

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2009



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

**Brenda Jones Fox, CPA**  
**County Manager**

Prepared by  
Guilford County Finance Department

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# Introductory Section

# LETTER OF TRANSMITTAL



## Guilford County

October 30, 2009

The Board of County Commissioners  
and Mrs. Brenda Jones Fox, County Manager  
Guilford County, North Carolina

The Comprehensive Annual Financial Report (CAFR) of Guilford County, North Carolina, for the fiscal year ended June 30, 2009, 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

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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, 2009, 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, 2009, 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. The Greensboro/Guilford County Tourism Development Authority is a discretely presented component unit, which is reported separately within Guilford County's financial statements to emphasize it is legally separate from the primary government. Additional information on the Authority can be found in Note I. A. in the notes to the financial statements.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement 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 476,642, 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

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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, Aa1 from Moody's, and 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, which is on a fund basis. The County Manager is authorized by the budget ordinance to make intrafund transfers of appropriations up to \$30,000 for each transaction, except that funds transferred cannot be used to create unauthorized positions or 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. The proprietary fund subsection beginning on page 72 presents budget-to-actual comparisons of the approved financial plan for the Internal Service Fund.

### **Factors Affecting Financial Condition**

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



## LETTER OF TRANSMITTAL

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**Local economy.** Guilford County generally enjoys a favorable economic environment, which until the recent recession has enjoyed consistent stable growth. While gross retail sales information is unavailable, comparable State taxable sales figures are available to approximate 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. State taxable sales for Guilford County declined 8% in fiscal year 2009, after growing 1.5% and 5.7% respectively, in the two previous fiscal years. Taxable sales are \$5.59 billion for fiscal year 2009 as compared to \$6.08 billion in fiscal year 2008. 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. After tracking the national average for the past two years, the County's unemployment rate has exceeded the national average for much of fiscal 2009. The unemployment rate for Guilford County was 4.7% for calendar 2007 and 6.2% for 2008; the U.S. unemployment rate was 4.6% for 2007 and 5.8% for 2008. Guilford County's unemployment rate of 10.9% for the first six months of 2009 is above the U.S. rate of 9.0% and equal to the North Carolina rate. Announcements of layoffs in excess of one hundred employees per event by large retail, financial and manufacturing concerns have contributed to the increasing unemployment rate.

Guilford County's economy has continued to change and diversify. In December 2008, manufacturing accounted for 14.3% of the County's 242,795 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, a private school of law, and a community college with a total enrollment exceeding 47,000 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. A portion of the one million square foot hub began operations in June 2009. Full operations of Phase I of the hub should begin in late 2009 with 350 jobs. The total project calls for approximately 1,500 jobs added by the end of Phase II, drawing other economic development associated with the hub.

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 600 jobs when the construction hangar is complete in 2011.

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 including over 100 condominium units, one floor of office space, retail shops and a restaurant opened for occupancy in the spring of 2009.

Mack Trucks, Inc. announced plans in August 2008 to relocate its corporate headquarters and some support functions to Greensboro creating 493 jobs and investing \$17.7 million over the next three years. The local headquarters opened in September 2009 with the relocation of 150 executive positions from Pennsylvania.

Precor announced plans in December 2008 to build a 225,000 square foot \$26.2 million facility in Rock Creek Center to manufacture exercise equipment.

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.** The County plans to start construction on a new jail to address overcrowding late in calendar 2009. 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

## LETTER OF TRANSMITTAL

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purpose as well as \$457.3 million for school and \$79.5 million for community college facilities. The County issued \$18 million of the remaining bonds from a 2004 referendum for parks and community college facilities and \$146.6 million of the bonds approved in 2008 for jail, school and community college facilities in February 2009. Plans call for the remaining \$7.5 million authorized by the 2004 referendum to be issued in fiscal 2010 along with \$317.6 million of the bonds approved in 2008 for schools, GTCC and the jail. The remaining bonds will be issued over the next two fiscal years.

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 contracted with KRONOS Incorporated for a time and attendance workforce management system to supplement Lawson payroll at an additional \$0.7 million. The County contracted with Intelligent Information System in association with the North Carolina Association of County Commissioners' Collaborative Property 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 8.81% 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, 2009 were \$7.8 million on an average invested balance of \$347.3 million.

### **Risk management**

The County protects itself from the potential financial losses from the various risks it is exposed to using a combination of risk financing methods, which are accounted for in an Internal Service Fund. The County's insurance program consists of liability, property, workers compensation, and employee healthcare coverage. The program consists of a combination of County funding, 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

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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.

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

Guilford County also provides post-retirement healthcare benefits through its healthcare plan to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System and their dependents. (The Board of County Commissioners has voted to discontinue all retiree health insurance eligibility for employees hired on or after July 1, 2009.) 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 were mostly financed on a pay-as-you-go basis except that \$100,000 was contributed to the North Carolina State Treasurer's Local Government Other Post-Employment Benefits Trust Fund (OPEB Trust), an irrevocable trust administered within the meaning of North Carolina General Statute Section 147-69.4. Another \$2 million is budgeted in fiscal year 2010 to further fund the OPEB Trust in excess of pay-as-you-go.

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

### **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, 2008. This was the twenty-eighth consecutive year that Guilford County has received this prestigious award. In order to be awarded a Certificate of Achievement a governmental unit must publish an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

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

Respectfully submitted,



N. Reid Baker III, 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, 2008

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.



President

Executive Director

# PRINCIPAL OFFICIALS

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## Board of County Commissioners

**Melvin L. "Skip" Alston**  
Chairman

**Stephen G. Arnold**  
Vice Chairman

**Kay Cashion**

**Carolyn Q. Coleman**

**Bruce Davis**

**Paul Gibson**

**John Parks**

**Kirk Perkins**

**Linda O. Shaw**

**Mike Winstead, Jr.**

**Billy Yow**

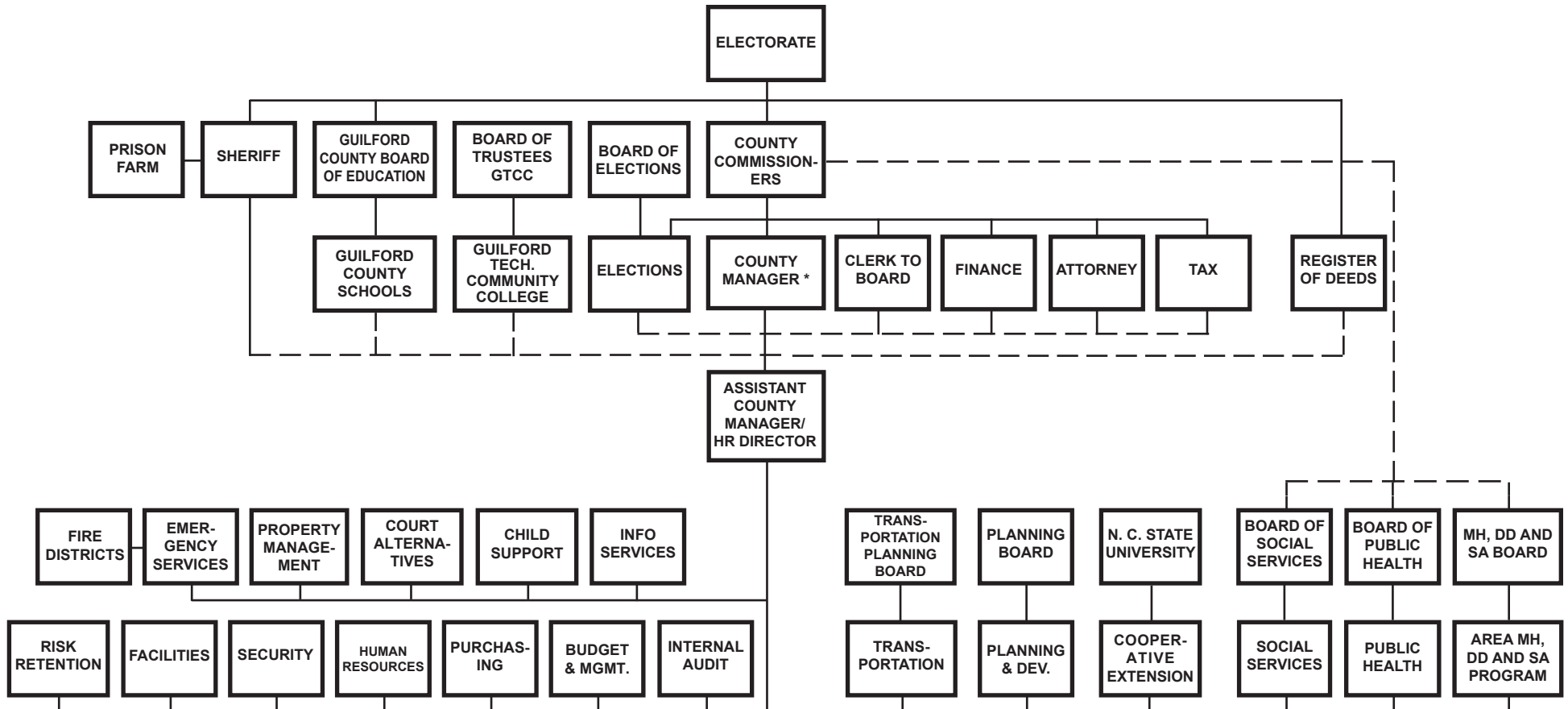
## County Manager

**Brenda Jones Fox, CPA**

## Finance Director

**N. Reid Baker III, CPA**

# 2008-09 ORGANIZATIONAL CHART GUILFORD COUNTY, NORTH CAROLINA



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\* 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 Assistant County Manager/HR Director serves in a coordinative capacity regarding the activities of the agencies shown.

# 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, 2009, 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, 2009, 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 October 30, 2009 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.

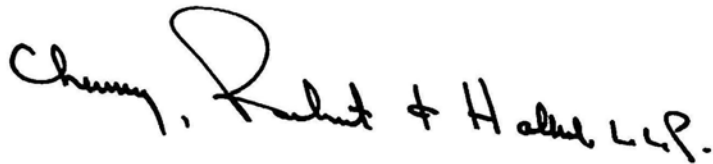


Management's Discussion and Analysis and the Required Supplementary Information as listed in the Table of Contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, 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." The signature is written in a cursive, flowing style.

Raleigh, North Carolina  
October 30, 2009

# 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, 2009. 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 \$209.2 million (net assets).
- The County's total net assets decreased by \$44 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 \$71.9 million spent on Education capital assets net of dedicated revenues which indicates that the remainder of the County's activities generated offsetting increases in net assets of approximately \$27.9 million.
- The County's outstanding debt increased by \$146.5 million to \$710.8 million during the fiscal year, while its investment in capital assets increased by \$9.4 million to \$150.3 million.

### The County's Funds

- At the fiscal year end, Guilford County's governmental funds reported a combined fund balance of \$369.4 million, an increase of \$111.9 million from the previous fiscal year end. The major increases occurred in the School Capital Outlay Fund and General Fund as a result of the issuance of bonds at a significant premium during the current fiscal year.
- The fund balance of the County's General Fund increased by \$18 million as revenues exceeded expenditures by \$9.2 million while net other financing sources and uses added \$8.7 million mainly from the \$10.5 million premium on bonds issued.
- The unreserved fund balance for the General Fund (the County's major operating fund) increased by \$17.5 million to \$95.5 million at fiscal year end equaling 17.5% 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 Moody's 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

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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 seven 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 three 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—two pension trust funds 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 17-49 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 \$209.2 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                                       |                                |                             |
|---|--------------------------------|-----------------------------|
| <b>GUILFORD COUNTY'S Net Assets</b>             |                                |                             |
| (Primary Government)                            |                                |                             |
|   | <u>Governmental Activities</u> |                             |
|   | 2009                           | 2008                        |
| Current and other assets                        | \$ 446,687,201                 | 335,634,311                 |
| Capital assets                                  | <u>150,268,234</u>             | <u>140,843,456</u>          |
| <b>Total assets</b>                             | <b>596,955,435</b>             | <b>476,477,767</b>          |
| Long-term liabilities outstanding               | 765,964,474                    | 601,821,779                 |
| Other liabilities                               | <u>40,217,577</u>              | <u>39,854,795</u>           |
| <b>Total liabilities</b>                        | <b>806,182,051</b>             | <b>641,676,574</b>          |
| Net assets:                                     |                                |                             |
| Invested in capital assets, net of related debt | 120,573,365                    | 115,992,624                 |
| Restricted                                      | 37,896,605                     | 36,221,646                  |
| Unrestricted                                    | <u>(367,696,586)</u>           | <u>(317,413,077)</u>        |
| <b>Total net assets (liabilities)</b>           | <b>\$ <u>(209,226,616)</u></b> | <b><u>(165,198,807)</u></b> |

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, 2009 include outstanding general obligation debt of \$645.4 million related to funding these non-county assets. This represents 92.9% 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<br>Changes in GUILFORD COUNTY'S Net Assets<br>(Primary Government) |                                |                             |
|--|--------------------------------|-----------------------------|
|  | Governmental Activities        |                             |
|  | 2009                           | 2008                        |
| <b>Revenues</b>  |                                |                             |
| <b>Program revenues</b>  |                                |                             |
| Charges for services   | \$ 47,207,854                  | 47,435,084                  |
| Operating grants and contributions   | 108,140,766                    | 107,798,939                 |
| Capital grants and contributions   | 6,914,055                      | 173,160                     |
| <b>General revenues</b>  |                                |                             |
| Taxes:   |                                |                             |
| Property taxes for general purposes  | 326,572,120                    | 297,714,587                 |
| Property taxes for fire districts  | 9,583,551                      | 9,762,941                   |
| Sales taxes for general purpose  | 57,721,386                     | 71,338,607                  |
| Sales taxes for fire districts   | 2,457,616                      | 2,826,992                   |
| Sales taxes for school capital/debt  | 12,724,561                     | 13,931,999                  |
| Occupancy taxes for tourism development                                      | 4,036,491                      | 4,618,458                   |
| Other taxes  | 2,465,624                      | 4,431,677                   |
| Grants and contributions not restricted                                      | 1,421,855                      | 1,472,030                   |
| Unrestricted investment earnings   | 7,875,270                      | 17,427,005                  |
| Other  | 225,855                        | 371,374                     |
| <b>Total revenues</b>  | <b>587,347,004</b>             | <b>579,302,853</b>          |
| <b>Expenses</b>  |                                |                             |
| General government   | 43,920,236                     | 42,686,479                  |
| Human services   | 183,143,016                    | 187,408,591                 |
| Public safety  | 104,015,673                    | 101,980,944                 |
| Environmental protection   | 1,319,735                      | 1,395,364                   |
| Culture and recreation   | 6,822,953                      | 5,981,193                   |
| Economic development/urban redevelopment                                     | 7,365,173                      | 6,711,552                   |
| Education  | 263,067,760                    | 274,425,035                 |
| Interest on long-term debt   | 21,720,267                     | 22,265,124                  |
| <b>Total expenses</b>  | <b>631,374,813</b>             | <b>642,854,282</b>          |
| <b>Changes in net assets</b>   | <b>(44,027,809)</b>            | <b>(63,551,429)</b>         |
| Net assets (liabilities) at beginning of year                                | <u>(165,198,807)</u>           | <u>(101,647,378)</u>        |
| Net assets (liabilities) at end of year                                      | <b><u>\$ (209,226,616)</u></b> | <b><u>(165,198,807)</u></b> |

## MANAGEMENT'S DISCUSSION AND ANALYSIS

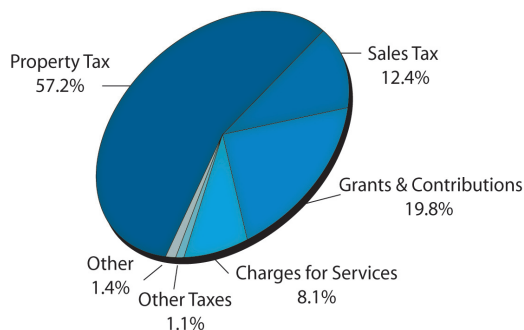
As noted in the highlights Guilford County's net assets decreased \$44 million during the current fiscal year primarily as a result of providing funding for school and community college facilities from bond proceeds and other sources. The expenses under the education activity include \$76.1 million in capital spending with \$62.2 million going for school facilities and \$13.9 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 25.7% of program expenses, increasing from 24.2% last year.
- Program revenues totaled \$162.3 million increasing by \$6.9 million from the previous year. Operating grants from the State and Federal government and charges for services held steady relative to the prior year at \$108.1 million and \$47.2 million, respectively. Capital grants and contributions increased \$6.7 million to \$6.9 million due mainly to donations of park properties by the City of Greensboro. General revenues totaled \$425.1 million increasing by only \$1.2 million from the previous year. Property tax revenue provided the only increase to \$336.2 million, up \$28.7 million or 9.3%, due to increases in the County-wide tax rate and assessed values. Sales tax revenue decreased to \$72.9 million, down \$15.2 million or 17.2% from the previous year due to decreased taxable retail sales in a slumping economy and the State of North Carolina Medicaid Relief Legislation which provided a phase out of one-quarter of a cent sales tax and a hold harmless provision for the municipal allocations. Investment income decreased \$9.6 million or 54.8% due to decreased yields on invested balances. The remaining general revenues decreased \$2.7 million, or 25.2% primarily from reduced occupancy, excise and other taxes impacted by a down economy.
- Expenses decreased 1.8% or \$11.5 million to \$631.4 million. Education expenses were down \$11.4 million or 4.1% to account for the change due to an \$11 million increase in operating funds more than offset by a \$22.4 million decrease in capital funds expended by the schools and community college. Decreases in human services expenses of \$4.3 million are offset mainly by increases in general government and public safety expenses of \$1.2 million and \$2 million, respectively. These changes in expenses are due principally to the same changes in governmental fund expenditures that are more fully discussed under this section.
- Net assets decreased \$44 million, a \$19.5 million or 30.7% less decline than the previous year, due to the decrease in capital funding provided to outside entities. Increases in program and general revenues less increased expenses other than capital funding provided to outside entities continues to generate net assets.

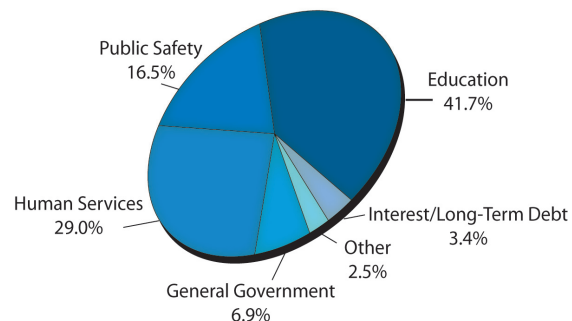
**Figure A-1**

**Guilford County  
Sources of Revenue  
Fiscal Year 2009**



**Figure A-2**

**Guilford County  
Functional Expenses  
Fiscal Year 2009**



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### 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 \$369.4 million, an increase of \$111.9 million in comparison with the prior year. The increase is attributable to the issuance of general obligation bonds for school and other capital projects. The *unreserved fund balance*, which is not reserved for specific purposes, makes up 82.5% of the total or \$304.8 million. The remainder of fund balance is *reserved* to indicate that it is not available for general purposes because it is legally restricted or has been contractually committed: (1) to liquidate contracts and purchase orders of the prior period (\$17.3 million), (2) reserved under state statutory requirements (\$37.4 million), or (3) other restricted purposes (\$9.9 million). Approximately \$217.2 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 (\$43.5 million) (2) for capital project ordinances (\$173 million) or (3) for other specific purposes (\$.07 million). The *undesignated fund balance* (that not reserved or designated) totals \$87.6 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 \$95.5 million, while total fund balance reached \$145.2 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 17.5% of total General Fund expenditures, while total fund balance represents 26.6% 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 \$51.7 million is equal to 8.81% of the fiscal year 2009-10 General Fund budget.

The fund balance of Guilford County's General Fund increased \$18 million during the current fiscal year. Revenues of \$555.7 million exceeded expenditures by \$9.2 million and other financing sources and uses added \$8.7 million. Revenue increased by \$14.5 million, a 2.7% increase over last fiscal year. General Fund revenue activities are as follows:

- Property tax revenue increased to \$325.3 million, going up \$28.6 million or 9.6% due to an increase in the County-wide tax rate from \$.6914 to \$.7374 per hundred of assessed value and an increase in assessed values from \$43.4 billion to \$44.6 billion.
- Sales tax revenue in the General Fund decreased by \$14.8 million or 17.4% due to decreased taxable retail sales in a slumping economy and the State of North Carolina Medicaid Relief Legislation which provided a phase out of one-quarter of a cent sales tax and a hold harmless provision for the municipal allocations.
- Excise tax revenue decreased by \$1.5 million or 46.5% due to the slumping real estate market.
- Charges for services increased \$1.6 million, up 4.3%. The most significant increase was in Emergency Services for \$1.4 million.
- Intergovernmental revenue increased \$8.4 million, up 8.8%. \$5.1 million related to Education with increases in State Lottery funds used to support school debt service in the Debt Service Department by \$6.5 million offset by reductions in Guilford County School's annual capital outlay appropriation by \$1.4 million. Social Services grants increased \$0.9 million, Elections received \$0.7 million and the remainder of the increase was spread over several departments.
- Investment income for the General Fund decreased by \$7 million or 54.5% due to record low interest rates decreasing yields on invested balances.
- Other revenues decreased \$0.8 million, down 7.8%.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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General Fund expenditures were \$546.5 million, increasing \$12 million or 2.2% from last year. Highlights of significant areas of change include:

- Education expenditures increased \$9.2 million or 5% due to additional Guilford County Schools and Guilford Technical Community College allocations of \$8.8 million and \$0.4 million, respectively.
- Public Safety expenditures increased \$4.2 million to \$83.2 million, a 5.2% increase. Law Enforcement expenditures were up \$2.2 million or 4.4%. The increase was primarily due to \$2 million additional personnel costs. Emergency Services expenditures were up \$1.5 million or 7%. The increases were spread among personnel costs, supplies and materials and vehicle purchases.
- Debt service costs decreased \$1.7 million or 3.3% due mainly to the interest rate on unhedged variable rate debt dropping from an annual average of 2.87% in 2008 to 1.85% in 2009.
- Human Services expenditures decreased \$2.2 million, down 1.2%. Medical Assistance costs were down \$7.8 million or 35% due primarily to Medicaid Relief legislation which eliminates County responsibility for most of these costs going forward. Mental Health was up \$3.3 million or 8.9% due mainly to a first full year of service under a substance abuse facility contract as well as an increase in the pass through of medicaid funds to providers. Public Health and Social Services were up \$0.9 million each while other departments were up another \$0.5 million in total.
- General Government expenditures increased \$1.7 million, up 4.4%. Elections expenditures were up \$1.2 million primarily related to the costs of new voting machines. Information Services expenditures were up \$0.8 million primarily related to increased personnel costs as the County implements new systems. Other smaller changes in General Government department expenditures netted to a \$0.3 million decrease.

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 increased \$1.9 million. Revenue and other sources included \$0.8 million from interest and \$9.5 million from the issuance of general obligation bonds. Expenditures of \$7.9 million included general government projects of \$2.8 million for the Greensboro Courthouse Renovations and \$1.3 million for new financial system implementations; public safety projects included \$0.8 million for the Guilford County Detention Center project; while park projects included \$1.1 million and \$1 million for the Southwest Park and Open Space Acquisition projects, respectively.

