's 214,346 jobs in 1980. Manufacturing jobs have declined significantly in furniture and textiles but have shown growth in computer and electronic products, electrical equipment and transportation equipment. Major employers with headquarters or divisions within Guilford County include semiconductor, communications, chemical, bus, truck, pharmaceutical, insurance, aircraft maintenance, healthcare, real estate development, and distribution services. The County is home to two state universities, five private colleges and a community college with a total enrollment exceeding 46,000 students.

Construction on the fifth national Federal Express hub at the Piedmont Triad International Airport (PTIA) continues with an initial investment estimated at \$300 million in facilities and equipment. The one million square foot hub is scheduled to begin operations in 2009 creating approximately 1,500 jobs and drawing other economic development.

Honda Aircraft Company announced in February 2007 that it will locate its world headquarters and production facility at PTIA investing \$100 million in this project and will, over five years, create 300 jobs.

The revitalization of downtown Greensboro continues with further development of housing, retail, restaurants and entertainment venues with \$50.9 million in new investments identified over the 2008 fiscal year. The redevelopment of a vacant 17-story office tower to include over 100 condominium units, one floor of office space, retail shops and a restaurant is underway with completion scheduled for occupancy in the fall of 2008.

Mack Trucks, Inc. announced in August 2008 that it will relocate its corporate headquarters and some support functions to Greensboro creating 493 jobs and investing \$17.7 million over the next three years.

High Point is also experiencing healthy development with new commercial capital investment of \$117.5 million and \$57.7 million of commercial additions or expansions in 2007, while creating or announcing 3,096 jobs. High Point University is undergoing a \$225 million upgrade of its campus and programs over a three-year period.

Trans Tech Pharma and PharmaCore, sister biotech companies, announced in December 2007 that they will be expanding in High Point, which will create 205 new jobs within the next five years while investing over \$23 million.

Long-term financial planning. In November 2003 the voters authorized \$300 million in general obligation debt for school facilities and in November 2004, the voters authorized \$47 million in general obligation debt for community college facilities and \$20 million for parks and recreation facilities. The County made its second issuance against these authorizations in March of 2007 selling \$150 million for schools to finish out that authorization. Another \$20 million for community college facilities and \$2.5 million for parks and recreation

LETTER OF TRANSMITTAL

facilities left \$15.5 million and \$10 million, respectively, unissued. In addition, \$12.4 million two-thirds bonds were issued for jail and other public building facilities purposes. The County is in the planning stages to build a new jail to address overcrowding. The County has selected an architect who has begun work and provided preliminary planning and cost estimates for a 1,000 bed jail. In May of 2008, the voters authorized \$114.6 million for this purpose as well as \$457.3 million for school and \$79.5 million for community college facilities. The County plans to issue \$23 million of the remaining bonds from the 2004 referendum for parks and community college facilities and approximately \$210 million of the bonds approved in 2008 for jail, school and community college facilities.

The County entered into contracts with Lawson Software Inc. and Sunguard Treasury in February 2006 for implementation of new ERP financial and human resources software with an overall budget of \$5 million including related hardware and other costs. The system has been implemented in phases from the latter part of 2006 with the Lawson payroll system planned for early 2010. In conjunction with the payroll phase, the County has solicited bids for a time and attendance system to supplement Lawson payroll. The County is in the negotiation stage for a new Tax System for implementation of tax appraisal, assessment, billings and collections software prior to the next reappraisal as of January 1, 2012. The project budget is \$2.3 million.

The unreserved, undesignated fund balance of the general fund at fiscal year end stood at 8.6% 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 and N.C. State Agencies, prime quality commercial paper and bankers' acceptances, 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, 2008 were \$17.1 million on an average invested balance of \$364.5 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, insurance and participation in 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 contribution rate is currently 4.87% of salary for general employees and 4.86% for Law Enforcement employees.

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

LETTER OF TRANSMITTAL

date of employment. The authority to establish and amend benefits rests with the North Carolina General Assembly. The Statutes require that the County contribute monthly 5% of each law enforcement officer's qualified salary. The County has also elected to contribute this amount for all other eligible employees. Employees may also make additional contributions to the plan in accordance with Internal Revenue Service Code Section 401k.

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 beginning July 1, 2007—a decrease from the earlier rate of 4.5%.

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 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 25 years creditable service must pay the entire employer's share of the premium in addition to the employee's share. The County pays 75% of the employer's premium for retirees with more than 25 years of service but less than 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 continue to be financed on a pay-as-you-go basis. The County has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB 45 requires state and local governmental employers measure and report the cost of other postemployment benefits (OPEB), the OPEB obligations and the extent to which progress is being made in funding those obligations in essentially the same manner required for pensions.

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

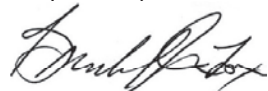
Awards and Acknowledgments

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, 2007. This was the twenty-seventh 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,



Brenda Jones Fox, CPA
Finance Director

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, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Chloe S. Cox

President

Jeffrey R. Emmer

Executive Director

PRINCIPAL OFFICIALS

Board of County Commissioners

Kirk Perkins
Chairman

Kay Cashion
Vice Chairwoman

Melvin L. (Skip) Alston

Stephen G. Arnold

Carolyn Q. Coleman

Bruce Davis

Paul Gibson

Linda O. Shaw

John Parks

Mike Winstead, Jr.

Billy Yow

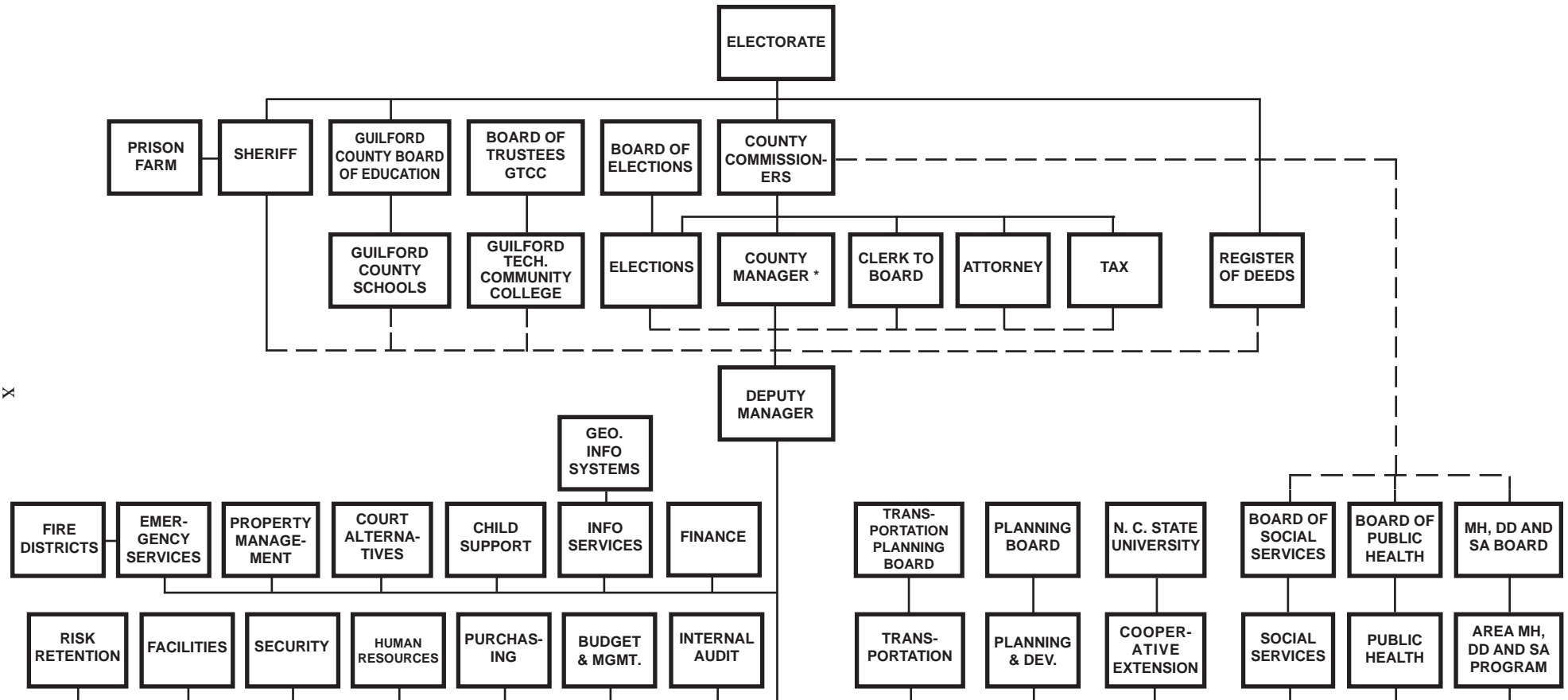
County Manager

W. David McNeill, Jr.

Finance Director

Brenda Jones Fox, CPA

2007-08 ORGANIZATIONAL CHART GUILFORD COUNTY, NORTH CAROLINA



X

* 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.

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 beneath.

Financial Section



Independent Auditors' Report

The Board of County Commissioners
Guilford County, North Carolina

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, 2008, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. 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 of material misstatement. The financial statements of the Greensboro/Guilford County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

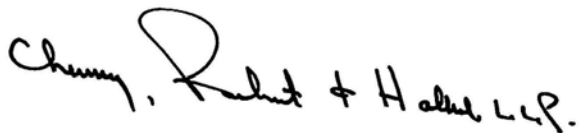
In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2008 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and the Required Supplementary Information as listed in the Table of Contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules, and the additional financial data as listed in the accompanying Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Introductory and Statistical Sections, as listed in the accompanying Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

CHERRY, BEKAERT & HOLLAND, L.L.P.

A handwritten signature in black ink that reads "Cherry, Bekaert & Holland L.L.P." in a cursive style.

Raleigh, North Carolina
November 14, 2008

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, 2008. 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 - vi.

Financial Highlights

Government-Wide

- The liabilities of Guilford County exceeded its assets at the close of the most recent fiscal year by \$165.2 million (*net assets*).
- The County's total net assets decreased by \$63.6 million compared to the prior year. This decrease is attributable to 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 assets are reduced.
- The County's decrease in net assets was significantly less than the \$85 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 assets of approximately \$21.4 million.
- The County's outstanding debt decreased by \$23.4 million to \$564.3 million during the fiscal year while its investment in capital assets increased by \$4.9 million to \$140.8 million.

The County's Funds

- At the fiscal year end, Guilford County's governmental funds reported a combined fund balance of \$257.5 million, a decrease of \$70.9 million from the previous fiscal year end. The major decreases occurred in the School Capital Outlay Fund and County Building Construction Fund as a result of the expenditure of bond funds during the current fiscal year that were issued in prior years.
- The fund balance of the County's General Fund increased by \$3.8 million as revenue exceeded expenditures by \$6.7 million while net other financing sources and uses deducted \$2.9 million.
- The unreserved fund balance for the General Fund (the County's major operating fund) increased by \$2.9 million to \$77.9 million at fiscal year end equaling 14.6% of the total General Fund expenditures for the year.

Guilford County maintained its AAA rating from Standard and Poor's Corporation and its Aa1 rating from Moodys Investors Service and AA+ rating from Fitch IBCA.

Overview of the Financial Report

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

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

1. The *statement of net assets* presents information on all of Guilford County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Guilford County is improving or deteriorating.

MANAGEMENT'S DISCUSSION AND ANALYSIS

2. The *statement of activities* presents information showing how the government's net assets 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 assets 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 5 and 6 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*.

Guilford County maintains eight 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. Data from the other four governmental funds are combined into a single, aggregated presentation under other 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 11 as part of the basic financial statements.

The basic governmental fund financial statements can be found on pages 7-11 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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 12-14 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—one pension trust fund and four agency funds.

The basic fiduciary fund financial statements can be found on pages 15 and 16 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 17-48 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 sworn law enforcement officers and 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 51 and 52 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Guilford County, net assets are 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 exceeded assets by \$165.2 million at the close of the most recent fiscal year (*net assets*). Comparative information for net assets for the primary government is shown below in summarized form (see Table A-1).

Table A-1		
GUILFORD COUNTY'S Net Assets		
(Primary Government)		
	Governmental Activities	
	2008	2007
Current and other assets	\$ 335,634,311	405,529,446
Capital assets	140,843,456	135,931,719
Total assets	476,477,767	541,461,165
Long-term liabilities outstanding	601,821,779	600,822,285
Other liabilities	39,854,795	42,286,258
Total liabilities	641,676,574	643,108,543
Net assets:		
Invested in capital assets, net of related debt	115,992,624	116,246,292
Restricted	36,221,646	30,720,400
Unrestricted	(317,413,077)	(248,614,070)
Total net assets (liabilities)	\$ (165,198,807)	(101,647,378)

The largest portion of Guilford County's net assets reflects its investment in capital assets (e.g., land, buildings, improvements, machinery and equipment, and vehicles), less any related outstanding debt used to acquire those

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 issues 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, 2008 include outstanding general obligation debt of \$514.9 million related to funding these non-county assets. This represents 92.4% of the County's outstanding general obligation debt. Because the County does not retain the related assets, this debt liability (less any unspent proceeds) reduces the County's total net assets 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 assets for the primary government is shown below (see Table A-2).

Table A-2 Changes in GUILFORD COUNTY'S Net Assets (Primary Government)		
	Governmental Activities	
	2008	2007
Revenues		
Program revenues		
Charges for services	\$ 47,435,084	45,160,885
Operating grants and contributions	107,798,939	101,203,809
Capital grants and contributions	173,160	1,130,075
General revenues		
Taxes:		
Property taxes for general purposes	297,714,587	277,256,954
Property taxes for fire districts	9,762,941	9,313,995
Sales taxes for general purpose	71,338,607	72,239,096
Sales taxes for fire districts	2,826,992	2,877,306
Sales taxes for school capital/debt	13,931,999	13,722,636
Occupancy taxes for tourism development	4,618,458	4,419,986
Other taxes	4,431,677	5,254,967
Grants and contributions not restricted	1,472,030	1,060,902
Unrestricted investment earnings	17,427,005	17,075,971
Other	371,374	2,019,617
Total revenues	579,302,853	552,736,199
Expenses		
General government	42,686,479	41,915,381
Human services	187,408,591	167,658,603
Public safety	101,980,944	90,576,330
Environmental protection	1,395,364	1,194,998
Culture and recreation	5,981,193	6,244,857
Economic development/urban redevelopment	6,711,552	7,126,828
Education	274,425,035	311,169,199
Interest on long-term debt	22,265,124	18,787,205
Total expenses	642,854,282	644,673,401
Changes in net assets	(63,551,429)	(91,937,202)
Net assets (liabilities) at beginning of year	(101,647,378)	(9,710,176)
Net assets (liabilities) at end of year	\$ (165,198,807)	(101,647,378)

MANAGEMENT'S DISCUSSION AND ANALYSIS

As noted in the highlights Guilford County's net assets decreased \$63.6 million during the current fiscal year primarily as a result of providing funding for school and community college facilities from bond proceeds and other sources. The expenses under the education activity include \$98.5 million in capital spending with \$83.6 million going for school facilities and \$14.9 million for community college facilities.

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

- Guilford County's activities would increase net assets if the expenses related to capital funding provided to outside entities and debt and restricted revenue supporting these expenses were eliminated.
- Program revenues covered 24.2% of program expenses, increasing from 22.9% last year.
- Program revenues totaled \$155.4 million increasing by \$7.9 million from the previous year. Operating grants from the State and Federal government increased \$6.6 million to \$107.8 million. Charges for services increased by \$2.3 million to \$47.4 million and capital grants and contributions were down \$1 million.
- General revenues totaled \$423.9 million increasing by \$18.7 million from the previous year. Property tax revenue increased to \$307.5 million, up \$20.9 million or 7.3%, due to increases in the County-wide tax rate and assessed values. Sales tax revenue held steady at \$88.1 million, down \$0.7 million or 0.8% from the previous year due to decreased allocations to the County as taxable retail sales increased slightly. The remaining general revenues decreased \$1.5 million, primarily from gains on sales of capital assets in the prior year.
- Expenses decreased 0.3% or \$1.8 million to \$642.9 million. Education expenses were down \$36.7 million or 11.8% due to a \$9.5 million increase in operating funds more than offset by a \$46.3 million decrease in capital funds provided to the schools and community college. The \$36.7 million decrease in education expenses was offset principally by increases in human services, public safety and interest on long-term debt expenses of \$19.7 million, \$11.4 million and \$3.5 million, respectively. The County implemented Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* during the current year. For the first time, the actuarially determined costs of other postemployment benefits are reported in expenses. These costs are \$22.3 million higher than the pay-as-you-go funding basis reported before implementation. The other postemployment benefits costs make up \$13.2 million and \$8.5 million of the human services and public safety expense increases, respectively. The remaining costs are due principally to increases in expenses that are also part of governmental fund expenditures that are more fully discussed under this section.
- Net assets decreased \$63.6 million, a \$28.4 million or 30.9% less decline than the previous year, due to the decrease in capital funding provided to outside entities. Although increases in program and general revenues less increased expenses other than capital funding provided to outside entities generated net assets, the increase was less than the prior year due principally to the other postemployment benefits expenses in the current year.

Figure A-1

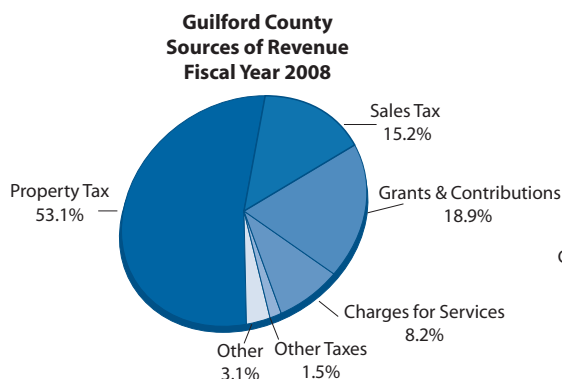
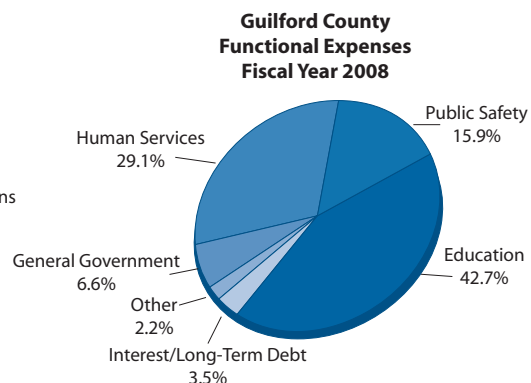


Figure A-2



MANAGEMENT'S DISCUSSION AND ANALYSIS

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, *unreserved fund balance* 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 \$257.5 million, a decrease of \$70.9 million in comparison with the prior year. The decrease is attributable to the expenditure of funds for school and other capital projects. The *unreserved fund balance*, which is not reserved for specific purposes makes up 75.1% of the total or \$193.3 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) to liquidate contracts and purchase orders of the prior period (\$17.8 million), (2) reserved under state statutory requirements (\$40.6 million), or (3) other restricted purposes (\$5.7 million). Approximately \$110.9 million of the unreserved fund balance has been *designated* by actions of the Board of County Commissioners for a specific purpose: (1) for subsequent years expenditures (\$28.5 million) (2) for capital project ordinances (\$81.8 million) or (3) for other specific purposes (\$.06 million). The *undesigned fund balance* (that not reserved or designated) totals \$82.4 million.

The General Fund is the chief operating fund of Guilford County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$77.9 million, while total fund balance reached \$127.2 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 14.6% of total General Fund expenditures, while total fund balance represents 23.8% of that same amount. The Local Government Commission (LGC), which is established by statute to oversee local government financial affairs, has recommended that the General Fund undesignated fund balance be maintained at a minimum level of eight percent of the subsequent year's budget. The undesignated fund balance of \$50.3 million is equal to 8.58% of the fiscal year 2008-09 General Fund budget.

The fund balance of Guilford County's General Fund increased by \$3.8 million during the current fiscal year. Revenues of \$541.2 million exceeded expenditures by \$6.7 million and other financing sources and uses subtracted \$2.9 million. Revenue increased by \$31.6 million, a 6.2% increase over last fiscal year. General Fund revenue activities are as follows:

- Property tax revenue increased to \$296.7 million, going up \$20.1 million or 7.3% due to an increase in the County-wide tax rate from \$.6615 to \$.6914 per hundred of assessed value and an increase in assessed values from \$42.3 billion to \$43.4 billion.
- Sales tax revenue in the General Fund decreased by \$0.7 million or 0.8% due to decreased allocations to the County versus the municipalities as taxable retail sales increased slightly.
- Investment income for the General Fund decreased by \$0.9 million due to contractual allocation requirements effective July 1, 2007 to specific funds within the Water and Sewer Construction Fund.
- Charges for services increased \$2.5 million, up 7.3%. The most significant increase was in Emergency Services for \$1.4 million.
- Intergovernmental revenue increased \$11.5 million, up 13.6%. \$7.4 million of the increases related to Education with State Lottery funds used to support school debt service in the Debt Service Department by \$6 million as well as Guilford County School's annual capital outlay appropriation by \$1.4 million. Social Services grants increased \$2.3 million due to a \$3.1 million increase in Child Care program grants offset by smaller changes with a net decrease of \$0.8 million to the other grants in the department.
- Other revenues decreased \$0.9 million, down 6.5%.

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund expenditures were \$534.5 million, increasing \$29.8 million or 5.9% from last year. Highlights of significant areas of change include:

- Education expenditures increased \$9.8 million or 5.6% due to additional Guilford County Schools and Guilford Technical Community College allocations of \$8.8 million and \$1 million, respectively.
- Public Safety expenditures increased \$3.1 million to \$79.1 million, a 4.1% increase. Law Enforcement expenditures were up \$3.3 million or 7.1%. The increase was primarily due to \$1.7 million additional personnel costs and \$1.1 million increased capital asset purchases, mainly vehicles.
- Debt service costs increased \$11.9 million or 30.6% due to \$185.4 million of general obligation bonds issued in the prior year.
- Human Services expenditures increased \$5.8 million, up 3.5%. Social Services was up \$3.7 million or 5.8%, with \$3.1 million in the Child Care program and equal to the increased grant revenue plus a net \$0.6 million in other programs. Public Health expenditures were up \$1.5 million or 4.3% with \$1 million in additional personnel costs. Mental Health expenditures were up \$0.8 million while Child Support Enforcement, Coordinated Services and Transportation Departments were up another \$1 million in total. Medical Assistance costs were down \$1.2 million or 5% due primarily to Medicaid Relief legislation.

The County portion of Medicaid was actually down \$1.8 million offset by an increase of \$0.6 million Medicaid Transportation costs. The County portion of Medicaid would have been an increase of \$2.5 million for a \$4.3 million reduction due to relief legislation. The \$4.3 million reduction was offset by a requirement to fund additional school capital funds of \$2.1 million, leaving a net savings of \$2.2 million from Medicaid Relief.