The Water and Sewer Construction Fund fund balance increased \$1.5 million as revenues of \$2 million from fees and \$0.5 million from interest designed to sustain future projects plus \$1 million transferred from the General Fund from the Guilford Technical Community College capital allocation exceeded project expenditures of \$2 million. The \$1 million transfer was to partially fund the GTCC Campus Water and Sewer project for the proposed western campus.

The School Capital Outlay Fund fund balance increased \$91.2 million. Intergovernmental revenues of \$4.2 million were State Public School Building ADM and Lottery grants. Other sources included \$155.1 million from the issue of general obligation bonds and \$1.4 million transferred from the General Fund from the school's capital outlay allocation. Expenditures of \$69.6 million consisted of \$56.7 million and \$12.9 million for Guilford County Schools and Guilford Technical Community College projects, respectively.

**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 \$0.1 million. Non-operating revenue (interest income) added \$0.8 million resulting in an overall gain of \$0.9 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.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### General Fund Budgetary Highlights

The final General Fund budget for fiscal year 2008-09 was \$598.1 million, an increase of \$12 million from the original budget of \$586.1 million which is a 2% increase.

| Table A-3<br>Summary of GUILFORD COUNTY'S Additional Appropriations<br>(General Fund) |                      |                      |                      |
|---|----------------------|----------------------|----------------------|
|   | Sources              |                      | Uses                 |
| Fund Balance  | \$ 7,893,575         | Education            | \$ (2,430,621)       |
| Intergovernmental Revenue   | 4,032,711            | Transfers Out        | 2,430,621            |
| Charges for Services  | 250,370              | Economic Development |                      |
| Other Sources   | (225,756)            | & Assistance         | 1,937,834            |
|   |                      | Law Enforcement      | 1,750,283            |
|   |                      | Social Services      | 1,152,712            |
|   |                      | Mental Health        | 1,012,711            |
|   |                      | Elections            | 960,412              |
|   |                      | Information Services | 856,595              |
|   |                      | Coordinated Services | 636,824              |
|   |                      | Emergency Services   | 624,332              |
|   |                      | Non-departmental     | 1,900,000            |
|   |                      | Other Uses           | 1,119,197            |
|   | <b>\$ 11,950,900</b> |                      | <b>\$ 11,950,900</b> |

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, Emergency Services, and other public safety departments. The increase in this type of funding shown under intergovernmental revenues accounts for 33.7% of the increase in budget. The County also amends its budget each year to carry forward outstanding encumbrances from the prior year utilizing fund balance. The carry forward budget amendment for the fiscal year ending June 30, 2009 was \$8.1 million for all General Fund departments. Other changes during the year resulted in a net reduction in appropriated fund balance of \$0.2 million.

The final General Fund budget for fiscal year 2008-09 was \$598.1 million, increasing by \$35.2 million or 6.3% over the previous year's final budget. Most of the increase is to Debt Service by \$17.4 million, Education by \$9.2 million, Social Services by \$3.5 million, Law Enforcement by \$3.4 million and Mental Health by \$2.7 million. Other increases were offset by a decrease in Public Assistance, mainly medical assistance, of \$5.6 million. General Fund expenditures for the 2009 fiscal year were 91.7% of the final budget.

The resulting \$49.2 million variance in the actual expenditures from the final budget versus \$24.2 million in the prior fiscal year is greater than the typical range. Variances usually result 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. The variances above the typical range occurred in Debt Service by \$19.1 million above the prior year variance due to a smaller than planned issue of general obligation bonds at fixed instead of variable rates. No debt service payments were required on the fixed rate as would have been required on a variable rate issue. The Human Services variance is \$4 million greater than the prior year variance mainly in several Social Services programs as well as Medical Assistance where the impact of Medicaid Relief Legislation was difficult to predict.

## 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, 2009, amounts to \$150.3 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 \$9.4 million during the current fiscal year.

Land increased \$6.8 million mainly from donations by the City of Greensboro of Hagan Stone Park and part of Bryan Park. Construction in progress increased \$4.4 million before transfers of closed projects to buildings of \$1 million, mainly in the Greensboro Courthouse Renovations, Guilford County Detention Center and Southwest Park projects by \$2.6 million, \$0.8 million and \$0.7 million, respectively. Buildings increased \$1.4 million before depreciation from closed Mental Health Renovations and High Point EMS Base Station projects as well as purchased and donated park structures. Machinery and equipment increased by \$2 million, related mainly to technology and systems development projects, while vehicles increased \$3.1 million, \$1.2 million of which was for Law Enforcement and \$1.4 million for Emergency Services purposes, all before disposals of \$0.9 million as well as depreciation. Improvements other than buildings increased \$0.6 million, mainly in the park projects.

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 |                    |
|-----------------------------------|-------------------------|--------------------|
|                                   | 2009                    | 2008               |
| Land                              | \$ 37,592,825           | 30,774,028         |
| Buildings                         | 74,249,321              | 75,701,573         |
| Improvements other than buildings | 10,010,366              | 10,213,964         |
| Machinery and equipment           | 11,346,351              | 10,977,688         |
| Vehicles                          | 4,800,385               | 4,259,163          |
| Construction in progress          | 12,268,986              | 8,917,040          |
| <b>Total</b>                      | <b>\$ 150,268,234</b>   | <b>140,843,456</b> |

**Debt Administration.** At the end of the current fiscal year, Guilford County had total bonded debt outstanding of \$694.4 million all of which were general obligation bonds, backed by the full faith and credit of the County. In addition there were \$15.4 million in unamortized bond issuance premiums and \$4.8 million of obligations under capital leases and installment financings all net of unamortized bond refunding charges of \$3.8 million. Guilford County's total debt increased \$146.5 million during the fiscal year. In February 2009 the County issued \$164.6 million in general obligation bonds with a fixed rate at a \$10.5 million premium. The new debt consisted of \$130 million for schools, \$25.1 million for community college facilities, \$7 million for law enforcement facilities and \$2.5 million for parks and recreation facilities. This was offset mainly with \$28.3 million of principal payments on general obligation bonds and other debt.

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 \$3.6 billion, which is significantly in excess of Guilford County's outstanding and unissued general obligation debt.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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**

|   | <b>Governmental Activities</b> |                    |
|---|--------------------------------|--------------------|
|   | 2009                           | 2008               |
| General obligation bonds                                | \$ 694,355,000                 | 557,405,000        |
| Plus bond issuance/put bond premiums                    | 15,403,171                     | 5,784,520          |
| Less bond refunding charges                             | (3,781,176)                    | (4,339,642)        |
| Capital leases and purchase money installment contracts | 4,783,962                      | 5,422,364          |
| <b>Total</b>  | <b>\$ 710,760,957</b>          | <b>564,272,242</b> |

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

- The County's fiscal 2010 General Fund budget remained level with the fiscal year 2009 original budget at \$586.1 million.
- The General Fund appropriated fund balance of \$43.1 million for the fiscal year 2010 is \$16 million more than last year's original General Fund budget, yet maintains an undesignated fund balance at June 30, 2009 of 8.81% of the 2010 budget. The increase supported pay-as-you-go funding to the County Building Construction Fund of \$9.7 million. Increases to appropriations from restricted funding sources accounted for another \$6.1 million, most of which was one-half the premium on the 2009 bond issue to support the Debt Service budget. The budget supported for the first time, other post employment benefit contributions to a pension trust fund in the amount of \$2 million.
- The General Fund tax rate levied for fiscal year 2010 remained at the 2009 level of \$.7374 per \$100 valuation. The level rate combined with a 2.8% growth in the County's tax base to \$45.45 billion will provide an additional \$9.5 million in tax revenue, a 3% increase from the previous year.
- Estimated sales tax revenue of \$64.3 million for the fiscal year 2010 is \$13.3 million less than last year's original General Fund budget to reflect the impact of a down economy as well as the phase out of another one-quarter of a cent sales tax to complete the provisions of the State of North Carolina Medicaid Relief Legislation. Other significant changes in revenue include decreases in investment income of \$6.6 million, intergovernmental revenue of \$3.6 million and excise taxes of \$1.1 million while all other sources decreased \$0.9 million.
- The General Fund budget categories with the most significant increases are Transfers to the County Building Construction Fund of \$9.7 million versus none in 2009, Debt Service up \$8.1 million to \$77.8 million or 11.6%, and Human Resources up \$3.4 million or 71.5% to \$8.1 million principally to fund other post employment benefits.
- The General Fund budgets with the most significant decreases are Medical Assistance down \$11.8 million or 83% to \$2.5 million due to Medicaid Relief legislation provided by the State of North Carolina; Education down \$3.5 million or 1.2% to \$192.4 million from reduced capital appropriations; and Public Health, Mental Health and Social Services down \$2 million, \$1 million and \$2.6 million respectively, a combined \$5.6 million or 3.6% to \$148.3 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 N. Reid Baker III, Finance Director, Guilford County Finance Department, P. O. Box 3427, Greensboro, NC 27402.

# Basic Financial Statements

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The Basic Financial Statements consist of the government-wide financial statements which display all the financial activities except fiduciary activities of the County and its discretely presented component units; the fund financial statements which provide information about the County's funds, including its fiduciary funds; and the notes to the financial statements. They present the financial position of Guilford County, North Carolina as of June 30, 2009, 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, 2009**

**Exhibit 1**

|   | <b>Primary Government</b>          | <b>Component Unit</b>   |
|---|------------------------------------|---|
|   | <b>Governmental<br/>Activities</b> | <b>Greensboro/Guilford<br/>County Tourism<br/>Development Authority</b> |
| <b>Assets</b>                                   |                                    |   |
| Current assets:                                 |                                    |   |
| Cash and cash equivalents/investments           | \$ 389,583,707                     | 793,869   |
| Receivables:                                    |                                    |   |
| Property taxes (net)                            | 6,084,126                          | -   |
| Accrued interest on property taxes (net)        | 370,000                            | -   |
| Other taxes                                     | 381,088                            | -   |
| Due from governmental units and agencies        | 32,782,132                         | 51,084  |
| Due from primary government                     | -                                  | 206,679   |
| Service fees (net)                              | 3,449,564                          | -   |
| Special assessments                             | 566,247                            | -   |
| Accrued interest on investments                 | 1,431,544                          | 3,741   |
| Other   | 4,353                              | 4,205   |
| Total receivables                               | 45,069,054                         | 265,709   |
| Deposits and other assets                       | 9,538,333                          | 15,425  |
| Deferred charges                                | 1,661,526                          | -   |
| Total current assets                            | 445,852,620                        | 1,075,003   |
| Noncurrent assets:                              |                                    |   |
| Due from governmental units and agencies        | 834,581                            | -   |
| Non-depreciable capital assets                  | 49,861,811                         | -   |
| Depreciable capital assets (net)                | 100,406,423                        | 90,171  |
| Total noncurrent assets                         | 151,102,815                        | 90,171  |
| Total assets                                    | 596,955,435                        | 1,165,174   |
| <b>Liabilities</b>                              |                                    |   |
| Current liabilities:                            |                                    |   |
| Accounts payable and accrued liabilities        | 38,163,726                         | 127,332   |
| Due to component unit                           | 206,679                            | -   |
| Unearned revenue                                | 1,368,516                          | -   |
| Deposits  | 478,656                            | -   |
| Current portion of long-term liabilities        | 43,846,261                         | -   |
| Total current liabilities                       | 84,063,838                         | 127,332   |
| Noncurrent liabilities:                         |                                    |   |
| Noncurrent portion of long-term liabilities     | 722,118,213                        | -   |
| Total liabilities                               | 806,182,051                        | 127,332   |
| <b>Net Assets</b>                               |                                    |   |
| Invested in capital assets, net of related debt | 120,573,365                        | 90,171  |
| Restricted for:                                 |                                    |   |
| Capital projects                                | 29,747,206                         | -   |
| Other purposes                                  | 8,149,399                          | -   |
| Unrestricted                                    | (367,696,586)                      | 947,671   |
| Total net assets (liabilities)                  | \$ (209,226,616)                   | 1,037,842   |

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, 2009**

**Exhibit 2**

| Functions/Programs   | Expenses              | Program Revenues        |  |  | Net (Expense) Revenue and<br>Changes in Net Assets |  |
|--|-----------------------|-------------------------|--|--|--|--|
|  |                       | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Primary Government                                 | Component Unit   |
|  |                       |                         |  |  | Governmental<br>Activities                         | Greensboro/Guilford<br>County Tourism<br>Development Authority |
| <b>Primary Government:</b>                                   |                       |                         |  |  |  |  |
| Governmental activities:                                     |                       |                         |  |  |  |  |
| General government   | \$ 43,920,236         | 6,493,504               | 824,375                                  | -                                      | (36,602,357)                                       | -  |
| Human services   | 183,143,016           | 18,196,954              | 88,445,374                               | 258,777                                | (76,241,911)                                       | -  |
| Public safety  | 104,015,673           | 20,476,409              | 1,199,627                                | 349,110                                | (81,990,527)                                       | -  |
| Environmental protection                                     | 1,319,735             | 34,311                  | 721,489                                  | -                                      | (563,935)  | -  |
| Culture - recreation   | 6,822,953             | 8,750                   | -  | 6,306,168                              | (508,035)  | -  |
| Urban redevelopment and housing                              | 185,987               | -                       | 185,987                                  | -                                      | -  | -  |
| Economic development and assistance                          | 7,179,186             | 1,933,971               | 57,000                                   | -                                      | (5,188,215)  | -  |
| Education  | 263,067,760           | -                       | 4,206,914                                | -                                      | (258,860,846)                                      | -  |
| Interest on long-term debt                                   | 21,720,267            | 63,955                  | 12,500,000                               | -                                      | (9,156,312)  | -  |
| Total primary government                                     | <u>\$ 631,374,813</u> | <u>47,207,854</u>       | <u>108,140,766</u>                       | <u>6,914,055</u>                       | <u>(469,112,138)</u>                               | <u>-</u>   |
| <b>Component Unit:</b>                                       |                       |                         |  |  |  |  |
| Greensboro/Guilford Co Tourism Dev Authority:                |                       |                         |  |  |  |  |
| Tourism promotion and development                            | <u>\$ 3,539,984</u>   | <u>27,797</u>           | <u>3,508,779</u>                         | <u>-</u>                               | <u>-</u>   | <u>(3,408)</u>   |
| General revenues:  |                       |                         |  |  |  |  |
| Taxes:   |                       |                         |  |  |  |  |
| Property taxes, levied for general purposes                  |                       |                         |  |  | 326,572,120  | -  |
| Property taxes, levied for fire districts                    |                       |                         |  |  | 9,583,551  | -  |
| Sales taxes, levied for general purposes                     |                       |                         |  |  | 57,721,386   | -  |
| Sales taxes, levied for fire districts                       |                       |                         |  |  | 2,457,616  | -  |
| Sales taxes, levied for school capital and/or debt           |                       |                         |  |  | 12,724,561   | -  |
| Occupancy taxes, levied for tourism development              |                       |                         |  |  | 4,036,491  | -  |
| Excise tax   |                       |                         |  |  | 1,686,397  | -  |
| Local gross receipts and franchise taxes                     |                       |                         |  |  | 779,227  | -  |
| Grants and contributions not restricted to specific programs |                       |                         |  |  | 1,421,855  | -  |
| Unrestricted investment earnings                             |                       |                         |  |  | 7,875,270  | 19,363   |
| Other  |                       |                         |  |  | 225,855  | -  |
| Total general revenues                                       |                       |                         |  |  | <u>425,084,329</u>                                 | <u>19,363</u>  |
| Change in net assets   |                       |                         |  |  | (44,027,809)                                       | 15,955   |
| Net assets (liabilities) at beginning of year                |                       |                         |  |  | (165,198,807)                                      | 1,021,887  |
| Net assets (liabilities) at end of year                      |                       |                         |  |  | <u>\$ (209,226,616)</u>                            | <u>1,037,842</u>   |

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

**GUILFORD COUNTY, NORTH CAROLINA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2009**

**Exhibit 3**

|  | General        | County<br>Building<br>Construction | Water<br>and Sewer<br>Construction | School<br>Capital<br>Outlay | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------|------------------------------------|------------------------------------|-----------------------------|--------------------------------|--------------------------------|
| <b>Assets</b>  |                |                                    |                                    |                             |                                |                                |
| Cash and cash equivalents/investments  | \$ 130,330,800 | 40,150,935                         | 37,756,970                         | 151,732,387                 | 1,207,959                      | 361,179,051                    |
| Receivables:   |                |                                    |                                    |                             |                                |                                |
| Property taxes (net)   | 5,917,896      | -                                  | -                                  | -                           | 166,230                        | 6,084,126                      |
| Accrued interest on property taxes (net)                                     | 370,000        | -                                  | -                                  | -                           | -                              | 370,000                        |
| Other taxes  | 85,833         | -                                  | -                                  | -                           | 295,255                        | 381,088                        |
| Due from governmental units and agencies                                     | 31,546,211     | 227,476                            | 879,753                            | 358,180                     | 577,520                        | 33,589,140                     |
| Service fees (net)   | 3,219,159      | -                                  | -                                  | -                           | -                              | 3,219,159                      |
| Special assessments  | -              | -                                  | 566,247                            | -                           | -                              | 566,247                        |
| Accrued interest on investments  | 1,182,922      | 144,911                            | -                                  | -                           | 2,902                          | 1,330,735                      |
| Other  | 4,353          | -                                  | -                                  | -                           | -                              | 4,353                          |
| Total receivables  | 42,326,374     | 372,387                            | 1,446,000                          | 358,180                     | 1,041,907                      | 45,544,848                     |
| Deposits and other assets  | 53,990         | -                                  | -                                  | -                           | -                              | 53,990                         |
| Total assets   | \$ 172,711,164 | 40,523,322                         | 39,202,970                         | 152,090,567                 | 2,249,866                      | 406,777,889                    |
| <b>Liabilities and Fund Balances</b>   |                |                                    |                                    |                             |                                |                                |
| Liabilities:   |                |                                    |                                    |                             |                                |                                |
| Accounts payable and accrued liabilities                                     | \$ 18,270,622  | 486,794                            | 769,690                            | 7,507,567                   | 89,310                         | 27,123,983                     |
| Due to component unit  | -              | -                                  | -                                  | -                           | 206,679                        | 206,679                        |
| Deferred revenue   | 8,764,105      | -                                  | 599,342                            | -                           | 209,952                        | 9,573,399                      |
| Deposits   | 478,656        | -                                  | -                                  | -                           | -                              | 478,656                        |
| Total liabilities  | 27,513,383     | 486,794                            | 1,369,032                          | 7,507,567                   | 505,941                        | 37,382,717                     |
| Fund balances:   |                |                                    |                                    |                             |                                |                                |
| Reserved for:  |                |                                    |                                    |                             |                                |                                |
| Encumbrances   | 7,090,641      | 6,021,744                          | 4,005,713                          | -                           | 210,512                        | 17,328,610                     |
| State statute  | 34,907,958     | 372,387                            | 879,753                            | 358,180                     | 875,677                        | 37,393,955                     |
| Restricted funding sources   | 7,721,694      | -                                  | -                                  | 2,149,670                   | -                              | 9,871,364                      |
| Unreserved:  |                |                                    |                                    |                             |                                |                                |
| Designated for subsequent year's expenditures reported in:                   |                |                                    |                                    |                             |                                |                                |
| General fund   | 43,134,030     | -                                  | -                                  | -                           | -                              | 43,134,030                     |
| Special revenue funds  | -              | -                                  | -                                  | -                           | 398,222                        | 398,222                        |
| Designated for capital project ordinances reported in capital projects funds | -              | 23,467,924                         | 7,946,316                          | 141,565,766                 | -                              | 172,980,006                    |
| Designated for specific purposes reported in general fund                    | 687,643        | -                                  | -                                  | -                           | -                              | 687,643                        |
| Undesignated reported in:  |                |                                    |                                    |                             |                                |                                |
| General fund   | 51,655,815     | -                                  | -                                  | -                           | -                              | 51,655,815                     |
| Special revenue funds  | -              | -                                  | -                                  | -                           | 259,514                        | 259,514                        |
| Capital projects funds   | -              | 10,174,473                         | 25,002,156                         | 509,384                     | -                              | 35,686,013                     |
| Total fund balances  | 145,197,781    | 40,036,528                         | 37,833,938                         | 144,583,000                 | 1,743,925                      | 369,395,172                    |
| Total liabilities and fund balances  | \$ 172,711,164 | 40,523,322                         | 39,202,970                         | 152,090,567                 | 2,249,866                      | 406,777,889                    |

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, 2009**

**Exhibit 4**

|   |    |                      |
|---|----|----------------------|
| <b>Total fund balances - total governmental funds (Exhibit 3)</b>   | \$ | 369,395,172          |
| <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.   |    | 150,268,234          |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (Note II.A.1.)   |    | 8,204,883            |
| 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.)   |    | 2,068,987            |
| 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) |    | 30,631,361           |
| 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>(769,795,253)</u> |
| <b>Total net assets (liabilities) of governmental activities (Exhibit 1)</b>  | \$ | <u>(209,226,616)</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, 2009**

**Exhibit 5**

|   | <u>General</u>        | <u>County<br/>Building<br/>Construction</u> | <u>Water<br/>and Sewer<br/>Construction</u> | <u>School<br/>Capital<br/>Outlay</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|-----------------------|---|---|--------------------------------------|---|---|
| <b>Revenues</b>                                   |                       |   |   |                                      |   |   |
| Taxes:  |                       |   |   |                                      |   |   |
| Property taxes                                    | \$ 325,318,491        | -   | -   | -                                    | 9,558,965                               | 334,877,456                             |
| Sales tax   | 70,445,947            | -   | -   | -                                    | 2,457,616                               | 72,903,563                              |
| Occupancy taxes                                   | -                     | -   | -   | -                                    | 4,036,491                               | 4,036,491                               |
| Excise tax  | 1,686,397             | -   | -   | -                                    | -                                       | 1,686,397                               |
| Local gross receipts tax                          | 631,080               | -   | -   | -                                    | -                                       | 631,080                                 |
| Franchise taxes                                   | 148,147               | -   | -   | -                                    | -                                       | 148,147                                 |
| Licenses and permits                              | 1,585,588             | -   | -   | -                                    | -                                       | 1,585,588                               |
| Intergovernmental                                 | 104,460,867           | -   | -   | 4,206,914                            | 185,987                                 | 108,853,768                             |
| Charges for services                              | 38,395,951            | -   | 1,963,478                                   | -                                    | -                                       | 40,359,429                              |
| Investment earnings                               | 5,823,122             | 768,155                                     | 535,429                                     | -                                    | 3,542                                   | 7,130,248                               |
| Other   | 7,211,338             | 12,410                                      | 10,685                                      | -                                    | -                                       | 7,234,433                               |
|   | <u>555,706,928</u>    | <u>780,565</u>                              | <u>2,509,592</u>                            | <u>4,206,914</u>                     | <u>16,242,601</u>                       | <u>579,446,600</u>                      |
| Total revenues                                    |                       |   |   |                                      |   |   |
| <b>Expenditures</b>                               |                       |   |   |                                      |   |   |
| Current:  |                       |   |   |                                      |   |   |
| General government                                | 41,209,590            | -   | -   | -                                    | -                                       | 41,209,590                              |
| Human services                                    | 171,232,873           | -   | -   | -                                    | -                                       | 171,232,873                             |
| Public safety                                     | 83,248,633            | -   | -   | -                                    | 12,647,225                              | 95,895,858                              |
| Environmental protection                          | 1,141,212             | -   | -   | -                                    | -                                       | 1,141,212                               |
| Culture - recreation                              | 5,774,257             | -   | -   | -                                    | -                                       | 5,774,257                               |
| Urban redevelopment and housing                   | -                     | -   | -   | -                                    | 185,987                                 | 185,987                                 |
| Economic development and assistance               | 1,119,875             | -   | -   | -                                    | 4,036,491                               | 5,156,366                               |
| Intergovernmental:                                |                       |   |   |                                      |   |   |
| Education   | 193,487,590           | -   | -   | 69,580,170                           | -                                       | 263,067,760                             |
| Capital outlay                                    | -                     | 7,857,754                                   | 2,022,820                                   | -                                    | -                                       | 9,880,574                               |
| Debt service:                                     |                       |   |   |                                      |   |   |
| Principal retirement                              | 28,160,200            | -   | -   | -                                    | -                                       | 28,160,200                              |
| Interest and fiscal charges                       | 20,789,504            | -   | -   | -                                    | -                                       | 20,789,504                              |
| Bond issuance costs                               | 300,443               | -   | -   | -                                    | -                                       | 300,443                                 |
|   | <u>546,464,177</u>    | <u>7,857,754</u>                            | <u>2,022,820</u>                            | <u>69,580,170</u>                    | <u>16,869,703</u>                       | <u>642,794,624</u>                      |
| Total expenditures                                |                       |   |   |                                      |   |   |
| Excess (deficiency) of revenues over expenditures | 9,242,751             | (7,077,189)                                 | 486,772                                     | (65,373,256)                         | (627,102)                               | (63,348,024)                            |
| <b>Other Financing Sources (Uses)</b>             |                       |   |   |                                      |   |   |
| General obligation bonds issued                   | -                     | 9,500,000                                   | -   | 155,100,000                          | -                                       | 164,600,000                             |
| Premiums on general obligation bonds issued       | 10,526,417            | -   | -   | -                                    | -                                       | 10,526,417                              |
| Transfers in                                      | 500,000               | -   | 1,000,000                                   | 1,430,621                            | -                                       | 2,930,621                               |
| Transfers out                                     | (2,430,621)           | (500,000)                                   | -   | -                                    | -                                       | (2,930,621)                             |
| Sale of capital assets                            | 119,073               | -   | -   | -                                    | -                                       | 119,073                                 |
|   | <u>8,714,869</u>      | <u>9,000,000</u>                            | <u>1,000,000</u>                            | <u>156,530,621</u>                   | <u>-</u>                                | <u>175,245,490</u>                      |
| Total other financing sources (uses)              |                       |   |   |                                      |   |   |
| Net changes in fund balances                      | 17,957,620            | 1,922,811                                   | 1,486,772                                   | 91,157,365                           | (627,102)                               | 111,897,466                             |
| Fund balances at beginning of year                | 127,240,161           | 38,113,717                                  | 36,347,166                                  | 53,425,635                           | 2,371,027                               | 257,497,706                             |
| Fund balances at end of year                      | \$ <u>145,197,781</u> | <u>40,036,528</u>                           | <u>37,833,938</u>                           | <u>144,583,000</u>                   | <u>1,743,925</u>                        | <u>369,395,172</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, 2009**

**Exhibit 6**

|  |                               |
|--|-------------------------------|
| <b>Net changes in fund balances - total governmental funds (Exhibit 5)</b>   | <b>\$ 111,897,466</b>         |
| <p>Amounts reported for governmental activities in the statement of activities are different because (see also Note II.B.):</p>  |                               |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (Note II.B.1.)</p>  | 3,093,646                     |
| <p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase net assets. (Note II.B.2.)</p>  | 6,331,132                     |
| <p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds until they are available. (Note II.B.3.)</p>  | 589,026                       |
| <p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal consumes the current financial resources. Neither transaction, however, has any effect on net 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.)</p> | (146,537,572)                 |
| <p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. Some expenditures reported in the governmental funds do require the use of current financial resources because items are prepaid using the purchases method and, therefore, are not reported as expenses in the statement of activities. (Note II.B.5.)</p>   | (20,273,729)                  |
| <p>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)</p>  | <u>872,222</u>                |
| <b>Change in net assets of governmental activities (Exhibit 2)</b>   | <b>\$ <u>(44,027,809)</u></b> |

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

**GUILFORD COUNTY, NORTH CAROLINA**

**General Fund**

**Exhibit 7**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
For the fiscal year ended June 30, 2009**

|   | <u>Budgeted Amounts</u> |                     | <u>Actual Amounts</u>               | <u>Variance with</u>                            |
|---|-------------------------|---------------------|-------------------------------------|---|
|   | <u>Original</u>         | <u>Final</u>        | <u>Budgetary and<br/>GAAP Basis</u> | <u>Final Budget<br/>Positive<br/>(Negative)</u> |
| <b>Revenues</b>                                   |                         |                     |                                     |   |
| Taxes:  |                         |                     |                                     |   |
| Property taxes                                    | \$ 318,327,700          | 318,414,715         | 324,195,207                         | 5,780,492                                       |
| Interest on delinquent property taxes             | 1,020,000               | 1,020,000           | 1,123,284                           | 103,284   |
| Total property taxes                              | 319,347,700             | 319,434,715         | 325,318,491                         | 5,883,776                                       |
| Sales tax   | 77,600,000              | 77,647,889          | 70,445,947                          | (7,201,942)                                     |
| Excise tax  | 3,100,000               | 3,100,000           | 1,686,397                           | (1,413,603)                                     |
| Local gross receipts tax                          | 800,000                 | 800,000             | 631,080                             | (168,920)                                       |
| Franchise taxes                                   | 140,000                 | 140,000             | 148,147                             | 8,147   |
| Licenses and permits                              | 2,479,600               | 2,484,600           | 1,585,588                           | (899,012)                                       |
| Intergovernmental                                 | 102,498,015             | 106,530,726         | 104,460,867                         | (2,069,859)                                     |
| Charges for services                              | 35,646,241              | 35,896,611          | 38,395,951                          | 2,499,340                                       |
| Investment earnings                               | 9,845,000               | 9,845,000           | 5,823,122                           | (4,021,878)                                     |
| Other   | 6,984,023               | 6,618,363           | 7,211,338                           | 592,975   |
| Total revenues                                    | <u>558,440,579</u>      | <u>562,497,904</u>  | <u>555,706,928</u>                  | <u>(6,790,976)</u>                              |
| <b>Expenditures</b>                               |                         |                     |                                     |   |
| Current:  |                         |                     |                                     |   |
| General government                                | 41,154,356              | 45,728,029          | 41,209,590                          | 4,518,439                                       |
| Human services                                    | 182,456,011             | 185,057,288         | 171,232,873                         | 13,824,415                                      |
| Public safety                                     | 86,708,655              | 89,515,079          | 83,248,633                          | 6,266,446                                       |
| Environmental protection                          | 1,524,259               | 1,615,826           | 1,141,212                           | 474,614   |
| Culture - recreation                              | 6,017,048               | 6,356,059           | 5,774,257                           | 581,802   |
| Economic development and assistance               | 1,929,609               | 3,867,443           | 1,119,875                           | 2,747,568                                       |
| Intergovernmental:                                |                         |                     |                                     |   |
| Education   | 195,918,211             | 193,487,590         | 193,487,590                         | -   |
| Capital outlay                                    | 700,000                 | 301,114             | -                                   | 301,114   |
| Debt service:                                     |                         |                     |                                     |   |
| Principal retirement                              | 27,898,180              | 28,160,200          | 28,160,200                          | -   |
| Interest and fiscal charges                       | 39,367,813              | 39,105,793          | 20,789,504                          | 18,316,289                                      |
| Bond issuance costs                               | 2,441,000               | 2,441,000           | 300,443                             | 2,140,557                                       |
| Total expenditures                                | <u>586,115,142</u>      | <u>595,635,421</u>  | <u>546,464,177</u>                  | <u>49,171,244</u>                               |
| Excess (deficiency) of revenues over expenditures | <u>(27,674,563)</u>     | <u>(33,137,517)</u> | <u>9,242,751</u>                    | <u>42,380,268</u>                               |
| <b>Other Financing Sources (Uses)</b>             |                         |                     |                                     |   |
| Premiums on general obligation bonds issued       | -                       | -                   | 10,526,417                          | 10,526,417                                      |
| Transfers in                                      | 500,000                 | 500,000             | 500,000                             | -   |
| Transfers out                                     | -                       | (2,430,621)         | (2,430,621)                         | -   |
| Sale of capital assets                            | 80,000                  | 80,000              | 119,073                             | 39,073  |
| Total other financing sources (uses)              | <u>580,000</u>          | <u>(1,850,621)</u>  | <u>8,714,869</u>                    | <u>10,565,490</u>                               |
| Net change in fund balances                       | <u>(27,094,563)</u>     | <u>(34,988,138)</u> | <u>17,957,620</u>                   | <u>52,945,758</u>                               |
| Fund balances at beginning of year                | 127,240,161             | 127,240,161         | 127,240,161                         | -   |
| Fund balances at end of year                      | \$ <u>100,145,598</u>   | <u>92,252,023</u>   | <u>145,197,781</u>                  | <u>52,945,758</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, 2009**

**Exhibit 8**

|  |    | <u>Governmental<br/>Activities</u> |
|--|----|------------------------------------|
| <b>Assets</b>                            |    |                                    |
| Current assets:                          |    |                                    |
| Cash and cash equivalents/investments    | \$ | 28,404,656                         |
| Receivables:                             |    |                                    |
| Due from governmental units and agencies |    | 27,573                             |
| Service fees (net)                       |    | 230,405                            |
| Accrued interest on investments          |    | <u>100,809</u>                     |
| Total receivables                        |    | 358,787                            |
| Deposits and other assets                |    | <u>9,154,053</u>                   |
| Total assets                             |    | <u>37,917,496</u>                  |
| <br><b>Liabilities</b>                   |    |                                    |
| Current liabilities:                     |    |                                    |
| Accounts payable and accrued liabilities |    | 4,998,418                          |
| Unearned revenue                         |    | 2,255,883                          |
| Compensated absences                     |    | <u>15,247</u>                      |
| Total current liabilities                |    | 7,269,548                          |
| Noncurrent liabilities:                  |    |                                    |
| Compensated absences                     |    | <u>16,587</u>                      |
| Total liabilities                        |    | <u>7,286,135</u>                   |
| <br><b>Net Assets</b>                    |    |                                    |
| Unrestricted                             |    | <u>30,631,361</u>                  |
| Total net assets                         | \$ | <u>30,631,361</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, 2009**

**Exhibit 9**

|                                       | <b>Governmental<br/>Activities</b> |
|---------------------------------------|------------------------------------|
| Operating revenues:                   |                                    |
| Charges for services                  | \$ 31,890,043                      |
| Other                                 | 144,473                            |
| Total operating revenues              | 32,034,516                         |
| <br>Operating expenses:               |                                    |
| Personal services                     | 323,013                            |
| Other direct service costs            | 19,719                             |
| Professional services                 | 1,630,523                          |
| Claims, premiums and bonding          | 29,976,085                         |
| Total operating expenses              | 31,949,340                         |
| Operating gain                        | 85,176                             |
| <br>Nonoperating revenues:            |                                    |
| Interest income                       | 787,046                            |
| Change in net assets                  | 872,222                            |
| Total net assets at beginning of year | 29,759,139                         |
| <br>Total net assets at end of year   | \$ 30,631,361                      |

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, 2009**

**Exhibit 10**

|   | <b>Governmental<br/>Activities</b> |
|---|------------------------------------|
| <b>Increase (decrease) in cash and cash equivalents:</b>                                  |                                    |
| <b>Cash flows from operating activities:</b>  |                                    |
| Cash received from user departments and participants                                      | \$ 31,934,330                      |
| Other operating revenues  | 237,193                            |
| Cash paid to employees for services   | (328,201)                          |
| Cash paid to suppliers, participants and others   | (31,114,931)                       |
| Net cash provided by operating activities   | 728,391                            |
| <b>Cash flows from investing activities:</b>  |                                    |
| Interest and dividends on investments   | 608,784                            |
| Net increase in cash and cash equivalents   | 1,337,175                          |
| Cash and cash equivalents at beginning of year  | 27,067,481                         |
| Cash and cash equivalents at end of year  | \$ 28,404,656                      |
| <br><b>Reconciliation of operating gain to net cash provided by operating activities:</b> |                                    |
| Operating gain  | \$ 85,176                          |
| Adjustments to reconcile operating gain to net cash provided by operating activities:     |                                    |
| Change in assets and liabilities:   |                                    |
| Decrease in accounts receivable   | 68,434                             |
| Increase in deposits and other assets   | (264,773)                          |
| Increase in accounts payable  | 799,378                            |
| Increase in unearned revenue  | 45,364                             |
| Decrease in accrued vacation and compensatory benefits                                    | (5,188)                            |
| Total adjustments   | 643,215                            |
| Net cash provided by operating activities   | \$ 728,391                         |

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

During the year, deposits and other assets also increased by interest income of \$212,175 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, 2009**

**Exhibit 11**

|  | <b>Pension Trust<br/>Funds</b> | <b>Agency<br/>Funds</b> |
|--|--------------------------------|-------------------------|
| <b>Assets</b>                            |                                |                         |
| Cash and cash equivalents/investments    | \$ 1,413,989                   | \$ 1,731,621            |
| Receivables:                             |                                |                         |
| Accrued interest on investments          | 4,629                          | -                       |
| Total assets                             | 1,418,618                      | \$ 1,731,621            |
| <b>Liabilities</b>                       |                                |                         |
| Accounts payable and accrued liabilities | 4,365                          | \$ 456,321              |
| Representative payee clients payable     | -                              | 364,767                 |
| Due to other taxing units                | -                              | 910,533                 |
| Total liabilities                        | 4,365                          | \$ 1,731,621            |
| <b>Net Assets</b>                        |                                |                         |
| Held in trust for pension benefits       | \$ 1,414,253                   |                         |

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 Funds**  
**For the fiscal year ended June 30, 2009**

**Exhibit 12**

|                                 |        | <u>Pension Trust<br/>Funds</u> |
|---------------------------------|--------|--------------------------------|
| <b>Additions</b>                |        |                                |
| Employer contributions          | \$     | 574,840                        |
| Interest                        |        | <u>27,839</u>                  |
| Total additions                 |        | <u>602,679</u>                 |
| <br><b>Deductions</b>           |        |                                |
| Benefits                        |        | 694,556                        |
| Administrative expenses         |        | <u>628</u>                     |
| Total deductions                |        | <u>695,184</u>                 |
| Change in net assets            |        | (92,505)                       |
| Net assets at beginning of year |        | <u>1,506,758</u>               |
| <br>Net assets at end of year   | <br>\$ | <br><u><u>1,414,253</u></u>    |

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



**GUILFORD COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the fiscal year ended June 30, 2009**

**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 \$4,036,491 County levied occupancy taxes earned and included as an economic development and assistance expense of the County, \$2,825,543 is reported as part of the Authority's operating grants and contributions program revenue along with \$683,236 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 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. G.). 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, 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:

*Pension Trust Funds* are used to account for activities which accumulate resources for postemployment benefits to qualified individuals. The County maintains the following pension trust funds: the Law Enforcement Officers' Special Separation Allowance Fund accounts for the activities of a single employer, public retirement system, and accumulates resources for pension benefit payments to qualified law enforcement officers; and the Other Post-Employment Benefits Fund accounts for the activities of a single employer defined benefit Health Care Plan and provides postemployment healthcare benefits to eligible retirees of the County who participate in the North Carolina Local Government Employees' Retirement System.

**GUILFORD COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**

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

**GUILFORD COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**

specific purpose or project before any amount will be reimbursed to the County; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. Some types of charges for services are susceptible to accrual. Human Services Departments' client and contract fees and Emergency Services Department ambulance fees net of an adjustment for estimated uncollectible fees are recognized when earned because they are considered both measurable and available. All other charges for services as well as licenses and permits and other revenues are not susceptible to accrual because, generally, they are not measurable until received in cash.

**D. Budgetary Control**

In compliance with the North Carolina Local Government Budget and Fiscal Control Act, the County adopts an annual budget ordinance for all funds except 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 while the appropriations in the Room Occupancy/Tourism Development Tax Fund are on a fund basis. Appropriations in the Community Development Fund are controlled by project. The annual budget is prepared on the modified accrual basis of accounting as required by North Carolina law and consistent with generally accepted accounting principles. It is amended for supplemental appropriations during the fiscal year by the Board of County Commissioners. The County Manager is authorized by the budget ordinance to make intrafund transfers of appropriations up to \$30,000 for each transaction, except that funds transferred cannot be used to create unauthorized positions or to raise salaries and that funds appropriated for merit raises can be used solely for that purpose. 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 and Internal Service Fund and in the aggregate for non-major, pension trust and agency funds. The Greensboro/Guilford County Tourism Development Authority (Authority) uses the County's pool for its investment purposes. Interest earned is distributed quarterly to the various funds based on each fund's proportionate equity in the cash and investments pool. For purposes of the statement of cash flows, all cash and investments of the proprietary fund are considered to be cash equivalents, since they are available on demand from the cash and investments pool.

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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.

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.

General Statute 147-69.4 allows local governments to establish an OPEB Trust Fund under the management of the State Treasurer and General Statute 159-30(g) allows the County to make contributions to the Fund. The State Treasurer in her discretion may invest the proceeds in equities of certain publicly held companies and long- or short-term fixed income investments as detailed in General Statutes 147-69.2(1-6) and (8). Funds submitted are held in the State Treasurer's Short-Term Investment Fund (STIF). Allowable STIF investments are detailed in General Statute 147-69.1. The STIF securities are reported at cost and maintain a constant \$1 per share value. Under the authority of General Statute 147-69.3, no unrealized gains or losses of the STIF are distributed to participants.

## ***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 2008 through February 2009 apply to the fiscal year ended June 30, 2009. The uncollected portion of these taxes is included in property taxes receivable on the financial statements. Those taxes for vehicles registered from March 2009 through June 2009 apply to fiscal year 2010 and are therefore not included in property taxes receivable at June 30, 2009.

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, 2009, 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.

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**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.

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                         | Furniture and fixtures |
| 45 years                          | 7 years                |
| Improvements other than buildings | Equipment              |
| 20 years                          | 5 years                |
| Machinery and equipment           | Vehicles               |
| 10 years                          | 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. (See also Note IV. L.)

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.

**GUILFORD COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**

**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.

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, 2009, 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 2009–2010 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 Public Health and Law Enforcement departments and for rural fire district loans. 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)   | \$ | 6,084,126          |
| Accrued interest on property taxes receivable (net)   |    | 370,000            |
| Due from governmental units (cities) for reimbursement by contract of County watershed bonded debt  |    | 1,184,510          |
| Special assessments receivable  |    | <u>566,247</u>     |
| Net adjustment to increase total fund balances - total governmental funds to arrive at net assets of governmental activities  | \$ | <u>8,204,883</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 healthcare benefits prepaid for July (eliminated against unearned revenue in the Internal Service Fund)   | \$ | 2,252,788          |
| Less: Employee portion withheld in June, reclassified to current liabilities  |    | (517,186)          |
| Net pension asset for excess contributions to the Pension Trust Fund  |    | <u>333,385</u>     |
| Net adjustment to increase total fund balances - total governmental funds to arrive at net assets of governmental activities  | \$ | <u>2,068,987</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  | \$ | 694,355,000        |
| Less: Deferred charge on refunding (to be amortized as interest expense)  |    | (3,781,176)        |
| Less: Deferred charge for issuance/put bond costs (to be amortized over life of debt)   |    | (1,661,526)        |
| Plus: Issuance premiums (to be amortized against interest expense)  |    | 15,403,171         |
| Accrued interest payable  |    | 5,524,139          |
| Accrued arbitrage rebate payable  |    | 2,479,004          |
| Capital leases and installment financings payable   |    | 4,783,962          |
| Net other postemployment benefits obligation - Health Care Benefits Plan  |    | 40,499,477         |
| Accrued compensated absences payable  |    | <u>12,225,036</u>  |
| Subtotal  |    | 769,827,087        |
| Less: Accrued compensated absences payable of the Internal Service Fund   |    | <u>(31,834)</u>    |
| Net adjustment to decrease total fund balances - total governmental funds to arrive at net assets of governmental activities  | \$ | <u>769,795,253</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-)   | \$ 11,043,827       |
| Less: depreciation expense (net of Internal Service Fund amount of \$-0-)   | <u>(7,950,181)</u>  |
| Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net assets of governmental activities   | <u>\$ 3,093,646</u> |
| 2. “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase 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. | \$ (81,631)         |
| 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>6,412,763</u>    |
| Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net assets of governmental activities   | <u>\$ 6,331,132</u> |
| 3. “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds until they are available.”  |                     |
| Property taxes receivable (net)   | \$ 1,218,216        |
| Accrued interest on property taxes receivable (net)   | 60,000              |
| Due from governmental units (cities) for reimbursement by contract of County watershed bonded debt  | (648,999)           |
| Special assessments receivable  | <u>(40,191)</u>     |
| Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net assets of governmental activities   | <u>\$ 589,026</u>   |

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

|                                      |                  |
|--------------------------------------|------------------|
| Issuance of general obligation bonds | \$ (164,600,000) |
| Less: premiums on bonds issued       | (10,526,417)     |
| Plus: bond issuance costs            | 300,443          |

Principal repayments:

|   |            |
|---|------------|
| General obligation bonds                  | 27,650,000 |
| Capital leases and installment financings | 638,402    |

|   |                  |
|---|------------------|
| Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at change in net assets of governmental activities | \$ (146,537,572) |
|---|------------------|

5. "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. Some expenditures reported in the governmental funds do require the use of current financial resources because items are prepaid using the purchases method and, therefore, are not reported as expenses in the statement of activities."

|   |                 |
|---|-----------------|
| Accrued interest  | \$ (2,846,317)  |
| Accrued arbitrage rebate  | 723,689         |
| Compensated absences  | (180,559)       |
| Amortization of issuance and costs  | (116,772)       |
| Amortization of deferred charge on refunding  | (558,466)       |
| Amortization of bond premiums   | 907,766         |
| Net other postemployment benefits obligation - Health Care Benefits Plan  | (18,202,298)    |
| Employer portion of healthcare benefits prepaid for July  | (3,844)         |
| Net pension asset for excess contributions to the Pension Trust Fund  | 3,072           |
| Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at change in net assets of governmental activities | \$ (20,273,729) |

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**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, 2009, the cash and investments included the following:

| Account Balances                                   | Ownership of Funds                                    |
|--|---|
|  | Primary Government – Guilford County                  |
| Petty cash/cash on hand    \$        31,356        | Governmental Funds                    \$ 361,179,051  |
| Demand deposits                    4,161,260       | Internal Service Fund                    28,404,656   |
| Certificates of deposit            117,171,546     | Total Governmental Activities        389,583,707      |
| Investments                            272,058,900 | Pension Trust Funds                      1,413,989    |
| OPEB Trust Funds                    100,124        | Agency Funds                            1,731,621     |
|  | <u>392,729,317</u>                                    |
|  | Component Unit – Authority                    793,869 |
| <u>\$ 393,523,186</u>                              | <u>\$ 393,523,186</u>                                 |

*Deposits*

The deposits of the County's pool are governed by North Carolina General Statutes which allow depositories to collateralize excess deposits above Federal depository insurance coverage by one of two methods. Under the Dedicated Method, all deposits exceeding the Federal depository insurance coverage are collateralized with securities held by the County's agent in the County's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County's agent in the County's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the 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 \$121,332,806 and a bank balance of \$126,397,120. Of the bank balance, \$2,085,276 was covered by Federal depository insurance, and \$8,001,634 in non-interest-bearing deposits and \$116,310,210 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 \$16,974 and a bank balance of \$85,254 which was fully covered by Federal depository insurance.