- General Government expenditures decreased \$1 million, down 2.6%. Information Services expenditures were down \$1.4 million primarily related to reduced costs for outside services, supplies and materials and capital assets. Other smaller changes in General Government department expenditures netted to a \$0.4 million increase.

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 \$3.9 million. Revenue and other sources included \$2 million from interest and \$5.1 million from an installment financing for the purchase and renovation of the BB&T building and land located in downtown Greensboro. Expenditures of \$10 million included general government projects of \$4.2 million for the purchase of the BB&T building and land, \$1.4 million for the Greensboro Courthouse Renovations and \$0.4 million for the New Financial Reporting System; public safety projects included \$1.9 million for Design Phase - Guilford County Detention Center project; while park projects included \$1.3 million for the Southwest Park project.

The Water and Sewer Construction Fund fund balance increased \$3.1 million as revenues of \$3 million from fees and \$1.1 million from interest designed to sustain future projects exceeded project expenditures of \$1 million.

The School Capital Outlay Fund fund balance decreased \$73.9 million. Intergovernmental revenues of \$12.1 million included State grants totaling \$3.1 million plus \$9 million from Guilford County Schools as part of an insurance settlement on the Eastern Guilford High School that burned during the prior year. Other sources of \$4.2 million were transferred from the General Fund with \$1.6 million reallocated from the school's capital outlay allocation and \$2.6 million intended to provide additional funding required by State Medicaid Relief legislation. Subsequent to year end, it was determined that only \$2.1 million is required to be funded. Expenditures of \$90.2 million consisted of \$76.8 million and \$13.4 million for Guilford County Schools and Guilford Technical Community College projects, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Operating revenue of internal service operations exceeded operating expenses by \$0.5 million. Non-operating revenue (interest income) added \$1.6 million resulting in an overall gain of \$2.2 million. The sole purpose of the fund is the operation of the County's risk management programs. The operating gain was spread across all programs.

General Fund Budgetary Highlights

The final General Fund budget for fiscal year 2007-08 was \$562.8 million, an increase of \$13.6 million from the original budget of \$549.3 million which is a 2.5% increase.

Table A-3
Summary of GUILFORD COUNTY'S Additional Appropriations
(General Fund)

	Sources		Uses
Fund Balance	\$ 6,619,732	Law Enforcement	\$ 2,913,809
Intergovernmental Revenue	6,343,144	Mental Health	2,624,888
Charges for Services	106,479	Economic Development	
Other Sources	514,731	& Assistance	1,342,914
		Social Services	1,326,281
		Public Health	971,536
		Coordinated Services	921,585
		Emergency Services	819,428
		Information Services	782,065
		Public Assistance - Medical	(3,439,400)
		Transfers Out	4,181,765
		Other Uses	1,139,215
	<u>\$ 13,584,086</u>		<u>\$ 13,584,086</u>

Guilford County typically increases its budget appropriation as a result of additional State and Federal funding received during the fiscal year. These grant funds typically provide funding for Economic Development, various human services programs of the Social Services, Mental Health, and Public Health Departments and the public safety programs of the Law Enforcement Department, Emergency Services, and other public safety departments. The increase in this type of funding shown under intergovernmental revenues accounts for 46.7% of the increase in budget. The County also amends its budget each year to carryforward outstanding encumbrances from the prior year utilizing fund balance. The carryforward budget amendment for the fiscal year ending June 30, 2008 was \$6.2 million for all General Fund departments. In addition, fund balance was appropriated during the year from reserved and designated fund balances in Law Enforcement for most of the remaining \$0.4 million. \$2.6 million of the \$3.4 million reduction in the Medicaid Assistance budget increased Transfers Out to the School Capital Outlay Fund to meet State Medicaid relief requirements as part of the agreement reducing the County portion of Medicaid funding to the State.

The final General Fund budget for fiscal year 2007-08 was \$562.8 million, increasing by \$29.5 million or 5.5% over the previous year's final budget. Most of the increase is to Debt Service by \$11 million and Education by \$9.8 million. General Fund expenditures for the 2008 fiscal year were 95.7% of the final budget.

The resulting \$24.2 million variance in the actual expenditures from the final budget is in the typical range. The variance results from conservative budget practices such as, budgeting fully for positions in most 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration

Capital assets. Guilford County's investment in capital assets for its governmental activities as of June 30, 2008, amounts to \$140.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and vehicles. 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 increase in its investment in capital assets was \$4.9 million during the current fiscal year.

Construction in progress increased \$3.4 million, mainly in the Greensboro Courthouse Renovations and Guilford County Detention Center projects by \$1.4 million and \$1.9 million, respectively. Machinery and equipment increased by \$1.3 million, \$0.4 million of which was for the County's New Financial Reporting System project, while vehicles increased \$2.4 million, \$1.4 million of which was for Law Enforcement and \$0.6 million was for Emergency Services purposes, all before depreciation. Buildings increased \$3.6 million before depreciation; \$3.4 million of which was towards the purchase of the BB&T Building in downtown Greensboro. After renovations are complete, the Register of Deeds Department plans to move here from the Courthouse. Land increased \$0.8 million nearly all of which was part of the BB&T Building purchase. Improvements other than buildings increased \$1.5 million, \$1.3 million for the Southwest Park project and the remainder mainly for the Northeast Park.

Additional information on Guilford County's capital assets can be found in Note III. C. on pages 29 and 30 of this report.

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

	Governmental Activities	
	2008	2007
Land	\$ 30,774,028	29,961,322
Buildings	75,701,573	75,016,972
Improvements other than buildings	10,213,964	9,441,382
Machinery and equipment	10,977,688	11,531,738
Vehicles	4,259,163	4,499,533
Construction in progress	8,917,040	5,480,772
Total	\$ 140,843,456	135,931,719

Debt Administration. At the end of the current fiscal year, Guilford County had total bonded debt outstanding of \$557.4 million all of which were general obligation bonds, backed by the full faith and credit of the County. In addition there were \$5.8 million in unamortized bond issuance/put bond premiums and \$5.4 million of obligations under capital leases and installment financings all net of unamortized bond refunding charges of \$4.3 million. Guilford County's total debt decreased by \$23.4 million during the fiscal year. In June 2008, the County issued \$5.1 million in installment financings towards the purchase of the BB&T Building and land in downtown Greensboro. This was offset mainly with \$28 million of principal payments on general obligation bonds and other debt.

The County entered into two forward-starting floating to fixed interest rate exchange agreements in November 2006. One agreement became effective October 1, 2007 on \$30 million of variable rate debt issued October 2000 and maturing in annual installments from October 2016-2020. This interest rate exchange has an intended synthetic rate of 3.865% to maturity. The other agreement became effective February 1, 2008 on \$30 million of variable rate debt issued February 2005 and maturing in annual installments from March 2016-2020 and an intended synthetic rate of 3.220% to maturity.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Guilford County maintains a "AAA" rating from Standard & Poor's Corporation on all of its outstanding bonded debt. Moody's has assigned a Aaa rating to the 1988 and 1991 issues which were refunded February 1, 1998 and Moody's has assigned a Aa1 to all other bonded debt. Fitch IBCA has assigned a "AA+" to all issues.

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 \$3.5 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. F. on pages 33-37 of this report.

Table A-5
GUILFORD COUNTY'S Outstanding Debt

	Governmental Activities	
	2008	2007
General obligation bonds	\$ 557,405,000	585,120,000
Plus bond issuance/put bond premiums	5,784,520	6,916,829
Less bond refunding charges	(4,339,642)	(4,908,412)
Capital leases and purchase money installment contracts	5,422,364	571,479
Total	\$ 564,272,242	587,699,896

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

- The County's fiscal 2009 General Fund budget has increased by \$36.9 million from the fiscal year 2008 original budget to \$586.1 million, a 6.7% increase.
- The General Fund tax rate levied for fiscal year 2009 is \$.7374 per \$100 valuation, an increase of \$.0460. The rate increase combined with a 3.5% growth in the County's tax base to \$44.2 billion will provide an additional \$29.2 million in tax revenue, a 10.1% increase from the previous year.
- Estimated sales tax revenue of \$77.6 million for the fiscal year 2009 is \$7.7 million less than last year's original General Fund budget. Other significant changes in revenue include intergovernmental revenue which increased by \$11.9 million while all other sources increased \$3.5 million.
- The General Fund budget categories with the most significant increases are Guilford County Schools current expense up \$10 million or 6% to \$175.2 million, Debt Service up \$17.4 million to \$69.7 or 33.3%, Law Enforcement up \$4.5 million or 9.2% to \$53.7 million, Mental Health up \$4.3 million or 11.3% to \$42.1 million, Social Services up \$3.7 million or 5.4% to \$72.3 million, Public Health up \$2.2 million or 6% to \$39.5 million and Guilford Technical Community College current expense up \$1 million or 8.9% to \$11.8 million.
- The General Fund budgets with the most significant decreases are Medical Assistance down \$9.2 million or 39% to \$14.3 million due to Medicaid Relief legislation provided by the State of North Carolina and non-departmental for reductions in personnel costs down \$1.2 million or 153.3% to \$(1.9) million.

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 Brenda Jones Fox, Finance Director, Guilford County Finance Department, P. O. Box 3427, Greensboro, NC 27402.

Basic Financial Statements

The Basic Financial Statements consist of the government-wide financial statements which display all the financial activities except fiduciary activities of the County and its discretely presented component units; the fund financial statements which provide information about the County's funds, including its fiduciary funds; and the notes to the financial statements. They present the financial position of Guilford County, North Carolina as of June 30, 2008, 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 Assets
June 30, 2008

Exhibit 1

	Primary Government	Component Unit
	Governmental Activities	Greensboro/Guilford County Tourism Development Authority
Assets		
Current assets:		
Cash and cash equivalents/investments	\$ 276,460,352	663,900
Receivables:		
Property taxes (net)	4,865,910	-
Accrued interest on property taxes (net)	310,000	-
Other taxes	458,295	-
Due from governmental units and agencies	36,259,891	60,770
Due from primary government	-	252,087
Service fees (net)	3,546,017	-
Special assessments	606,438	-
Accrued interest on investments	1,446,849	4,835
Other	4,353	2,238
Total receivables	47,497,753	319,930
Deposits and other assets	9,013,840	9,790
Deferred charges	1,477,855	-
Total current assets	334,449,800	993,620
Noncurrent assets:		
Due from governmental units and agencies	1,184,511	-
Non-depreciable capital assets	39,691,068	-
Depreciable capital assets (net)	101,152,388	114,249
Total noncurrent assets	142,027,967	114,249
Total assets	476,477,767	1,107,869
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	36,574,262	85,982
Due to component unit	252,087	-
Unearned revenue	2,512,169	-
Deposits	516,277	-
Current portion of long-term liabilities	33,331,859	-
Total current liabilities	73,186,654	85,982
Noncurrent liabilities:		
Noncurrent portion of long-term liabilities	568,489,920	-
Total liabilities	641,676,574	85,982
Net Assets		
Invested in capital assets, net of related debt	115,992,624	114,249
Restricted for:		
Capital projects	27,352,505	-
Other purposes	8,869,141	-
Unrestricted	(317,413,077)	907,638
Total net assets (liabilities)	\$ (165,198,807)	1,021,887

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, 2008

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	Greensboro/Guilford County Tourism Development Authority
Primary Government:						
Governmental activities:						
General government	\$ 42,686,479	7,329,664	59,890	-	(35,296,925)	-
Human services	187,408,591	17,390,778	85,671,190	61,185	(84,285,438)	-
Public safety	101,980,944	19,486,002	1,818,775	110,975	(80,565,192)	-
Environmental protection	1,395,364	46,637	767,052	-	(581,675)	-
Culture - recreation	5,981,193	6,300	-	1,000	(5,973,893)	-
Economic development and assistance	6,711,552	3,089,466	-	-	(3,622,086)	-
Education	274,425,035	-	13,482,032	-	(260,943,003)	-
Interest on long-term debt	22,265,124	86,237	6,000,000	-	(16,178,887)	-
Total primary government	<u>\$ 642,854,282</u>	<u>47,435,084</u>	<u>107,798,939</u>	<u>173,160</u>	<u>(487,447,099)</u>	<u>-</u>
Component Unit:						
Greensboro/Guilford Co Tourism Dev Authority:						
Tourism promotion and development	<u>\$ 4,454,783</u>	<u>26,237</u>	<u>3,992,781</u>	<u>32,271</u>	<u>-</u>	<u>(403,494)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes					297,714,587	-
Property taxes, levied for fire districts					9,762,941	-
Sales taxes, levied for general purposes					71,338,607	-
Sales taxes, levied for fire districts					2,826,992	-
Sales taxes, levied for school capital and/or debt					13,931,999	-
Occupancy taxes, levied for tourism development					4,618,458	-
Excise tax					3,155,087	-
911 charges, levied for 911 system					381,944	-
Local gross receipts and franchise taxes					894,646	-
Grants and contributions not restricted to specific programs					1,472,030	-
Unrestricted investment earnings					17,427,005	42,229
Other					371,374	-
Total general revenues					<u>423,895,670</u>	<u>42,229</u>
Change in net assets					(63,551,429)	(361,265)
Net assets (liabilities) at beginning of year					(101,647,378)	1,383,152
Net assets (liabilities) at end of year					<u>\$ (165,198,807)</u>	<u>1,021,887</u>

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

GUILFORD COUNTY, NORTH CAROLINA
Balance Sheet
Governmental Funds
June 30, 2008

Exhibit 3

	General	County Building Construction	Water and Sewer Construction	School Capital Outlay	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents/investments	\$ 113,138,031	39,395,942	36,851,541	58,313,108	1,694,249	249,392,871
Receivables:						
Property taxes (net)	4,724,266	-	-	-	141,644	4,865,910
Accrued interest on property taxes (net)	310,000	-	-	-	-	310,000
Other taxes	98,171	-	-	-	360,124	458,295
Due from governmental units and agencies	34,901,986	42,861	641,724	1,033,193	727,554	37,347,318
Service fees (net)	3,316,689	-	-	-	-	3,316,689
Special assessments	-	-	606,438	-	-	606,438
Accrued interest on investments	1,108,147	197,844	-	-	6,136	1,312,127
Other	4,353	-	-	-	-	4,353
Total receivables	44,463,612	240,705	1,248,162	1,033,193	1,235,458	48,221,130
Deposits and other assets	9,195	-	-	-	-	9,195
Total assets	\$ 157,610,838	39,636,647	38,099,703	59,346,301	2,929,707	297,623,196
Liabilities and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	\$ 20,550,498	1,522,930	1,126,969	5,920,666	108,037	29,229,100
Due to component unit	-	-	-	-	252,087	252,087
Deferred revenue	9,303,902	-	625,568	-	198,556	10,128,026
Deposits	516,277	-	-	-	-	516,277
Total liabilities	30,370,677	1,522,930	1,752,537	5,920,666	558,680	40,125,490
Fund balances:						
Reserved for:						
Encumbrances	8,114,241	6,002,791	3,726,346	-	-	17,843,378
State statute	37,605,032	240,705	641,724	1,033,193	1,093,814	40,614,468
Restricted funding sources	3,579,146	-	-	2,149,670	-	5,728,816
Unreserved:						
Designated for subsequent year's expenditures reported in:						
General fund	27,094,563	-	-	-	-	27,094,563
Special revenue funds	-	-	-	-	903,100	903,100
Capital projects funds	-	500,000	-	-	-	500,000
Designated for capital project ordinances reported in capital projects funds	-	22,579,346	9,518,271	49,733,388	-	81,831,005
Designated for specific purposes reported in general fund	553,324	-	-	-	-	553,324
Undesignated reported in:						
General fund	50,293,855	-	-	-	-	50,293,855
Special revenue funds	-	-	-	-	374,113	374,113
Capital projects funds	-	8,790,875	22,460,825	509,384	-	31,761,084
Total fund balances	127,240,161	38,113,717	36,347,166	53,425,635	2,371,027	257,497,706
Total liabilities and fund balances	\$ 157,610,838	39,636,647	38,099,703	59,346,301	2,929,707	297,623,196

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 Assets
June 30, 2008

Exhibit 4

Total fund balances - total governmental funds (Exhibit 3)	\$	257,497,706
<p>Amounts reported for governmental activities in the statement of net assets 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.		140,843,456
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (Note II.A.1.)		7,615,857
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.)		2,069,759
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 assets. (See Exhibit 8)		29,759,139
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (Note II.A.3.)		<u>(602,984,724)</u>
Total net assets (liabilities) of governmental activities (Exhibit 1)	\$	<u><u>(165,198,807)</u></u>

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

GUILFORD COUNTY, NORTH CAROLINA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2008

Exhibit 5

	General	County Building Construction	Water and Sewer Construction	School Capital Outlay	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes:						
Property taxes	\$ 296,738,654	-	-	-	9,726,280	306,464,934
Sales tax	85,270,606	-	-	-	2,826,992	88,097,598
Occupancy taxes	-	-	-	-	4,618,458	4,618,458
Excise tax	3,155,087	-	-	-	-	3,155,087
911 charges	-	-	-	-	381,944	381,944
Local gross receipts tax	751,131	-	-	-	-	751,131
Franchise taxes	143,515	-	-	-	-	143,515
Licenses and permits	2,263,699	-	-	-	-	2,263,699
Intergovernmental	96,043,064	-	-	12,117,375	-	108,160,439
Charges for services	36,805,472	-	3,030,642	-	-	39,836,114
Investment earnings	12,789,708	1,979,294	1,109,733	-	17,212	15,895,947
Other	7,222,714	1,000	12,074	-	-	7,235,788
Total revenues	<u>541,183,650</u>	<u>1,980,294</u>	<u>4,152,449</u>	<u>12,117,375</u>	<u>17,570,886</u>	<u>577,004,654</u>
Expenditures						
Current:						
General government	39,464,132	-	-	-	-	39,464,132
Human services	173,386,520	-	-	-	-	173,386,520
Public safety	79,097,125	-	-	-	13,001,210	92,098,335
Environmental protection	1,171,174	-	-	-	-	1,171,174
Culture - recreation	5,154,091	-	-	-	-	5,154,091
Economic development and assistance	1,034,865	-	-	-	4,618,458	5,653,323
Intergovernmental:						
Education	184,260,092	-	-	90,164,943	-	274,425,035
Capital outlay	-	9,979,848	1,058,229	-	-	11,038,077
Debt service:						
Principal retirement	27,715,000	-	-	-	-	27,715,000
Interest and fiscal charges	23,196,747	-	-	-	-	23,196,747
Total expenditures	<u>534,479,746</u>	<u>9,979,848</u>	<u>1,058,229</u>	<u>90,164,943</u>	<u>17,619,668</u>	<u>653,302,434</u>
Excess (deficiency) of revenues over expenditures	<u>6,703,904</u>	<u>(7,999,554)</u>	<u>3,094,220</u>	<u>(78,047,568)</u>	<u>(48,782)</u>	<u>(76,297,780)</u>
Other Financing Sources (Uses)						
Capital-related debt issued	-	5,102,000	-	-	-	5,102,000
Transfers in	1,135,351	-	-	4,181,765	-	5,317,116
Transfers out	(4,181,765)	(1,115,000)	-	(20,351)	-	(5,317,116)
Sale of capital assets	154,841	94,081	-	-	-	248,922
Total other financing sources (uses)	<u>(2,891,573)</u>	<u>4,081,081</u>	<u>-</u>	<u>4,161,414</u>	<u>-</u>	<u>5,350,922</u>
Net changes in fund balances	3,812,331	(3,918,473)	3,094,220	(73,886,154)	(48,782)	(70,946,858)
Fund balances at beginning of year	123,427,830	42,032,190	33,252,946	127,311,789	2,419,809	328,444,564
Fund balances at end of year	<u>\$ 127,240,161</u>	<u>38,113,717</u>	<u>36,347,166</u>	<u>53,425,635</u>	<u>2,371,027</u>	<u>257,497,706</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, 2008

Exhibit 6

Net changes in fund balances - total governmental funds (Exhibit 5) \$ (70,946,858)

Amounts reported for governmental activities in the statement of activities are different because (see also Note II.B.):

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (Note II.B.1.) 5,121,583

The net effect of various miscellaneous transactions involving capital assets (ie., sales, trade-ins and donations) is to decrease net assets. (Note II.B.2.) (209,846)

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.) 408,745

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 assets. 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.) 22,864,115

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 payments method and, therefore, are not reported as expenses in the statement of activities. (Note II.B.5.) (22,948,948)

The Internal Service Fund is used by management to charge the costs of risk management and insurance to individual funds. The net revenue of the Internal Service Fund is reported with governmental activities. (See Exhibit 9) 2,159,780

Change in net assets of governmental activities (Exhibit 2) \$ (63,551,429)

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, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>Budgetary and GAAP Basis</u>	<u>Final Budget Positive (Negative)</u>
Revenues				
Taxes:				
Property taxes	\$ 289,137,221	289,137,221	295,871,766	6,734,545
Penalties and interest on delinquent property taxes	1,005,000	1,005,000	866,888	(138,112)
Total property taxes	290,142,221	290,142,221	296,738,654	6,596,433
Sales tax	85,250,000	85,320,171	85,270,606	(49,565)
Excise tax	3,086,000	3,086,000	3,155,087	69,087
Local gross receipts tax	800,000	800,000	751,131	(48,869)
Franchise taxes	520,000	520,000	143,515	(376,485)
Licenses and permits	2,697,400	2,697,400	2,263,699	(433,701)
Intergovernmental	90,610,966	96,954,110	96,043,064	(911,046)
Charges for services	30,876,550	30,983,029	36,805,472	5,822,443
Investment earnings	11,905,000	11,905,000	12,789,708	884,708
Other	6,905,445	7,329,654	7,222,714	(106,940)
Total revenues	<u>522,793,582</u>	<u>529,737,585</u>	<u>541,183,650</u>	<u>11,446,065</u>
Expenditures				
Current:				
General government	42,334,233	44,064,587	39,464,132	4,600,455
Human services	180,116,635	183,161,963	173,386,520	9,775,443
Public safety	80,771,608	84,404,658	79,097,125	5,307,533
Environmental protection	1,458,683	1,524,890	1,171,174	353,716
Culture - recreation	5,451,619	5,615,088	5,154,091	460,997
Economic development and assistance	1,667,244	3,010,158	1,034,865	1,975,293
Intergovernmental:				
Education	184,456,849	184,260,092	184,260,092	-
Capital outlay	700,103	317,757	-	317,757
Debt service:				
Principal retirement	27,715,000	27,715,000	27,715,000	-
Interest and fiscal charges	24,589,850	24,589,952	23,196,747	1,393,205
Total expenditures	<u>549,261,824</u>	<u>558,664,145</u>	<u>534,479,746</u>	<u>24,184,399</u>
Excess (deficiency) of revenues over expenditures	<u>(26,468,242)</u>	<u>(28,926,560)</u>	<u>6,703,904</u>	<u>35,630,464</u>
Other Financing Sources (Uses)				
Transfers in	1,115,000	1,135,351	1,135,351	-
Transfers out	-	(4,181,765)	(4,181,765)	-
Sale of capital assets	89,200	89,200	154,841	65,641
Total other financing sources (uses)	<u>1,204,200</u>	<u>(2,957,214)</u>	<u>(2,891,573)</u>	<u>65,641</u>
Net change in fund balances	<u>(25,264,042)</u>	<u>(31,883,774)</u>	<u>3,812,331</u>	<u>35,696,105</u>
Fund balances at beginning of year	<u>123,427,830</u>	<u>123,427,830</u>	<u>123,427,830</u>	<u>-</u>
Fund balances at end of year	\$ <u>98,163,788</u>	<u>91,544,056</u>	<u>127,240,161</u>	<u>35,696,105</u>