*Investments*

North Carolina General Statute 159-30(c) authorizes the County and Authority to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the 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**  
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At June 30, 2009, 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      | \$ 8,450,000          | 2.17                                      |
| U.S. Government Agencies      | 7,074,190             | 12.08                                     |
| N.C. State Agencies           | 8,000,000             | 0.76                                      |
|                               | <u>23,524,190</u>     | 4.62                                      |
| N.C. Capital Management Trust | 248,534,710           | Demand                                    |
| Total Pooled Investments      | <u>\$ 272,058,900</u> |   |

The North Carolina (N.C.) State Agency instruments in the County's portfolio are auction rate securities with final stated maturities ranging from 2033 to 2037; however, historically they could be redeemed at par and the interest rate reset every 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, 2009, the County had no investments in commercial paper. The County's investments in the NCCMT Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2009. 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. As of June 30, 2009, no single category of investment comprised more than 5% of the County's investments, which exclude bank deposits for purposes of this disclosure.

*OPEB Trust Funds*

At June 30, 2009, the Guilford County Health Care Plan (the HC Plan) Fund had \$100,124 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Fund pursuant to G.S. 147-69.4. The State Treasurer's OPEB Fund may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year end, 100% of the HC Plan funds were invested in the State Treasurer's Short-Term Investment Fund (STIF).

*Interest Rate Risk:* The County does not have a formal investment interest rate policy regarding the HC Plan Fund that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer's STIF is unrated and had a weighted average maturity of 1.8 years at June 30, 2009.

*Credit Risk:* The County does not have a formal investment policy regarding credit risk for the HC Plan Fund. The STIF is unrated and authorized under NC General Statute 147-69.1. The State Treasurer's STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate treasuries, agencies, and money market instruments.

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**B. Receivables**

Receivables are recorded net of an allowance for estimated uncollectible accounts at June 30, 2009 in the County's individual funds as follows:

|  | General<br>Fund      | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds | Internal<br>Service<br>Fund |
|--|----------------------|-----------------------------------|--------------------------------|-----------------------------|
| Allowance for uncollectible accounts on: |                      |                                   |                                |                             |
| Property taxes                           | \$ 6,483,743         | 122,412                           | 6,606,155                      | -                           |
| Accrued interest on property taxes       | 2,254,815            | -                                 | 2,254,815                      | -                           |
| Service fees                             | 10,625,389           | -                                 | 10,625,389                     | 18,000                      |
|  | <u>\$ 19,363,947</u> | <u>122,412</u>                    | <u>19,486,359</u>              | <u>18,000</u>               |

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2009 follows:

**Primary Government – Governmental Activities**

A summary of changes in capital assets, net of accumulated depreciation, for the fiscal year ended June 30, 2009 follows:

|  | Balance<br>July 1,<br>2008 | Increases          | Decreases          | Transfers          | Balance<br>June 30,<br>2009 |
|--|----------------------------|--------------------|--------------------|--------------------|-----------------------------|
| Non-depreciable capital assets:              |                            |                    |                    |                    |                             |
| Land   | \$ 30,774,028              | 6,818,797          | -                  | -                  | 37,592,825                  |
| Construction in progress                     | 8,917,040                  | 4,418,890          | (31,350)           | (1,035,594)        | 12,268,986                  |
| Total non-depreciable capital assets         | <u>39,691,068</u>          | <u>11,237,687</u>  | <u>(31,350)</u>    | <u>(1,035,594)</u> | <u>49,861,811</u>           |
| Depreciable capital assets:                  |                            |                    |                    |                    |                             |
| Buildings                                    | 125,010,625                | 512,853            | (98,819)           | 1,035,594          | 126,460,253                 |
| Improvements other than buildings            | 16,775,719                 | 629,170            | -                  | -                  | 17,404,889                  |
| Machinery and equipment                      | 29,922,697                 | 1,987,779          | (16,665)           | -                  | 31,893,811                  |
| Vehicles                                     | 19,270,706                 | 3,089,101          | (890,186)          | -                  | 21,469,621                  |
| Total depreciable capital assets             | <u>190,979,747</u>         | <u>6,218,903</u>   | <u>(1,005,670)</u> | <u>1,035,594</u>   | <u>197,228,574</u>          |
| Less accumulated depreciation for:           |                            |                    |                    |                    |                             |
| Buildings                                    | (49,309,052)               | (2,958,109)        | 56,229             | -                  | (52,210,932)                |
| Improvements other than buildings            | (6,561,755)                | (832,768)          | -                  | -                  | (7,394,523)                 |
| Machinery and equipment                      | (18,945,009)               | (1,619,116)        | 16,665             | -                  | (20,547,460)                |
| Vehicles                                     | (15,011,543)               | (2,540,188)        | 882,495            | -                  | (16,669,236)                |
| Total accumulated depreciation               | <u>(89,827,359)</u>        | <u>(7,950,181)</u> | <u>955,389</u>     | <u>-</u>           | <u>(96,822,151)</u>         |
| Total depreciable capital assets (net)       | <u>101,152,388</u>         | <u>(1,731,278)</u> | <u>(50,281)</u>    | <u>1,035,594</u>   | <u>100,406,423</u>          |
| Governmental activities capital assets (net) | <u>\$ 140,843,456</u>      | <u>9,506,409</u>   | <u>(81,631)</u>    | <u>-</u>           | <u>150,268,234</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                               | \$ 2,311,301        |
| Human services                                   | 995,550             |
| Public safety                                    | 3,698,627           |
| Environmental protection                         | 61,806              |
| Culture - recreation                             | <u>882,897</u>      |
| Total government activities depreciation expense | <u>\$ 7,950,181</u> |

Guilford County's construction in progress at June 30, 2009 is composed of the following:

| <u>Project Name</u>                     | <u>Project Authorization<sup>(1)</sup></u> | <u>Expended to June 30, 2009</u> | <u>Estimated Costs to Complete</u> | <u>Required Future Financing</u> |
|---|--|----------------------------------|------------------------------------|----------------------------------|
| Scrap Tire/White Goods Facility         | \$ 445,750                                 | 444,290                          | 1,460                              | -                                |
| Northeast Park                          | 3,404,406                                  | 3,171,255                        | 233,151                            | -                                |
| EMS Base Station - Rock Creek           | 2,279,000                                  | 235,853                          | 2,043,147                          | -                                |
| GC Detention Center                     | 115,735,000                                | 3,383,523                        | 112,351,477                        | 107,615,000                      |
| GSO Courthouse Renovations              | 5,587,500                                  | 4,116,579                        | 1,470,921                          | -                                |
| New DSS Facility - High Point           | 7,747,664                                  | 133,914                          | 7,613,750                          | -                                |
| 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                                    | 34,353                           | 613,160                            | -                                |
| Southwest Park                          | 1,000,000                                  | 749,219                          | 250,781                            | -                                |
|   | <u>\$ 139,071,833</u>                      | <u>12,268,986</u>                | <u>126,802,847</u>                 | <u>107,615,000</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, 2009 follows:

|                                       | <u>Balance July 1, 2008</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance June 30, 2009</u> |
|---------------------------------------|-----------------------------|------------------|------------------|------------------------------|
| Depreciable capital assets:           |                             |                  |                  |                              |
| Furniture, fixtures and equipment     | \$ 325,151                  | -                | (9,360)          | 315,791                      |
| Less accumulated depreciation         | <u>(210,902)</u>            | <u>(24,078)</u>  | <u>9,360</u>     | <u>(225,620)</u>             |
| Tourism Authority capital assets, net | <u>\$ 114,249</u>           | <u>(24,078)</u>  | <u>-</u>         | <u>90,171</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, 2009 includes the following balances:

|  | <u>Vendors</u>       | <u>Salaries,<br/>Benefits<br/>Accrued &amp;<br/>Withheld</u> | <u>Accrued<br/>Interest</u> | <u>Due to<br/>Gov. Units,<br/>Districts &amp;<br/>Agencies</u> | <u>Other</u>     | <u>Total</u>      |
|--|----------------------|--|-----------------------------|--|------------------|-------------------|
| Major Governmental Funds:  |                      |  |                             |  |                  |                   |
| General (1)  | \$ 8,955,359         | 5,014,382  | -                           | 690,100  | 3,610,781        | 18,270,622        |
| County Building Construction   | 486,794              | -  | -                           | -  | -                | 486,794           |
| Water and Sewer Construction   | 769,690              | -  | -                           | -  | -                | 769,690           |
| School Capital Outlay (2)  | -                    | -  | -                           | 7,507,567  | -                | 7,507,567         |
| Nonmajor Governmental Funds  | -                    | -  | -                           | 89,310   | -                | 89,310            |
| Internal Service Fund (3)  | 175,686              | 3,762  | -                           | -  | 4,818,970        | 4,998,418         |
| Reconciliation of balances in<br>fund financial statements to<br>government-wide financial<br>statements | -                    | 517,186  | 5,524,139                   | -  | -                | 6,041,325         |
| <b>Total - Governmental Activities</b>   | <u>\$ 10,387,529</u> | <u>5,535,330</u>   | <u>5,524,139</u>            | <u>8,286,977</u>   | <u>8,429,751</u> | <u>38,163,726</u> |

(1) Other payable includes \$3,493,150 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 \$4,818,970. 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, 2009 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  | \$ 1,287,165       | -                                 | 43,722                                | 1,330,887 |
| Prepaid special assessments not yet billed or earned   | -                  | 33,095                            | -                                     | 33,095    |
| Federal, State and private foundation grants received in advance                                   | 4,534              | -                                 | -                                     | 4,534     |
| Total unearned - Governmental Activities   | 1,291,699          | 33,095                            | 43,722                                | 1,368,516 |
| Unavailable:   |                    |                                   |                                       |           |
| Property taxes receivable (net)  | 5,917,896          | -                                 | 166,230                               | 6,084,126 |
| Accrued interest on property taxes receivable (net)  | 370,000            | -                                 | -                                     | 370,000   |
| Due from governmental units (cities) for reimbursement by contract of County watershed bonded debt | 1,184,510          | -                                 | -                                     | 1,184,510 |
| Special assessments receivable   | -                  | 566,247                           | -                                     | 566,247   |
| Total unavailable  | 7,472,406          | 566,247                           | 166,230                               | 8,204,883 |
| Total deferred revenue - Governmental Funds  | \$ 8,764,105       | 599,342                           | 209,952                               | 9,573,399 |
| Internal Service Fund:   |                    |                                   |                                       |           |
| Unearned:  |                    |                                   |                                       |           |
| Service fees collected in advance  |                    |                                   | \$ 2,255,883                          | 2,255,883 |

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, 2009 follows:

|  | Balance<br>July 1, 2008 | Additions          | Reductions          | Balance<br>June 30, 2009 | Current<br>Portion<br>of Balance |
|--|-------------------------|--------------------|---------------------|--------------------------|----------------------------------|
| Bonds payable:                               |                         |                    |                     |                          |                                  |
| General obligation bonds                     | \$ 557,405,000          | 164,600,000        | (27,650,000)        | 694,355,000              | 35,705,000                       |
| Plus bond issuance premiums                  | 5,784,520               | 10,526,417         | (907,766)           | 15,403,171               | -                                |
| Less bond refunding charges                  | <u>(4,339,642)</u>      | -                  | 558,466             | <u>(3,781,176)</u>       | -                                |
| Total bonds payable                          | 558,849,878             | 175,126,417        | (27,999,300)        | 705,976,995              | 35,705,000                       |
| Capital leases and installment financings    | 5,422,364               | -                  | (638,402)           | 4,783,962                | 636,874                          |
| Accrued arbitrage rebate                     | 3,202,693               | -                  | (723,689)           | 2,479,004                | 2,447,480                        |
| Compensated absences                         | 12,049,665              | 7,566,357          | (7,390,986)         | 12,225,036               | 5,056,907                        |
| Net other postemployment benefits obligation | <u>22,297,179</u>       | <u>22,899,136</u>  | <u>(4,696,838)</u>  | <u>40,499,477</u>        | -                                |
| Total  | <u>\$ 601,821,779</u>   | <u>205,591,910</u> | <u>(41,449,215)</u> | <u>765,964,474</u>       | <u>43,846,261</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 \$31,834 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, 2009 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%.  | \$ 2,690,000          |
| 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%.   | 2,915,000             |
| October 2000 \$5,870,000 Water and Sewer serial bonds due in annual installments of \$455,000 to \$520,000 through October 2010; interest at 5.00%.  | 975,000               |
| October 2000 \$84,750,000 Public Improvement serial bonds due in annual installments of \$6,545,000 to \$7,480,000 through October 2010; interest at 5.00%.  | 14,025,000            |
| 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; variable rate interest synthetically fixed at 3.865% due monthly.                             | 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%.   | 4,625,000             |
| 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 3.25% to 4.00%.   | 34,490,000            |
| October 2002 \$60,000,000 Public Improvement serial bonds due in annual installments of \$12,000,000 from October 2018 through 2022; variable rate interest synthetically fixed at 3.25% on \$36,000,000 and 3.505% on \$24,000,000 due monthly. | 60,000,000            |
| October 2002 \$16,015,000 General Obligation Refunding bonds due in annual installments of \$500,000 through October 2010; interest at 3.25%.  | 500,000               |
| 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.                                | 6,760,000             |
| 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.                           | 59,240,000            |
| 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 \$1,165,000 to \$9,125,000 through October 2016; interest at 3.00% to 5.00%.   | 50,875,000            |
| 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.   | 87,500,000            |
| 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%.   | 36,940,000            |
| February 2009 \$164,600,000 Public Improvement serial bonds due in annual installments of \$8,230,000 through February 2029; interest at 4.00% to 5.00%.   | <u>164,600,000</u>    |
| Total general obligation bonds   | <u>\$ 694,355,000</u> |
| Obligations under capital leases and installment financings:   |                       |
| For \$1,683,660 building and land obligation due in semi-annual installments of \$84,183 plus interest at 4.50% through March 2018.  | \$ 1,515,294          |
| For \$3,418,340 building and land obligation due in semi-annual installments of \$170,917 plus interest at 5.23% through March 2018.   | 3,076,506             |
| For \$485,187 computer equipment obligation due in monthly installments of \$11,057 through December 2010; interest at 4.47%.  | <u>192,162</u>        |
| Total obligations under capital leases and installment financings  | <u>\$ 4,783,962</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 \$159.22 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 \$132.5 million outstanding 2007 variable-rate bonds in effect at June 30, 2009 expires March 29, 2014, but was replaced in July 2009 with an agreement expiring July 2012 with provision for extensions. The remarketing agreements expire with final repayment of the bonds. The County paid \$719,832 in fiscal year 2009 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, 2009.

| 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 |
| <b>Bonds:</b>                     |                     |                            |                            |                            |                            |                            |
| Amount                            | \$36 million        | \$24 million               | \$36 million               | \$87.5 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                      |
| <b>Swap:</b>                      |                     |                            |                            |                            |                            |                            |
| Notional amount                   | \$36 million        | \$24 million               | \$36 million               | \$87.5 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                       |
| <b>June 30, 2009 information:</b> |                     |                            |                            |                            |                            |                            |
| Fair value of swap                | (\$2,382,432)       | (\$2,259,218)              | (\$1,811,030)              | (\$5,895,405)              | (\$2,599,452)              | (\$981,643)                |
| Intended synthetic rate           | 3.250%              | 3.505%                     | 3.220%                     | 3.945%                     | 3.865%                     | 3.220%                     |
| Synthetic rate                    | 3.048%              | 3.306%                     | 3.363%                     | 4.585%                     | 2.403%                     | 1.750%                     |
| SIFMA rate                        | 0.350%              | 0.350%                     | 0.350%                     | 0.350%                     | 0.350%                     | 0.350%                     |
| LIBOR based rate                  | 0.532%              | 0.532%                     | 0.207%                     | N/A                        | 1.788%                     | 1.788%                     |

*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, 2009 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, 2009, 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, 2009. 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, 2009, 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<br>Ending June 30 | Variable-Rate Bonds   |                   | Interest Rate<br>Swaps, Net | Total              |
|-------------------------------|-----------------------|-------------------|-----------------------------|--------------------|
|                               | Principal             | Interest          |                             |                    |
| 2010                          | \$ 12,250,000         | 1,334,175         | 6,858,618                   | 20,442,793         |
| 2011                          | 12,250,000            | 1,252,475         | 6,453,143                   | 19,955,618         |
| 2012                          | 12,250,000            | 1,170,775         | 6,047,667                   | 19,468,442         |
| 2013                          | 12,250,000            | 1,089,075         | 5,642,191                   | 18,981,266         |
| 2014                          | 12,250,000            | 1,007,375         | 5,236,715                   | 18,494,090         |
| 2015-2019                     | 90,630,000            | 3,712,990         | 20,058,205                  | 114,401,195        |
| 2020-2023                     | 91,620,000            | 850,625           | 4,692,257                   | 97,162,882         |
| Total                         | <u>\$ 243,500,000</u> | <u>10,417,490</u> | <u>54,988,796</u>           | <u>308,906,286</u> |

The annual requirements to amortize all long-term liabilities outstanding, other than compensated absences payable, as of June 30, 2009 including interest payments of \$184,753,417 are as follows:

| Year Ending<br>June 30 | General Obligation Bonds |                    | Capital Leases and<br>Installment Financings |                  | Total              |
|------------------------|--------------------------|--------------------|--|------------------|--------------------|
|                        | Principal                | Interest           | Principal                                    | Interest         |                    |
| 2010                   | \$ 35,705,000            | 22,693,169         | 636,874                                      | 228,741          | 59,263,784         |
| 2011                   | 36,175,000               | 21,181,294         | 575,688                                      | 198,128          | 58,130,110         |
| 2012                   | 36,270,000               | 19,648,106         | 510,200                                      | 171,817          | 56,600,123         |
| 2013                   | 36,330,000               | 18,100,893         | 510,200                                      | 146,363          | 55,087,456         |
| 2014                   | 37,345,000               | 16,599,001         | 510,200                                      | 120,908          | 54,575,109         |
| 2015-2019              | 202,390,000              | 58,647,421         | 2,040,800                                    | 229,089          | 263,307,310        |
| 2020-2024              | 216,600,000              | 21,281,362         | -  | -                | 237,881,362        |
| 2025-2029              | 93,540,000               | 5,507,125          | -  | -                | 99,047,125         |
|                        | <u>\$ 694,355,000</u>    | <u>183,658,371</u> | <u>4,783,962</u>                             | <u>1,095,046</u> | <u>883,892,379</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, 2009, such statutory limit for the County was \$3,567,046,316 providing a debt margin of approximately \$2.36 billion.

Bonds authorized and unissued at June 30, 2009 are as follows:

| For Additions and/or<br>Improvements To | Date<br>Approved | Amount                |
|---|------------------|-----------------------|
| Parks and Recreation                    | 11/02/2004       | \$ 7,500,000          |
| Public Schools                          | 05/06/2008       | 327,315,000           |
| Community College                       | 05/06/2008       | 69,900,000            |
| Jail                                    | 05/06/2008       | 107,615,000           |
|   |                  | <u>\$ 512,330,000</u> |

**G. Net Assets**

The following is a summary of Guilford County's net assets restricted for other purposes as of June 30, 2009:

| Net assets restricted for other purposes | Amount              |
|--|---------------------|
| Rural Fire Districts                     | \$ 1,790,683        |
| Guilford County Schools capital outlay   | 2,149,670           |
| Public Health programs                   | 1,975,622           |
| Law Enforcement                          | 1,229,210           |
| Register of Deeds automation enhancement | 776,707             |
| Other                                    | 227,507             |
| Net assets restricted for other purposes | <u>\$ 8,149,399</u> |

The following is a summary of unrestricted net assets for Guilford County as of June 30, 2009:

| Unrestricted net assets (liabilities) | Amount                  |
|---------------------------------------|-------------------------|
| Water and sewer                       | \$ (7,025,123)          |
| Guilford County Schools               | (444,041,583)           |
| Guilford Technical Community College  | (43,812,428)            |
| Other                                 | 127,182,548             |
| Unrestricted net assets               | <u>\$ (367,696,586)</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, 2009:

| <u>Transfers In</u>        | <u>Transfers Out</u>            |                                     | <u>Total</u>     |
|----------------------------|---------------------------------|-------------------------------------|------------------|
|                            | <u>Major Governmental Funds</u> |                                     |                  |
|                            | <u>General</u>                  | <u>County Building Construction</u> |                  |
| Major Governmental Funds:  |                                 |                                     |                  |
| General                    | \$ -                            | 500,000                             | 500,000          |
| Water & Sewer Construction | 1,000,000                       | -                                   | 1,000,000        |
| School Capital Outlay      | 1,430,621                       | -                                   | 1,430,621        |
| Total                      | <u>\$ 2,430,621</u>             | <u>500,000</u>                      | <u>2,930,621</u> |

Transfers from the County Building Construction Fund to the General Fund are to support the funding of capital expenditures in the original budget.

Transfers from the General Fund to the Water and Sewer Construction Fund are to partially fund the GTCC Campus Water and Sewer project for the proposed western campus facility of Guilford Technical Community College. Funding was taken from the annual capital appropriation per GTCC's request.

Transfers from the General Fund to the School Capital Outlay Fund are for additional funding to the System-Wide Renovations at Various School Sites FY09 project. Funding was taken from the annual capital appropriation per Guilford County Schools' request.

There were no interfund receivables or payables at June 30, 2009.

**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, 2009, 2008, and 2007 were \$5,866,559, \$5,698,742, and \$5,573,611, 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, 2008, the Separation Allowance's membership consisted of:

|                             |                   |
|-----------------------------|-------------------|
| Retirees receiving benefits | 44                |
| Active plan members         | <u>229</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 \$474,840 or 3.8% 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, 2007 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, 2007 was 23 years.

| Three Year Trend Information |                                 |                                     |                                      |
|------------------------------|---------------------------------|-------------------------------------|--------------------------------------|
| Fiscal<br>Year<br>Ended      | Annual<br>Pension<br>Cost (APC) | Percentage<br>of APC<br>Contributed | Net Pension<br>Obligation<br>(Asset) |
| 6/30/2007                    | \$ 387,214                      | 101.1                               | \$ (326,702)                         |
| 6/30/2008                    | 412,176                         | 100.9                               | (330,313)                            |
| 6/30/2009                    | 471,768                         | 100.7                               | (333,385)                            |

**GUILFORD COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**

*Funded Status and Funding Progress*

As of December 31, 2008, the most recent actuarial valuation date, the plan was 22.57 percent funded. The actuarial accrued liability for benefits was 6,242,737 and the actuarial value of assets was \$1,409,260, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,833,477. The covered payroll (annual payroll of active employees covered by the plan) was \$12,640,852, and the ratio of the UAAL to the covered payroll was 38.24 percent.

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

**3. Supplemental Retirement Income Plan**

*Plan Description*

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

*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, 2009, 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, 2009, to law enforcement officers' accounts and other employees' accounts were \$633,321 and \$5,366,220, respectively. Voluntary contributions to the Plan were \$3,293,481.

**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. The Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*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, 2009, the County's required and actual contributions were \$36,705.



**GUILFORD COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**

**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, 2009 was \$64,061.

**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, 2009 were \$48,782 and \$59,684, respectively.

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

**1. Health Care Benefits**

*Plan Description*

Under the terms of a County resolution, Guilford County administers a single-employer defined benefit Health Care Plan (the HC Plan). This plan provides postemployment healthcare benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System). 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 with at least 25 years of creditable service. Medicare eligible participants receive secondary coverage. On June 18, 2009, the Board of County Commissioners approved an amendment to the HC Plan to discontinue all retiree health insurance eligibility for employees hired on or after July 1, 2009. A separate report was not issued for the plan.