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

GUILFORD COUNTY, NORTH CAROLINA
Statement of Net Assets
Proprietary Funds - Internal Service Fund
June 30, 2008

Exhibit 8

		<u>Governmental Activities</u>
Assets		
Current assets:		
Cash and cash equivalents/investments	\$	27,067,481
Receivables:		
Due from governmental units and agencies		97,084
Service fees (net)		229,328
Accrued interest on investments		<u>134,722</u>
Total receivables		461,134
Deposits and other assets		<u>8,677,105</u>
Total assets		<u>36,205,720</u>
 Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities		4,199,040
Unearned revenue		2,210,519
Compensated absences		<u>13,980</u>
Total current liabilities		6,423,539
Noncurrent liabilities:		
Compensated absences		<u>23,042</u>
Total liabilities		<u>6,446,581</u>
 Net Assets		
Unrestricted		<u>29,759,139</u>
Total net assets	\$	<u>29,759,139</u>

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 Assets
Proprietary Funds - Internal Service Fund
For the fiscal year ended June 30, 2008

Exhibit 9

	Governmental Activities
Operating revenues:	
Charges for services	\$ 31,115,907
Other	92,720
Total operating revenues	31,208,627
Operating expenses:	
Personal services	330,635
Other direct service costs	21,973
Professional services	1,564,414
Claims, premiums and bonding	28,771,437
Total operating expenses	30,688,459
Operating gain	520,168
Nonoperating revenues:	
Interest income	1,639,612
Change in net assets	2,159,780
Total net assets at beginning of year	27,599,359
Total net assets at end of year	\$ 29,759,139

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, 2008

Exhibit 10

	Governmental Activities
Increase (decrease) in cash and cash equivalents:	
Cash flows from operating activities:	
Cash received from user departments and participants	\$ 31,025,763
Cash paid to employees for services	(330,457)
Cash paid to suppliers, participants and others	<u>(29,865,839)</u>
Net cash provided by operating activities	<u>829,467</u>
Cash flows from investing activities:	
Interest and dividends on investments	<u>1,324,315</u>
Net increase in cash and cash equivalents	2,153,782
Cash and cash equivalents at beginning of year	<u>24,913,699</u>
Cash and cash equivalents at end of year	<u>\$ 27,067,481</u>
 Reconciliation of operating gain to net cash provided by operating activities:	
Operating gain	\$ <u>520,168</u>
Adjustments to reconcile operating gain to net cash provided by operating activities:	
Change in assets and liabilities:	
Increase in accounts receivable	(262,557)
Decrease in deposits and other assets	130,379
Increase in accounts payable	346,826
Increase in unearned revenue	94,473
Increase in accrued vacation and compensatory benefits	<u>178</u>
Total adjustments	<u>309,299</u>
Net cash provided by operating activities	<u>\$ 829,467</u>

Non-cash investing, capital and financing activities:

During the year, deposits and other assets also increased by interest income of \$354,636 from a fund in the risk 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 Assets
Fiduciary Funds
June 30, 2008

Exhibit 11

	Pension Trust Fund Law Enforcement Officers' Special Separation Allowance	Agency Funds
Assets		
Cash and cash equivalents/investments	\$ 1,504,430	\$ 1,727,751
Receivables:		
Accrued interest on investments	7,637	-
Total assets	1,512,067	\$ 1,727,751
Liabilities		
Accounts payable and accrued liabilities	5,309	\$ 409,428
Representative payee clients payable	-	345,434
Due to other taxing units	-	972,889
Total liabilities	5,309	\$ 1,727,751
Net Assets		
Held in trust for pension benefits	\$ 1,506,758	

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

GUILFORD COUNTY, NORTH CAROLINA
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds - Pension Trust Fund
For the fiscal year ended June 30, 2008

Exhibit 12

		Law Enforcement Officers' Special Separation Allowance
Additions		
Employer contributions	\$	415,787
Interest		75,736
Total additions		491,523
 Deductions		
Benefits		609,165
Administrative expenses		635
Total deductions		609,800
Change in net assets		(118,277)
Net assets at beginning of year		1,625,035
Net assets at end of year	\$	1,506,758

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, 2008

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 eleven 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 \$4,618,458 County levied occupancy taxes earned and included as an economic development and assistance expense of the County, \$3,232,921 is reported as part of the Authority's operating grants and contributions program revenue along with \$759,860 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, 2200 Pinecroft Road, Suite 200, Greensboro, North Carolina 27407.

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 assets 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 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.

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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 governmental 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 (see Note IV. F.). The primary revenue sources are acreage user fees, joint operation fees, and assessments with additional financing provided principally by the proceeds of general obligation bonds when issued.

The *School Capital Outlay Fund*, a capital projects fund type, accounts for the County's portion of the financing of school capital assets for the Guilford County Public School System and Guilford Technical Community College. Financing is provided principally by operating transfers from the General Fund, the North Carolina Public School Building Capital Fund (Average Daily Membership and Lottery), 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, Room Occupancy/Tourism Developmental Tax, Emergency Telephone System, and Community Development Funds are all special revenue fund types. They are used to account for the proceeds of specific revenue sources, other than major capital projects, that are legally restricted to expenditures for specific purposes.

Additionally, the County reports the following fund types:

Proprietary fund:

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

Fiduciary funds:

The *Pension Trust Fund*, the Law Enforcement Officers' Special Separation Allowance Fund, accounts for the activities of a single employer, public employee retirement system, which accumulates resources for pension benefit payments to qualified law enforcement officers.

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

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

authority; the Fines and Forfeitures Fund, which accounts for fines and forfeitures collected by the County that are required to be remitted to the Guilford County Board of Education; the Representative Payee Fund, which accounts for funds deposited with the Mental Health and Social Services Departments for the benefit of specified clients being served by the County; and the N.C. Treasurer's Vehicle Interest Fund which accounts for three percent additional interest collected on the first month's interest assessed on delinquent registered motor vehicle property taxes as per House Bill 1779. The additional interest is remitted to the N.C. Department of State Treasurer monthly and will be used by the Division of Motor Vehicles to create a combined motor vehicle registration renewal and property tax collection system.

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.

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 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.

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

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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

D. Budgetary Control

In compliance with the North Carolina Local Government Budget and Fiscal Control Act, the County adopts an annual budget ordinance for all funds except the projects within the Community Development Special Revenue Fund authorized by grant ordinance; 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 district; the appropriations in the Room Occupancy/Tourism Development Tax Fund and the Emergency Telephone System Fund are on a fund basis. Appropriations in the Community Development Fund are controlled by project. The annual budget is prepared on the modified accrual basis of accounting as required by North Carolina law and consistent with generally accepted accounting principles. It is amended for supplemental appropriations during the fiscal year by the Board of County Commissioners. The County Manager is authorized by the budget ordinance to make intrafund transfers of appropriations up to \$30,000 for each transaction, except that funds transferred cannot be used to create unauthorized positions or to raise salaries and that funds appropriated for merit raises can be used solely for that purpose. Each such transfer shall 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 must be reappropriated in the following fiscal year's budget.

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

E. Assets, Liabilities and Equity

1. Cash and Cash Equivalents/Investments

The County has pooled the cash resources of its funds in order to maximize investment opportunities. Each fund's portion of total cash and investments is reported as cash and cash equivalents/investments by the County's individual major funds, Internal Service Fund and Pension Trust Fund and in the aggregate for non-major 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.

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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. 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.

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 2005 levy completed as of January 1, 2004. 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 1% discount during July and August, in full from September 1 through January 5 and with additional penalties and interest accrued beginning January 6.

As of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles. As part of this change, Guilford County is responsible for billing and collecting these property taxes on behalf of all municipalities and special tax districts in the County. These vehicles are registered with the State's Division of Motor Vehicles under a staggered system. Property taxes are due the first day of the fourth month after registration. Since billed taxes are applicable to the year in which they become due, taxes for vehicles registered from March 2007 through February 2008 apply to the fiscal year ended June 30, 2008. The uncollected portion of these taxes is included in property taxes receivable on the financial statements. Those taxes for vehicles registered from March 2008 through June 2008 apply to fiscal year 2009 and are therefore not included in property taxes receivable at June 30, 2008.

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, 2008, 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 revenue.

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. Such 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.

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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

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

5. Vacation, Compensatory and Sick Leave Benefits

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

According to the provisions of the Fair Labor Standards Act, nonexempt employees may earn compensatory time at the rate of one and one-half hours for each hour worked in excess of specified limits and may accrue a limited amount of earned compensatory benefits, which if not used, will be paid to employees upon separation from County service at the rates of pay then in effect. In addition, County policy allows exempt employees except the County Manager, Assistant Managers and Department Directors to earn compensatory time on an hour-for-hour basis and to accrue, based on years of service, a limited amount of earned compensatory benefits, which if not taken, is also payable upon separation from County service.

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. 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 assets.

7. Net Assets/Fund Balances

Net Assets

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent 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

The governmental fund financial statements report reservations of fund balance for amounts that are not available for appropriation or are legally reserved by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

The governmental fund types classify fund balances as follows:

- Reserved for encumbrances – represents commitments for the expenditure of funds under out standing purchase orders and contracts.
- Reserved for State statute – represents the amount of fund balance at June 30, 2008, which is not available for appropriation under provisions of the North Carolina General Statutes.
- Reserved for restricted funding sources – represents the amount of fund balance that must legally be segregated for specific future uses in accordance with requirements from the funding sources and/or applicable laws. The fund balance is adjusted for amounts already included in reserved for encumbrances/State statute or designated for subsequent year’s expenditures.
- Unreserved – Designated for subsequent year's expenditures – represents the amount of fund balance appropriated to the 2008–2009 budget per the adopted budget ordinance.
- Unreserved – Designated for capital project ordinances – represents the amount of fund balance appropriated for capital projects with a project-length budgetary basis and adjusted for to date project activity and amounts already included in reserved for encumbrances and reserved for State statute.
- Unreserved – Designated for specific purposes – represents the amount of fund balance designated by the Board of Commissioners for specific future use by the Mental Health, Public Health, and Law Enforcement departments. The fund balance is adjusted for amounts already included in reserved for encumbrances/State statute or designated for subsequent year’s expenditures.
- Unreserved – Undesignated – represents the amount of fund balance which is available for future appropriations.

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

II. Reconciliation of government-wide and fund financial statements

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

The governmental fund balance sheet includes a reconciliation between total *fund balances—total governmental funds* and *net assets of governmental activities* as reported in the government-wide statement of net assets. 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 in the funds."		
Property taxes receivable (net)	\$	4,865,910
Accrued interest on property taxes receivable (net)		310,000
Due from governmental units (cities) for reimbursement by contract of County watershed bonded debt		1,833,509
Special assessments receivable		<u>606,438</u>
Net adjustment to increase total fund balances - total governmental funds to arrive at net assets of governmental activities	\$	<u>7,615,857</u>
2. "Prepaid expenses (assets) consumed in governmental activities are not financial resources when reported as expenditures in the funds using the purchases method."		
Prepaid expenses for:		
Employer and employee health care benefits prepaid for July (eliminated against unearned revenue in the Internal Service Fund)	\$	2,207,746
Less: Employee portion withheld in June, reclassified to current liabilities		(468,300)
Net pension asset for excess contributions to the Pension Trust Fund		<u>330,313</u>
Net adjustment to increase total fund balances - total governmental funds to arrive at net assets of governmental activities	\$	<u>2,069,759</u>
3. "Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds."		
General obligation bonds payable	\$	557,405,000
Less: Deferred charge on refunding (to be amortized as interest expense)		(4,339,642)
Less: Deferred charge for issuance/put bond costs (to be amortized over life of debt)		(1,477,855)
Plus: Issuance/put bond premiums (to be amortized against interest expense)		5,784,520
Accrued interest payable		2,677,822
Accrued arbitrage rebate payable		3,202,693
Capital leases and installment financings payable		5,422,364
Net other postemployment benefits obligation - Health Care Benefits Plan		22,297,179
Accrued compensated absences payable		<u>12,049,665</u>
Subtotal		603,021,746
Less: Accrued compensated absences payable of the Internal Service Fund		<u>(37,022)</u>
Net adjustment to decrease total fund balances - total governmental funds to arrive at net assets of governmental activities	\$	<u>602,984,724</u>

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances—total governmental funds* and *change in net assets 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 capital outlays exceeded depreciation in the current period.”					
Capital outlay (net of Internal Service Fund amount of \$-0-)				\$ 13,032,219	
Less: depreciation expense (net of Internal Service Fund amount of \$-0-)				<u>(7,910,636)</u>	
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net assets of governmental activities				<u>\$ 5,121,583</u>	
2. “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to decrease net assets.”					
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 assets differs from the change in fund balance by the cost net of accumulated depreciation of the capital assets disposed.				\$ (234,111)	
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.				<u>24,265</u>	
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at change in net assets of governmental activities				<u>\$ (209,846)</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)				\$ 977,594	
Accrued interest on property taxes receivable (net)				35,000	
Due from governmental units (cities) for reimbursement by contract of County watershed bonded debt				(650,600)	
Special assessments receivable				<u>46,751</u>	
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net assets of governmental activities				<u>\$ 408,745</u>	

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

4. "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal consumes the current financial resources. Neither transaction, however, has any effect on net assets. 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:

Capital Leases and installment financings	\$ (5,102,000)
---	----------------

Principal repayments:

General obligation bonds	27,715,000
--------------------------	------------

Capital leases and installment financings	<u>251,115</u>
---	----------------

Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net assets of governmental activities	<u>\$ 22,864,115</u>
---	----------------------

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 payments method and, therefore, are not reported as expenses in the statement of activities."

Accrued interest	\$ 969,959
------------------	------------

Accrued arbitrage rebate	(1,569,510)
--------------------------	-------------

Compensated absences	(560,281)
----------------------	-----------

Amortization of issuance and put bond costs	(136,885)
---	-----------

Amortization of deferred charge on refunding	(568,770)
--	-----------

Amortization of bond premiums and premium on put bond	1,132,309
---	-----------

Net other postemployment benefits obligation - Health Care Benefits Plan	(22,297,179)
--	--------------

Employer portion of health care benefits prepaid for July	77,798
---	--------

Net pension asset for excess contributions to the Pension Trust Fund	<u>3,611</u>
--	--------------

Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at change in net assets of governmental activities	<u>\$ (22,948,948)</u>
---	------------------------

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Cash Equivalents/Investments

As previously discussed, cash for all County funds is pooled for investment purposes. With the exception of a separate checking account, the Greensboro/Guilford County Tourism Development Authority (Authority) uses the County's pool for its investment purposes. At June 30, 2008, the cash and investments included the following:

Account Balances	Ownership of Funds
	Primary Government – Guilford County
Petty cash/cash on hand \$ 30,969	Governmental Funds \$ 249,392,871
Demand deposits 4,035,609	Internal Service Fund 27,067,481
Certificates of deposit 78,068,249	Total Governmental Activities 276,460,352
Investments 198,221,606	Pension Trust Fund 1,504,430
	Agency Funds 1,727,751
	279,692,533
	Component Unit – Authority 663,900
\$ 280,356,433	\$ 280,356,433

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 State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. 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 \$82,103,858 and a bank balance of \$83,634,270. Of the bank balance, \$600,037 was covered by Federal depository insurance, and \$4,480,168 in non-interest-bearing deposits and \$78,554,065 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 \$71,198 and a bank balance of \$119,772 of which \$100,000 was covered by Federal depository insurance and \$19,772 was covered by collateral held under the Pooling Method.

Investments

North Carolina General Statute 159-30(c) authorizes the County and Authority to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain nonguaranteed Federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

At June 30, 2008, 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	\$ 9,615,000	4.77
U.S. Government Agencies	14,162,530	42.97
N.C. State Agencies	26,028,558	0.43
Commercial Paper and Bankers' Acceptances	<u>23,914,044</u>	1.59
	73,720,132	9.63
N.C. Capital Management Trust	<u>124,501,474</u>	Demand
Total Pooled Investments	<u>\$ 198,221,606</u>	

The North Carolina (N.C.) State Agency instruments in the County's portfolio are auction rate securities with final stated maturities ranging from 2015 to 2037; however, historically they could be redeemed at par and the interest rate reset every 28 to 35 days, making the effective maturity the next reset date, until February 2008 when the auctions began failing. At that time, the instruments became illiquid and there was no secondary market.

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

Credit Risk. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2008, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and/or A1 by Moody's Investors Service. The County's investments in the NCCMT Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2008. The County's investments in U.S. Agencies (Federal Home Loan Bank, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The County's investments in N.C. State Agencies (State Education Assistance Authority) are rated Aaa by Moody's Investors Service and AAA by Fitch Ratings.

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

Concentration of Credit Risk. The County's investment policy limits investment in any one commercial paper issuer to no more than 15% of the total portfolio, which is defined by the County's investment policy to include interest-bearing bank deposits. No single commercial paper issuer accounted for more than 5% of the County's investments at June 30, 2008. The following State and Federal agencies comprise more than 5% of the County's investments, which exclude bank deposits for purposes of this disclosure: North Carolina State Education Assistance Authority Revenue Bonds, 13.13%.

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

B. Receivables

Receivables are recorded net of an allowance for estimated uncollectible accounts at June 30, 2008 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	\$ 5,459,318	101,973	5,561,291	-
Accrued interest on property taxes	1,967,991	-	1,967,991	-
Service fees	10,091,200	-	10,091,200	15,610
	<u>\$ 17,518,509</u>	<u>101,973</u>	<u>17,620,482</u>	<u>15,610</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2008 follows:

Primary Government – Governmental Activities

A summary of changes in capital assets, net of accumulated depreciation, for the fiscal year ended June 30, 2008 follows:

	Balance July 1, 2007	Increases	Decreases	Transfers	Balance June 30, 2008
Non-depreciable capital assets:					
Land	\$ 29,961,322	812,706	-	-	30,774,028
Construction in progress	5,480,772	3,436,268	-	-	8,917,040
Total non-depreciable capital assets	<u>35,442,094</u>	<u>4,248,974</u>	<u>-</u>	<u>-</u>	<u>39,691,068</u>
Depreciable capital assets:					
Buildings	121,445,673	3,564,952	-	-	125,010,625
Improvements other than buildings	15,229,144	1,546,575	-	-	16,775,719
Machinery and equipment	29,123,719	1,287,434	(488,456)	-	29,922,697
Vehicles	18,521,956	2,408,549	(1,659,799)	-	19,270,706
Total depreciable capital assets	<u>184,320,492</u>	<u>8,807,510</u>	<u>(2,148,255)</u>	<u>-</u>	<u>190,979,747</u>
Less accumulated depreciation for:					
Buildings	(46,428,701)	(2,880,351)	-	-	(49,309,052)
Improvements other than buildings	(5,787,762)	(773,993)	-	-	(6,561,755)
Machinery and equipment	(17,591,981)	(1,656,583)	303,555	-	(18,945,009)
Vehicles	(14,022,423)	(2,599,709)	1,610,589	-	(15,011,543)
Total accumulated depreciation	<u>(83,830,867)</u>	<u>(7,910,636)</u>	<u>1,914,144</u>	<u>-</u>	<u>(89,827,359)</u>
Total depreciable capital assets (net)	<u>100,489,625</u>	<u>896,874</u>	<u>(234,111)</u>	<u>-</u>	<u>101,152,388</u>
Governmental activities capital assets (net)	<u>\$ 135,931,719</u>	<u>5,145,848</u>	<u>(234,111)</u>	<u>-</u>	<u>140,843,456</u>

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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

<u>Function/Program</u>	
General government	\$ 2,277,469
Human services	994,553
Public safety	3,763,093
Environmental protection	81,359
Culture - recreation	<u>794,162</u>
Total government activities depreciation expense	<u>\$ 7,910,636</u>

Guilford County's construction in progress at June 30, 2008 is composed of the following:

<u>Project Name</u>	<u>Project Authorization⁽¹⁾</u>	<u>Expended to June 30, 2008</u>	<u>Estimated Costs to Complete</u>	<u>Required Future Financing</u>
Mental Health Renovations	\$ 642,923	513,955	128,968	-
Kendall Center Renovation	767,000	31,350	735,650	-
EMS Base Station	525,832	521,639	4,193	-
Scrap Tire/White Goods Facility	445,750	444,290	1,460	-
Northeast Park	3,404,406	3,146,632	257,774	-
EMS Base Station - Rock Creek	2,199,000	97,006	2,101,994	-
Design Phase - GC Detention Center	4,465,678	2,547,369	1,918,309	-
GSO Courthouse Renovations	5,797,500	1,514,130	4,283,370	-
New DSS Facility - High Point	5,400,000	7,064	5,392,936	-
Prison Farm Improvements and Design	725,000	-	725,000	-
Northwest EMS Base Station	1,500,000	-	1,500,000	-
Greensboro Health Department Renovation	647,513	40,930	606,583	-
Southwest Park	<u>1,000,000</u>	<u>52,675</u>	<u>947,325</u>	-
	<u>\$ 27,520,602</u>	<u>8,917,040</u>	<u>18,603,562</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, 2008 follows:

	<u>Balance July 1, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2008</u>
Depreciable capital assets:				
Furniture, fixtures and equipment	\$ 316,989	98,220	(90,058)	325,151
Less accumulated depreciation	<u>(276,461)</u>	<u>(24,499)</u>	<u>90,058</u>	<u>(210,902)</u>
Tourism Authority capital assets, net	<u>\$ 40,528</u>	<u>73,721</u>	<u>-</u>	<u>114,249</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, 2008 includes the following balances:

	<u>Vendors</u>	<u>Salaries, Benefits Accrued & Withheld</u>	<u>Accrued Interest</u>	<u>Due to Gov. Units, Districts & Agencies</u>	<u>Other</u>	<u>Total</u>
Major Governmental Funds:						
General (1)	\$ 11,049,037	4,931,640	-	1,617,170	2,952,651	20,550,498
County Building Construction	1,522,930	-	-	-	-	1,522,930
Water and Sewer Construction	1,126,969	-	-	-	-	1,126,969
School Capital Outlay (2)	-	-	-	5,920,666	-	5,920,666
Nonmajor Governmental Funds	-	-	-	108,037	-	108,037
Internal Service Fund (3)	7,646	3,611	-	-	4,187,783	4,199,040
Reconciliation of balances in fund financial statements to government-wide financial statements	-	468,300	2,677,822	-	-	3,146,122
Total - Governmental Activities	<u>\$ 13,706,582</u>	<u>5,403,551</u>	<u>2,677,822</u>	<u>7,645,873</u>	<u>7,140,434</u>	<u>36,574,262</u>

(1) Other payable includes \$2,851,476 refundable taxes.

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

(3) Other payable is County's insurance claims liability, all due within one year, of \$4,187,783. See Note IV. E. 4.

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

E. Deferred/Unearned Revenue

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 report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

Deferred/unearned revenue at June 30, 2008 is composed of the following unearned and unavailable revenues:

	Major Governmental			Total
	General Fund	Water and Sewer Construction Fund	Nonmajor Governmental and Other Funds	
Governmental Funds:				
Unearned:				
Property tax collections not yet earned	\$ 1,461,410	-	56,912	1,518,322
Prepaid special assessments not yet billed or earned	-	19,130	-	19,130
Federal, State and private foundation grants received in advance	974,717	-	-	974,717
Total unearned - Governmental Activities	2,436,127	19,130	56,912	2,512,169
Unavailable:				
Property taxes receivable (net)	4,724,266	-	141,644	4,865,910
Accrued interest on property taxes receivable (net)	310,000	-	-	310,000
Due from governmental units (cities) for reimbursement by contract of County watershed bonded debt	1,833,509	-	-	1,833,509
Special assessments receivable	-	606,438	-	606,438
Total unavailable	6,867,775	606,438	141,644	7,615,857
Total deferred revenue - Governmental Funds	\$ 9,303,902	625,568	198,556	10,128,026
Internal Service Fund:				
Unearned:				
Service fees collected in advance			\$ 2,210,519	2,210,519

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

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

F. Long-term Liabilities

Primary Government – Governmental Activities

A summary of changes in long-term liabilities for the fiscal year ended June 30, 2008 follows:

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2008</u>	<u>Current</u> <u>Portion</u> <u>of Balance</u>
Bonds payable:					
General obligation bonds	\$ 585,120,000	-	(27,715,000)	557,405,000	27,650,000
Plus bond issuance/put bond premiums	6,916,829	-	(1,132,309)	5,784,520	-
Less bond refunding charges	<u>(4,908,412)</u>	-	<u>568,770</u>	<u>(4,339,642)</u>	-
Total bonds payable	587,128,417	-	(28,278,539)	558,849,878	27,650,000
Capital leases and installment financings	571,479	5,102,000	(251,115)	5,422,364	638,402
Accrued arbitrage rebate	1,633,183	1,569,510	-	3,202,693	-
Compensated absences	11,489,206	7,741,437	(7,180,978)	12,049,665	5,043,457
Net other postemployment benefits obligation	-	<u>26,232,790</u>	<u>(3,935,611)</u>	<u>22,297,179</u>	-
Total	<u>\$ 600,822,285</u>	<u>40,645,737</u>	<u>(39,646,243)</u>	<u>601,821,779</u>	<u>33,331,859</u>

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, for watershed protection and for new water and sewer lines that under contract are owned by participating municipalities upon completion. 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 Internal Service Fund predominantly serves the governmental funds, therefore, any long-term liabilities are included as part of the above totals for governmental activities. At year end this amounted to \$37,022 of the compensated absences balance. 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.

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

Long-term liabilities outstanding as of June 30, 2008 include the following:

General Obligation Bonds:	
February 1998 \$5,990,000 Water and Sewer serial bonds due in annual installments of \$290,000 to \$300,000 through February 1, 2018; interest at 4.50% to 4.60%.	\$ 2,990,000
February 1998 \$6,490,000 Public Improvement serial bonds due in annual installments of \$315,000 to \$325,000 through February 1, 2018; interest at 4.50% to 4.60%.	3,240,000
October 2000 \$5,870,000 Water and Sewer serial bonds due in annual installments of \$325,000 to \$520,000 through October 2010; interest at 5.00%.	1,300,000
October 2000 \$84,750,000 Public Improvement serial bonds due in annual installments of \$4,675,000 to \$7,480,000 through October 2010; interest at 5.00%.	18,700,000
October 2000 \$30,000,000 Public Improvement serial bonds due in annual installments of \$1,380,000 to \$8,000,000 from October 2016 through 2020; interest fixed at 4.00% effective January 2004 through October 2007; then reverting to variable rate debt synthetically fixed at 3.865%.	30,000,000
October 2002 \$5,855,000 Water and Sewer serial bonds due in annual installments of \$320,000 to \$520,000 through October 2016; interest at 3.50% to 4.00%.	4,945,000
October 2002 \$57,500,000 Public Improvement serial bonds due in annual installments of \$3,830,000 to \$3,835,000 through October 2017; interest at 2.50% to 4.00%.	38,325,000
October 2002 \$60,000,000 Public Improvement serial bonds due in annual installments of \$12,000,000 from October 2018 through 2022. Interest fixed at 4.00% effective January 2004 through October 2007; then reverting to variable rate debt synthetically fixed at 3.25% on \$36,000,000 and 3.505% on \$24,000,000.	60,000,000
October 2002 \$16,015,000 General Obligation Refunding bonds due in annual installments of \$500,000 to \$2,650,000 through October 2010; interest at 3.00% to 3.25%.	3,150,000
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.	7,375,000
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.	64,625,000
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 \$1,220,000 to \$9,125,000 through October 2016; interest at 3.00% to 5.00%.	52,095,000
March 2007 \$100,000,000 Public Improvement serial bonds due in annual installments of \$6,250,000 through April 2023; variable rate interest synthetically fixed at 3.945% upon issuance due monthly.	93,750,000
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 \$1,750,000 to \$8,000,000 through April 2018; interest at 4.00% to 5.00%.	38,690,000
Total general obligation bonds	<u>\$ 557,405,000</u>
Obligations under capital leases and installment financings:	
August 2005 \$253,812 imaging equipment obligation due in monthly installments of \$7,057 through July 2008; interest at .65%.	\$ 7,056
June 2008 \$1,683,660 building and land obligation due in semi-annual installments of \$84,183 plus interest at 4.50% through March 2018.	1,683,660
June 2008 \$3,418,340 building and land obligation due in semi-annual installments of \$170,917 plus interest at 5.23% through March 2018.	3,418,340
December 2006 \$485,187 computer equipment obligation due in monthly installments of \$11,057 through December 2010; interest at 4.47%.	313,308
Total obligations under capital leases and installment financings	<u>\$ 5,422,364</u>

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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 agreements covering the County's outstanding \$30,000,000 2000 and \$60,000,000 2002 variable rate bonds expire October 1, 2012 with provision for extension. The agreements covering \$165.22 million of the County's outstanding 2005 variable rate bonds expires on February 15, 2010 with provision for extension. The standby purchase agreement on the County's \$138.75 million outstanding 2007 variable-rate bonds expires March 29, 2014, with provision for extensions; the remarketing agreement expires with final repayment of the bonds. The County paid \$720,059 in fiscal year 2008 pursuant to these agreements.

Interest rate swaps

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. The County's interest rate swaps are summarized in the table as follows. Bond amounts and swap notional amounts are as of June 30, 2008.

Date of contract	July 2003	March 2004	September 2004	September 2005	November 2006	November 2006
Effective Date	July 2003	January 1, 2005	February 3, 2005	April 1, 2007	October 1, 2007	February 1, 2008
Type of transaction	Interest rate swap	Forward interest rate swap	Forward interest rate swap	Forward interest rate swap	Forward interest rate swap	Forward interest rate swap
Bonds:						
Amount	\$36 million	\$24 million	\$42 million	\$93.75 million	\$30 million	\$30 million
Description	2002 Series C	2002 Series C	2005 Series A & B	2007 Series A & B	2000 Series C	2005 Series A & B
Maturity	October 1, 2020	October 1, 2022	March 1, 2015	April 1, 2023	October 1, 2020	March 1, 2020
Principal payments begin	October 1, 2018	October 1, 2021	March 1, 2006	April 1, 2008	October 1, 2016	March 1, 2016
Rate	variable	variable	variable	variable	variable	variable
Rate basis	SIFMA	SIFMA	SIFMA	SIFMA	SIFMA	SIFMA
Swap:						
Notional amount	\$36 million	\$24 million	\$42 million	\$93.75 million	\$30 million	\$30 million
Maturity	October 1, 2020	October 1, 2022	February 1, 2015	April 1, 2023	October 1, 2020	February 1, 2020
Notional value declines begin	October 1, 2018	October 1, 2021	February 1, 2006	April 1, 2008	October 1, 2016	February 1, 2016
Rate County pays	3.250%	3.505%	3.220%	3.945%	3.865%	3.220%
Rate County receives	variable	variable	variable	variable	variable	variable
Rate basis received	59% of 30-day LIBOR	59% of 30-day LIBOR	67% of 30-day LIBOR	SIFMA	60.4% of 5-year ISDA swap	60.4% of 5-year ISDA swap
Spread	+35 basis points	+35 basis points	None	None	None	None
June 30, 2008 information:						
Fair value of swap	(\$627,676)	(\$985,105)	(\$794,246)	(\$3,315,028)	(\$1,839,579)	(\$228,832)
Intended synthetic rate	3.250%	3.505%	3.220%	3.945%	3.865%	3.220%
Synthetic rate	3.103%	3.372%	3.263%	4.039%	2.810%	2.182%
SIFMA rate	1.520%	1.520%	1.550%	1.500%	1.520%	1.550%
LIBOR based rate	1.803%	1.803%	1.650%	N/A	2.575%	2.575%

Terms. The notional amounts of the swaps match the principal amounts of the associated debt. Scheduled reductions in the notional amounts match principal retirement of the related bonds. Under the swaps associated with the variable-rate general obligation bonds, except for the forward swap execution in 2005, the County pays the counterparty a fixed payment and receives a variable payment computed as a percent of the 30-day London Interbank Offered Rate (LIBOR) or the 5-year International Swaps and Derivatives Association (ISDA) swap as adjusted by a spread factor. On the forward swap executed in 2005, the variable payment received by the County is based on Securities Industry and Financial Markets Association Municipal Swap Index™ (SIFMA). Conversely, the bonds' variable-rate coupons are based on SIFMA.

Fair value. The change in interest rates since the execution of the swaps produced fluctuation in fair values, as indicated in the table. The decline in the value of the swaps reflected in the table with a negative fair value at June 30, 2008 may be countered by a reduction in total interest payments required under the variable-rate bonds, creating a lower synthetic interest rate. Because the coupons on the County's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. 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
Notes to the Financial Statements

Credit risk. As of June 30, 2008, the County was not exposed to credit risk on any of its outstanding swaps because the swaps had negative fair values as indicated in the table. However, should interest rates change and the fair values of the swaps become positive, the County would be exposed to credit risk in the amount of the derivatives' fair value.

Basis risk. Except for the September 2005 contract, which is based on SIFMA, the swaps expose the County to basis risk should the relationship between LIBOR and SIFMA converge, changing the synthetic rate on the bonds. The effect of this difference in basis is indicated in the table by the difference between the intended synthetic rate and the synthetic rate as of June 30, 2008. Depending on the relationship between LIBOR and SIFMA, the expected cost savings may not be realized.

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

Swap payments and associated debt. Using rates as of June 30, 2008, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Fiscal Year Ending June 30	Variable-Rate Bonds		Interest Rate Swaps, Net	Total
	Principal	Interest		
2009	\$ 12,250,000	3,854,250	4,345,642	20,449,892
2010	12,250,000	3,666,250	4,101,747	20,017,997
2011	12,250,000	3,478,250	3,857,852	19,586,102
2012	12,250,000	3,290,250	3,613,957	19,154,207
2013	12,250,000	3,102,250	3,370,062	18,722,312
2014-2018	70,630,000	12,563,342	13,305,509	96,498,851
2019-2023	123,870,000	3,915,654	4,620,351	132,406,005
Total	<u>\$ 255,750,000</u>	<u>33,870,246</u>	<u>37,215,120</u>	<u>326,835,366</u>

The annual requirements to amortize all long-term liabilities outstanding, other than compensated absences payable, as of June 30, 2008 including interest payments of \$151,426,324 are as follows:

Year Ending June 30	General Obligation Bonds		Capital Leases and Installment Financings		Total
	Principal	Interest	Principal	Interest	
2009	\$ 27,650,000	18,011,760	638,402	259,723	46,559,885
2010	27,475,000	16,922,310	636,874	228,741	45,262,925
2011	27,945,000	15,821,934	575,688	198,128	44,540,750
2012	28,040,000	14,700,246	510,200	171,817	43,422,263
2013	28,100,000	13,564,533	510,200	146,363	42,321,096
2014-2018	155,695,000	50,190,946	2,551,000	349,998	208,786,944
2019-2023	180,215,000	18,666,876	-	-	198,881,876
2024-2027	82,285,000	2,192,949	-	-	84,477,949
	<u>\$ 557,405,000</u>	<u>150,071,554</u>	<u>5,422,364</u>	<u>1,354,770</u>	<u>714,253,688</u>

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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, 2008, such statutory limit for the County was \$3,471,810,496 providing a debt margin of approximately \$2.24 billion.

Bonds authorized and unissued at June 30, 2008 are as follows:

For Additions and/or Improvements To	Date Approved	Amount
Community College	11/02/2004	\$ 15,500,000
Parks and Recreation	11/02/2004	10,000,000
Public Schools	05/06/2008	412,315,000
Eastern Guilford High School	05/06/2008	45,000,000
Community College	05/06/2008	79,500,000
Jail	05/06/2008	114,615,000
		<u>\$ 676,930,000</u>

G. Net Assets

The following is a summary of Guilford County's net assets restricted for other purposes as of June 30, 2008:

Net assets restricted for other purposes	Amount
Rural Fire Districts	\$ 2,393,199
Guilford County Schools capital outlay	2,149,670
Public Health programs	2,078,468
Law Enforcement	1,276,741
Register of Deeds automation enhancement	962,858
Other	8,205
Net assets restricted for other purposes	<u>\$ 8,869,141</u>

The following is a summary of unrestricted net assets for Guilford County as of June 30, 2008:

Unrestricted net assets (liabilities)	Amount
Water and sewer	\$ (8,033,638)
Guilford County Schools	(411,539,610)
Guilford Technical Community College	(35,369,600)
Other	137,529,771
Unrestricted net assets	<u>\$ (317,413,077)</u>

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

- The County has entered into 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 unspent debt proceeds net of bonds payable are reported separately 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 assets above.

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, 2008:

	Transfers Out			Total
	Major Governmental Funds			
Transfers In	General	County Building Construction	School Capital Outlay	
Major Governmental Funds:				
General	\$ -	1,115,000	20,351	1,135,351
School Capital Outlay	4,181,765	-	-	4,181,765
Total	<u>\$ 4,181,765</u>	<u>1,115,000</u>	<u>20,351</u>	<u>5,317,116</u>

Transfers from the General Fund to the School Capital Outlay Fund are for additional funding to the High Point SCALE Site project of \$800,000 and the System Wide Renovations at Various School Sites project of \$781,765. Funding was taken from the annual capital appropriation per the School's request. In addition, \$2,600,000 was transferred to meet State Medicaid relief requirements for the County to fund reduced State Public School Building Capital grant funds for the Schools as part of the relief agreement to reduce the County portion of Medicaid funding to the State.

Transfers from the County Building Construction Fund to the General Fund are to balance the original General Fund budget by investment earnings revenue allocated to part of the Water and Sewer Construction Fund effective July 1, 2007 per contract with the City of Greensboro that previously was part of the General fund revenue.

Transfers from the School Capital Outlay Fund to the General Fund are remaining County funds from a closed project that were added to the annual capital appropriation per Guilford Technical Community College's request.

There were no interfund receivables or payables at June 30, 2008.

IV. OTHER INFORMATION

A. Employees Retirement Systems and Plans

Primary Government

1. North Carolina Local Governmental Employees' Retirement System

Plan Description

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

Funding Policy

Plan members are required to contribute 6% of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.80% and 4.72%, respectively, of annual covered payroll. The contribution requirements of members and of Guilford County are established and may be amended by the North Carolina General Assembly. The County's contributions to the LGERS for the years ended June 30, 2008, 2007, and 2006 were \$5,698,742, \$5,573,611, and \$5,538,024, respectively. The contributions made by the County equaled the required contributions for each year.

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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. The Separation Allowance is included in the County's Comprehensive Annual Financial Report as a pension trust fund.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2007, the Separation Allowance's membership consisted of:

Retirees receiving benefits	38
Active plan members	<u>235</u>
Total	<u><u>273</u></u>

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 \$415,787 or 3.3% 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.

The annual required contribution for the current year was determined as part of the December 31, 2006 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return and (b) projected salary increases ranging from 4.5% to 12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the fair 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, 2006 was 24 years.

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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	\$ 415,787
Interest on net pension obligation	(23,686)
Adjustment to annual required contribution	<u>20,075</u>
Annual pension cost	412,176
Contributions made	<u>415,787</u>
Increase in net pension asset	(3,611)
Net pension obligation (asset) beginning of year	<u>(326,702)</u>
Net pension obligation (asset) end of year	<u><u>\$ (330,313)</u></u>

Three Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
6/30/2006	\$ 404,251	101.4	\$ (322,619)
6/30/2007	387,214	101.1	(326,702)
6/30/2008	412,176	100.9	(330,313)

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.

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, 2008, the County also elected to contribute 5% 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, 2008, to law enforcement officers' accounts and other employees' accounts were \$622,015 and \$5,219,813, respectively. Voluntary contributions to the Plan were \$3,411,512.

4. Registers of Deeds' Supplemental Pension Fund

Plan Description

Guilford County also contributes to the Registers of Deeds' Supplemental Pension Fund (Fund), a non-contributory, defined contribution pension plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any county register of deeds who is retired under the Local Governmental 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.

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

Funding Policy

On a monthly basis, the County remits to the Department of State Treasurer an amount equal to 1.5% of the monthly receipts collected pursuant to Article 1 of General Statute 161. Immediately following January 1 of each year, the Department of State Treasurer divides 93% of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining 7% of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2008, the County's required and actual contributions were \$56,183 and \$56,106, respectively.

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, 2008 was \$71,209.

2. Discretely Presented Component Unit

Greensboro Area Convention and Visitors Bureau Deferred Compensation Plan

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

The Authority makes a matching contribution in an amount equal to the employees deferred contribution up to a maximum of 6%. All employees may defer amounts up to the maximum allowed by the Internal Revenue Service each year. Employees' contributions vest immediately. The Authority's contributions are fully vested after five years of continuous service. The employee receives credit for his contribution as well as the Authority's, and benefits are based on the total assets owned in the employee's individual accounts. Authority and employee contributions for the fiscal year ended June 30, 2008 were \$53,879 and \$62,358, respectively.

C. Other Postemployment Benefits (OPEB)

1. Health Care Benefits

The County has implemented Government Account Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, prospectively (i.e., setting the net OPEB obligation to zero in the year of implementation).

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 health care benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System). 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. 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 and 75 percent of that rate for retirees

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

with at least 25 years of creditable service. Medicare eligible participants receive secondary coverage. The Board of County Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

Funding Policy

As noted above, the County pays its share of the cost of coverage (premiums) for the health care 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 health care benefits on a pay-as-you-go basis.

The current annual required contribution rate is 22.89% of annual covered payroll. For the current year, the County contributed \$3,935,611 (retiree claims paid less premiums received) or 3.56% of annual covered payroll. The County provides health care coverage through self insurance. The County's required contributions, under a County resolution establishing premium amounts for different coverages, for employees and retirees were 18.5% and 2.8% of covered payroll, respectively. Contributions (premiums) made by employees and retirees were 3.9% and 1.1% 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 are made from the General Fund, which is maintained on the modified accrual basis of accounting to the Internal Service Fund, which is maintained on the full accrual basis of accounting. Funds are appropriated annually for the County's portion of the premiums. 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 health care benefits:

Annual required contribution	\$ 26,232,790
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	<u>26,232,790</u>
Contributions made	<u>3,935,611</u>
Increase in net OPEB obligation	22,297,179
Net OPEB obligation beginning of year	-
Net OPEB obligation end of year	<u><u>\$ 22,297,179</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 were as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	\$ 26,232,790	15.0%	\$ 22,297,179

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

Funded Status and Funding Progress

As of December 31, 2005, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$280,036,182. The covered payroll (annual payroll of active employees covered by the plan) was \$110,448,627, and the ratio of the UAAL to the covered payroll was 253.5%. 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 health care 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 states, 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 assets, consistent with the long-term perspective of the calculations.

In the December 31, 2005 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return and an annual medical cost trend rate of 12% to 6% annually. The investment rate of return included a 3.75% inflation assumption and reflects the fact that no assets are set aside within Guilford County that are legally held exclusively for retiree health benefits. If a trust were set up for this purpose, the investment rate of return could be increased. The actuarial value of assets, if any, was determined using the fair value of investments. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2005 was 30 years.

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 health care 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. Currently seven 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, 2008, the County paid \$2,952 for Medicare supplement coverage.

D. Other Employment Benefits

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

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

For the fiscal year ended June 30, 2008, the County made contributions to the State for death benefits of \$92,136. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .07% and .14% of covered payroll, respectively. The contributions to the Death Trust are not separated between the postemployment benefit amount and the other benefit amount, as the amounts cannot be reasonably estimated.

E. Risk Management

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

All operating funds of the County participate in the risk management program and make payments to the program department 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 quasi-external interfund transactions.

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 financed using a combination of self-funding and participation in the Local Government Excess Liability Fund, Inc., a public entity risk pool (Liability Pool). The program was restructured during fiscal year 2001 to shift the funding for claims liability from risk sharing pools to banking pools where funds are made available to members in the event of a loss, on a loan basis. Primary Coverage Revolving Fund B, a banking pool, covers claims in excess of \$100,000 up to \$4,000,000. The County retains the first \$100,000 in liability claims and the claims in excess of the \$4,000,000 per occurrence. Liability Pool Fund G (banking pool) was established as a transitional fund to pay claims not covered by Fund B and other self-funded related expenses. As of June 30, 2008, the County's balances in Funds B and G were \$7,478,532 and \$64,042, respectively, which were recorded in the Internal Service Fund as a deposit. A pooled amount remains in Excess Liability Fund A, a member sharing pool, until all pending lawsuits against that fund have been resolved. The County's allocable interest and the total retained earnings of Fund A at June 30, 2008 are \$680,263 and \$3,012,184, respectively.