Membership of the HC Plan consisted of the following at December 31, 2007, the date of the latest actuarial valuation:

|                             | <u>General<br/>Employees</u> | <u>Law Enforcement<br/>Employees</u> | <u>Total</u> |
|-----------------------------|------------------------------|--------------------------------------|--------------|
| Retirees receiving benefits | N/A                          | N/A                                  | 521          |
| Active plan members         | <u>2,364</u>                 | <u>235</u>                           | <u>2,599</u> |
| Total                       | <u>N/A</u>                   | <u>N/A</u>                           | <u>3,120</u> |

**GUILFORD COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**

*Funding Policy*

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

The current annual required contribution rate is 19.10% of annual covered payroll. For the current year, the County contributed \$4,696,838 (\$4,596,838 retiree claims paid less premiums received and an additional \$100,000 to prefund benefits deposited in The North Carolina State Treasurer's Local Government Other Post-Employment Benefit Trust Fund, an irrevocable trust) or 3.94% of annual covered payroll. The County provides healthcare coverage through self insurance. The County's required contributions, under a County resolution establishing premium amounts for different coverages, for employees and retirees were 17.6% and 2.7% 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 and the prefunded benefits are made from the General Fund, which is maintained on the modified accrual basis of accounting to the Internal Service Fund and the Other Post-Employment Trust Fund, respectively, which are maintained on the full accrual basis of accounting. Funds are appropriated annually for the County's portion of the premiums and the prefunded benefits. The employee, retiree and County premiums are revenues that finance this self-funded HC Plan reported in the Internal Service Fund. Claims benefits and administrative costs are expensed as they are incurred.

*Annual OPEB Cost and Net OPEB Obligation*

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

|  |                      |
|--|----------------------|
| Annual required contribution               | \$ 22,776,648        |
| Interest on net OPEB obligation            | 891,887              |
| Adjustment to annual required contribution | (769,399)            |
| Annual OPEB cost                           | <u>22,899,136</u>    |
| Contributions made                         | <u>4,696,838</u>     |
| Increase in net OPEB obligation            | 18,202,298           |
| Net OPEB obligation beginning of year      | <u>22,297,179</u>    |
| Net OPEB obligation end of year            | <u>\$ 40,499,477</u> |

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 and 2009 were as follows:

| For Year Ended<br>June 30 | Annual<br>OPEB Cost | Percentage of<br>Annual OPEB Cost<br>Contributed | Net OPEB<br>Obligation |
|---------------------------|---------------------|--|------------------------|
| 2008                      | \$ 26,232,790       | 15.0   | \$ 22,297,179          |
| 2009                      | 22,899,136          | 20.5   | 40,499,477             |

**GUILFORD COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**

*Funded Status and Funding Progress*

As of December 31, 2007, 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 \$289,259,990. The covered payroll (annual payroll of active employees covered by the plan) was \$119,246,270, and the ratio of the UAAL to the covered payroll was 242.6%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

*Actuarial Methods and Assumptions*

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

In the December 31, 2007 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 11% to 5% annually. The investment rate of return included a 3.75% inflation assumption and reflects the fact that no assets were set aside within Guilford County that are legally held exclusively for retiree health benefits. With the establishment of a trust in 2009, set up for this purpose, the investment rate of return could increase in a future valuation. 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, 2007 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 healthcare benefit. The County contributes up to \$40 per month for each retiree with at least 30 years of creditable service and 75 percent of that amount for each retiree with at least 25 years of creditable service. The cost of retiree Medicare supplement benefits is recognized as an expenditure when the premiums are paid. 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, 2009, 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.

**GUILFORD COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**

Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. For the fiscal year ended June 30, 2009, the County made contributions to the State for death benefits of \$94,736. 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 Benefit Plan 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 healthcare 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 interfund services provided and used.

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

*1. Liability and Property Insurance*

The liability program is 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, 2009, the County's balances in Funds B and G were \$7,369,675 and \$262,563, 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, 2009 are \$696,831 and \$3,085,642, 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, 2009, the County's balance in the Property Pool of \$201,935 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.

**GUILFORD COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**

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.

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, 2009, the County's balance in Fund E of \$666,078 was recorded in the Internal Service Fund as a deposit.

*3. Employee Healthcare Insurance*

The employee healthcare program is financed using an entirely self-funded plan. Two optional healthcare plans are available to employees, retirees, covered dependents, and eligible former employees. The County administers both healthcare 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, retirees, and covered dependents, supplemented by employee contributions, which are also accounted for in the self-funded program.

*4. Reconciliation of Claims Liability*

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

|   | Fiscal Year 2008-2009 |                |                          |                        |                  | Fiscal Year      |
|---|-----------------------|----------------|--------------------------|------------------------|------------------|------------------|
|   | Liability             | Property       | Workers'<br>Compensation | Employee<br>Healthcare | Total            | 2007-08<br>Total |
| Balance Beginning of Year                                     | 124,546               | 10,928         | 1,613,401                | 2,438,908              | 4,187,783        | 3,841,100        |
| Incurred Claims (Including IBNRs)<br>and Changes in Estimates | 221,185               | 244,279        | 826,619                  | 27,834,916             | 29,126,999       | 27,886,874       |
| Less Claims Payments  | 200,426               | 113,753        | 680,570                  | 27,501,063             | 28,495,812       | 27,540,191       |
| Balance End of Year   | <u>145,305</u>        | <u>141,454</u> | <u>1,759,450</u>         | <u>2,772,761</u>       | <u>4,818,970</u> | <u>4,187,783</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                           | \$ 105,431            | 24,026             |
| Aid to Families with Dependent Children    | (15,468)              | (4,056)            |
| SC/SA Domiciliary Care                     | -                     | 3,383,384          |
| Refugee Assistance                         | 199,810               | -                  |
| Low Income Energy Assistance               | 1,880,818             | -                  |
| Adoption Assistance - CWS                  | 26,754                | 1,489,810          |
| Adoption Assistance - IV-E                 | 3,261,301             | 606,590            |
| Medical Assistance                         | 284,891,316           | 132,023,135        |
| Medical Assistance - ARRA Stimulus Credit  | 15,589,630            | (14,420,408)       |
| Woman, Infants and Children                | 10,289,860            | -                  |
| Food Stamp Program                         | 81,263,901            | -                  |
| Temporary Assistance for Needy Families    | 4,447,106             | (844)              |
| Total benefit payments issued by the State | <u>\$ 401,940,459</u> | <u>123,101,637</u> |

**G. Commitments and Contingencies**

The County leases certain equipment under long-term lease agreements. At June 30, 2009, such arrangements with initial or remaining noncancellable terms in excess of one year are as follows:

| Year Ending June 30                  | Capital Leases<br>and Installment<br>Financings | Operating<br>Leases |
|--------------------------------------|---|---------------------|
| 2010                                 | \$ 865,615                                      | 354,869             |
| 2011                                 | 773,816   | 65,984              |
| 2012                                 | 682,017   | 48,743              |
| 2013                                 | 656,563   | 27,338              |
| 2014                                 | 631,108   | 237                 |
| 2015-2018                            | 2,269,889                                       | -                   |
| Total minimum payments               | 5,879,008                                       | <u>497,171</u>      |
| Less amount representing interest    | 1,095,046                                       |                     |
| Present value of net minimum payment | <u>\$ 4,783,962</u>                             |                     |

There were no contingent rentals or sublease rentals associated with leases in effect at June 30, 2009. The total rental expense amounted to \$1,245,586 for the fiscal year ended June 30, 2009.

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 \$42.4 million at June 30, 2009, 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, 2009, 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, 2009, there were nine series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$33,550,000.

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 \$4,770,000 at June 30, 2009 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 \$4,011,764 at June 30, 2009 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 \$2,544,826 at June 30, 2009 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

**GUILFORD COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**

has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. Of the general obligation bond issues for this purpose, \$72,466,494 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 \$11,752,690 and \$1,000,000 to the community college for operating and capital purposes, respectively, and issued \$25,100,000 of general obligation bonds for capital purposes during the fiscal year ended June 30, 2009. In addition, the County made debt service payments of \$6,541,680 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, 2009. 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 \$94,306 to the Council during the fiscal year ended June 30, 2009.

*Piedmont Triad Airport Authority*

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

*High Point Convention and Visitors Bureau*

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

*Piedmont Authority for Regional Transportation*

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

**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 \$1.9 million intended to absorb lapsed salaries and position cuts 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 \$1.9 million, 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.



**GUILFORD COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**

**L. Subsequent Event**

Subsequent to fiscal year end, the County revised its personnel regulation regarding the work week. The revision changed among other things the policy regarding the amount of earned compensatory benefits, which if not used or paid, will be paid to nonexempt employees upon separation from County service at the rates of pay then in effect. Also, the revision requires nonexempt employees to use compensatory balances before any other leave. The Board of County Commissioners approved the revision effective August 30, 2009 which had the impact of increasing the liability for accrued compensatory benefits in the short term with expectations the liability will decrease in the long term. Management is currently evaluating the impact. The revision discontinued the policy that allows most exempt employees to earn compensatory benefits, such that the accrual has been capped and any unused or unpaid balances will be paid upon separation from service at the rates of pay in effect as of August 30, 2009. Exempt employees may qualify for management leave that if approved is awarded at the beginning of the calendar year for up to 80 hours. Unused balances at the end of the calendar year are forfeited and upon termination, no payment will be made for unused management leave.

# Required Supplementary Information

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

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<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability<br>(AAL) -<br>Projected<br>Unit Credit<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a %<br>of Covered<br>Payroll<br>((b-a)/c) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|---|
| 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  |
| 12/31/08                       | 1,409,260                              | 6,242,737   | 4,833,477                          | 22.6                     | 12,640,852                | 38.2  |

**Schedule of Employer Contributions**

| Year Ended<br>June 30 | Annual<br>Required<br>Contribution | Percentage<br>Contributed |
|-----------------------|------------------------------------|---------------------------|
| 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                     |
| 2009                  | 474,840                            | 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                | 12/31/2008                  |
| Actuarial cost method         | Projected unit credit       |
| Amortization method           | Level percent of pay closed |
| Remaining amortization period | 22 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<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability<br>(AAL) -<br>Projected<br>Unit Credit<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a %<br>of Covered<br>Payroll<br>((b-a)/c) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|---|
| 12/31/05                       | \$ 0                                   | 280,036,182   | 280,036,182                        | 0.0                      | 110,448,627               | 253.5   |
| 12/31/07                       | 0                                      | 289,259,990   | 289,259,990                        | 0.0                      | 119,246,270               | 242.6   |

**Schedule of Employer Contributions**

| Year Ended<br>June 30 | Annual<br>Required<br>Contribution | Percentage<br>Contributed |
|-----------------------|------------------------------------|---------------------------|
| 2008                  | \$ 26,232,790                      | 15.0                      |
| 2009                  | 22,776,648                         | 20.6                      |

**Notes to the Required Schedules**

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

|                               |                            |
|-------------------------------|----------------------------|
| Valuation date                | 12/31/2007                 |
| 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       | 11.00%-5.00%               |
| Year of Ultimate trend rate   | 2016                       |
| *Includes inflation at        | 3.75%                      |

The assumed investment rate of return reflects the fact that no assets were set aside within Guilford County as of the valuation date that are legally held exclusively for retiree health benefits. Since a trust was set up for this purpose during fiscal year 2009, the investments rate of return could increase in a future valuation.



# Major Governmental Funds

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## General Fund

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

## Capital Projects Funds

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

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

- *Water and Sewer Construction Fund* - Accounts for the financing and construction of various water and sewer construction projects through joint agreements with various municipalities, including the cities of Greensboro, High Point, and Archdale. 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**

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**Schedule of Expenditures - Budget and Actual  
For the fiscal year ended June 30, 2009**

|   | Budgeted Amounts      |                    | Actual Amounts              | Variance with                          |
|---|-----------------------|--------------------|-----------------------------|--|
|   | Original              | Final              | Budgetary and<br>GAAP Basis | Final Budget<br>Positive<br>(Negative) |
| Current:                                      |                       |                    |                             |  |
| General government:                           |                       |                    |                             |  |
| County commissioners                          | \$ 465,224            | 465,307            | 441,298                     | 24,009                                 |
| Clerk to the board                            | 189,401               | 194,401            | 186,956                     | 7,445                                  |
| County administration                         | 1,780,426             | 1,737,214          | 1,113,003                   | 624,211                                |
| County attorney                               | 608,493               | 658,500            | 628,112                     | 30,388                                 |
| Human resources                               | 4,738,029             | 4,901,312          | 4,698,111                   | 203,201                                |
| Budget and management                         | 491,979               | 453,898            | 389,998                     | 63,900                                 |
| Internal audit                                | 404,333               | 409,044            | 405,517                     | 3,527                                  |
| Finance                                       | 2,499,103             | 2,581,528          | 2,268,847                   | 312,681                                |
| Purchasing                                    | 502,855               | 507,634            | 427,152                     | 80,482                                 |
| Information services                          | 8,490,505             | 9,347,100          | 8,626,014                   | 721,086                                |
| Tax   | 6,453,666             | 6,457,489          | 5,987,169                   | 470,320                                |
| Register of deeds                             | 3,069,335             | 2,913,209          | 2,585,593                   | 327,616                                |
| Elections                                     | 2,639,427             | 3,599,839          | 3,435,077                   | 164,762                                |
| Planning and development                      | 1,441,392             | 1,445,635          | 1,236,767                   | 208,868                                |
| Geographic information system                 | -                     | 93,830             | -                           | 93,830                                 |
| Facilities                                    | 4,944,524             | 5,143,779          | 4,613,880                   | 529,899                                |
| Security                                      | 1,949,790             | 1,908,738          | 1,751,813                   | 156,925                                |
| Property management / courts                  | 1,707,281             | 2,162,594          | 1,939,621                   | 222,973                                |
| Parking and fleet operation                   | 678,593               | 746,978            | 474,662                     | 272,316                                |
| Non-departmental                              | (1,900,000)           | -                  | -                           | -                                      |
| Total general government                      | <u>41,154,356</u>     | <u>45,728,029</u>  | <u>41,209,590</u>           | <u>4,518,439</u>                       |
| Human services:                               |                       |                    |                             |  |
| Public health                                 | 39,504,684            | 39,249,435         | 37,030,338                  | 2,219,097                              |
| Mental health                                 | 42,055,037            | 43,067,748         | 39,723,594                  | 3,344,154                              |
| Social services                               | 72,341,577            | 73,494,289         | 68,928,764                  | 4,565,525                              |
| Public assistance - adults, families, medical | 17,912,686            | 17,942,686         | 14,578,763                  | 3,363,923                              |
| Child support enforcement                     | 6,119,393             | 6,142,940          | 5,978,952                   | 163,988                                |
| Cooperative extension service                 | 546,052               | 545,665            | 497,949                     | 47,716                                 |
| Coordinated services                          | 655,919               | 1,292,743          | 1,254,657                   | 38,086                                 |
| Veteran services                              | 113,184               | 113,285            | 101,488                     | 11,797                                 |
| Transportation                                | 3,207,479             | 3,208,497          | 3,138,368                   | 70,129                                 |
| Total human services                          | <u>182,456,011</u>    | <u>185,057,288</u> | <u>171,232,873</u>          | <u>13,824,415</u>                      |
| Public safety:                                |                       |                    |                             |  |
| Law enforcement                               | 53,714,028            | 55,464,311         | 51,636,602                  | 3,827,709                              |
| Emergency services                            | 22,775,838            | 23,400,170         | 22,074,434                  | 1,325,736                              |
| Inspections                                   | 2,939,690             | 2,929,675          | 2,817,427                   | 112,248                                |
| Court alternatives                            | 3,148,223             | 3,181,881          | 3,032,445                   | 149,436                                |
| Animal services                               | 2,824,094             | 2,970,771          | 2,820,859                   | 149,912                                |
| Other protection                              | 1,306,782             | 1,568,271          | 866,866                     | 701,405                                |
| Total public safety                           | <u>86,708,655</u>     | <u>89,515,079</u>  | <u>83,248,633</u>           | <u>6,266,446</u>                       |
| Environmental protection:                     |                       |                    |                             |  |
| Sanitation                                    | 1,255,582             | 1,332,704          | 878,701                     | 454,003                                |
| Soil and water conservation                   | 268,677               | 283,122            | 262,511                     | 20,611                                 |
| Total environmental protection                | <u>1,524,259</u>      | <u>1,615,826</u>   | <u>1,141,212</u>            | <u>474,614</u>                         |
| Culture - recreation                          | 6,017,048             | 6,356,059          | 5,774,257                   | 581,802                                |
| Economic development and assistance           | 1,929,609             | 3,867,443          | 1,119,875                   | 2,747,568                              |
| Intergovernmental - Education:                |                       |                    |                             |  |
| Guilford Technical Community College:         |                       |                    |                             |  |
| Current Appropriation                         | 11,752,690            | 11,752,690         | 11,752,690                  | -                                      |
| Capital Appropriation                         | 2,000,000             | 1,000,000          | 1,000,000                   | -                                      |
| Guilford County Board of Education:           |                       |                    |                             |  |
| Current Appropriation                         | 175,165,521           | 175,165,521        | 175,165,521                 | -                                      |
| Capital Appropriation                         | 7,000,000             | 5,569,379          | 5,569,379                   | -                                      |
| Total education                               | <u>195,918,211</u>    | <u>193,487,590</u> | <u>193,487,590</u>          | <u>-</u>                               |
| Capital                                       | 700,000               | 301,114            | -                           | 301,114                                |
| Debt service:                                 |                       |                    |                             |  |
| Principal retirement                          | 27,898,180            | 28,160,200         | 28,160,200                  | -                                      |
| Interest and fiscal charges                   | 39,367,813            | 39,105,793         | 20,789,504                  | 18,316,289                             |
| Bond issuance costs                           | 2,441,000             | 2,441,000          | 300,443                     | 2,140,557                              |
| Total debt service                            | <u>69,706,993</u>     | <u>69,706,993</u>  | <u>49,250,147</u>           | <u>20,456,846</u>                      |
| Total expenditures                            | \$ <u>586,115,142</u> | <u>595,635,421</u> | <u>546,464,177</u>          | <u>49,171,244</u>                      |

**GUILFORD COUNTY, NORTH CAROLINA**  
**County Building Construction Capital Projects Fund**  
**Combining Schedule of Revenues and Expenditures**  
**For the fiscal year ended June 30, 2009**

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|   | <u>Annually<br/>Budgeted<br/>Projects</u> | <u>Project-<br/>Length<br/>Budgets</u> | <u>Total</u>       |
|---|---|--|--------------------|
| <b>Revenues</b>   |   |  |                    |
| Interest on investments   | \$ 768,155                                | -                                      | 768,155            |
| Other   | <u>12,410</u>                             | -                                      | <u>12,410</u>      |
| Total revenues  | 780,565                                   | -                                      | 780,565            |
| <b>Expenditures</b>   |   |  |                    |
| Capital outlay  | <u>-</u>                                  | <u>7,857,754</u>                       | <u>7,857,754</u>   |
| Excess (deficiency) of revenues<br>over expenditures                        | <u>780,565</u>                            | <u>(7,857,754)</u>                     | <u>(7,077,189)</u> |
| <b>Other Financing Sources (Uses)</b>                                       |   |  |                    |
| General obligation bonds issued   | -   | 9,500,000                              | 9,500,000          |
| Transfers out   | <u>(500,000)</u>                          | <u>-</u>                               | <u>(500,000)</u>   |
| Total other financing sources (uses)  | <u>(500,000)</u>                          | <u>9,500,000</u>                       | <u>9,000,000</u>   |
| Excess of revenues<br>and other sources over<br>expenditures and other uses | <u>\$ 280,565</u>                         | <u>1,642,246</u>                       | <u>1,922,811</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, 2009**

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|   | <u>Budgeted Amounts</u> |                | <u>Actual Amounts</u>                     | <u>Variance with</u>  |
|---|-------------------------|----------------|---|---|
|   | <u>Original</u>         | <u>Final</u>   | <u>Budgetary and</u><br><u>GAAP Basis</u> | <u>Final Budget</u><br><u>Positive</u><br><u>(Negative)</u> |
| <b>Revenues</b>                                   |                         |                |   |   |
| Interest on investments                           | \$ -                    | -              | 768,155                                   | 768,155   |
| Other   | -                       | -              | 12,410                                    | 12,410  |
| Total revenues                                    | <u>-</u>                | <u>-</u>       | <u>780,565</u>                            | <u>780,565</u>  |
| <b>Other Financing Sources (Uses)</b>             |                         |                |   |   |
| Transfers out                                     | (500,000)               | (500,000)      | (500,000)                                 | -   |
| Appropriated fund balance                         | <u>500,000</u>          | <u>500,000</u> | <u>-</u>                                  | <u>(500,000)</u>  |
| Total other financing uses                        | <u>-</u>                | <u>-</u>       | <u>(500,000)</u>                          | <u>(500,000)</u>  |
| Excess of revenues and<br>other sources over uses | <u>\$ -</u>             | <u>-</u>       | <u>280,565</u>                            | <u>280,565</u>  |

**GUILFORD COUNTY, NORTH CAROLINA**  
**County Building Construction Capital Projects Fund**

A-2b

**Schedule of Revenues and Expenditures -**  
**Budget and Actual (Budgetary Basis - Project-Length Budgets)**  
**From inception and for the fiscal year ended June 30, 2009**

|   | Project<br>Authorization | Actual              |                    |                     |
|---|--------------------------|---------------------|--------------------|---------------------|
|   |                          | Prior Years         | Current Year       | Total to Date       |
| <b>Revenues</b>   |                          |                     |                    |                     |
| Intergovernmental   | \$ 2,722,543             | 2,096,410           | -                  | 2,096,410           |
| Other   | 1,000                    | 1,000               | -                  | 1,000               |
| Total revenues  | <u>2,723,543</u>         | <u>2,097,410</u>    | <u>-</u>           | <u>2,097,410</u>    |
| <b>Expenditures</b>                                       |                          |                     |                    |                     |
| Capital outlay:   |                          |                     |                    |                     |
| General Government Projects:                              |                          |                     |                    |                     |
| Greensboro Courthouse Renovations                         | 5,797,500                | 1,514,130           | 2,791,660          | 4,305,790           |
| BB&T Building   | 5,102,000                | 4,216,673           | 53,712             | 4,270,385           |
| Tax Technology System Replacement                         | 2,300,000                | 60,747              | 747,185            | 807,932             |
| New Financial Reporting System                            | 4,959,636                | 3,958,484           | 133,641            | 4,092,125           |
| Time and Attendance System                                | 696,473                  | -                   | 463,197            | 463,197             |
| Human Services Projects:                                  |                          |                     |                    |                     |
| Greensboro Health Department Renovations                  | 647,513                  | 40,930              | (6,577)            | 34,353              |
| New DSS Facility - High Point                             | 7,747,664                | 7,064               | 126,850            | 133,914             |
| Public Safety Projects:                                   |                          |                     |                    |                     |
| GC Detention Center                                       | 115,735,000              | 2,547,369           | 836,154            | 3,383,523           |
| Prison Farm Infrastructure Improve & Design               | 725,000                  | -                   | -                  | -                   |
| 800 Mhz Radio System Upgrade                              | 2,500,000                | 2,305,960           | -                  | 2,305,960           |
| EMS Base Station - Rock Creek                             | 2,670,000                | 397,054             | 138,847            | 535,901             |
| Northwest EMS Base Station                                | 1,500,000                | -                   | -                  | -                   |
| Environmental Protection Projects:                        |                          |                     |                    |                     |
| Sanitation:   |                          |                     |                    |                     |
| Scrap Tire / White Goods Facility                         | 1,598,679                | 1,577,583           | -                  | 1,577,583           |
| Watershed:  |                          |                     |                    |                     |
| Greensboro Watershed                                      | 4,125,878                | 3,944,821           | -                  | 3,944,821           |
| Southern & Southeast Guilford<br>Schools Watershed Ponds  | 160,000                  | 80,000              | 80,000             | 160,000             |
| Culture-Recreation Projects:                              |                          |                     |                    |                     |
| Open Space:   |                          |                     |                    |                     |
| Hunter Elementary School Park                             | 296,000                  | 173,179             | 23,871             | 197,050             |
| Montlieu Elementary School Park                           | 642,356                  | 631,544             | 8,639              | 640,183             |
| Gibsonville Elementary School Park                        | 125,000                  | -                   | 40,000             | 40,000              |
| Bicentennial Greenway Trail Phase III                     | 3,594,654                | 2,301,853           | 28,536             | 2,330,389           |
| Miracle League Field                                      | 100,000                  | -                   | 99,952             | 99,952              |
| Triad Park  | 4,106,925                | 3,521,066           | 142,440            | 3,663,506           |
| Bryan Park - Phase I                                      | 100,000                  | -                   | -                  | -                   |
| Bur Mil Park Improvements                                 | 2,765,226                | 2,737,609           | 17,896             | 2,755,505           |
| Northeast Park  | 8,162,985                | 7,498,967           | 105,390            | 7,604,357           |
| Open Space Acquisition                                    | 10,101,000               | 577,570             | 973,731            | 1,551,301           |
| Southwest Park  | 3,000,000                | 1,429,997           | 1,052,630          | 2,482,627           |
| Total expenditures  | <u>189,259,489</u>       | <u>39,522,600</u>   | <u>7,857,754</u>   | <u>47,380,354</u>   |
| Deficiency of revenues over<br>expenditures               | <u>(186,535,946)</u>     | <u>(37,425,190)</u> | <u>(7,857,754)</u> | <u>(45,282,944)</u> |
| <b>Other Financing Sources</b>                            |                          |                     |                    |                     |
| General obligation bonds issued                           | 157,059,019              | 35,701,603          | 9,500,000          | 45,201,603          |
| Capital-related debt issued                               | 5,102,000                | 5,102,000           | -                  | 5,102,000           |
| Transfers in  | 2,837,544                | 2,837,544           | -                  | 2,837,544           |
| Sale of capital assets                                    | -                        | 94,081              | -                  | 94,081              |
| Appropriated fund balance                                 | 21,537,383               | -                   | -                  | -                   |
| Total other financing sources                             | <u>186,535,946</u>       | <u>43,735,228</u>   | <u>9,500,000</u>   | <u>53,235,228</u>   |
| Excess of revenues and<br>other sources over expenditures | \$ <u>-</u>              | <u>6,310,038</u>    | <u>1,642,246</u>   | <u>7,952,284</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, 2009**

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|  | <u>Annually<br/>Budgeted<br/>Projects</u> | <u>Project-<br/>Length<br/>Budgets</u> | <u>Total</u>     |
|--|---|--|------------------|
| <b>Revenues</b>  |   |  |                  |
| Charges for services   | \$ 1,963,478                              | -                                      | 1,963,478        |
| Interest on investments  | 535,429                                   | -                                      | 535,429          |
| Other  | <u>10,685</u>                             | -                                      | <u>10,685</u>    |
| Total revenues   | 2,509,592                                 | -                                      | 2,509,592        |
| <b>Expenditures</b>  |   |  |                  |
| Capital outlay   | <u>325,821</u>                            | <u>1,696,999</u>                       | <u>2,022,820</u> |
| Excess (deficiency) of revenues<br>over expenditures                   | 2,183,771                                 | (1,696,999)                            | 486,772          |
| <b>Other Financing Sources</b>   |   |  |                  |
| Transfers in   | <u>-</u>                                  | <u>1,000,000</u>                       | <u>1,000,000</u> |
| Excess (deficiency) of revenues<br>and other sources over expenditures | <u>\$ 2,183,771</u>                       | <u>(696,999)</u>                       | <u>1,486,772</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, 2009**

A-3a

|   | <u>Budgeted Amounts</u> |              | <u>Actual Amounts</u>               | <u>Variance with</u>                            |
|---|-------------------------|--------------|-------------------------------------|---|
|   | <u>Original</u>         | <u>Final</u> | <u>Budgetary and<br/>GAAP Basis</u> | <u>Final Budget<br/>Positive<br/>(Negative)</u> |
| <b>Revenues</b>   |                         |              |                                     |   |
| Charges for services:                                     |                         |              |                                     |   |
| Acreage user fees   | \$ -                    | -            | 179,194                             | 179,194   |
| Assessments   | -                       | -            | 67,493                              | 67,493  |
| Joint operation fees                                      | -                       | -            | 1,716,791                           | 1,716,791                                       |
| Total charges for services                                | -                       | -            | 1,963,478                           | 1,963,478                                       |
| Interest on investments                                   | -                       | -            | 535,429                             | 535,429   |
| Other   | -                       | -            | 10,685                              | 10,685  |
| Total revenues  | -                       | -            | 2,509,592                           | 2,509,592                                       |
| <b>Expenditures</b>                                       |                         |              |                                     |   |
| Capital outlay:   |                         |              |                                     |   |
| Water   | -                       | 121,032      | 102,695                             | 18,337  |
| Greensboro water and sewer                                | -                       | 271,514      | 223,126                             | 48,388  |
| High Point water and sewer                                | -                       | 6,460        | -                                   | 6,460   |
| Total expenditures  | -                       | 399,006      | 325,821                             | 73,185  |
| Excess (deficiency) of revenues<br>over expenditures      | -                       | (399,006)    | 2,183,771                           | 2,582,777                                       |
| <b>Other Financing Sources</b>                            |                         |              |                                     |   |
| Appropriated fund balance                                 | -                       | 399,006      | -                                   | (399,006)                                       |
| Excess of revenues and other<br>sources over expenditures | \$ -                    | -            | 2,183,771                           | 2,183,771                                       |

**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, 2009**

A-3b

|   | Project<br>Authorization | Actual           |                  |                  |
|---|--------------------------|------------------|------------------|------------------|
|   |                          | Prior Years      | Current Year     | Total to Date    |
| <b>Expenditures</b>                           |                          |                  |                  |                  |
| Capital outlay:                               |                          |                  |                  |                  |
| Sanitary sewer:                               |                          |                  |                  |                  |
| Northeast Guilford Middle and High Schools    | \$ 444,195               | 401,938          | (1,314)          | 400,624          |
| Twillia Acres Subdivision                     | 1,586,922                | 1,166,703        | (5,772)          | 1,160,931        |
| Forest Oaks Estates                           | 730,656                  | 95,427           | 21,164           | 116,591          |
| Coe Place Subdivision                         | 268,975                  | 239,582          | -                | 239,582          |
| McConnell Road Private Extension              | 455,231                  | -                | 435,557          | 435,557          |
| Prison Farm Infrastructure Improve & Design   | 350,000                  | -                | -                | -                |
| GTCC Campus                                   | 1,384,233                | -                | 5,221            | 5,221            |
| Clover Road Sewer                             | 228,211                  | -                | -                | -                |
| Honda Jet Sewer                               | 193,876                  | -                | -                | -                |
| Lynwood Lakes Sewer                           | 2,551,192                | 86,905           | 619,135          | 706,040          |
| Water:  |                          |                  |                  |                  |
| Twillia Acres Subdivision                     | 1,229,090                | 1,124,589        | (4,911)          | 1,119,678        |
| Forest Oaks Estates                           | 688,638                  | 95,427           | 18,102           | 113,529          |
| Southwest Water Project                       | 296,700                  | 87,096           | -                | 87,096           |
| McConnell Road Private Extension              | 89,232                   | -                | 86,908           | 86,908           |
| Prison Farm Infrastructure Improve & Design   | 325,000                  | -                | -                | -                |
| GTCC Campus                                   | 1,440,164                | -                | 3,317            | 3,317            |
| Sedgefield Water Replacement Lines            | 1,270,000                | 724,460          | (13,664)         | 710,796          |
| Honda Jet Water                               | 176,124                  | -                | -                | -                |
| Lynwood Lakes Water                           | 1,535,506                | -                | 248,005          | 248,005          |
| Greensboro water and sewer:                   |                          |                  |                  |                  |
| Koury Development Water & Sewer Project       | 1,417,500                | 1,417,500        | -                | 1,417,500        |
| Hines Chapel Road                             | 1,000,000                | -                | -                | -                |
| Trosper Road                                  | 931,512                  | 613,775          | -                | 613,775          |
| City / County Water & Sewer Master Plan       | 1,043,211                | -                | 285,251          | 285,251          |
| High Point water and sewer:                   |                          |                  |                  |                  |
| Koury Development Water & Sewer Project       | 604,856                  | 604,856          | -                | 604,856          |
| <b>Total expenditures</b>                     | <b>20,241,024</b>        | <b>6,658,258</b> | <b>1,696,999</b> | <b>8,355,257</b> |
| <b>Other Financing Sources</b>                |                          |                  |                  |                  |
| General obligation bonds issued               | 975,000                  | 975,000          | -                | 975,000          |
| Transfers in                                  | 1,000,000                | -                | 1,000,000        | 1,000,000        |
| Appropriated fund balance                     | 18,266,024               | -                | -                | -                |
| <b>Total other financing sources</b>          | <b>20,241,024</b>        | <b>975,000</b>   | <b>1,000,000</b> | <b>1,975,000</b> |
| Deficiency of other sources over expenditures | \$ -                     | (5,683,258)      | (696,999)        | (6,380,257)      |

**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, 2009**

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|  | <u>Project<br/>Authorization</u> | <u>Actual</u>        |                     |                      |
|--|----------------------------------|----------------------|---------------------|----------------------|
|  |                                  | <u>Prior Years</u>   | <u>Current Year</u> | <u>Total to Date</u> |
| <b>Revenues</b>  |                                  |                      |                     |                      |
| Intergovernmental:                                     |                                  |                      |                     |                      |
| State Lottery Funds                                    | \$ 2,238,299                     | 780,727              | 638,479             | 1,419,206            |
| Public School Building Capital Fund                    | 24,295,787                       | 16,150,499           | 3,568,435           | 19,718,934           |
| Public School Building Bond Fund                       | 14,251,102                       | 14,251,102           | -                   | 14,251,102           |
| Guilford County Schools                                | 17,079,051                       | 17,138,103           | -                   | 17,138,103           |
| Total revenues   | <u>57,864,239</u>                | <u>48,320,431</u>    | <u>4,206,914</u>    | <u>52,527,345</u>    |
| <b>Expenditures</b>                                    |                                  |                      |                     |                      |
| Intergovernmental:                                     |                                  |                      |                     |                      |
| Education:   |                                  |                      |                     |                      |
| Guilford Technical                                     |                                  |                      |                     |                      |
| Community College                                      | 115,000,000                      | 14,693,662           | 12,913,644          | 27,607,306           |
| Guilford County Board of Education                     | 957,267,252                      | 454,458,535          | 56,666,526          | 511,125,061          |
| Total expenditures                                     | <u>1,072,267,252</u>             | <u>469,152,197</u>   | <u>69,580,170</u>   | <u>538,732,367</u>   |
| Deficiency of revenues over expenditures               | <u>(1,014,403,013)</u>           | <u>(420,831,766)</u> | <u>(65,373,256)</u> | <u>(486,205,022)</u> |
| <b>Other Financing Sources</b>                         |                                  |                      |                     |                      |
| General obligation bonds issued                        | 963,967,318                      | 422,652,324          | 155,100,000         | 577,752,324          |
| Premium on put bonds                                   | 6,165,842                        | 6,165,842            | -                   | 6,165,842            |
| Transfers in   | 40,974,073                       | 39,543,454           | 1,430,621           | 40,974,075           |
| Appropriated fund balance                              | 3,295,780                        | -                    | -                   | -                    |
| Total other financing sources                          | <u>1,014,403,013</u>             | <u>468,361,620</u>   | <u>156,530,621</u>  | <u>624,892,241</u>   |
| Excess of revenues and other sources over expenditures | \$ <u>-</u>                      | <u>47,529,854</u>    | <u>91,157,365</u>   | <u>138,687,219</u>   |

**GUILFORD COUNTY, NORTH CAROLINA**  
**School Capital Outlay Capital Projects Fund**  
**Schedule of Expenditures - Guilford Technical Community College**  
**Budget and Actual (Budgetary Basis - Project-Length Budgets)**  
**From inception and for the fiscal year ended June 30, 2009**

A-4a

| <u>Project Name</u>         | <u>Project Authorization</u> | <u>Actual</u>      |                     |                      |
|-----------------------------|------------------------------|--------------------|---------------------|----------------------|
|                             |                              | <u>Prior Years</u> | <u>Current Year</u> | <u>Total to Date</u> |
| Health Technologies         | \$ 8,000,000                 | 2,311,840          | 3,626,654           | 5,938,494            |
| Greensboro Campus           |                              |                    |                     |                      |
| Classroom Building          | 8,000,000                    | 4,766,418          | 2,906,194           | 7,672,612            |
| High Point Campus Expansion | 8,000,000                    | 484,499            | 4,892,355           | 5,376,854            |
| GTCC - Northwest Campus     | 73,000,000                   | 7,130,905          | 888,452             | 8,019,357            |
| Jamestown Campus            |                              |                    |                     |                      |
| Parking Deck                | 12,000,000                   | -                  | 599,989             | 599,989              |
| Aviation Classroom Building | <u>6,000,000</u>             | <u>-</u>           | <u>-</u>            | <u>-</u>             |
| Total expenditures          | \$ <u>115,000,000</u>        | <u>14,693,662</u>  | <u>12,913,644</u>   | <u>27,607,306</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, 2009**

A-4b

| Project Name                            | Project Authorization | Actual      |              |               |
|---|-----------------------|-------------|--------------|---------------|
|   |                       | Prior Years | Current Year | Total to Date |
| System Wide Air Conditioning Renovation | \$ 21,139,311         | 20,995,366  | 63,308       | 21,058,674    |
| Stokesdale Elementary School            | 9,439,006             | 8,855,099   | 30,290       | 8,885,389     |
| Andrews High School                     | 9,412,532             | 9,346,246   | -            | 9,346,246     |
| Dudley High School                      | 32,334,301            | 32,193,941  | 18,699       | 32,212,640    |
| Northwest High School                   | 18,667,214            | 18,649,638  | 1            | 18,649,639    |
| Smith High School Academy               | 5,747,246             | 5,664,517   | 54,893       | 5,719,410     |
| Griffin Middle School                   | 6,901,717             | 6,801,579   | -            | 6,801,579     |
| Brightwood Elementary School            | 9,789,293             | 9,728,349   | -            | 9,728,349     |
| Florence Elementary School              | 9,725,314             | 8,788,229   | 26,581       | 8,814,810     |
| 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             | 12,996,040            | 12,755,582  | 191,106      | 12,946,688    |
| Southern Middle School                  | 26,993,710            | 25,039,502  | 272,222      | 25,311,724    |
| Ferndale Middle School                  | 4,578,062             | 4,374,594   | 28,873       | 4,403,467     |
| Gateway Education Center West           | 17,829,590            | 81,142      | 431,502      | 512,644       |
| Gibsonville Elementary School           | 13,047,915            | 12,630,743  | 326,230      | 12,956,973    |
| Guilford Elementary School              | 17,536,520            | 17,248,335  | 136,856      | 17,385,191    |
| Guilford Middle School                  | 122,428               | 1,257       | 5,308        | 6,565         |
| Irving Park Elementary School           | 3,151,875             | 2,482,827   | -            | 2,482,827     |
| Jamestown Middle School                 | 36,812,525            | 2,664,560   | 7,655,044    | 10,319,604    |
| Madison Elementary School               | 2,088,213             | 1,957,185   | -            | 1,957,185     |
| Morehead Elementary School              | 1,951,536             | 1,763,883   | 6,370        | 1,770,253     |
| Northeast High School                   | 11,706,031            | 11,027,575  | 245,826      | 11,273,401    |
| Northeast Middle School                 | 5,403,087             | 5,152,091   | 1,875        | 5,153,966     |
| Northern Elementary School              | 14,524,077            | 13,861,056  | 127,179      | 13,988,235    |
| Northern High School                    | 53,529,387            | 49,945,877  | 2,655,595    | 52,601,472    |
| Northern Middle School                  | 27,451,507            | 27,170,990  | 128,215      | 27,299,205    |
| Northwest Area Elementary School        | 16,376,754            | 16,069,840  | 85,542       | 16,155,382    |
| Oak View Elementary School              | 5,037,764             | 4,858,687   | 4,075        | 4,862,762     |
| Parkview Elementary School              | 8,066,356             | 7,044,220   | 533,100      | 7,577,320     |
| Peck Elementary School                  | 3,427,139             | 3,028,989   | 107,185      | 3,136,174     |
| Peeler Elementary School                | 1,951,536             | 1,673,672   | -            | 1,673,672     |
| Pleasant Garden Elementary School       | 6,429,578             | 3,619,525   | 2,287,307    | 5,906,832     |
| Ragsdale High School                    | 33,900,116            | 11,524      | 374,922      | 386,446       |
| Reedy Fork Area Elementary School       | 16,369,116            | 16,187,905  | 70,722       | 16,258,627    |
| Southern High School                    | 9,004,741             | 8,568,127   | 25,379       | 8,593,506     |
| Southwest High School                   | 8,197,763             | 7,951,774   | 128,631      | 8,080,405     |
| Union Hill Elementary School            | 18,719,695            | 2,098,861   | 13,747,201   | 15,846,062    |
| Subtotal expenditures                   | \$ 533,667,082        | 412,117,331 | 29,770,037   | 441,887,368   |



**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, 2009**

A-4b

| <u>Project Name</u>                      | <u>Project Authorization</u> | <u>Actual</u>      |                     |                      |
|--|------------------------------|--------------------|---------------------|----------------------|
|  |                              | <u>Prior Years</u> | <u>Current Year</u> | <u>Total to Date</u> |
| Subtotal expenditures forward            | \$ 533,667,082               | 412,117,331        | 29,770,037          | 441,887,368          |
| Brown Summit College Prep Middle School  | 2,510,120                    | 2,248,055          | 1                   | 2,248,056            |
| Southeast High School                    | 2,669,325                    | 1,329,835          | 1,214,418           | 2,544,253            |
| McLeansville Elementary School           | 5,168,941                    | 4,958,463          | 40,976              | 4,999,439            |
| Eastern Guilford High School Replacement | 62,019,750                   | 31,868,411         | 17,177,934          | 49,046,345           |
| High Point SCALE Site                    | 3,200,000                    | 398,730            | 2,481,361           | 2,880,091            |
| System-Wide Renovations at               |                              |                    |                     |                      |
| Various School Sites                     | 5,328,299                    | 1,537,710          | 2,600,717           | 4,138,427            |
| Southeast High School                    | 33,311,222                   | -                  | 632,092             | 632,092              |
| Alamance Elementary School               | 20,300,161                   | -                  | 301,212             | 301,212              |
| Summerfield Elementary School            | 17,949,766                   | -                  | 266,697             | 266,697              |
| Southwest High School                    | 31,089,918                   | -                  | 418,394             | 418,394              |
| Southeast Area Elementary School         | 33,331,875                   | -                  | 50,199              | 50,199               |
| Allen Middle School                      | 9,099,383                    | -                  | 63,199              | 63,199               |
| Southeast Middle School                  | 13,088,725                   | -                  | 267,505             | 267,505              |
| North Greensboro Area Elementary School  | 25,362,974                   | -                  | 24,875              | 24,875               |
| Grimsley High School                     | 11,747,890                   | -                  | 81,183              | 81,183               |
| Airport Area High School                 | 80,494,912                   | -                  | 55,716              | 55,716               |
| Airport Middle School - Land             | 2,087,969                    | -                  | 3,668               | 3,668                |
| Northwest Middle School                  | 7,741,712                    | -                  | 22,730              | 22,730               |
| Allen Jay Middle School                  | 12,171,572                   | -                  | 8,489               | 8,489                |
| Dudley High School                       | 3,150,748                    | -                  | 2,311               | 2,311                |
| Dudley High School - Athletics           | 3,579,375                    | -                  | 12,311              | 12,311               |
| Mobile Classrooms                        | 2,386,250                    | -                  | 283,946             | 283,946              |
| High Point Central High School           | 5,332,621                    | -                  | 2,311               | 2,311                |
| McLeansville Elementary School           | 6,309,892                    | -                  | 12,997              | 12,997               |
| Northwest High School - Site & Athletics | 3,112,500                    | -                  | 506                 | 506                  |
| Simeon Stadium                           | 2,075,000                    | -                  | 462                 | 462                  |
| Tracks                                   | 2,075,000                    | -                  | 100,312             | 100,312              |
| Tennis Courts                            | 1,037,500                    | -                  | 462                 | 462                  |
| HVAC                                     | 8,069,487                    | -                  | 769,043             | 769,043              |
| Page High School - Athletics             | 2,074,801                    | -                  | 462                 | 462                  |
| System-Wide Renovations at               |                              |                    |                     |                      |
| Various School Sites FY09                | 5,722,482                    | -                  | -                   | -                    |
| Total expenditures                       | \$ <u>957,267,252</u>        | <u>454,458,535</u> | <u>56,666,526</u>   | <u>511,125,061</u>   |

# Nonmajor Governmental Funds

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## Special Revenue Funds

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

- *Rural Fire Districts Fund* - Accounts for voter-approved property taxes levied to provide fire protection services. In accordance with North Carolina General Statute Section 159-26(b)(2), separate accounts have been established for accounting purposes within the rural fire districts fund for each of the 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.
- *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, 2009**

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|   | <u>Rural Fire<br/>Districts</u> | <u>Room<br/>Occupancy/<br/>Tourism<br/>Development<br/>Tax</u> | <u>Community<br/>Development</u> | <u>Total<br/>Nonmajor<br/>Governmental<br/>Funds</u> |
|---|---------------------------------|--|----------------------------------|--|
| <b>Assets</b>   |                                 |  |                                  |  |
| Cash and cash equivalents/<br>investments   | \$ 1,088,487                    | -  | 119,472                          | 1,207,959  |
| Receivables:  |                                 |  |                                  |  |
| Property taxes (net of allowance<br>for estimated uncollectible<br>delinquent taxes of \$122,412) | 166,230                         | -  | -                                | 166,230  |
| Other taxes   | -                               | 295,255  | -                                | 295,255  |
| Due from governmental<br>units and agencies   | 577,520                         | -  | -                                | 577,520  |
| Accrued interest on investments   | 2,902                           | -  | -                                | 2,902  |
| Total receivables   | <u>746,652</u>                  | <u>295,255</u>   | <u>-</u>                         | <u>1,041,907</u>                                     |
| Total assets  | \$ <u>1,835,139</u>             | <u>295,255</u>   | <u>119,472</u>                   | <u>2,249,866</u>                                     |
| <b>Liabilities and Fund Balances</b>  |                                 |  |                                  |  |
| Liabilities:  |                                 |  |                                  |  |
| Accounts payable<br>and accrued liabilities   | \$ 734                          | 88,576   | -                                | 89,310   |
| Due to component unit   | -                               | 206,679  | -                                | 206,679  |
| Deferred revenue  | 209,952                         | -  | -                                | 209,952  |
| Total liabilities   | <u>210,686</u>                  | <u>295,255</u>   | <u>-</u>                         | <u>505,941</u>                                       |
| Fund balances:  |                                 |  |                                  |  |
| Reserved for:   |                                 |  |                                  |  |
| Encumbrances  | -                               | -  | 210,512                          | 210,512  |
| State statute   | 580,422                         | 295,255  | -                                | 875,677  |
| Unreserved:   |                                 |  |                                  |  |
| Designated for subsequent<br>year's expenditures  | 398,222                         | -  | -                                | 398,222  |
| Undesignated  | 645,809                         | (295,255)  | (91,040)                         | 259,514  |
| Total fund balances   | <u>1,624,453</u>                | <u>-</u>   | <u>119,472</u>                   | <u>1,743,925</u>                                     |
| Total liabilities and fund balances   | \$ <u>1,835,139</u>             | <u>295,255</u>   | <u>119,472</u>                   | <u>2,249,866</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, 2009**