The property insurance program is financed using a combination of self-funding, participation in the Local Government Property Insurance Deductible Fund, Inc., a public entity risk pool (Property Pool) and purchased insurance. The Property Pool was restructured during 2004 to shift the funding for property claims from risk sharing pools to banking pools where funds are made available to members in the event of loss, on a loan basis. The Property Pool pays property losses up to \$100,000 after application of a \$10,000 deductible requirement of the County for each occurrence. Guilford County purchases an insurance policy to provide coverage above the \$100,000 loss amount up to a 100% replacement cost but limited to \$250 million in any one occurrence. As of June 30, 2008, the County's balance in the Property Pool of \$199,505 was recorded in the Internal Service Fund as a deposit.

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 pools have been settled and all legal obligations have been paid.

The County carries flood insurance through the National Flood Insurance Plan (NFIP) through our property insurance carrier because 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. The County has purchased coverage of \$500,000 per structure through the NFIP and commercial flood insurance to cover any loss in excess of \$500,000 per structure.

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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

2. Workers' Compensation Insurance

The workers compensation program is financed using a combination of self-funding, participation in the Liability Pool and purchased insurance. The County is self-insured for the first \$100,000 coverage per accident. Claims from \$100,000 to \$500,000 are covered by the Revolving Fund-Employers' Liability/Workers Compensation (Fund E). Claims above \$500,000 are covered by a purchased insurance policy with an unlimited indemnity for workers compensation losses and employers' liability. Amounts paid by Fund E 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 Liability Pool Fund E which is a banking pool. Annual deposits by members are actuarially determined. As of June 30, 2008, the County's balance in Fund E of \$649,349 was recorded in the Internal Service Fund as a deposit.

3. Employee Health Care Insurance

The employee health care program is financed using an entirely self-funded plan. Two optional health care plans are available to employees, retirees, covered dependents, and eligible former employees. The County administers both health care plans through a self-funded program, supplemented by 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 \$250,000 per member for all occurrences and a lifetime maximum of \$750,000 per member is purchased to limit the County's losses for the overall program. The County provides a basic dental plan and an enhanced dental plan for employees 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 2007-2008					Fiscal Year 2006-07 Total
	Liability	Property	Workers' Compensation	Employee Health Care	Total	
Balance Beginning of Year	\$ 168,495	220	1,378,163	2,294,222	3,841,100	4,318,644
Incurred Claims (Including IBNRs) and Changes in Estimates	95,131	105,188	839,183	26,847,372	27,886,874	25,318,367
Less Claims Payments	139,080	94,480	603,945	26,702,686	27,540,191	25,795,911
Balance End of Year	<u>\$ 124,546</u>	<u>10,928</u>	<u>1,613,401</u>	<u>2,438,908</u>	<u>4,187,783</u>	<u>3,841,100</u>

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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	\$ 84,967	21,923
Aid to Families with Dependent Children	(11,602)	(3,180)
SC/SA Domiciliary Care	-	3,379,849
SC/SA Certain Disabled	-	191
Refugee Assistance	103,414	-
Low Income Energy Assistance	670,479	-
Adoption Assistance - CWS	140,853	1,170,657
Adoption Assistance - IV-E	2,500,183	698,169
Medical Assistance	250,457,323	128,529,695
Woman, Infants and Children	9,220,048	-
Food Stamp Program	61,599,173	-
Temporary Assistance for Needy Families	5,882,059	(367)
Total benefit payments issued by the State	<u>\$ 330,646,897</u>	<u>133,796,937</u>

G. Commitments and Contingencies

The County leases certain equipment under long-term lease agreements. At June 30, 2008, 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
2009	\$ 898,125	425,945
2010	865,615	164,701
2011	773,816	60,316
2012	682,017	45,905
2013	656,563	24,500
2014-2018	2,900,998	-
Total minimum payments	6,777,134	<u>721,367</u>
Less amount representing interest	1,354,770	
Present value of net minimum payment	<u>\$ 5,422,364</u>	

There were no contingent rentals or sublease rentals associated with leases in effect at June 30, 2008. The total rental expense amounted to \$1,153,398 for the fiscal year ended June 30, 2008.

The County has entered into contracts with the cities of Greensboro, High Point, and Archdale for the joint financing of new water and sewer lines in the respective areas of the County. Certain use and tap-on fees collected by the governmental units are contributed to a Joint Water and Sewer Trust Fund for financing the construction costs. The construction of water and sewer lines under these agreements is accounted for in the Water and Sewer Construction Fund, a capital projects fund, which includes the accounts of the Joint Water and Sewer Trust Fund. The lines are owned by the cities upon completion.

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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 \$24.9 million at June 30, 2008, 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, 2008, 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, 2008, there were ten series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$38,220,000.

In December 2003, Guilford County issued \$5,240,000 Multifamily Housing Revenue Bonds on behalf of Brentwood Crossing, LLC for the acquisition and rehabilitation of a low and moderate income multifamily rental housing development. These bonds are secured by rents from the property and a letter of credit. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for the repayment of these bonds. Accordingly, the outstanding bonds in the amount of \$4,900,000 at June 30, 2008 are not reported as liabilities in the accompanying financial statements.

In November 2005, Guilford County issued \$4,110,000 of Multifamily Housing Revenue Bonds on behalf of Lake Road II, L.P., for the construction and equipping of a low-to-moderate income family housing project. These bonds are secured by rents from the property, and neither the County, the State, nor any political subdivision thereof is obligated in any manner for the repayment of these bonds. Accordingly, the outstanding bonds in the amount of \$4,045,285 at June 30, 2008 are not reported as liabilities in the accompanying financial statements.

In March 2007, Guilford County issued \$2,600,000 of Multifamily Housing Revenue Bonds on behalf of Community Housing Concepts, Inc. for the acquisition and rehabilitation of a low-to-moderate income multifamily housing project. These bonds are secured by rents from the property, and neither the County, the State, nor any political subdivision thereof is obligated in any manner for the repayment of these bonds. Accordingly, the outstanding bonds in the amount of \$2,573,458 at June 30, 2008 are not reported as liabilities in the accompanying 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

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. Of the general obligation bond issues for this purpose, \$51,803,094 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 \$10,791,328 and \$1,520,351 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2008. In addition, the County made debt service payments of \$5,845,144 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, 2008. 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 Council of Governments

The County participates with six other counties and thirty-four municipalities in the Piedmont Triad Council of Governments (the Council). The Council 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 \$92,700 to the Council during the fiscal year ended June 30, 2008.

Piedmont International Airport Authority

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

High Point Convention and Visitors Bureau

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

Piedmont Authority for Regional Transportation

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

K. Budget Ordinance Out of Balance

The original General Fund Budget Ordinance is out of balance in accordance with the requirements of North Carolina General Statute 159-8 which states, "A budget ordinance is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations." The original General Fund Budget Ordinance includes a non-departmental budget with a negative \$750,000 intended to absorb lapsed salaries from other departments during the fiscal year. Since an appropriation is not properly a negative amount, and there is no source of revenue associated with the \$750,000, then it should have been budgeted as additional appropriated fund balance. The budget was therefore not in balance in accordance with North Carolina General Statutes. During the fiscal year, the negative amount was eliminated against departmental budgets so that the condition did not exist in the final budget.



Required Supplementary Information

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

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
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)
12/31/02	\$ 1,784,464	4,056,804	2,272,340	44.0	9,883,894	23.0
12/31/03	1,846,493	4,380,231	2,533,738	42.2	10,384,692	24.4
12/31/04	1,810,744	5,100,430	3,289,686	35.5	11,121,820	29.6
12/31/05	1,727,284	5,113,293	3,386,009	33.8	11,581,612	29.2
12/31/06	1,671,258	5,147,929	3,476,671	32.5	12,479,184	27.9
12/31/07	1,582,839	5,839,543	4,256,704	27.1	12,481,603	34.1

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2003	\$ 295,524	100.0
2004	322,215	100.0
2005	349,121	100.0
2006	409,026	100.2
2007	391,297	100.0
2008	415,787	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	12/31/2007
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	23 years
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increases*	From 4.5% to 12.3% per year
*Includes inflation at	3.75%
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 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)
12/31/05	\$ 0	280,036,182	280,036,182	0.0	110,448,627	253.5

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2008	\$ 26,232,790	15.0

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	12/31/2005
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical cost trend rate	12.00%-6.00%
Year of Ultimate trend rate	2010
*Includes inflation at	3.75%

The assumed investment rate of return reflects the fact that no assets are set aside within Guilford County that are legally held exclusively for retiree health benefits. If a trust or equivalent arrangement were set up for this purpose, the investments rate of return can be increased.



Major Governmental Funds

General Fund

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

Capital Projects Funds

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

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

- *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. The primary revenue sources are 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, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary and GAAP Basis	Final Budget Positive (Negative)
Current:				
General government:				
County commissioners	\$ 438,551	461,892	428,583	33,309
Clerk to the board	211,134	188,034	183,304	4,730
County administration	1,786,294	1,119,348	968,440	150,908
County attorney	1,101,102	659,365	635,215	24,150
Human resources	4,140,405	4,541,007	4,433,576	107,431
Budget and management	546,693	516,860	452,812	64,048
Internal audit	387,637	396,571	385,556	11,015
Finance	2,531,358	2,643,148	2,534,991	108,157
Purchasing	480,525	493,722	462,192	31,530
Information services	8,066,198	8,848,263	7,786,078	1,062,185
Tax	6,334,915	6,349,980	6,007,506	342,474
Register of deeds	3,140,331	3,131,365	2,652,696	478,669
Elections	2,902,835	3,017,067	2,256,127	760,940
Planning and development	1,407,070	1,571,736	1,351,198	220,538
Community and economic development	-	10,707	-	10,707
Geographic information system	555,446	655,175	550,294	104,881
Facilities	4,735,275	4,791,051	4,374,577	416,474
Security	1,836,205	1,826,476	1,822,142	4,334
Property management / courts	1,739,903	1,952,645	1,482,797	469,848
Parking and fleet operation	742,356	890,175	696,048	194,127
Non-departmental	(750,000)	-	-	-
Total general government	<u>42,334,233</u>	<u>44,064,587</u>	<u>39,464,132</u>	<u>4,600,455</u>
Human services:				
Public health	37,280,294	38,251,830	36,124,028	2,127,802
Mental health	37,772,418	40,397,306	36,472,660	3,924,646
Social services	68,664,823	69,991,104	68,025,039	1,966,065
Public assistance - adults, families, medical	27,031,641	23,592,241	22,416,748	1,175,493
Child support enforcement	5,747,153	5,884,116	5,669,705	214,411
Cooperative extension service	564,153	567,466	524,780	42,686
Coordinated services	656,097	1,577,682	1,349,984	227,698
Veteran services	99,709	99,709	98,924	785
Transportation	2,300,347	2,800,509	2,704,652	95,857
Total human services	<u>180,116,635</u>	<u>183,161,963</u>	<u>173,386,520</u>	<u>9,775,443</u>
Public safety:				
Law enforcement	49,179,562	52,093,371	49,476,234	2,617,137
Emergency services	21,938,308	22,757,736	20,623,982	2,133,754
Inspections	3,068,473	2,805,991	2,777,457	28,534
Court alternatives	3,082,503	3,129,018	2,959,731	169,287
Animal services	2,392,597	2,453,377	2,365,676	87,701
Other protection	1,110,165	1,165,165	894,045	271,120
Total public safety	<u>80,771,608</u>	<u>84,404,658</u>	<u>79,097,125</u>	<u>5,307,533</u>
Environmental protection:				
Sanitation	1,188,368	1,215,970	878,124	337,846
Soil and water conservation	270,315	308,920	293,050	15,870
Total environmental protection	<u>1,458,683</u>	<u>1,524,890</u>	<u>1,171,174</u>	<u>353,716</u>
Culture - recreation	5,451,619	5,615,088	5,154,091	460,997
Economic development and assistance	1,667,244	3,010,158	1,034,865	1,975,293
Intergovernmental - Education:				
Guilford Technical Community College:				
Current Appropriation	10,791,328	10,791,328	10,791,328	-
Capital Appropriation	1,500,000	1,520,351	1,520,351	-
Guilford County Board of Education:				
Current Appropriation	165,165,521	165,165,521	165,165,521	-
Capital Appropriation	7,000,000	6,782,892	6,782,892	-
Total education	<u>184,456,849</u>	<u>184,260,092</u>	<u>184,260,092</u>	<u>-</u>
Capital	700,103	317,757	-	317,757
Debt service:				
Principal retirement	27,715,000	27,715,000	27,715,000	-
Interest and fiscal charges	24,589,850	24,589,952	23,196,747	1,393,205
Total debt service	<u>52,304,850</u>	<u>52,304,952</u>	<u>50,911,747</u>	<u>1,393,205</u>
Total expenditures	\$ <u>549,261,824</u>	<u>558,664,145</u>	<u>534,479,746</u>	<u>24,184,399</u>

GUILFORD COUNTY, NORTH CAROLINA
County Building Construction Capital Projects Fund
Combining Schedule of Revenues and Expenditures
For the fiscal year ended June 30, 2008

A-2

	<u>Annually Budgeted Projects</u>	<u>Project- Length Budgets</u>	<u>Total</u>
Revenues			
Interest on investments	\$ 1,979,294	-	1,979,294
Other	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Total revenues	1,979,294	1,000	1,980,294
Expenditures			
Capital outlay	<u>-</u>	<u>9,979,848</u>	<u>9,979,848</u>
Excess (deficiency) of revenues over expenditures	<u>1,979,294</u>	<u>(9,978,848)</u>	<u>(7,999,554)</u>
Other Financing Sources (Uses)			
Capital-related debt issued	-	5,102,000	5,102,000
Transfers out	(1,115,000)	-	(1,115,000)
Sale of capital assets	<u>-</u>	<u>94,081</u>	<u>94,081</u>
Total other financing sources (uses)	<u>(1,115,000)</u>	<u>5,196,081</u>	<u>4,081,081</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 864,294</u>	<u>(4,782,767)</u>	<u>(3,918,473)</u>

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, 2008

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>
Revenues				
Interest on investments	\$ -	-	1,979,294	1,979,294
Other Financing Sources (Uses)				
Transfers out	(1,115,000)	(1,115,000)	(1,115,000)	-
Appropriated fund balance	1,115,000	1,115,000	-	(1,115,000)
Total other financing uses	-	-	(1,115,000)	(1,115,000)
Excess of revenues and other sources over uses	\$ -	-	864,294	864,294

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, 2008

A-2b

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Intergovernmental	\$ 2,022,543	2,096,410	-	2,096,410
Other	1,000	-	1,000	1,000
Total revenues	<u>2,023,543</u>	<u>2,096,410</u>	<u>1,000</u>	<u>2,097,410</u>
Expenditures				
Capital outlay:				
General Government Projects:				
Independence Building	5,821,590	5,749,506	40,596	5,790,102
Greensboro Courthouse Renovations	5,797,500	149,450	1,364,680	1,514,130
BB&T Building	5,102,000	-	4,216,673	4,216,673
Tax Technology System Replacement	2,300,000	-	60,747	60,747
New Financial Reporting System	4,959,636	3,528,613	429,871	3,958,484
Human Services Projects:				
High Point Health Department Renovations	550,000	509,716	-	509,716
Greensboro Health Department Renovations	647,513	-	40,930	40,930
Mental Health Renovations	692,923	566,318	-	566,318
Kendall Center Renovation	767,000	31,350	-	31,350
New DSS Facility - High Point	5,400,000	-	7,064	7,064
Public Safety Projects:				
Design Phase - GC Detention Center	4,465,678	599,395	1,947,974	2,547,369
Prison Farm Infrastructure Improve & Design	725,000	-	-	-
800 Mhz Radio System Upgrade	2,500,000	2,305,960	-	2,305,960
EMS Base Station - High Point	525,832	497,822	23,817	521,639
EMS Base Station - Rock Creek	2,500,000	300,049	97,005	397,054
Northwest EMS Base Station	1,500,000	-	-	-
Environmental Protection Projects:				
Sanitation:				
Scrap Tire / White Goods Facility	1,598,679	1,565,509	12,074	1,577,583
Watershed:				
Greensboro Watershed	4,125,878	3,938,626	6,195	3,944,821
Southern & Southeast Guilford Schools Watershed Ponds	160,000	-	80,000	80,000
Culture-Recreation Projects:				
Open Space:				
Hunter Elementary School Park	296,000	226,029	(52,850)	173,179
Montlieu Elementary School Park	642,356	448,031	183,513	631,544
Oak Ridge Elementary School Park	100,000	-	-	-
Pleasant Garden Elementary School Park	100,000	10,045	-	10,045
Bicentennial Greenway Trail Phase III	2,994,654	2,287,371	14,482	2,301,853
Triad Park	3,706,925	3,521,066	-	3,521,066
Bryan Park - Phase I	100,000	-	-	-
Bur Mil Park Improvements	2,765,226	2,737,609	-	2,737,609
Northeast Park	8,162,985	7,343,507	155,460	7,498,967
Open Space Acquisition	10,001,000	557,746	19,824	577,570
Southwest Park	3,000,000	98,204	1,331,793	1,429,997
Total expenditures	<u>82,008,375</u>	<u>36,971,922</u>	<u>9,979,848</u>	<u>46,951,770</u>
Deficiency of revenues over expenditures	<u>(79,984,832)</u>	<u>(34,875,512)</u>	<u>(9,978,848)</u>	<u>(44,854,360)</u>
Other Financing Sources				
General obligation bonds issued	47,364,019	40,721,603	-	40,721,603
Capital-related debt issued	5,102,000	-	5,102,000	5,102,000
Transfers in	4,297,467	4,297,467	-	4,297,467
Sale of capital assets	-	-	94,081	94,081
Appropriated fund balance	23,221,346	-	-	-
Total other financing sources	<u>79,984,832</u>	<u>45,019,070</u>	<u>5,196,081</u>	<u>50,215,151</u>
Excess (deficiency) of revenues and other sources over expenditures	\$ <u>-</u>	<u>10,143,558</u>	<u>(4,782,767)</u>	<u>5,360,791</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, 2008

A-3

	<u>Annually Budgeted Projects</u>	<u>Project- Length Budgets</u>	<u>Total</u>
Revenues			
Charges for services	\$ 3,030,642	-	3,030,642
Interest on investments	1,109,733	-	1,109,733
Other	<u>12,074</u>	-	<u>12,074</u>
Total revenues	4,152,449	-	4,152,449
Expenditures			
Capital outlay	<u>34,914</u>	<u>1,023,315</u>	<u>1,058,229</u>
Excess (deficiency) of revenues over expenditures	\$ <u>4,117,535</u>	<u>(1,023,315)</u>	<u>3,094,220</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, 2008

A-3a

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary and GAAP Basis	
Revenues				
Charges for services:				
Acreage user fees	\$ -	-	355,319	355,319
Assessments	-	-	175,243	175,243
Joint operation fees	-	-	2,500,080	2,500,080
Total charges for services	-	-	3,030,642	3,030,642
Interest on investments	-	-	1,109,733	1,109,733
Other	-	-	12,074	12,074
Total revenues	-	-	4,152,449	4,152,449
Expenditures				
Capital outlay:				
Water	-	121,033	4,918	116,115
Greensboro water and sewer	-	360,870	29,996	330,874
High Point water and sewer	-	6,460	-	6,460
Total expenditures	-	488,363	34,914	453,449
Excess (deficiency) of revenues over expenditures	-	(488,363)	4,117,535	4,605,898
Other Financing Sources				
Appropriated fund balance	-	488,363	-	(488,363)
Excess of revenues and other sources over expenditures	-	-	4,117,535	4,117,535

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, 2008

A-3b

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Expenditures				
Capital outlay:				
Sanitary sewer:				
Northeast Guilford Middle and High Schools	\$ 444,195	409,039	(7,101)	401,938
Twilla Acres Subdivision	1,586,922	1,159,393	7,310	1,166,703
Forest Oaks Estates	730,656	62,600	32,827	95,427
Southern Guilford Elementary and High Schools	1,078,000	1,018,181	1	1,018,182
Sumner Elementary School	560,000	459,062	(2,664)	456,398
Coe Place Subdivision	268,975	239,582	-	239,582
McConnell Road Private Extension	455,231	-	-	-
Prison Farm Infrastructure Improve & Design	350,000	-	-	-
Clover Road Sewer	228,211	-	-	-
Honda Jet Sewer	193,876	-	-	-
Lynwood Lakes Sewer	2,551,192	-	86,905	86,905
Water:				
Twilla Acres Subdivision	1,229,090	975,839	148,750	1,124,589
Forest Oaks Estates	688,638	62,600	32,827	95,427
Southwest Water Project	296,700	87,096	-	87,096
Coe Place Subdivision	190,000	166,312	-	166,312
McConnell Road Private Extension	89,232	-	-	-
Prison Farm Infrastructure Improve & Design	325,000	-	-	-
Sedgefield Water Replacement Lines	1,270,000	-	724,460	724,460
Honda Jet Water	176,124	-	-	-
Lynwood Lakes Water	1,535,506	-	-	-
Greensboro water and sewer:				
Koury Development Water & Sewer Project	1,417,500	1,417,500	-	1,417,500
Huntington Run Private Extensions	110,460	-	-	-
Hines Chapel Road	1,000,000	-	-	-
Trosper Road	931,512	613,775	-	613,775
GTCC Campus Water & Sewer	1,824,397	-	-	-
City / County Water & Sewer Master Plan	1,043,211	-	-	-
High Point water and sewer:				
Koury Development Water & Sewer Project	604,856	604,856	-	604,856
Total expenditures	<u>21,179,484</u>	<u>7,275,835</u>	<u>1,023,315</u>	<u>8,299,150</u>
Other Financing Sources				
General obligation bonds issued	1,025,000	1,025,000	-	1,025,000
Appropriated fund balance	20,154,484	-	-	-
Total other financing sources	<u>21,179,484</u>	<u>1,025,000</u>	<u>-</u>	<u>1,025,000</u>
Deficiency of other sources over expenditures	\$ <u>-</u>	<u>(6,250,835)</u>	<u>(1,023,315)</u>	<u>(7,274,150)</u>

GUILFORD COUNTY, NORTH CAROLINA
School Capital Outlay Capital Projects Fund
Combining Schedule of Revenues and Expenditures
For the fiscal year ended June 30, 2008

A-4

	<u>Annually Budgeted Projects</u>	<u>Project- Length Budgets</u>	<u>Total</u>
Revenues			
Intergovernmental	\$ -	12,117,375	12,117,375
Expenditures			
Intergovernmental:			
Education	<u>-</u>	<u>90,164,943</u>	<u>90,164,943</u>
Deficiency of revenues over expenditures	<u>-</u>	<u>(78,047,568)</u>	<u>(78,047,568)</u>
Other Financing Sources (Uses)			
Transfers in	2,600,000	1,581,765	4,181,765
Transfers out	<u>(20,351)</u>	<u>-</u>	<u>(20,351)</u>
Total other financing sources (uses)	<u>2,579,649</u>	<u>1,581,765</u>	<u>4,161,414</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 2,579,649</u>	<u>(76,465,803)</u>	<u>(73,886,154)</u>

GUILFORD COUNTY, NORTH CAROLINA
School Capital Outlay Capital Projects Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Budgetary Basis - Annually Budgeted Projects)
For the fiscal year ended June 30, 2008

A-4a

	<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>
Expenditures				
Intergovernmental:				
Education:				
Guilford County Board of Education	\$ -	2,600,000	-	2,600,000
Other Financing Sources (Uses)				
Transfers in	-	2,600,000	2,600,000	-
Transfers out	-	(20,351)	(20,351)	-
Appropriated fund balance	-	20,351	-	(20,351)
Total other financing sources (uses)	-	2,600,000	2,579,649	(20,351)
Excess of other sources over expenditures and other uses	\$ -	-	2,579,649	2,579,649

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, 2008

A-4b

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Intergovernmental:				
State Lottery Funds	\$ 2,238,299	-	780,727	780,727
Public School Building Capital Fund	20,003,926	13,833,601	2,316,898	16,150,499
Public School Building Bond Fund	14,251,102	14,251,102	-	14,251,102
Guilford County Schools	17,079,051	8,118,353	9,019,750	17,138,103
Total revenues	53,572,378	36,203,056	12,117,375	48,320,431
Expenditures				
Intergovernmental:				
Education:				
Guilford Technical				
Community College	49,020,000	3,854,779	13,358,883	17,213,662
Guilford County Board of Education	951,544,770	377,652,475	76,806,060	454,458,535
Total expenditures	1,000,564,770	381,507,254	90,164,943	471,672,197
Deficiency of revenues over expenditures	(946,992,392)	(345,304,198)	(78,047,568)	(423,351,766)
Other Financing Sources				
General obligation bonds issued	895,867,318	423,052,324	-	423,052,324
Premium on put bonds	6,165,842	6,165,842	-	6,165,842
Transfers in	39,863,452	38,281,689	1,581,765	39,863,454
Appropriated fund balance	5,095,780	-	-	-
Total other financing sources	946,992,392	467,499,855	1,581,765	469,081,620
Excess (deficiency) of revenues and other sources over expenditures	\$ -	122,195,657	(76,465,803)	45,729,854

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, 2008

A-4c

<u>Project Name</u>	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Public Safety Training Grounds	\$ 2,520,000	2,515,747	4,253	2,520,000
Health Technologies	8,000,000	925,840	1,386,000	2,311,840
Greensboro Classroom Building	8,000,000	413,192	4,353,226	4,766,418
Transportation Building	3,200,000	-	-	-
High Point Campus Expansion	8,000,000	-	484,499	484,499
GTCC - Northwest Campus	<u>19,300,000</u>	<u>-</u>	<u>7,130,905</u>	<u>7,130,905</u>
Total expenditures	\$ <u>49,020,000</u>	<u>3,854,779</u>	<u>13,358,883</u>	<u>17,213,662</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, 2008

A-4d

Project Name	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
System Wide Air Conditioning Renovation	\$ 21,139,311	20,961,861	33,505	20,995,366
Stokesdale Elementary School	9,439,006	8,704,219	150,880	8,855,099
Andrews High School	9,512,532	9,346,246	-	9,346,246
Dudley High School	32,334,301	32,137,151	56,790	32,193,941
Northwest High School	18,663,254	18,593,178	56,460	18,649,638
Smith High School Academy	5,747,246	4,002,535	1,661,982	5,664,517
Griffin Middle School	6,801,717	6,801,579	-	6,801,579
Brightwood Elementary School	9,809,293	9,728,349	-	9,728,349
Florence Elementary School	9,869,303	8,769,161	19,068	8,788,229
Grimsley High School	12,657,600	12,657,440	-	12,657,440
Lincoln Performing Arts (K-8)	1,752,329	1,459,048	-	1,459,048
Page High School	10,199,763	10,138,212	-	10,138,212
Sedalia Elementary School	7,542,395	6,417,629	-	6,417,629
Relocation of Mobile Classrooms	1,156,000	1,151,715	-	1,151,715
Oak Ridge Elementary School	13,000,000	12,727,033	28,549	12,755,582
Southern Middle School	26,993,710	24,158,099	881,403	25,039,502
Ferndale Middle School	4,578,062	3,992,823	381,771	4,374,594
Gateway Education Center West	17,829,590	71,942	9,200	81,142
Gibsonville Elementary School	13,213,004	12,457,448	173,295	12,630,743
Guilford Elementary School	17,578,573	14,363,732	2,884,603	17,248,335
Guilford Middle School	80,375	1,257	-	1,257
Irving Park Elementary School	3,151,875	2,482,827	-	2,482,827
Jamestown Middle School	36,812,525	2,639,243	25,317	2,664,560
Madison Elementary School	2,038,213	1,957,185	-	1,957,185
Morehead Elementary School	1,951,536	1,752,855	11,028	1,763,883
Northeast High School	11,456,166	10,782,584	244,991	11,027,575
Northeast Middle School	5,312,984	5,070,212	81,879	5,152,091
Northern Elementary School	14,524,077	6,048,770	7,812,286	13,861,056
Northern High School	53,529,387	34,619,821	15,326,056	49,945,877
Northern Middle School	27,451,507	26,657,145	513,845	27,170,990
Northwest Area Elementary School	16,376,754	14,638,167	1,431,673	16,069,840
Oak View Elementary School	4,893,775	4,301,873	556,814	4,858,687
Parkview Elementary School	8,066,356	2,989,696	4,054,524	7,044,220
Peck Elementary School	3,427,139	3,018,479	10,510	3,028,989
Peeler Elementary School	1,951,536	1,662,827	10,845	1,673,672
Pleasant Garden Elementary School	5,872,078	362,445	3,257,080	3,619,525
Ragsdale High School	33,900,116	11,524	-	11,524
Reedy Fork Area Elementary School	16,593,995	11,948,659	4,239,246	16,187,905
Southern High School	9,562,241	8,073,785	494,342	8,568,127
Southwest High School	8,197,763	7,813,898	137,876	7,951,774
Union Hill Elementary School	18,719,695	1,177,668	921,193	2,098,861
Subtotal expenditures	\$ 533,687,082	366,650,320	45,467,011	412,117,331

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, 2008

A-4d

Project Name	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Subtotal expenditures forward	\$ 533,687,082	366,650,320	45,467,011	412,117,331
Brown Summit College Prep Middle School	2,362,544	2,248,055	-	2,248,055
Southeast High School	2,669,325	849,577	480,258	1,329,835
McLeansville Elementary School	5,296,517	4,857,321	101,142	4,958,463
Eastern Guilford High School Replacement	62,019,750	3,047,202	28,821,209	31,868,411
High Point SCALE Site	3,200,000	-	398,730	398,730
System-Wide Renovations @				
Various School Sites	5,328,299	-	1,537,710	1,537,710
Southeast High School	33,311,222	-	-	-
Alamance Elementary School	20,300,161	-	-	-
Summerfield Elementary School	17,949,766	-	-	-
Southwest High School	31,089,918	-	-	-
Southeast Area Elementary School	33,331,875	-	-	-
Allen Middle School	9,099,383	-	-	-
Southeast Middle School	13,088,725	-	-	-
North Greensboro Area Elementary School	25,362,974	-	-	-
Grimsley High School	11,747,890	-	-	-
Airport Area High School	80,494,912	-	-	-
Airport Middle School - Land	2,087,969	-	-	-
Northwest Middle School	7,741,712	-	-	-
Allen Jay Middle School	12,171,572	-	-	-
Dudley High School	3,150,748	-	-	-
Dudley High School - Athletics	3,579,375	-	-	-
Mobile Classrooms	2,386,250	-	-	-
High Point Central High School	5,332,621	-	-	-
McLeansville Elementary School	6,309,892	-	-	-
Northwest High School - Site & Athletics	3,112,500	-	-	-
Simeon Stadium	2,075,000	-	-	-
Tracks	2,075,000	-	-	-
Tennis Courts	1,037,500	-	-	-
HVAC	8,069,487	-	-	-
Page High School - Athletics	2,074,801	-	-	-
Total expenditures	\$ <u>951,544,770</u>	<u>377,652,475</u>	<u>76,806,060</u>	<u>454,458,535</u>

Nonmajor Governmental Funds

Special Revenue Funds

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

- *Rural Fire Districts Fund* - Accounts for voter-approved property taxes levied to provide fire protection services. In accordance with North Carolina General Statute Section 159-26(b)(2), separate accounts have been established for accounting purposes within the rural fire districts fund for each of the 22 fire 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.

- *Emergency Telephone System Fund* - Accounts for 911 system subscriber fees and levies as provided for in North Carolina General Statute (NCGS) 159-26(b) (2). Under NCGS Chapter 62-A Guilford County imposes a monthly service charge (per wire access line) to cover the cost for implementing, operating, maintaining, and upgrading an Enhanced 911 emergency telecommunication wire line system. NCGS Chapter 62-B provides for the levy of a monthly service charge by the State for each wireless mobile connection unit to ensure the recovery of costs associated with developing and maintaining a wireless Enhanced 911 system.

Guilford County has contracted with the City of Greensboro to form Metro 911 administered by the City. By June 30, 2008, both of these revenues go directly to the City and all remaining County revenues have been paid to the City under this contract to provide Enhanced 911 services to its citizens.

- *Community Development Fund* - Accounts for projects financed primarily with Community Development Block Grant Funds for rehabilitation and new construction of housing for individuals with low to moderate income levels. Guilford County is a member of a housing consortium with four other local governments under the Home Investment in Affordable Housing Program created through Title II, Home Investment Partnership Act, of the Cranston-Gonzalez National Affordable Housing Act of 1990.

GUILFORD COUNTY, NORTH CAROLINA
Combining Balance Sheet
Nonmajor Governmental Funds -
Special Revenue Funds
June 30, 2008

B-1

	<u>Rural Fire Districts</u>	<u>Room Occupancy/ Tourism Development Tax</u>	<u>Emergency Telephone System</u>	<u>Community Development</u>	<u>Total Nonmajor Governmental Funds</u>
Assets					
Cash and cash equivalents/ investments	\$ 1,575,037	-	-	119,212	1,694,249
Receivables:					
Property taxes (net of allowance for estimated uncollectible delinquent taxes of \$101,973)	141,644	-	-	-	141,644
Other taxes	-	360,124	-	-	360,124
Due from governmental units and agencies	727,294	-	-	260	727,554
Accrued interest on investments	6,136	-	-	-	6,136
Total receivables	<u>875,074</u>	<u>360,124</u>	<u>-</u>	<u>260</u>	<u>1,235,458</u>
Total assets	\$ <u>2,450,111</u>	<u>360,124</u>	<u>-</u>	<u>119,472</u>	<u>2,929,707</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	108,037	-	-	108,037
Due to component unit	-	252,087	-	-	252,087
Deferred revenue	198,556	-	-	-	198,556
Total liabilities	<u>198,556</u>	<u>360,124</u>	<u>-</u>	<u>-</u>	<u>558,680</u>
Fund balances:					
Reserved for:					
State statute	733,430	360,124	-	260	1,093,814
Unreserved:					
Designated for subsequent year's expenditures	903,100	-	-	-	903,100
Undesignated	615,025	(360,124)	-	119,212	374,113
Total fund balances	<u>2,251,555</u>	<u>-</u>	<u>-</u>	<u>119,472</u>	<u>2,371,027</u>
Total liabilities and fund balances	\$ <u>2,450,111</u>	<u>360,124</u>	<u>-</u>	<u>119,472</u>	<u>2,929,707</u>

GUILFORD COUNTY, NORTH CAROLINA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds -
Special Revenue Funds
For the fiscal year ended June 30, 2008

B-2

	<u>Rural Fire Districts</u>	<u>Room Occupancy/ Tourism Development Tax</u>	<u>Emergency Telephone System</u>	<u>Community Development</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues					
Taxes:					
Property taxes	\$ 9,726,280	-	-	-	9,726,280
Sales tax	2,826,992	-	-	-	2,826,992
Occupancy taxes	-	4,618,458	-	-	4,618,458
911 charges	-	-	381,944	-	381,944
Interest on investments	17,212	-	-	-	17,212
Total revenues	<u>12,570,484</u>	<u>4,618,458</u>	<u>381,944</u>	<u>-</u>	<u>17,570,886</u>
Expenditures					
Current:					
Public safety	12,500,760	-	500,450	-	13,001,210
Economic development and assistance	-	4,618,458	-	-	4,618,458
Total expenditures	<u>12,500,760</u>	<u>4,618,458</u>	<u>500,450</u>	<u>-</u>	<u>17,619,668</u>
Net changes in fund balances	69,724	-	(118,506)	-	(48,782)
Fund balances at beginning of year	<u>2,181,831</u>	<u>-</u>	<u>118,506</u>	<u>119,472</u>	<u>2,419,809</u>
Fund balances at end of year	<u>\$ 2,251,555</u>	<u>-</u>	<u>-</u>	<u>119,472</u>	<u>2,371,027</u>

**GUILFORD COUNTY, NORTH CAROLINA
Rural Fire Districts Special Revenue Fund**

B-3

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the fiscal year ended June 30, 2008**

	<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>
Revenues				
Taxes:				
Property taxes	\$ 9,244,671	9,244,671	9,695,571	450,900
Interest on delinquent taxes	-	-	30,709	30,709
Total property taxes	9,244,671	9,244,671	9,726,280	481,609
Sales tax	2,721,514	2,721,514	2,826,992	105,478
Interest on investments	113,075	113,075	17,212	(95,863)
Total revenues	<u>12,079,260</u>	<u>12,079,260</u>	<u>12,570,484</u>	<u>491,224</u>
Expenditures				
Current:				
Public safety:				
Alamance Community	900,890	900,890	900,890	-
Climax	106,265	106,265	106,265	-
Colfax	536,485	536,485	536,485	-
Deep River	208,702	208,702	208,702	-
Friedens Community	147,216	147,216	147,216	-
Gibsonville	12,776	12,776	12,776	-
Guilford College Community	1,074,320	1,074,320	1,074,320	-
Guil-Rand	154,627	154,627	154,627	-
Julian	77,455	77,455	77,455	-
Kimesville	100,751	100,751	100,751	-
McLeansville	720,481	720,481	720,481	-
Mount Hope Community	380,540	380,540	380,540	-
Northeast	617,866	617,866	617,866	-
Oak Ridge	975,075	975,075	975,075	-
Pincroft-Sedgefield	1,864,209	1,864,209	1,864,209	-
Pleasant Garden	716,620	716,620	716,620	-
Rankin	883,857	883,857	883,857	-
Southeast	170,895	170,895	170,895	-
Stokesdale	481,738	481,738	481,738	-
Summerfield	1,762,015	1,762,015	1,762,015	-
Whitsett	333,287	333,287	333,287	-
No. 14	274,690	274,690	274,690	-
Total expenditures	<u>12,500,760</u>	<u>12,500,760</u>	<u>12,500,760</u>	<u>-</u>
Net change in fund balance	(421,500)	(421,500)	69,724	491,224
Fund balance at beginning of year	<u>2,181,831</u>	<u>2,181,831</u>	<u>2,181,831</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,760,331</u>	<u>1,760,331</u>	<u>2,251,555</u>	<u>491,224</u>

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, 2008

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>
Revenues				
Taxes:				
Occupancy	\$ 4,306,837	4,700,837	4,618,458	(82,379)
Expenditures				
Current:				
Economic development and assistance	<u>4,306,837</u>	<u>4,700,837</u>	<u>4,618,458</u>	<u>82,379</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>	<u><u>-</u></u>	<u><u>-</u></u>

GUILFORD COUNTY, NORTH CAROLINA
Emergency Telephone System Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the fiscal year ended June 30, 2008

B-5

	<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>
Revenues				
Taxes:				
911 charges	\$ -	790,000	381,944	(408,056)
Expenditures				
Current:				
Public safety:				
911 system subscriber fees	-	790,000	464,674	325,326
Wireless 40% funds	-	35,776	35,776	-
Total expenditures	-	825,776	500,450	325,326
Net change in fund balance	-	(35,776)	(118,506)	(82,730)
Fund balance at beginning of year	118,506	118,506	118,506	-
Fund balance at end of year	\$ 118,506	82,730	-	(82,730)
Fund balance at end of year:				
911 charges			\$ -	
Wireless 40% funds			-	
Total			\$ -	

GUILFORD COUNTY, NORTH CAROLINA
Community Development Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
(Budgetary Basis - Project-Length Budgets)
From inception and for the fiscal year ended June 30, 2008

B-6

	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues				
Intergovernmental:				
HUD - Home Investment Program	\$ <u>1,482,079</u>	<u>615,128</u>	<u>-</u>	<u>615,128</u>
Expenditures				
Current:				
Urban redevelopment and housing:				
1999-2000 Affordable Housing Funds	173,264	109,545	-	109,545
2001-2002 Affordable Housing Funds	33,827	24,912	-	24,912
2002-2003 Affordable Housing Funds	190,289	145,241	-	145,241
2003-2004 Affordable Housing Funds	123,020	6,058	-	6,058
2004-2005 Affordable Housing Funds	124,881	-	-	-
2005-2006 Affordable Housing Funds	188,094	5,399	-	5,399
2004 Scattered Site Program	400,000	355,797	(260)	355,537
2007 Scattered Site Program	<u>400,000</u>	<u>-</u>	<u>260</u>	<u>260</u>
Total expenditures	<u>1,633,375</u>	<u>646,952</u>	<u>-</u>	<u>646,952</u>
Deficiency of revenues over expenditures	(151,296)	(31,824)	-	(31,824)
Other Financing Sources				
Transfers in	<u>151,296</u>	<u>151,296</u>	<u>-</u>	<u>151,296</u>
Net change in fund balance	\$ <u>-</u>	<u>119,472</u>	<u>-</u>	<u>119,472</u>
Fund balance at beginning of year			<u>119,472</u>	
Fund balance at end of year			\$ <u>119,472</u>	



Agency Funds

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, Oak Ridge, Pleasant Garden, Sedalia, and Summerfield 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 Mental Health and Social Services Departments for the benefit of specified clients being served by the County.
- *N.C. Treasurer's Vehicle Interest Fund* - Accounts for three percent additional interest collected on the first month's interest assessed on delinquent registered motor vehicle property taxes as per House Bill 1779. The additional interest is remitted to the N.C. Department of State Treasurer monthly and will be used by the Division of Motor Vehicles to create a combined motor vehicle registration renewal and property tax collection system.

GUILFORD COUNTY, NORTH CAROLINA
 Agency Funds
 Combining Balance Sheet
 June 30, 2008

C-1

	Agency Funds				Total
	Tax Collection	Fines and Forfeitures	Representative Payee	NC Treasurer's Vehicle Interest	
Assets					
Cash and cash equivalents/investments	\$ 944,594	409,428	345,434	28,295	1,727,751
Total assets	\$ <u>944,594</u>	<u>409,428</u>	<u>345,434</u>	<u>28,295</u>	<u>1,727,751</u>
Liabilities					
Accounts payable and accrued liabilities	\$ -	409,428	-	-	409,428
Representative payee clients payable	-	-	345,434	-	345,434
Due to other taxing units	<u>944,594</u>	<u>-</u>	<u>-</u>	<u>28,295</u>	<u>972,889</u>
Total liabilities	\$ <u><u>944,594</u></u>	<u><u>409,428</u></u>	<u><u>345,434</u></u>	<u><u>28,295</u></u>	<u><u>1,727,751</u></u>

GUILFORD COUNTY, NORTH CAROLINA

Agency Funds

C-2

Combining Statement of Changes in Assets and Liabilities
For the fiscal year ended June 30, 2008

	<u>Balance 7/1/07</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/08</u>
<u>Tax Collection Fund</u>				
Assets				
Cash and cash equivalents/investments	\$ <u>1,034,971</u>	<u>211,719,278</u>	<u>211,809,655</u>	<u>944,594</u>
Liabilities				
Due to other taxing units	\$ <u>1,034,971</u>	<u>211,719,278</u>	<u>211,809,655</u>	<u>944,594</u>
<u>Fines and Forfeitures Fund</u>				
Assets				
Cash and cash equivalents/investments	\$ <u>524,311</u>	<u>3,003,733</u>	<u>3,118,616</u>	<u>409,428</u>
Liabilities				
Accounts payable and accrued liabilities	\$ <u>524,311</u>	<u>3,003,733</u>	<u>3,118,616</u>	<u>409,428</u>
<u>Representative Payee Fund</u>				
Assets				
Cash and cash equivalents/investments	\$ <u>372,124</u>	<u>2,101,383</u>	<u>2,128,073</u>	<u>345,434</u>
Liabilities				
Representative payee clients payable	\$ <u>372,124</u>	<u>2,101,383</u>	<u>2,128,073</u>	<u>345,434</u>
<u>NC Treasurer's Vehicle Interest Fund</u>				
Assets				
Cash and cash equivalents/investments	\$ <u>28,014</u>	<u>313,049</u>	<u>312,768</u>	<u>28,295</u>
Liabilities				
Due to other taxing units	\$ <u>28,014</u>	<u>313,049</u>	<u>312,768</u>	<u>28,295</u>
<u>Total Agency Funds</u>				
Assets				
Cash and cash equivalents/investments	\$ <u>1,959,420</u>	<u>217,137,443</u>	<u>217,369,112</u>	<u>1,727,751</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 524,311	3,003,733	3,118,616	409,428
Representative payee clients payable	372,124	2,101,383	2,128,073	345,434
Due to other taxing units	<u>1,062,985</u>	<u>212,032,327</u>	<u>212,122,423</u>	<u>972,889</u>
Total liabilities	\$ <u>1,959,420</u>	<u>217,137,443</u>	<u>217,369,112</u>	<u>1,727,751</u>



Additional Financial Data

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

Analysis of Current Tax Levy

Schedule of Property Taxes Receivable

Analysis of Current Tax Levy -
County-Wide Levy

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

General Obligation Debt Service Requirements
and Maturity Schedule

GUILFORD COUNTY, NORTH CAROLINA
Analysis of Current Tax Levy
For the fiscal year ended June 30, 2008

	<u>Assessed Value</u>	<u>Rate (1)</u>	<u>Amount of Levy (2)</u>
County-wide	\$ 43,397,631,202	0.6914	\$ <u>299,633,948</u>
Rural fire districts:			
Alamance Community	866,444,053	0.0819	709,623
Gibsonville	10,924,400	0.1000	10,925
Climax	85,323,336	0.0930	79,350
Colfax	427,252,338	0.1000	427,252
Deep River	199,150,727	0.0770	153,346
Friedens Community	119,104,322	0.0950	113,152
Guilford College Community	1,022,442,600	0.0800	817,953
Guil-Rand	120,965,812	0.1000	120,961
Julian	64,569,500	0.0910	58,759
Kimesville	75,408,321	0.1000	75,408
McLeansville	811,977,724	0.0700	565,453
Mount Hope Community	378,203,344	0.0800	302,562
Northeast	636,494,691	0.0800	509,196
Oak Ridge	968,677,131	0.0825	799,167
Pinecroft-Sedgefield	1,623,477,243	0.0860	1,396,195
Pleasant Garden	557,493,595	0.1000	556,344
Rankin	689,405,563	0.1000	689,406
Southeast	130,051,300	0.1000	130,051
Stokesdale	492,192,701	0.0773	380,464
Summerfield	1,617,387,209	0.0875	1,415,229
Whitsett	429,437,967	0.0632	271,405
No. 14 (Franklin Blvd.)	211,745,042	0.1000	<u>211,745</u>
Total rural fire districts			<u>9,793,946</u>
Total entity-wide			\$ <u>309,427,894</u>

Percent of current year adjusted tax levy collected:

County-wide	<u>98.42</u> %
Rural fire districts	<u>98.46</u>
Entity-wide	<u>98.42</u>

Notes:

- (1) Per \$100 of assessed value.
- (2) Assessed value times rate will not equal amount of levy due to rounding differences, preferential rate treatments to certain properties and four months of motor vehicles levied at prior year tax rates in accordance with North Carolina General Statutes.