B-2

|  | <u>Rural Fire<br/>Districts</u> | <u>Room<br/>Occupancy/<br/>Tourism<br/>Development<br/>Tax</u> | <u>Community<br/>Development</u> | <u>Total Nonmajor<br/>Governmental<br/>Funds</u> |
|--|---------------------------------|--|----------------------------------|--|
| <b>Revenues</b>                        |                                 |  |                                  |  |
| Taxes:                                 |                                 |  |                                  |  |
| Property taxes                         | \$ 9,558,965                    | -  | -                                | 9,558,965  |
| Sales tax                              | 2,457,616                       | -  | -                                | 2,457,616  |
| Occupancy taxes                        | -                               | 4,036,491  | -                                | 4,036,491  |
| Intergovernmental                      | -                               | -  | 185,987                          | 185,987  |
| Interest on investments                | 3,542                           | -  | -                                | 3,542  |
| Total revenues                         | <u>12,020,123</u>               | <u>4,036,491</u>   | <u>185,987</u>                   | <u>16,242,601</u>                                |
| <b>Expenditures</b>                    |                                 |  |                                  |  |
| Current:                               |                                 |  |                                  |  |
| Public safety                          | 12,647,225                      | -  | -                                | 12,647,225                                       |
| Urban redevelopment and<br>housing     | -                               | -  | 185,987                          | 185,987  |
| Economic development and<br>assistance | -                               | 4,036,491  | -                                | 4,036,491  |
| Total expenditures                     | <u>12,647,225</u>               | <u>4,036,491</u>   | <u>185,987</u>                   | <u>16,869,703</u>                                |
| Net changes in fund balances           | (627,102)                       | -  | -                                | (627,102)  |
| Fund balances at beginning of year     | <u>2,251,555</u>                | <u>-</u>   | <u>119,472</u>                   | <u>2,371,027</u>                                 |
| Fund balances at end of year           | \$ <u>1,624,453</u>             | <u>-</u>   | <u>119,472</u>                   | <u>1,743,925</u>                                 |

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

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**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
For the fiscal year ended June 30, 2009**

|                                   | <u>Budgeted Amounts</u> |                   | <u>Actual Amounts</u>               | <u>Variance with</u>                            |
|-----------------------------------|-------------------------|-------------------|-------------------------------------|---|
|                                   | <u>Original</u>         | <u>Final</u>      | <u>Budgetary and<br/>GAAP Basis</u> | <u>Final Budget<br/>Positive<br/>(Negative)</u> |
| <b>Revenues</b>                   |                         |                   |                                     |   |
| Taxes:                            |                         |                   |                                     |   |
| Property taxes                    | \$ 9,056,579            | 9,056,579         | 9,525,280                           | 468,701   |
| Interest on delinquent taxes      | -                       | -                 | 33,685                              | 33,685  |
| Total property taxes              | 9,056,579               | 9,056,579         | 9,558,965                           | 502,386   |
| Sales tax                         | 2,687,602               | 2,687,602         | 2,457,616                           | (229,986)                                       |
| Interest on investments           | -                       | -                 | 3,542                               | 3,542   |
| Total revenues                    | <u>11,744,181</u>       | <u>11,744,181</u> | <u>12,020,123</u>                   | <u>275,942</u>                                  |
| <b>Expenditures</b>               |                         |                   |                                     |   |
| Current:                          |                         |                   |                                     |   |
| Public safety:                    |                         |                   |                                     |   |
| Alamance Community                | 1,082,893               | 1,082,893         | 1,082,893                           | -   |
| Climax                            | 114,539                 | 114,539           | 114,539                             | -   |
| Colfax                            | 553,597                 | 553,597           | 553,597                             | -   |
| Deep River                        | 215,301                 | 215,301           | 215,301                             | -   |
| Friedens Community                | 151,323                 | 151,323           | 151,323                             | -   |
| Gibsonville                       | 14,015                  | 14,015            | 14,015                              | -   |
| Guilford College Community        | 392,494                 | 392,494           | 392,494                             | -   |
| Guil-Rand                         | 166,491                 | 166,491           | 166,491                             | -   |
| Julian                            | 77,587                  | 77,587            | 77,587                              | -   |
| Kimesville                        | 100,601                 | 100,601           | 100,601                             | -   |
| McLeansville                      | 706,109                 | 706,109           | 706,053                             | 56  |
| Mount Hope Community              | 412,334                 | 412,334           | 412,334                             | -   |
| Northeast                         | 749,972                 | 749,972           | 749,972                             | -   |
| Oak Ridge                         | 1,096,676               | 1,096,676         | 1,096,676                           | -   |
| Pinecroft-Sedgefield              | 1,887,994               | 1,887,994         | 1,887,994                           | -   |
| Pleasant Garden                   | 716,016                 | 716,016           | 716,016                             | -   |
| Rankin                            | 914,364                 | 914,364           | 914,364                             | -   |
| Southeast                         | 172,839                 | 172,839           | 172,839                             | -   |
| Stokesdale                        | 530,664                 | 530,664           | 530,664                             | -   |
| Summerfield                       | 1,950,352               | 1,950,352         | 1,950,352                           | -   |
| Whitsett                          | 351,481                 | 351,481           | 351,481                             | -   |
| No. 14                            | 289,639                 | 289,639           | 289,639                             | -   |
| Total expenditures                | <u>12,647,281</u>       | <u>12,647,281</u> | <u>12,647,225</u>                   | <u>56</u>                                       |
| Net change in fund balance        | (903,100)               | (903,100)         | (627,102)                           | 275,998   |
| Fund balance at beginning of year | <u>2,251,555</u>        | <u>2,251,555</u>  | <u>2,251,555</u>                    | -   |
| Fund balance at end of year       | <u>\$ 1,348,455</u>     | <u>1,348,455</u>  | <u>1,624,453</u>                    | <u>275,998</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, 2009**

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|  | <u>Budgeted Amounts</u> |                  | <u>Actual Amounts</u>                     | <u>Variance with</u>  |
|--|-------------------------|------------------|---|---|
|  | <u>Original</u>         | <u>Final</u>     | <u>Budgetary and</u><br><u>GAAP Basis</u> | <u>Final Budget</u><br><u>Positive</u><br><u>(Negative)</u> |
| <b>Revenues</b>                        |                         |                  |   |   |
| Taxes:                                 |                         |                  |   |   |
| Occupancy                              | \$ 4,350,000            | 4,350,000        | 4,036,491                                 | (313,509)   |
| <b>Expenditures</b>                    |                         |                  |   |   |
| Current:                               |                         |                  |   |   |
| Economic development<br>and assistance | <u>4,350,000</u>        | <u>4,350,000</u> | <u>4,036,491</u>                          | <u>313,509</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**  
**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, 2009**

B-5

|   | <u>Project<br/>Authorization</u> | <u>Actual</u>      |                          |                      |
|---|----------------------------------|--------------------|--------------------------|----------------------|
|   |                                  | <u>Prior Years</u> | <u>Current Year</u>      | <u>Total to Date</u> |
| <b>Revenues</b>                             |                                  |                    |                          |                      |
| Intergovernmental:                          |                                  |                    |                          |                      |
| HUD - Home Investment Program               | \$ <u>1,082,079</u>              | <u>259,591</u>     | <u>185,987</u>           | <u>445,578</u>       |
| <b>Expenditures</b>                         |                                  |                    |                          |                      |
| 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                |
| 2007 Scattered Site Program                 | <u>400,000</u>                   | <u>260</u>         | <u>185,987</u>           | <u>186,247</u>       |
| Total expenditures                          | <u>1,233,375</u>                 | <u>291,415</u>     | <u>185,987</u>           | <u>477,402</u>       |
| Deficiency of revenues<br>over expenditures | (151,296)                        | (31,824)           | -                        | (31,824)             |
| <b>Other Financing Sources</b>              |                                  |                    |                          |                      |
| Transfers in                                | <u>151,296</u>                   | <u>151,296</u>     | -                        | <u>151,296</u>       |
| Net change in fund balance                  | \$ <u>-</u>                      | <u>119,472</u>     | -                        | <u>119,472</u>       |
| Fund balance at beginning of year           |                                  |                    | <u>119,472</u>           |                      |
| Fund balance at end of year                 |                                  |                    | \$ <u><u>119,472</u></u> |                      |

# Proprietary Fund

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



**GUILFORD COUNTY, NORTH CAROLINA**

**Internal Service Fund**

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

**For the fiscal year ended June 30, 2009**

|   | <u>Budgeted Amounts</u> |                   | <u>Actual Amounts</u> | <u>Variance with</u> |
|---|-------------------------|-------------------|-----------------------|----------------------|
|   | <u>Original</u>         | <u>Final</u>      | <u>Budgetary and</u>  | <u>Final Budget</u>  |
|   |                         |                   | <u>GAAP Basis</u>     | <u>Positive</u>      |
|   |                         |                   |                       | <u>(Negative)</u>    |
| <b>Revenues</b>   |                         |                   |                       |                      |
| Operating revenues:   |                         |                   |                       |                      |
| Charges for services  | \$ 31,934,433           | 31,934,433        | 31,890,043            | (44,390)             |
| Other   | -                       | -                 | 144,473               | 144,473              |
| Total operating revenues  | <u>31,934,433</u>       | <u>31,934,433</u> | <u>32,034,516</u>     | <u>100,083</u>       |
| Nonoperating revenues:  |                         |                   |                       |                      |
| Interest income   | <u>900,009</u>          | <u>900,009</u>    | <u>787,046</u>        | <u>(112,963)</u>     |
| Total revenues  | <u>32,834,442</u>       | <u>32,834,442</u> | <u>32,821,562</u>     | <u>(12,880)</u>      |
| <b>Expenditures</b>   |                         |                   |                       |                      |
| Risk Retention-Liability/Property/WC:   |                         |                   |                       |                      |
| Personnel services  |                         |                   | 317,825               |                      |
| Other direct service costs  |                         |                   | 19,719                |                      |
| Professional services   |                         |                   | 116,179               |                      |
| Claims, premiums and bonding  | -                       | -                 | 1,588,536             | -                    |
| Total Risk Retention  | <u>2,316,333</u>        | <u>3,058,968</u>  | <u>2,042,259</u>      | <u>1,016,709</u>     |
| Health Care & Wellness:   |                         |                   |                       |                      |
| Professional services   |                         |                   | 1,514,344             |                      |
| Claims, premiums and bonding  | -                       | -                 | 28,387,549            | -                    |
| Total Health Care & Wellness  | <u>30,518,109</u>       | <u>30,524,791</u> | <u>29,901,893</u>     | <u>622,898</u>       |
| Total expenditures  | <u>32,834,442</u>       | <u>33,583,759</u> | <u>31,944,152</u>     | <u>1,639,607</u>     |
| Excess (deficiency) of<br>revenues over expenditures                                    | -                       | (749,317)         | 877,410               | 1,626,727            |
| <b>Other financing sources:</b>   |                         |                   |                       |                      |
| Appropriated fund balance   | -                       | 749,317           | -                     | (749,317)            |
| Revenues and other sources<br>over expenditures   | \$ <u>-</u>             | <u>-</u>          | 877,410               | <u>877,410</u>       |
| <b>Reconciliation from financial plan<br/>basis (modified accrual) to full accrual:</b> |                         |                   |                       |                      |
| Decrease in accrued vacation pay  |                         |                   | <u>(5,188)</u>        |                      |
| Change in net assets  |                         |                   | \$ <u>872,222</u>     |                      |

# Fiduciary Funds

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

## Individual Fund Descriptions:

### Pension Trust Funds

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

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

## Individual Fund Descriptions:

### Agency Funds

- *Tax Collection Fund* - Accounts for occupancy and/or ad valorem property taxes collected by the County tax collector in his capacity as agent for the Cities of Archdale, Burlington, Greensboro, and High Point, the Towns of Gibsonville, Jamestown, 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**  
**Pension Trust Funds**  
**Combining Statement of Net Assets**  
**June 30, 2009**

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|  | Pension Trust Funds   |                                      |           |
|--|---|--------------------------------------|-----------|
|  | Law Enforcement<br>Officers' Special<br>Separation<br>Allowance | Other Post<br>Employment<br>Benefits | Total     |
| <b>Assets</b>                            |   |                                      |           |
| Current assets:                          |   |                                      |           |
| Cash and cash equivalents/investments    | \$ 1,313,865  | 100,124                              | 1,413,989 |
| Receivables:                             |   |                                      |           |
| Accrued interest on investments          | 4,629   | -                                    | 4,629     |
| Total assets                             | 1,318,494   | 100,124                              | 1,418,618 |
| <b>Liabilities</b>                       |   |                                      |           |
| Accounts payable and accrued liabilities | 4,365   | -                                    | 4,365     |
| <b>Net Assets</b>                        |   |                                      |           |
| Held in trust for pension benefits       | \$ 1,314,129  | 100,124                              | 1,414,253 |

**GUILFORD COUNTY, NORTH CAROLINA**  
**Pension Trust Funds**  
**Combining Statement of Changes in Plan Net Assets**  
**For the fiscal year ended June 30, 2009**

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|                                 | <b>Pension Trust Funds</b>  |   |                  |
|---------------------------------|---|---|------------------|
|                                 | <b>Law Enforcement<br/>Officers' Special<br/>Separation<br/>Allowance</b> | <b>Other Post<br/>Employment<br/>Benefits</b> | <b>Total</b>     |
| <b>Additions</b>                |   |   |                  |
| Employer contributions          | \$ 474,840  | 100,000                                       | 574,840          |
| Interest                        | 27,715  | 124   | 27,839           |
| Total additions                 | <u>502,555</u>  | <u>100,124</u>                                | <u>602,679</u>   |
| <b>Deductions</b>               |   |   |                  |
| Benefits                        | 694,556   | -   | 694,556          |
| Administrative expenses         | 628   | -   | 628              |
| Total deductions                | <u>695,184</u>  | <u>-</u>                                      | <u>695,184</u>   |
| Change in net assets            | (192,629)   | 100,124                                       | (92,505)         |
| Net assets at beginning of year | <u>1,506,758</u>  | <u>-</u>                                      | <u>1,506,758</u> |
| Net assets at end of year       | <u>\$ 1,314,129</u>   | <u>100,124</u>                                | <u>1,414,253</u> |

**GUILFORD COUNTY, NORTH CAROLINA**  
**Agency Funds**  
**Combining Statement of Assets and Liabilities**  
**June 30, 2009**

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|  | <b>Agency Funds</b>       |                                  |                                 |  | <b>Total</b>            |
|--|---------------------------|----------------------------------|---------------------------------|--|-------------------------|
|  | <b>Tax<br/>Collection</b> | <b>Fines and<br/>Forfeitures</b> | <b>Representative<br/>Payee</b> | <b>NC Treasurer's<br/>Vehicle Interest</b> |                         |
| <b>Assets</b>                            |                           |                                  |                                 |  |                         |
| Cash and cash equivalents/investments    | \$ 877,926                | 456,321                          | 364,767                         | 32,607                                     | 1,731,621               |
| Total assets                             | \$ <u>877,926</u>         | <u>456,321</u>                   | <u>364,767</u>                  | <u>32,607</u>                              | <u>1,731,621</u>        |
| <b>Liabilities</b>                       |                           |                                  |                                 |  |                         |
| Accounts payable and accrued liabilities | \$ -                      | 456,321                          | -                               | -  | 456,321                 |
| Representative payee clients payable     | -                         | -                                | 364,767                         | -  | 364,767                 |
| Due to other taxing units                | <u>877,926</u>            | <u>-</u>                         | <u>-</u>                        | <u>32,607</u>                              | <u>910,533</u>          |
| Total liabilities                        | \$ <u><u>877,926</u></u>  | <u><u>456,321</u></u>            | <u><u>364,767</u></u>           | <u><u>32,607</u></u>                       | <u><u>1,731,621</u></u> |

**GUILFORD COUNTY, NORTH CAROLINA**  
**Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the fiscal year ended June 30, 2009**

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|  | <u>Balance</u><br><u>7/1/08</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u><br><u>6/30/09</u> |
|--|---------------------------------|------------------|-------------------|----------------------------------|
| <b><u>Tax Collection Fund</u></b>                  |                                 |                  |                   |                                  |
| <b>Assets</b>                                      |                                 |                  |                   |                                  |
| Cash and cash equivalents/investments              | \$ 944,594                      | 219,998,248      | 220,064,916       | 877,926                          |
| <b>Liabilities</b>                                 |                                 |                  |                   |                                  |
| Due to other taxing units                          | \$ 944,594                      | 219,998,248      | 220,064,916       | 877,926                          |
| <b><u>Fines and Forfeitures Fund</u></b>           |                                 |                  |                   |                                  |
| <b>Assets</b>                                      |                                 |                  |                   |                                  |
| Cash and cash equivalents/investments              | \$ 409,428                      | 2,936,920        | 2,890,027         | 456,321                          |
| <b>Liabilities</b>                                 |                                 |                  |                   |                                  |
| Accounts payable and accrued liabilities           | \$ 409,428                      | 2,936,920        | 2,890,027         | 456,321                          |
| <b><u>Representative Payee Fund</u></b>            |                                 |                  |                   |                                  |
| <b>Assets</b>                                      |                                 |                  |                   |                                  |
| Cash and cash equivalents/investments              | \$ 345,434                      | 2,185,334        | 2,166,001         | 364,767                          |
| <b>Liabilities</b>                                 |                                 |                  |                   |                                  |
| Representative payee clients payable               | \$ 345,434                      | 2,185,334        | 2,166,001         | 364,767                          |
| <b><u>NC Treasurer's Vehicle Interest Fund</u></b> |                                 |                  |                   |                                  |
| <b>Assets</b>                                      |                                 |                  |                   |                                  |
| Cash and cash equivalents/investments              | \$ 28,295                       | 326,373          | 322,061           | 32,607                           |
| <b>Liabilities</b>                                 |                                 |                  |                   |                                  |
| Due to other taxing units                          | \$ 28,295                       | 326,373          | 322,061           | 32,607                           |
| <b><u>Total Agency Funds</u></b>                   |                                 |                  |                   |                                  |
| <b>Assets</b>                                      |                                 |                  |                   |                                  |
| Cash and cash equivalents/investments              | \$ 1,727,751                    | 225,446,875      | 225,443,005       | 1,731,621                        |
| <b>Liabilities</b>                                 |                                 |                  |                   |                                  |
| Accounts payable and accrued liabilities           | \$ 409,428                      | 2,936,920        | 2,890,027         | 456,321                          |
| Representative payee clients payable               | 345,434                         | 2,185,334        | 2,166,001         | 364,767                          |
| Due to other taxing units                          | 972,889                         | 220,324,621      | 220,386,977       | 910,533                          |
| Total liabilities                                  | \$ 1,727,751                    | 225,446,875      | 225,443,005       | 1,731,621                        |



# Additional Financial Data

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

Analysis of Current Tax Levy

Schedule of Property Taxes Receivable

Analysis of Current Tax Levy -  
County-Wide Levy

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

General Obligation Debt Service Requirements  
and Maturity Schedule



**GUILFORD COUNTY, NORTH CAROLINA**  
**Analysis of Current Tax Levy**  
**For the fiscal year ended June 30, 2009**

|                            | <u>Assessed<br/>Value</u> | <u>Rate (1)</u> | <u>Amount<br/>of Levy (2)</u> |
|----------------------------|---------------------------|-----------------|-------------------------------|
| County-wide                | \$ 44,588,078,951         | 0.7374          | \$ <u>328,160,804</u>         |
| Rural fire districts:      |                           |                 |                               |
| Alamance Community         | 882,584,688               | 0.1000          | 875,586                       |
| Gibsonville                | 10,949,966                | 0.1000          | 10,950                        |
| Climax                     | 86,352,659                | 0.1000          | 86,368                        |
| Colfax                     | 409,684,562               | 0.1000          | 409,685                       |
| Deep River                 | 197,710,839               | 0.0770          | 152,238                       |
| Friedens Community         | 122,437,676               | 0.0950          | 116,319                       |
| Guilford College Community | 426,018,557               | 0.0800          | 340,815                       |
| Guil-Rand                  | 121,725,633               | 0.1000          | 121,721                       |
| Julian                     | 64,943,415                | 0.0910          | 59,099                        |
| Kimesville                 | 82,469,067                | 0.1000          | 82,469                        |
| McLeansville               | 720,108,132               | 0.0700          | 504,077                       |
| Mount Hope Community       | 405,179,280               | 0.0800          | 324,144                       |
| Northeast                  | 670,526,342               | 0.0900          | 600,604                       |
| Oak Ridge                  | 1,020,729,761             | 0.0825          | 842,111                       |
| Pincroft-Sedgefield        | 1,584,089,256             | 0.0860          | 1,362,321                     |
| Pleasant Garden            | 553,472,862               | 0.1000          | 553,471                       |
| Rankin                     | 762,820,765               | 0.1000          | 762,821                       |
| Southeast                  | 130,490,911               | 0.1000          | 130,491                       |
| Stokesdale                 | 522,957,713               | 0.0773          | 404,245                       |
| Summerfield                | 1,553,918,546             | 0.0875          | 1,359,692                     |
| Whitsett                   | 441,969,527               | 0.0632          | 279,325                       |
| No. 14 (Franklin Blvd.)    | 206,365,216               | 0.1000          | <u>206,365</u>                |
| Total rural fire districts |                           |                 | <u>9,584,917</u>              |
| Total entity-wide          |                           |                 | \$ <u>337,745,721</u>         |