<u>Discoveries</u>	<u>Penalties</u>	<u>Discounts Allowed</u>	<u>Releases</u>	<u>Total Adjusted Tax Levy</u>	<u>Current Tax Collections</u>	<u>Uncollected at June 30, 2008</u>
<u>1,849,840</u>	<u>221,690</u>	<u>(1,497,614)</u>	<u>(1,944,876)</u>	<u>298,262,988</u>	<u>(293,546,318)</u>	<u>4,716,670</u>
4,598	415	(3,922)	(1,822)	708,892	(695,527)	13,365
-	-	(55)	(52)	10,818	(10,811)	7
741	5	(387)	(163)	79,546	(77,309)	2,237
5,215	155	(2,158)	(1,999)	428,465	(423,619)	4,846
2,312	46	(635)	(353)	154,716	(149,790)	4,926
5,365	12	(488)	(5,562)	112,479	(110,627)	1,852
3,160	1,221	(4,395)	(14,110)	803,829	(796,889)	6,940
100	30	(515)	(287)	120,289	(118,113)	2,176
460	20	(204)	(115)	58,920	(58,163)	757
199	30	(298)	(286)	75,053	(72,753)	2,300
1,444	164	(3,005)	(1,221)	562,835	(552,996)	9,839
1,643	128	(1,412)	(1,234)	301,687	(297,117)	4,570
8,308	192	(2,566)	(4,773)	510,357	(500,036)	10,321
12,573	138	(4,602)	(3,409)	803,867	(792,867)	11,000
6,003	790	(6,580)	(3,653)	1,392,755	(1,374,296)	18,459
4,280	617	(2,755)	(8,870)	549,616	(538,259)	11,357
3,826	341	(3,724)	(3,020)	686,829	(672,394)	14,435
506	41	(604)	(279)	129,715	(127,392)	2,323
2,067	125	(1,977)	(754)	379,925	(374,939)	4,986
8,169	428	(8,078)	(3,679)	1,412,069	(1,399,449)	12,620
9,207	1,339	(1,131)	(7,149)	273,671	(269,958)	3,713
<u>3,731</u>	<u>375</u>	<u>(1,100)</u>	<u>(3,731)</u>	<u>211,020</u>	<u>(203,966)</u>	<u>7,054</u>
<u>83,907</u>	<u>6,612</u>	<u>(50,591)</u>	<u>(66,521)</u>	<u>9,767,353</u>	<u>(9,617,270)</u>	<u>150,083</u>
<u>1,933,747</u>	<u>228,302</u>	<u>(1,548,205)</u>	<u>(2,011,397)</u>	<u>308,030,341</u>	<u>(303,163,588)</u>	<u>4,866,753</u>

GUILFORD COUNTY, NORTH CAROLINA
Schedule of Property Taxes Receivable
June 30, 2008

D-2

Fiscal Year	Uncollected Balance June 30, 2007	Total Adjusted Tax Levy	Collections and Credits	Uncollected Balance June 30, 2008
2007-2008	\$ -	308,030,341	303,163,588	4,866,753
2006-2007	3,862,855	-	2,459,937	1,402,918
2005-2006	1,202,334	-	342,941	859,393
2004-2005	802,403	-	82,094	720,309
2003-2004	625,629	-	38,836	586,793
2002-2003	488,521	-	19,009	469,512
2001-2002	491,383	-	10,757	480,626
2000-2001	394,816	-	7,168	387,648
1999-2000	375,344	-	4,059	371,285
1998-1999	284,514	-	2,550	281,964
1997-1998	314,203	-	314,203	-
	\$ 8,842,002	308,030,341	306,445,142	10,427,201
Less allowance for estimated uncollectible delinquent taxes:				
General Fund			\$ (5,459,318)	
Rural Fire Districts Fund			(101,973)	(5,561,291)
Property taxes receivable (net)				\$ 4,865,910
Reconciliation with revenues:				
General Fund:				
Ad valorem taxes			\$ 295,871,766	
Interest on delinquent taxes			866,888	\$ 296,738,654
Rural Fire Districts Fund:				
Ad valorem taxes			9,695,571	
Interest on delinquent taxes			30,709	9,726,280
Plus collections and credits not included in revenues:				
Releases net of refunds on prior fiscal years			434,744	
Penalties on delinquent taxes			166,344	
Amounts written off for tax year 1997-1998 per statute of limitations			314,203	915,291
Subtotal				307,380,225
Less revenues not included in collections and credits:				
Collections on years prior to 1998-1999			(3,666)	
Payments in lieu of taxes			(33,820)	
Interest collected			(897,597)	(935,083)
Total collections and credits				\$ 306,445,142

GUILFORD COUNTY, NORTH CAROLINA
Analysis of Current Tax Levy
County-Wide Levy
For the fiscal year ended June 30, 2008

D-3

	County-Wide			Total Levy	
	Assessed Value	Rate(1)	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate (2)	\$ 42,009,972,809	0.6914	290,456,952	273,705,998	16,750,954
Registered motor vehicles taxed at prior year's rate	<u>1,387,658,393</u>	0.6615	<u>9,176,996</u>	-	<u>9,176,996</u>
Total	<u>43,397,631,202</u>		<u>299,633,948</u>	<u>273,705,998</u>	<u>25,927,950</u>
Discoveries:					
Current year taxes	167,513,596	0.6914	1,158,189	1,158,189	-
Prior year taxes	<u>-</u>		<u>691,651</u>	<u>691,651</u>	<u>-</u>
Total	<u>167,513,596</u>		<u>1,849,840</u>	<u>1,849,840</u>	<u>-</u>
Penalties	<u>-</u>		<u>221,690</u>	<u>221,690</u>	<u>-</u>
Discounts allowed	<u>-</u>		<u>(1,497,614)</u>	<u>(1,497,614)</u>	<u>-</u>
Releases:					
Current year taxes	(241,028,493)	0.6914	(1,666,471)	(1,446,384)	(220,087)
Prior year taxes	<u>-</u>		<u>(278,405)</u>	<u>(105,059)</u>	<u>(173,346)</u>
Total	<u>(241,028,493)</u>		<u>(1,944,876)</u>	<u>(1,551,443)</u>	<u>(393,433)</u>
Total assessed value	\$ <u>43,324,116,305</u>				
Total adjusted tax levy			298,262,988	272,728,471	25,534,517
Uncollected taxes at June 30, 2008			<u>(4,716,670)</u>	<u>(2,474,617)</u>	<u>(2,242,053)</u>
Current year's taxes collected			\$ <u>293,546,318</u>	<u>270,253,854</u>	<u>23,292,464</u>
Current adjusted tax levy collection percentage			<u>98.42%</u>	<u>99.09%</u>	<u>91.22%</u>

Notes:

- (1) Per \$100 of assessed value.
- (2) Assessed value times rate will not equal amount of levy due to rounding differences and preferential rate treatments to certain properties.

GUILFORD COUNTY, NORTH CAROLINA
Analysis of Current Tax Levy
County-Wide Levy - General Information
For the fiscal year ended June 30, 2008

D-4

Secondary Market Disclosures:

Assessed Valuation:	
Assessment Ratio (1)	100%
Real Property (2)	\$ 34,819,671,635
Personal Property	7,476,297,491
Public Service Companies (3)	<u>1,101,662,076</u>
Total Assessed Valuation	\$ <u><u>43,397,631,202</u></u>
Tax Rate per \$100 (4)	<u><u>0.6914</u></u>
Levy (5)	\$ <u><u>311,589,943</u></u>

Notes:

- (1) Percentage of appraised value has been established by State Statute.
- (2) Real property assessment is based on 2004 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.
- (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 levy including County-wide and special districts:

County-wide	\$ 301,705,478
Special Fire Districts	<u>9,884,465</u>
Total Levy	\$ <u><u>311,589,943</u></u>

The levy is adjusted to exclude rebates and discounts allowed of \$3,559,602.

GUILFORD COUNTY, NORTH CAROLINA
General Obligation Debt Service Requirements
and Maturity Schedule
As of June 30, 2008

D-5

Fiscal Year	UTILITY		OTHER		TOTAL	
	Existing Debt		Existing Debt		Existing Debt	
	Principal	Principal & Interest	Principal	Principal & Interest	Principal	Principal & Interest
2008-09	\$ 2,600,226	3,578,212	25,049,774	42,083,548	27,650,000	45,661,760
2009-10	1,703,861	2,585,983	25,771,139	41,811,327	27,475,000	44,397,310
2010-11	1,525,377	2,336,971	26,419,623	41,429,963	27,945,000	43,766,934
2011-12	2,718,383	3,434,512	25,321,617	39,305,734	28,040,000	42,740,246
2012-13	2,782,392	3,370,821	25,317,608	38,293,712	28,100,000	41,664,533
2013-14	2,550,449	3,019,803	26,564,551	38,569,338	29,115,000	41,589,141
2014-15	2,544,502	2,900,079	27,600,498	38,565,714	30,145,000	41,465,793
2015-16	2,540,537	2,777,994	28,584,463	38,446,074	31,125,000	41,224,068
2016-17	2,262,998	2,389,374	29,842,002	38,543,678	32,105,000	40,933,052
2017-18	960,974	1,015,008	32,244,026	39,658,884	33,205,000	40,673,892
2018-19	452,253	468,329	34,207,747	40,086,386	34,660,000	40,554,715
2019-20	42,253	48,462	35,207,747	39,912,923	35,250,000	39,961,385
2020-21	42,253	46,796	36,472,747	40,101,506	36,515,000	40,148,302
2021-22	41,731	44,612	36,853,269	39,542,205	36,895,000	39,586,817
2022-23	41,731	42,966	36,853,269	38,587,690	36,895,000	38,630,656
2023-24	-	-	29,895,000	31,009,398	29,895,000	31,009,398
2024-25	-	-	29,890,000	30,546,676	29,890,000	30,546,676
2025-26	-	-	11,250,000	11,545,313	11,250,000	11,545,313
2026-27	-	-	11,250,000	11,376,563	11,250,000	11,376,563
	\$ <u>22,809,920</u>	<u>28,059,922</u>	<u>534,595,080</u>	<u>679,416,632</u>	<u>557,405,000</u>	<u>707,476,554</u>



Statistical Section

Statistical Section

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

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

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Reports for the relevant year. The County implemented Governmental Accounting Standards Board Statement No. 34 in 2002; schedules presenting government-wide information include information beginning in that year.

Table 1

Guilford County, North Carolina
Schedule of Changes in Net Assets / Net Assets by Component
Last Seven Fiscal Years (1)
(full accrual basis of accounting)

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Expenses							
Governmental activities:							
General government (2)	\$ 31,516,270	34,646,687	35,776,935	38,935,052	43,691,593	41,915,381	42,686,479
Human services	154,085,861	159,178,485	162,046,232	168,210,350	170,986,656	167,658,603	187,408,591
Public safety (2)	63,192,587	65,312,136	70,809,410	77,965,005	83,334,706	90,576,330	101,980,944
Environmental protection	1,988,716	1,007,132	1,174,894	1,682,060	1,127,138	1,194,998	1,395,364
Culture - recreation	2,022,230	1,816,420	2,754,118	3,824,634	4,790,197	6,244,857	5,981,193
Urban redevelopment and housing	4,056	311,888	259,242	152,052	158,816	165,681	-
Economic development and assistance	4,995,855	5,682,689	4,835,656	6,272,110	9,679,480	6,961,147	6,711,552
Education	222,698,036	198,557,002	189,254,201	210,740,935	258,171,386	311,169,199	274,425,035
Interest on long-term debt	7,873,266	9,782,009	10,599,222	11,468,056	15,477,774	18,787,205	22,265,124
Total primary government expenses	<u>488,376,877</u>	<u>476,294,448</u>	<u>477,509,910</u>	<u>519,250,254</u>	<u>587,417,746</u>	<u>644,673,401</u>	<u>642,854,282</u>
Program Revenues							
Governmental activities:							
Charges for services:							
General government	6,926,831	8,111,851	8,218,987	7,632,915	8,092,944	7,908,972	7,329,664
Human services	23,448,275	23,792,095	21,869,902	21,075,399	20,768,155	16,414,577	17,390,778
Public safety	11,700,199	13,471,224	14,259,539	16,056,217	17,697,563	17,901,405	19,486,002
Economic development and assistance	1,742,561	2,079,544	5,437,989	2,653,574	2,699,976	2,796,826	3,089,466
Other activities	327,482	353,284	226,224	278,833	198,133	139,105	139,174
Operating grants and contributions:							
Human services	71,548,917	74,484,319	74,736,210	80,870,482	80,654,657	81,501,929	85,671,190
Public safety	2,249,286	1,181,844	1,494,192	2,388,765	2,916,616	2,086,924	1,818,775
Education	9,064,542	2,650,322	299,783	4,968,633	4,165,991	16,594,201	13,482,032
Interest on long-term debt	-	-	-	-	-	-	6,000,000
Other activities	777,814	1,232,646	976,685	2,912,425	3,683,034	1,020,755	826,942
Capital grants and contributions:							
General government	9,500	-	505,100	-	6,000	-	-
Human services	12,675	117,517	91,287	84,778	5,518	1,107,265	61,185
Public safety	45,260	34,147	214,986	66,236	490,261	22,810	110,975
Culture - recreation	11,748	17,916	1,238,163	237,573	50,300	-	1,000
Other activities	39,507	2,472	-	9,759	17,883	-	-
Total primary government program revenues	<u>127,904,597</u>	<u>127,529,181</u>	<u>129,569,047</u>	<u>139,235,589</u>	<u>141,447,031</u>	<u>147,494,769</u>	<u>155,407,183</u>
Total primary government net expenses	<u>(360,472,280)</u>	<u>(348,765,267)</u>	<u>(347,940,863)</u>	<u>(380,014,665)</u>	<u>(445,970,715)</u>	<u>(497,178,632)</u>	<u>(487,447,099)</u>

General Revenues and Other

Changes in Net Assets

Governmental activities:

Taxes:

Property taxes	219,789,569	222,694,649	236,089,142	254,787,316	267,195,969	286,570,949	307,477,528
Sales taxes	53,789,277	58,779,530	74,631,354	79,845,527	82,561,886	88,839,038	88,097,598
Occupancy taxes	3,825,082	4,006,760	3,976,303	4,232,851	4,485,837	4,419,986	4,618,458
Excise taxes	2,057,359	1,949,926	2,680,418	2,935,945	3,399,037	3,268,199	3,155,087
911 charges	1,034,031	1,022,015	871,980	769,657	824,713	788,590	381,944
Local gross receipts taxes	799,508	775,777	721,737	789,591	746,443	736,098	751,131
Franchise taxes	590,491	413,145	506,089	520,014	618,753	462,080	143,515
Unrestricted grants and contributions	11,485,517	589,147	4,794,484	3,735,353	1,347,053	1,060,902	1,472,030
Unrestricted investment earnings	9,699,517	5,993,035	3,582,623	7,707,805	15,391,864	17,075,971	17,427,005
Other	264,431	114,304	162,985	222,293	313,562	2,019,617	371,374
Special items	-	-	3,159,900	-	-	-	-

Total primary government general revenues and other changes in net assets

	<u>303,334,782</u>	<u>296,338,288</u>	<u>331,177,015</u>	<u>355,546,352</u>	<u>376,885,117</u>	<u>405,241,430</u>	<u>423,895,670</u>
--	--------------------	--------------------	--------------------	--------------------	--------------------	--------------------	--------------------

Changes in Net Assets

Governmental activities / primary government

	<u>\$ (57,137,498)</u>	<u>(52,426,979)</u>	<u>(16,763,848)</u>	<u>(24,468,313)</u>	<u>(69,085,598)</u>	<u>(91,937,202)</u>	<u>(63,551,429)</u>
--	------------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------

Net Assets by Component

Governmental activities:

	(Restated)	(Restated)					
Invested in capital assets, net of related debt	\$ 99,485,526	100,094,146	111,008,939	112,083,864	115,542,072	116,246,292	115,992,624
Restricted	16,547,207	19,657,963	23,362,147	25,288,493	27,765,244	30,720,400	36,221,646
Unrestricted	<u>37,001,829</u>	<u>(19,144,526)</u>	<u>(50,527,351)</u>	<u>(77,996,935)</u>	<u>(153,017,492)</u>	<u>(248,614,070)</u>	<u>(317,413,077)</u>
Governmental activities / primary government	<u>\$ 153,034,562</u>	<u>100,607,583</u>	<u>83,843,735</u>	<u>59,375,422</u>	<u>(9,710,176)</u>	<u>(101,647,378)</u>	<u>(165,198,807)</u>

Note:

(1) Ten-year trend information is being developed in this table. Data is presented since implementation of Governmental Accounting Standards Board Statement No. 34.

(2) The 2006 amounts have been reclassified for comparative purposes.

Table 2

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues					(Restated)					
Taxes:										
Property taxes	\$ 181,459,211	191,026,884	199,478,557	219,066,626	222,529,052	235,782,968	254,318,144	267,441,956	285,914,118	306,464,934
Sales taxes	53,498,154	54,695,595	56,326,992	53,789,277	62,861,654	74,631,354	79,845,527	82,561,886	88,839,038	88,097,598
Occupancy taxes	3,756,275	3,969,326	4,097,548	3,825,082	4,006,760	3,976,303	4,232,851	4,485,837	4,419,986	4,618,458
Excise taxes	2,015,067	2,051,417	1,933,722	2,057,359	1,949,926	2,680,418	2,935,945	3,399,037	3,268,199	3,155,087
911 charges	-	-	-	1,034,031	1,022,015	871,980	769,657	824,713	788,590	381,944
Local gross receipts taxes	-	-	825,466	799,508	775,777	721,737	789,591	746,443	736,098	751,131
Franchise taxes	-	-	-	590,491	413,145	506,089	520,014	618,753	462,080	143,515
Total taxes	240,728,707	251,743,222	262,662,285	281,162,374	293,558,329	319,170,849	343,411,729	360,078,625	384,428,109	403,612,667
Licenses and permits	1,901,813	1,967,745	1,908,456	2,093,241	2,646,591	2,991,576	3,387,258	3,470,989	2,420,370	2,263,699
Intergovernmental	97,709,747	102,240,203	107,086,375	94,911,830	79,806,114	83,470,521	94,419,673	92,559,452	101,329,674	108,160,439
Charges for services	27,301,215	30,321,735	30,212,354	37,835,744	40,826,767	42,020,340	40,891,308	42,299,395	37,116,489	39,836,114
Investment earnings	11,263,050	11,025,528	16,552,945	8,847,992	5,515,396	3,365,125	7,207,426	14,408,915	15,605,317	15,895,947
Other	4,393,011	4,217,953	4,923,322	5,381,366	5,566,681	5,124,932	5,344,140	5,309,364	7,631,167	7,235,788
Total revenues	383,297,543	401,516,386	423,345,737	430,232,547	427,919,878	456,143,343	494,661,534	518,126,740	548,531,126	577,004,654
Expenditures										
General government	21,527,611	23,536,671	32,348,856	30,313,342	33,445,902	34,160,259	37,795,664	43,048,897	40,509,958	39,464,132
Human services	136,103,386	146,041,352	148,581,337	152,663,170	157,893,840	161,072,839	168,618,392	170,804,456	167,594,028	173,386,520
Public safety	48,629,120	53,376,771	58,591,519	61,100,678	63,221,245	69,943,520	77,030,474	83,730,591	88,984,727	92,098,335
Environmental protection	618,995	746,662	679,512	974,932	1,027,260	1,138,238	1,125,296	1,086,756	1,237,988	1,171,174
Culture - recreation	1,557,478	1,446,372	1,417,582	1,641,649	1,459,007	2,336,710	3,247,907	4,230,945	4,979,283	5,154,091
Urban redevelopment & housing	745,097	22,842	23,145	4,056	311,888	259,242	152,052	158,816	165,681	-
Economic development & assistance (1)	3,756,275	4,139,326	4,267,548	4,549,424	4,746,102	4,477,063	5,375,881	7,046,010	5,421,073	5,653,323
Education (3)	99,880,380	110,140,688	114,237,651	122,720,100	124,913,318	133,434,005	138,892,306	150,696,921	166,425,861	175,956,849
Capital outlay - Education (3)	64,616,231	59,163,075	75,417,529	99,977,936	73,643,684	55,820,196	71,848,629	107,474,465	144,743,338	98,468,186
Capital outlay - Other	10,193,406	3,940,298	3,838,607	3,843,303	4,103,909	4,309,253	6,499,337	11,182,101	12,158,726	11,038,077
Debt service:										
Principal	9,240,000	8,805,000	7,925,000	9,865,000	9,865,000	13,830,000	13,810,000	19,410,000	19,790,000	27,715,000
Interest	4,152,985	3,721,060	6,121,878	7,903,473	9,354,570	10,801,897	12,916,990	17,228,026	18,171,528	22,211,212
Other fiscal charges	300	7,817	25,056	77,746	104,410	265,087	67,360	504,413	470,194	985,535
Bond issuance / put bond costs	-	-	297,304	-	542,893	343,858	825,559	-	542,749	-
Total expenditures	401,021,264	415,087,934	453,772,524	495,634,809	484,633,028	492,192,167	538,205,847	616,602,397	671,195,134	653,302,434
Excess (deficiency) of revenues over expenditures	(17,723,721)	(13,571,548)	(30,426,787)	(65,402,262)	(56,713,150)	(36,048,824)	(43,544,313)	(98,475,657)	(122,664,008)	(76,297,780)

Other Financing Sources (Uses) &

Other Changes in Fund Balances

Refunding bonds issued	-	-	-	-	16,015,000	-	54,380,000	-	-	-
General obligation bonds issued	-	-	120,620,000	-	123,355,000	-	183,220,000	-	185,440,000	-
Capital-related debt issued	-	-	1,901,560	-	320,000	417,391	158,845	253,812	485,187	5,102,000
Payment to bond refunding escrow agent	-	-	-	-	(16,153,861)	-	(60,717,190)	-	-	-
Premiums on bonds / put bonds issued	-	-	-	-	334,267	6,509,700	5,657,142	-	1,879,435	-
Transfers in	43,203,709	28,797,725	28,258,854	17,749,793	32,186,463	16,745,665	12,118,221	9,131,329	1,494,729	5,317,116
Transfers out (1)	(43,203,709)	(28,797,725)	(25,962,526)	(17,749,793)	(31,484,608)	(16,745,665)	(12,118,221)	(9,131,329)	(1,494,729)	(5,317,116)
Sale of capital assets	945,521	137	-	350,865	299,807	155,595	191,586	250,004	2,317,974	248,922
Special Items	-	-	-	-	-	(4,500,000)	-	-	-	-
Total other financing sources (uses) and other changes in fund balances	<u>945,521</u>	<u>137</u>	<u>124,817,888</u>	<u>350,865</u>	<u>124,872,068</u>	<u>2,582,686</u>	<u>182,890,383</u>	<u>503,816</u>	<u>190,122,596</u>	<u>5,350,922</u>

Changes in Fund Balances

Governmental funds	<u>\$ (16,778,200)</u>	<u>(13,571,411)</u>	<u>94,391,101</u>	<u>(65,051,397)</u>	<u>68,158,918</u>	<u>(33,466,138)</u>	<u>139,346,070</u>	<u>(97,971,841)</u>	<u>67,458,588</u>	<u>(70,946,858)</u>
Debt service as a percentage of noncapital expenditures (4)	3.40%	3.05%	3.13%	3.62%	4.02%	5.12%	5.04%	6.08%	5.77%	7.80%

Fund Balances

General fund:	(Restated)	(Restated)			(Restated)					
Reserved	\$ 32,649,719	34,379,190	28,347,418	29,393,205	35,833,092	37,807,777	44,883,408	43,905,906	48,386,558	49,298,419
Unreserved (2)	<u>57,254,677</u>	<u>47,152,390</u>	<u>61,206,684</u>	<u>57,994,642</u>	<u>61,188,365</u>	<u>66,940,342</u>	<u>69,579,976</u>	<u>73,346,411</u>	<u>75,041,272</u>	<u>77,941,742</u>
Total general fund	<u>\$ 89,904,396</u>	<u>81,531,580</u>	<u>89,554,102</u>	<u>87,387,847</u>	<u>97,021,457</u>	<u>104,748,119</u>	<u>114,463,384</u>	<u>117,252,317</u>	<u>123,427,830</u>	<u>127,240,161</u>
All other governmental funds:					(Restated)					
Reserved	\$ 10,335,270	9,734,408	9,996,196	9,774,903	11,224,504	10,159,955	6,462,668	9,403,431	10,531,341	14,888,243
Unreserved, reported in:										
Special revenue funds	53,621	390,258	174,981	(69,911)	(184,893)	276,287	648,399	1,005,990	1,215,613	1,277,213
Capital projects funds	<u>68,857,387</u>	<u>63,923,017</u>	<u>150,245,085</u>	<u>87,826,128</u>	<u>145,016,817</u>	<u>104,427,386</u>	<u>237,383,366</u>	<u>133,324,238</u>	<u>193,269,780</u>	<u>114,092,089</u>
Total all other governmental funds	<u>\$ 79,246,278</u>	<u>74,047,683</u>	<u>160,416,262</u>	<u>97,531,120</u>	<u>156,056,428</u>	<u>114,863,628</u>	<u>244,494,433</u>	<u>143,733,659</u>	<u>205,016,734</u>	<u>130,257,545</u>

Notes:

- (1) For years 1998 - 2001, operating transfers out - component unit have been reclassified to economic development and assistance for comparative purposes under current GAAP.
- (2) The effect of a July 1, 2000 restatement of General Fund unreserved fund balance in the amount of \$4,749,135 has been adjusted back to all prior years' unreserved fund balance as the effect on expenditures each year due to the restatement is considered insignificant.
- (3) For years 2005 - 2008, 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 prior years when these appropriations were reported in the School Capital Outlay Fund.
- (4) 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.

Table 3

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

Fiscal Year	Residential Property	Commercial Property	Industrial and Farm Property	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	Assessed Taxable Value	Assessed Taxable Value	Assessed Taxable Value	Estimated Actual Taxable Value	Assessed Taxable Value	Assessed Taxable Value	Assessed Taxable Value	Estimated Actual Taxable Value		
1999	\$ 12,310,689,368	4,086,387,595	3,926,616,612	20,323,693,575	21,561,312,938	6,188,698,255	1,019,987,786	27,532,379,616	28,769,998,979	95.7 %	\$ 0.6571
2000	12,861,517,155	4,219,903,705	4,095,915,912	21,177,336,772	23,701,552,067	6,786,326,849	1,064,397,818	29,028,061,439	31,552,276,734	92.0	0.6572
2001	13,462,681,355	4,466,767,785	4,213,152,862	22,142,602,002	25,019,889,268	7,031,400,195	1,008,407,536	30,182,409,733	33,059,696,999	91.3	0.6603
2002	14,030,346,895	4,690,905,035	4,392,773,304	23,114,025,234	27,266,751,485	7,378,751,313	1,093,908,849	31,586,685,396	35,739,411,647	88.4	0.6959
2003	14,553,995,581	4,824,683,874	4,412,537,861	23,791,217,316	28,598,650,458	7,112,928,391	1,010,523,814	31,914,669,521	36,722,102,663	86.9	0.6983
2004	15,066,994,074	4,924,391,875	4,536,394,946	24,527,780,895	30,431,489,944	6,883,615,331	925,129,727	32,336,525,953	38,240,235,002	84.6	0.7310
2005 ⁽³⁾	19,562,056,478	6,843,652,613	5,924,674,769	32,330,383,860	32,541,906,251	6,854,211,987	1,051,999,690	40,236,595,537	40,448,117,928	99.5	0.6429
2006	20,205,010,087	6,706,281,210	5,767,806,773	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	21,108,316,400	6,696,626,439	5,843,302,561	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	22,054,734,225	6,780,025,064	5,984,912,346	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

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 increased real property values in fiscal year 2005.
- (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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
County Direct Rates:										
General Levy (1):										
Property taxed at current year's rate	\$ 0.6084	0.6079	0.6079	0.6420	0.6448	0.6813	0.5961	0.6191	0.6367	0.6693
Registered motor vehicles at prior rate	0.0297	0.0293	0.0293	0.0304	0.0294	0.0304	0.0257	0.0228	0.0241	0.0211
Total general direct rate	0.6381	0.6372	0.6372	0.6724	0.6742	0.7117	0.6218	0.6419	0.6608	0.6904
Fire Protection Districts (2)	0.0190	0.0200	0.0231	0.0235	0.0241	0.0193	0.0211	0.0217	0.0221	0.0226
Total direct rate	\$ 0.6571	0.6572	0.6603	0.6959	0.6983	0.7310	0.6429	0.6636	0.6829	0.7130
City Rates:										
Burlington (3)	\$ N/A	N/A	0.5000	0.4218	0.4971	0.5000	0.5545	0.5550	0.6247	0.6250
Greensboro	0.5839	0.5828	0.5828	0.5828	0.6163	0.6177	0.5717	0.5700	0.6158	0.6369
High Point	0.5940	0.5950	0.6209	0.6220	0.6220	0.6220	0.5424	0.5914	0.6075	0.6323
Town Rates:										
Archdale (4)	\$ 0.2400	0.2400	0.2400	0.2300	0.2300	0.2300	0.2600	0.2600	0.2600	0.2900
Gibsonville (4)	0.5300	0.5300	0.5300	0.5150	0.5150	0.5150	0.4950	0.5150	0.5150	0.5150
Jamestown	0.3100	0.3100	0.3100	0.3100	0.3386	0.3495	0.3500	0.3500	0.3500	0.3500
Oak Ridge	None	None	None	None	None	None	0.0863	0.0863	0.0863	0.0863
Pleasant Garden	None	None	None	None	None	None	None	0.0500	0.0500	0.0500
Sedalia	None	None	None	None	None	0.2000	0.2000	0.2000	0.2000	0.2000
Summerfield	None	None	None	None	None	None	0.1050	0.0523	0.0395	0.0390
Sedgefield Sanitary District	\$ 0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0352	0.0398	0.0257	0.0298

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 twenty-two 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 total direct rate is 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 are considered insignificant.

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

Taxpayer	Fiscal Year 2008		Fiscal Year 1999	
	Assessed Value	Percentage of Total Assessed Value	Assessed Value	Percentage of Total Assessed Value
Duke Energy Corporation	\$ 337,301,240	0.78	\$ 287,782,904	1.05
Koury Corporation	255,996,676	0.59	306,045,163	1.11
Lorillard Tobacco Company	245,374,060	0.57	179,927,169	0.65
RF Micro Devices, Inc.	203,316,555	0.47	-	-
International Home Furnishings Center (formerly Southern Furniture Exposition Building, Inc.)	182,191,169	0.42	133,086,819	0.48
TYCO Electronics (AMP)	174,501,217	0.40	179,005,359	0.65
BellSouth	169,312,558	0.39	203,462,903	0.74
Starmount Company	159,929,186	0.37	122,458,623	0.45
Procter & Gamble Manufacturing Company	149,730,056	0.34	163,098,517	0.59
Highwoods / Forsyth Limited	135,305,055	0.31	-	-
Jefferson-Pilot Life Insurance Company	-	-	121,042,767	0.44
Guilford Mills, Inc.	-	-	120,215,696	0.44
	<u>\$ 2,012,957,772</u>	<u>4.64</u>	<u>\$ 1,816,125,920</u>	<u>6.60</u>

Source: Guilford County Tax Department.

Table 6

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

Fiscal Year	(1) Taxes Levied for the Fiscal Year	Subsequent Years' Adjustments	Total Adjusted Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percent of Original Levy		Amount	Percent of Adjusted Tax Levy
1999	\$ 181,418,234	(203,501)	181,214,733	179,596,143	99.00	1,337,495	180,933,638	99.84
2000	190,998,340	(177,998)	190,820,342	188,961,990	98.93	1,486,910	190,448,900	99.81
2001	199,064,756	(174,665)	198,890,091	197,132,452	99.03	1,375,327	198,507,779	99.81
2002	219,054,553	(224,702)	218,829,851	216,755,652	98.95	1,587,350	218,343,002	99.78
2003	222,664,562	(242,140)	222,422,422	220,251,203	98.92	1,705,813	221,957,016	99.79
2004	236,247,761	(204,083)	236,043,678	233,477,931	98.83	1,985,232	235,463,163	99.75
2005 ⁽²⁾	254,868,218	(1,575,245)	253,292,973	251,554,341	98.70	1,017,588	252,571,929	99.72
2006	268,492,562	(368,584)	268,123,978	265,412,691	98.85	1,848,570	267,261,261	99.68
2007	287,334,796	(245,477)	287,089,319	283,471,941	98.66	2,204,144	285,676,085	99.51
2008	308,030,341	-	308,030,341	303,163,588	98.42	-	303,163,588	98.42

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 2005 which generally result in appeals of these revalued amounts and thus, larger adjustments due to releases based on these appeals.

Table 7

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

<u>Fiscal Year</u>	<u>General Bonded Debt Outstanding</u> General Obligation Bonds (1)	<u>Percentage of Estimated Actual Taxable Value of Property (2)</u>	<u>Per Capita</u>	<u>Other Governmental Activities Debt</u> Capital Leases and Installment Financings (1)	<u>Total Primary Government (1)</u>	<u>Percentage of Personal Income (3)</u>	<u>Per Capita (3)</u>
1999	\$ 75,825,000	0.26	182.10	808,397	76,633,397	0.64	184.05
2000	67,020,000	0.21	158.75	338,899	67,358,899	0.54	159.55
2001	179,715,000	0.54	421.93	1,777,078	181,492,078	1.38	426.11
2002	169,850,000	0.48	396.25	1,255,693	171,105,693	1.29	399.18
2003	283,740,000	0.77	657.41	1,016,256	284,756,256	2.13	659.76
2004	269,910,000	0.71	620.56	862,328	270,772,328	1.98	622.54
2005	438,880,000	1.09	992.14	513,298	439,393,298	3.00	993.30
2006	419,470,000	1.02	929.91	423,913	419,893,913	2.72	930.85
2007	585,120,000	1.34	1,269.85	571,479	585,691,479	3.56	1,271.09
2008	557,405,000	1.21	1,188.88	5,422,364	562,827,364	3.27	1,200.44

Notes:

- (1) Details regarding the County's outstanding debt can be found in the notes to the financial statements.
- (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.

Table 8

**Guilford County, North Carolina
Direct and Overlapping Governmental Activities Debt
June 30, 2008**

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Guilford County	\$ 562,827,364	100.00	\$ <u>562,827,364</u>
City of Greensboro	240,185,205	100.00	240,185,205
City of High Point	74,021,756	95.18	70,453,907
Town of Jamestown	557,946	100.00	557,946
City of Burlington	19,108,512	1.40	267,519
Town of Gibsonville	477,276	49.31	235,345
City of Archdale	348,579	2.52	8,784
Town of Kernersville	11,133,147	0.01	<u>1,113</u>
Total overlapping debt			<u>311,709,819</u>
Total direct and overlapping debt			\$ <u>874,537,183</u>

Notes:

(1) The percentage of overlap is based on assessed property values.

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

	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt limit	\$ 2,202,590	2,322,245	2,414,593	2,526,935	2,553,174	2,586,922	3,218,928	3,259,465	3,382,094	3,471,810
Total net debt applicable to limit	<u>72,399</u>	<u>298,578</u>	<u>296,112</u>	<u>289,866</u>	<u>280,849</u>	<u>567,245</u>	<u>629,005</u>	<u>610,091</u>	<u>603,424</u>	<u>1,232,525</u>
Legal debt margin	\$ <u>2,130,191</u>	<u>2,023,667</u>	<u>2,118,481</u>	<u>2,237,069</u>	<u>2,272,325</u>	<u>2,019,677</u>	<u>2,589,923</u>	<u>2,649,374</u>	<u>2,778,670</u>	<u>2,239,285</u>
Total net debt applicable to limit as a percentage of debt limit	3.29%	12.86%	12.26%	11.47%	11.00%	21.93%	19.54%	18.72%	17.84%	35.50%

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed value of taxable property	\$ <u>43,397,631,202</u>
Debt limit (8% of total assessed value)	\$ <u>3,471,810,496</u>
Debt applicable to limit:	
Bonded debt	557,405,000
Bonds authorized, unissued	676,930,000
Obligations under capital leases and purchase money installment contracts	<u>5,422,364</u>
Gross debt	1,239,757,364
Less statutory deductions:	
Bonds issued and outstanding for water purposes	<u>7,231,901</u>
Net amount of debt applicable to debt limit	<u>1,232,525,463</u>
Legal debt margin	\$ <u>2,239,285,033</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 (1)</u>	<u>Public School Enrollment (4)</u>	<u>Unemployment Rate (5)</u>
1999	416,382	\$ 12,019,699	\$ 28,867	34.76	60,322	2.5 %
2000	422,179	12,406,996	29,388	34.91	61,190	3.3
2001	425,931	13,111,008	30,782	34.98	61,894	5.1
2002	428,643	13,286,647	30,997	35.04	62,767	6.3
2003	431,606	13,397,913	31,042	35.12	63,873	6.2
2004	434,949	13,679,581	31,451	35.24	65,199	5.4
2005	442,355	14,627,795	33,068	35.40	66,367	5.1
2006	451,087	15,413,643	34,170	35.55	68,118	4.6
2007	460,780	16,430,493	35,658	35.68	69,677	4.7
2008	468,850	17,189,448	36,663	35.78	70,707	5.5

Sources:

- (1) 1999 through 2008 North Carolina Office of State Planning estimates.
- (2) Computed as a factor of population times per capita income.
- (3) Calendar years 1998 through 2006 Bureau of Economic Analysis, U.S. Department of Commerce.
 Calendar year 2007 Piedmont Triad Council of Governments estimate.
- (4) Average daily membership of Guilford County Schools as compiled by North Carolina Department of Public Instruction.
- (5) North Carolina Employment Security Commission - Calendar year annual average except for 2008 which is the average adjusted monthly rate for January through June.

Table 11

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

<u>Employer</u>	<u>2008</u>		<u>1999</u>	
	<u>Employees</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>
Guilford County School System	10,381	4.49	7,500	3.45
Moses H. Cone Health Systems	7,440	3.21	6,000	2.76
City of Greensboro	2,904	1.25	2,446	1.13
United States Postal Service	2,800	1.21	1,050	0.48
University of North Carolina at Greensboro	2,800	1.21	1,600	0.74
Guilford County Government	2,687	1.16	2,600	1.20
High Point Regional Health System	2,390	1.03	1,800	0.83
Bank of America (formerly Nationsbank, N.A.)	2,200	0.95	1,800	0.83
American Express Credit Card Services	2,100	0.91	2,800	1.29
United Parcel Service (UPS)	2,000	0.86	1,750	0.81
RF Micro Devices, Inc.	1,889	0.82		
Lorillard, Inc.	1,800	0.78	2,095	0.96
 Total County Employment	 231,457		 217,166	

Sources:

Principal employer data is from the Greensboro Economic Development Alliance, the High Point Economic Development Corporation 2007 Annual Report and the individual local governments. Total County employment is for calendar years 1998 and 2007 from the North Carolina Employment Security Commission civilian labor force estimates.

Table 12

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

<u>Function/Program</u>	<u>Total Number of Employees Paid as of June 30</u>									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General government	391	400	457	472	395	401	394	462	380	419
Human services	1,545	1,544	1,572	1,528	1,445	1,451	1,462	1,460	1,376	1,369
Public safety	695	742	813	840	798	830	855	891	897	892
Environmental protection	-	-	1	1	-	1	3	6	6	5
Culture-recreation	-	-	-	-	-	-	-	-	-	2
Total	<u>2,631</u>	<u>2,686</u>	<u>2,843</u>	<u>2,841</u>	<u>2,638</u>	<u>2,683</u>	<u>2,714</u>	<u>2,819</u>	<u>2,659</u>	<u>2,687</u>

Source: Guilford County Payroll System

Note: Includes all employees paid as of June 30, including full-time, part-time or other.

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

Function/Program	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government: (2)										
Real estate documents processed	322,488	397,666	415,020	338,034	556,164	656,458	691,835	541,936	598,176	590,300
Vital records recorded and issued	62,566	63,928	65,628	68,018	74,332	59,058	61,126	63,240	64,870	73,560
Building permits issued	3,624	3,743	2,977	2,785	2,750	2,765	2,765	2,659	2,660	2,800
Bldg.plumb.mech & elec insp completed	79,000	80,778	79,230	51,678	51,000	51,500	51,500	56,881	51,152	45,700
Human Services:										
Laboratory tests performed (2)	184,216	197,446	212,842	157,204	148,421	136,802	142,046	165,916	180,160	174,350
Number of prescriptions filled (2)	75,000	75,000	83,000	85,000	48,215	85,284	66,413	89,393	80,791	83,854
Adoption assistance cases (2),(4)	300	350	254	600	715	715	875	1,100	1,117	1,118
Children in Social Services custody (2)	850	870	753	645	573	573	500	559	496	475
Schedule GTA SCAT trips (2)	N/A	72,000	107,500	114,400	119,600	149,500	157,500	160,000	N/A	N/A
Bus Service-Senior (2)	N/A	N/A	7,200	9,000	7,600	4,515	4,620	4,650	N/A	N/A
Bus Service-Medicaid (2)	N/A	N/A	5,800	9,780	13,100	21,900	22,550	22,550	N/A	N/A
Social Services paratransit (2)	18,250	70,760	99,800	98,220	112,600	110,659	113,979	114,000	N/A	N/A
Public Safety:										
911 calls received (1),(3)	135,000	140,000	155,000	106,000	112,000	116,000	118,000	121,709	117,180	125,201
Emergency HazMat responses (2)	45	50	50	52	150	100	100	95	90	90
Average daily population juvenile detention (2)	46	38	46	48	48	48	48	48	48	48
Average daily population adult jail (6)	667	734	678	735	781	825	855	875	885	914
Number of animals received (2)	13,000	11,345	10,173	12,112	14,341	16,000	15,325	14,935	15,100	16,000
Number of spay/neuter surgeries performed (2)	2,000	3,611	3,560	3,749	4,000	4,500	5,000	6,149	4,500	6,500
Environmental protection: (2)										
Number of scrap tires processed	574,000	574,000	565,000	594,000	625,000	650,000	650,000	1,000,000	1,000,000	1,000,000
Number of white goods disposed of(tons)	1,750	1,750	1,600	2,654	2,700	2,800	2,800	2,800	2,000	2,400
Culture - recreation: (2)										
Number of park and rec participants	570,000	590,000	645,000	675,100	1,130,000	1,373,100	1,590,600	1,815,100	1,825,100	1,925,100
Education: (5)										
Average daily membership	61,120	62,053	61,894	63,575	63,873	65,118	67,099	68,722	69,677	70,707
County appropriation per pupil	\$1,536.54	\$1,674.34	\$1,864.30	\$1,818.94	\$1,967.43	\$2,006.60	\$2,111.29	\$2,279.70	\$2,370.45	\$2,477.34

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, 2007 and 2008

(5)North Carolina Department of Public Instruction

(6)Guilford County Annual Budget except for 2008 per Law Enforcement Department

Table 14

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

Function/Program	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Human Services: (2),(5)										
Public health occupied square footage	121,723	121,723	121,723	121,723	121,723	95,806	95,806	95,806	101,098	101,098
Mental health occupied square footage	193,037	193,037	193,037	193,037	193,037	203,515	203,515	203,515	176,673	177,922
Social services occupied square footage	156,328	156,328	156,328	156,328	156,328	148,262	148,262	148,262	148,262	148,262
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
Public Safety:										
Number of law enforcement vehicles (4),(5)	247	260	260	270	305	304	304	319	344	363
Number of law enforcement centers (5)	2	2	2	2	2	2	2	2	2	2
Number of emergency medical vehicles (4),(5)	42	41	47	48	69	67	73	73	75	77
Number of emergency medical stations (5)	10	10	11	11	11	11	11	11	12	14
Number of fire marshall vehicles (4),(5)	10	10	10	10	17	16	15	16	23	19
Number of volunteer fire stations (3),(6)	40	40	40	38	38	38	38	38	38	38
Number of volunteer firefighters (6)	1,100	1,100	1,100	1,100	1,100	1,100	800	800	691	629
Number of animal control vehicles (4),(5)	8	8	8	8	14	15	14	13	13	16
Culture-recreation:										
Parks (9)	200	204	205	205	256	257	257	257	266	268
Libraries (7)	12	12	12	10	10	10	10	10	10	10
Education: (1)										
Number of schools (8)	95	96	98	101	102	107	108	108	116	120

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.

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