Percent of current year adjusted tax levy collected:

|                      |                |
|----------------------|----------------|
| County-wide          | <u>98.17</u> % |
| Rural fire districts | <u>98.18</u>   |
| Entity-wide          | <u>98.17</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<br/>Allowed</u> | <u>Releases</u>    | <u>Total<br/>Adjusted<br/>Tax Levy</u> | <u>Current<br/>Tax<br/>Collections</u> | <u>Uncollected<br/>at<br/>June 30, 2009</u> |
|--------------------|------------------|------------------------------|--------------------|--|--|---|
| <u>2,283,300</u>   | <u>315,820</u>   | <u>(1,721,093)</u>           | <u>(1,804,931)</u> | <u>327,233,900</u>                     | <u>(321,238,223)</u>                   | <u>5,995,677</u>                            |
| 1,649              | 190              | (5,099)                      | (1,601)            | 870,725                                | (853,657)                              | 17,068                                      |
| -                  | -                | (61)                         | (5)                | 10,884                                 | (10,778)                               | 106   |
| 958                | 13               | (440)                        | (635)              | 86,264                                 | (83,722)                               | 2,542                                       |
| 4,853              | 94               | (2,240)                      | (839)              | 411,553                                | (406,463)                              | 5,090                                       |
| 2,792              | 191              | (688)                        | (135)              | 154,398                                | (150,974)                              | 3,424                                       |
| 2,174              | 32               | (542)                        | (340)              | 117,643                                | (115,132)                              | 2,511                                       |
| 6,069              | 1,736            | (1,132)                      | (1,720)            | 345,768                                | (339,838)                              | 5,930                                       |
| 706                | 26               | (541)                        | (565)              | 121,347                                | (119,268)                              | 2,079                                       |
| 261                | 29               | (204)                        | (46)               | 59,139                                 | (58,314)                               | 825   |
| 1,601              | 600              | (324)                        | (289)              | 84,057                                 | (80,728)                               | 3,329                                       |
| 2,319              | 318              | (2,742)                      | (923)              | 503,049                                | (491,770)                              | 11,279                                      |
| 2,310              | 99               | (1,743)                      | (2,025)            | 322,785                                | (317,478)                              | 5,307                                       |
| 9,918              | 241              | (3,231)                      | (2,015)            | 605,517                                | (592,953)                              | 12,564                                      |
| 13,501             | 193              | (5,003)                      | (2,500)            | 848,302                                | (836,912)                              | 11,390                                      |
| 5,215              | 598              | (6,674)                      | (2,357)            | 1,359,103                              | (1,340,009)                            | 19,094                                      |
| 3,532              | 280              | (2,860)                      | (2,294)            | 552,129                                | (539,469)                              | 12,660                                      |
| 9,752              | 1,363            | (4,281)                      | (3,100)            | 766,555                                | (745,865)                              | 20,690                                      |
| 384                | 29               | (630)                        | (470)              | 129,804                                | (127,633)                              | 2,171                                       |
| 8,058              | 1,728            | (2,077)                      | (1,338)            | 410,616                                | (404,703)                              | 5,913                                       |
| 7,648              | 428              | (7,701)                      | (3,994)            | 1,356,073                              | (1,335,931)                            | 20,142                                      |
| 7,361              | 1,456            | (1,129)                      | (3,218)            | 283,795                                | (278,913)                              | 4,882                                       |
| <u>5,620</u>       | <u>308</u>       | <u>(1,027)</u>               | <u>(2,905)</u>     | <u>208,361</u>                         | <u>(202,061)</u>                       | <u>6,300</u>                                |
| <u>96,681</u>      | <u>9,952</u>     | <u>(50,369)</u>              | <u>(33,314)</u>    | <u>9,607,867</u>                       | <u>(9,432,571)</u>                     | <u>175,296</u>                              |
| <u>2,379,981</u>   | <u>325,772</u>   | <u>(1,771,462)</u>           | <u>(1,838,245)</u> | <u>336,841,767</u>                     | <u>(330,670,794)</u>                   | <u>6,170,973</u>                            |

**GUILFORD COUNTY, NORTH CAROLINA**  
**Schedule of Property Taxes Receivable**  
**June 30, 2009**

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| <u>Fiscal Year</u>   | <u>Uncollected<br/>Balance<br/>June 30, 2008</u> | <u>Total<br/>Adjusted<br/>Tax Levy</u> | <u>Collections<br/>and Credits</u> | <u>Uncollected<br/>Balance<br/>June 30, 2009</u> |
|--|--|--|------------------------------------|--|
| 2008-2009  | \$ -   | 336,841,767                            | 330,670,794                        | 6,170,973  |
| 2007-2008  | 4,866,753  | -                                      | 3,035,313                          | 1,831,440  |
| 2006-2007  | 1,402,918  | -                                      | 371,516                            | 1,031,402  |
| 2005-2006  | 859,393  | -                                      | 119,628                            | 739,765  |
| 2004-2005  | 720,309  | -                                      | 50,126                             | 670,183  |
| 2003-2004  | 586,793  | -                                      | 20,523                             | 566,270  |
| 2002-2003  | 469,512  | -                                      | 10,604                             | 458,908  |
| 2001-2002  | 480,626  | -                                      | 6,173                              | 474,453  |
| 2000-2001  | 387,648  | -                                      | 8,856                              | 378,792  |
| 1999-2000  | 371,285  | -                                      | 3,190                              | 368,095  |
| 1998-1999  | 281,964  | -                                      | 281,964                            | -  |
|  | <u>\$ 10,427,201</u>                             | <u>336,841,767</u>                     | <u>334,578,687</u>                 | 12,690,281                                       |
| Less allowance for estimated uncollectible delinquent taxes:             |  |  |                                    |  |
| General Fund   |  |  | \$ (6,483,743)                     |  |
| Rural Fire Districts Fund  |  |  | <u>(122,412)</u>                   | <u>(6,606,155)</u>                               |
| Property taxes receivable (net)  |  |  |                                    | \$ <u>6,084,126</u>                              |
| <b>Reconciliation with revenues:</b>                                     |  |  |                                    |  |
| General Fund:  |  |  |                                    |  |
| Ad valorem taxes   |  |  | \$ 324,195,207                     |  |
| Interest on delinquent taxes   |  |  | <u>1,123,284</u>                   | \$ 325,318,491                                   |
| Rural Fire Districts Fund:   |  |  |                                    |  |
| Ad valorem taxes   |  |  | 9,525,280                          |  |
| Interest on delinquent taxes   |  |  | <u>33,685</u>                      | 9,558,965  |
| Plus collections and credits not included in revenues:                   |  |  |                                    |  |
| Releases net of refunds on prior fiscal years                            |  |  | 361,552                            |  |
| Penalties on delinquent taxes  |  |  | 249,720                            |  |
| Amounts written off for tax year 1997-1998 per<br>statute of limitations |  |  | <u>281,964</u>                     | <u>893,236</u>                                   |
| Subtotal   |  |  |                                    | 335,770,692                                      |
| Less revenues not included in collections and credits:                   |  |  |                                    |  |
| Collections on years prior to 1999 - 2000                                |  |  | (3,849)                            |  |
| Payments in lieu of taxes  |  |  | (31,187)                           |  |
| Interest collected   |  |  | <u>(1,156,969)</u>                 | <u>(1,192,005)</u>                               |
| Total collections and credits  |  |  |                                    | \$ <u>334,578,687</u>                            |

**GUILFORD COUNTY, NORTH CAROLINA**  
**Analysis of Current Tax Levy**  
**County-Wide Levy**  
**For the fiscal year ended June 30, 2009**

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|  | 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)            | \$ 43,222,939,924        | 0.7374  | 318,725,959           | 301,800,191                                  | 16,925,768                |
| Registered motor vehicles taxed at prior year's rate | <u>1,365,139,027</u>     | 0.6914  | <u>9,434,845</u>      | -  | <u>9,434,845</u>          |
| Total  | <u>44,588,078,951</u>    |         | <u>328,160,804</u>    | <u>301,800,191</u>                           | <u>26,360,613</u>         |
| Discoveries:   |                          |         |                       |  |                           |
| Current year taxes                                   | 179,064,280              | 0.7374  | 1,320,420             | 1,320,420                                    | -                         |
| Prior year taxes                                     | <u>-</u>                 |         | <u>962,880</u>        | <u>962,880</u>                               | <u>-</u>                  |
| Total  | <u>179,064,280</u>       |         | <u>2,283,300</u>      | <u>2,283,300</u>                             | <u>-</u>                  |
| Penalties  | <u>-</u>                 |         | <u>315,820</u>        | <u>315,820</u>                               | <u>-</u>                  |
| Discounts allowed                                    | <u>-</u>                 |         | <u>(1,721,093)</u>    | <u>(1,721,093)</u>                           | <u>-</u>                  |
| Releases:  |                          |         |                       |  |                           |
| Current year taxes                                   | (216,165,311)            | 0.7374  | (1,594,003)           | (1,393,322)                                  | (200,681)                 |
| Prior year taxes                                     | <u>-</u>                 |         | <u>(210,928)</u>      | <u>(46,703)</u>                              | <u>(164,225)</u>          |
| Total  | <u>(216,165,311)</u>     |         | <u>(1,804,931)</u>    | <u>(1,440,025)</u>                           | <u>(364,906)</u>          |
| Total assessed value                                 | \$ <u>44,550,977,920</u> |         |                       |  |                           |
| Total adjusted tax levy                              |                          |         | 327,233,900           | 301,238,193                                  | 25,995,707                |
| Uncollected taxes at June 30, 2009                   |                          |         | <u>(5,995,677)</u>    | <u>(3,504,997)</u>                           | <u>(2,490,680)</u>        |
| Current year's taxes collected                       |                          |         | \$ <u>321,238,223</u> | <u>297,733,196</u>                           | <u>23,505,027</u>         |
| Current adjusted tax levy collection percentage      |                          |         | <u>98.17%</u>         | <u>98.84%</u>                                | <u>90.42%</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, 2009**

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**Secondary Market Disclosures:**

|                              |                                 |
|------------------------------|---------------------------------|
| Assessed Valuation:          |                                 |
| Assessment Ratio (1)         | 100%                            |
| Real Property (2)            | \$ 35,994,252,248               |
| Personal Property            | 7,459,633,640                   |
| Public Service Companies (3) | <u>1,134,193,063</u>            |
| Total Assessed Valuation     | \$ <u><u>44,588,078,951</u></u> |
| <br>                         |                                 |
| Tax Rate per \$100 (4)       | <u><u>0.7374</u></u>            |
| <br>                         |                                 |
| Levy (5)                     | \$ <u><u>340,451,474</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            | \$ 330,759,924               |
| Special Fire Districts | <u>9,691,550</u>             |
| Total Levy             | \$ <u><u>340,451,474</u></u> |

The levy is adjusted to exclude rebates and discounts allowed of \$3,609,707.

**GUILFORD COUNTY, NORTH CAROLINA**  
**General Obligation Debt Service Requirements**  
**and Maturity Schedule**  
**As of June 30, 2009**

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| Fiscal<br>Year | UTILITY              |                         | OTHER              |                         | TOTAL              |                         |
|----------------|----------------------|-------------------------|--------------------|-------------------------|--------------------|-------------------------|
|                | Existing Debt        |                         | Existing Debt      |                         | Existing Debt      |                         |
|                | Principal            | Principal<br>& Interest | Principal          | Principal<br>& Interest | Principal          | Principal<br>& Interest |
| 2009-10        | \$ 1,703,861         | 2,585,983               | 34,001,139         | 55,812,186              | 35,705,000         | 58,398,169              |
| 2010-11        | 1,525,377            | 2,336,971               | 34,649,623         | 55,019,323              | 36,175,000         | 57,356,294              |
| 2011-12        | 2,718,383            | 3,434,512               | 33,551,617         | 52,483,594              | 36,270,000         | 55,918,106              |
| 2012-13        | 2,782,392            | 3,370,821               | 33,547,608         | 51,060,072              | 36,330,000         | 54,430,893              |
| 2013-14        | 2,550,449            | 3,019,803               | 34,794,551         | 50,924,198              | 37,345,000         | 53,944,001              |
| 2014-15        | 2,544,502            | 2,900,079               | 35,830,498         | 50,591,375              | 38,375,000         | 53,491,454              |
| 2015-16        | 2,540,537            | 2,777,994               | 36,814,463         | 50,060,233              | 39,355,000         | 52,838,227              |
| 2016-17        | 2,262,998            | 2,389,374               | 38,072,002         | 49,746,338              | 40,335,000         | 52,135,712              |
| 2017-18        | 960,974              | 1,015,008               | 40,474,026         | 50,532,344              | 41,435,000         | 51,547,352              |
| 2018-19        | 452,253              | 468,329                 | 42,437,747         | 50,556,347              | 42,890,000         | 51,024,676              |
| 2019-20        | 42,253               | 48,462                  | 43,437,747         | 49,999,384              | 43,480,000         | 50,047,846              |
| 2020-21        | 42,253               | 46,796                  | 44,702,747         | 49,937,346              | 44,745,000         | 49,984,142              |
| 2021-22        | 41,731               | 44,612                  | 45,083,269         | 49,232,585              | 45,125,000         | 49,277,197              |
| 2022-23        | 41,731               | 42,966                  | 45,083,269         | 48,090,310              | 45,125,000         | 48,133,276              |
| 2023-24        | -                    | -                       | 38,125,000         | 40,438,901              | 38,125,000         | 40,438,901              |
| 2024-25        | -                    | -                       | 38,120,000         | 40,000,075              | 38,120,000         | 40,000,075              |
| 2025-26        | -                    | -                       | 19,480,000         | 20,948,006              | 19,480,000         | 20,948,006              |
| 2026-27        | -                    | -                       | 19,480,000         | 20,569,144              | 19,480,000         | 20,569,144              |
| 2027-28        | -                    | -                       | 8,230,000          | 8,939,838               | 8,230,000          | 8,939,838               |
| 2028-29        | -                    | -                       | 8,230,000          | 8,590,062               | 8,230,000          | 8,590,062               |
|                | \$ <u>20,209,694</u> | <u>24,481,710</u>       | <u>674,145,306</u> | <u>853,531,661</u>      | <u>694,355,000</u> | <u>878,013,371</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.

| <b>Contents</b> | <b>Tables</b> |
|-----------------|---------------|
|-----------------|---------------|

|                         |              |
|-------------------------|--------------|
| <b>Financial Trends</b> | <b>1 - 2</b> |
|-------------------------|--------------|

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

|                         |              |
|-------------------------|--------------|
| <b>Revenue Capacity</b> | <b>3 - 6</b> |
|-------------------------|--------------|

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

|                      |              |
|----------------------|--------------|
| <b>Debt Capacity</b> | <b>7 - 9</b> |
|----------------------|--------------|

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

|   |                |
|---|----------------|
| <b>Demographic and Economic Information</b> | <b>10 - 11</b> |
|---|----------------|

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

|                              |                |
|------------------------------|----------------|
| <b>Operating Information</b> | <b>12 - 14</b> |
|------------------------------|----------------|

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

*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.*

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

|  | Fiscal Year          |                      |                      |                      |                      |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 2002                 | 2003                 | 2004                 | 2005                 | 2006                 | 2007                 | 2008                 | 2009                 |
| <b>Expenses</b>                                  |                      |                      |                      |                      |                      |                      |                      |                      |
| 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           | 43,920,236           |
| Human services                                   | 154,085,861          | 159,178,485          | 162,046,232          | 168,210,350          | 170,986,656          | 167,658,603          | 187,408,591          | 183,143,016          |
| Public safety (2)                                | 63,192,587           | 65,312,136           | 70,809,410           | 77,965,005           | 83,334,706           | 90,576,330           | 101,980,944          | 104,015,673          |
| Environmental protection                         | 1,988,716            | 1,007,132            | 1,174,894            | 1,682,060            | 1,127,138            | 1,194,998            | 1,395,364            | 1,319,735            |
| Culture - recreation                             | 2,022,230            | 1,816,420            | 2,754,118            | 3,824,634            | 4,790,197            | 6,244,857            | 5,981,193            | 6,822,953            |
| Urban redevelopment and housing                  | 4,056                | 311,888              | 259,242              | 152,052              | 158,816              | 165,681              | -                    | 185,987              |
| 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            | 7,179,186            |
| Education  | 222,698,036          | 198,557,002          | 189,254,201          | 210,740,935          | 258,171,386          | 311,169,199          | 274,425,035          | 263,067,760          |
| 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           | 21,720,267           |
| <b>Total primary government expenses</b>         | <b>488,376,877</b>   | <b>476,294,448</b>   | <b>477,509,910</b>   | <b>519,250,254</b>   | <b>587,417,746</b>   | <b>644,673,401</b>   | <b>642,854,282</b>   | <b>631,374,813</b>   |
| <b>Program Revenues</b>                          |                      |                      |                      |                      |                      |                      |                      |                      |
| 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            | 6,493,504            |
| Human services                                   | 23,448,275           | 23,792,095           | 21,869,902           | 21,075,399           | 20,768,155           | 16,414,577           | 17,390,778           | 18,196,954           |
| Public safety                                    | 11,700,199           | 13,471,224           | 14,259,539           | 16,056,217           | 17,697,563           | 17,901,405           | 19,486,002           | 20,476,409           |
| 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            | 1,933,971            |
| Other activities                                 | 327,482              | 353,284              | 226,224              | 278,833              | 198,133              | 139,105              | 139,174              | 107,016              |
| 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           | 88,445,374           |
| Public safety                                    | 2,249,286            | 1,181,844            | 1,494,192            | 2,388,765            | 2,916,616            | 2,086,924            | 1,818,775            | 1,199,627            |
| Education  | 9,064,542            | 2,650,322            | 299,783              | 4,968,633            | 4,165,991            | 16,594,201           | 13,482,032           | 4,206,914            |
| Interest on long-term debt                       | -                    | -                    | -                    | -                    | -                    | -                    | 6,000,000            | 12,500,000           |
| Other activities                                 | 777,814              | 1,232,646            | 976,685              | 2,912,425            | 3,683,034            | 1,020,755            | 826,942              | 1,788,851            |
| 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               | 258,777              |
| Public safety                                    | 45,260               | 34,147               | 214,986              | 66,236               | 490,261              | 22,810               | 110,975              | 349,110              |
| Culture - recreation                             | 11,748               | 17,916               | 1,238,163            | 237,573              | 50,300               | -                    | 1,000                | 6,306,168            |
| Other activities                                 | 39,507               | 2,472                | -                    | 9,759                | 17,883               | -                    | -                    | -                    |
| <b>Total primary government program revenues</b> | <b>127,904,597</b>   | <b>127,529,181</b>   | <b>129,569,047</b>   | <b>139,235,589</b>   | <b>141,447,031</b>   | <b>147,494,769</b>   | <b>155,407,183</b>   | <b>162,262,675</b>   |
| <b>Total primary government net expenses</b>     | <b>(360,472,280)</b> | <b>(348,765,267)</b> | <b>(347,940,863)</b> | <b>(380,014,665)</b> | <b>(445,970,715)</b> | <b>(497,178,632)</b> | <b>(487,447,099)</b> | <b>(469,112,138)</b> |

**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 | 336,155,671 |
| Sales taxes                           | 53,789,277  | 58,779,530  | 74,631,354  | 79,845,527  | 82,561,886  | 88,839,038  | 88,097,598  | 72,903,563  |
| Occupancy taxes                       | 3,825,082   | 4,006,760   | 3,976,303   | 4,232,851   | 4,485,837   | 4,419,986   | 4,618,458   | 4,036,491   |
| Excise taxes                          | 2,057,359   | 1,949,926   | 2,680,418   | 2,935,945   | 3,399,037   | 3,268,199   | 3,155,087   | 1,686,397   |
| 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     | 631,080     |
| Franchise taxes                       | 590,491     | 413,145     | 506,089     | 520,014     | 618,753     | 462,080     | 143,515     | 148,147     |
| Unrestricted grants and contributions | 11,485,517  | 589,147     | 4,794,484   | 3,735,353   | 1,347,053   | 1,060,902   | 1,472,030   | 1,421,855   |
| Unrestricted investment earnings      | 9,699,517   | 5,993,035   | 3,582,623   | 7,707,805   | 15,391,864  | 17,075,971  | 17,427,005  | 7,875,270   |
| Other                                 | 264,431     | 114,304     | 162,985     | 222,293     | 313,562     | 2,019,617   | 371,374     | 225,855     |
| 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> | <u>425,084,329</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> | <u>(44,027,809)</u> |
|--|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|

**Net Assets by Component**

Governmental activities:

|   |                                    |                                  |                     |                     |                      |                      |                      |                      |
|---|------------------------------------|----------------------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| Invested in capital assets, net of related debt | <b>(Restated)</b><br>\$ 99,485,526 | <b>(Restated)</b><br>100,094,146 | 111,008,939         | 112,083,864         | 115,542,072          | 116,246,292          | 115,992,624          | 120,573,365          |
| Restricted                                      | 16,547,207                         | 19,657,963                       | 23,362,147          | 25,288,493          | 27,765,244           | 30,720,400           | 36,221,646           | 37,896,605           |
| 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> | <u>(367,696,586)</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> | <u>(209,226,616)</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)**

|  | Fiscal Year    |              |              |                   |              |              |              |               |              |              |
|--|----------------|--------------|--------------|-------------------|--------------|--------------|--------------|---------------|--------------|--------------|
|  | 2000           | 2001         | 2002         | 2003              | 2004         | 2005         | 2006         | 2007          | 2008         | 2009         |
| <b>Revenues</b>                                      |                |              |              | <b>(Restated)</b> |              |              |              |               |              |              |
| Taxes:   |                |              |              |                   |              |              |              |               |              |              |
| Property taxes                                       | \$ 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  | 334,877,456  |
| Sales taxes  | 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   | 72,903,563   |
| Occupancy taxes                                      | 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    | 4,036,491    |
| Excise taxes   | 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    | 1,686,397    |
| 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      | 631,080      |
| Franchise taxes                                      | -              | -            | 590,491      | 413,145           | 506,089      | 520,014      | 618,753      | 462,080       | 143,515      | 148,147      |
| Total taxes  | 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  | 414,283,134  |
| Licenses and permits                                 | 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    | 1,585,588    |
| Intergovernmental                                    | 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  | 108,853,768  |
| Charges for services                                 | 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   | 40,359,429   |
| Investment earnings                                  | 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   | 7,130,248    |
| Other  | 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    | 7,234,433    |
| Total revenues                                       | 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  | 579,446,600  |
| <b>Expenditures</b>                                  |                |              |              |                   |              |              |              |               |              |              |
| General government                                   | 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   | 41,209,590   |
| Human services                                       | 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  | 171,232,873  |
| Public safety  | 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   | 95,895,858   |
| Environmental protection                             | 746,662        | 679,512      | 974,932      | 1,027,260         | 1,138,238    | 1,125,296    | 1,086,756    | 1,237,988     | 1,171,174    | 1,141,212    |
| Culture - recreation                                 | 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    | 5,774,257    |
| Urban redevelopment & housing                        | 22,842         | 23,145       | 4,056        | 311,888           | 259,242      | 152,052      | 158,816      | 165,681       | -            | 185,987      |
| Economic development & assistance (1)                | 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    | 5,156,366    |
| Education (3)  | 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  | 186,918,211  |
| Capital outlay - Education (3)                       | 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   | 76,149,549   |
| Capital outlay - Other                               | 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   | 9,880,574    |
| Debt service:  |                |              |              |                   |              |              |              |               |              |              |
| Principal  | 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   | 28,160,200   |
| Interest   | 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   | 19,935,396   |
| Other fiscal charges                                 | 7,817          | 25,056       | 77,746       | 104,410           | 265,087      | 67,360       | 504,413      | 470,194       | 985,535      | 854,108      |
| Bond issuance / put bond costs                       | -              | 297,304      | -            | 542,893           | 343,858      | 825,559      | -            | 542,749       | -            | 300,443      |
| Total expenditures                                   | 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  | 642,794,624  |
| Excess (deficiency)<br>of revenues over expenditures | (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) | (63,348,024) |

**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       | -                   | 164,600,000        |
| 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         | -                   | 10,526,417         |
| Transfers in   | 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           | 2,930,621          |
| Transfers out (1)  | (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)         | (2,930,621)        |
| Sale of capital assets   | 137                    | -                 | 350,865             | 299,807           | 155,595             | 191,586            | 250,004             | 2,317,974         | 248,922             | 119,073            |
| Special Items  | -                      | -                 | -                   | -                 | (4,500,000)         | -                  | -                   | -                 | -                   | -                  |
| Total other financing sources (uses)<br>and other changes in fund balances | 137                    | 124,817,888       | 350,865             | 124,872,068       | 2,582,686           | 182,890,383        | 503,816             | 190,122,596       | 5,350,922           | 175,245,490        |
| <b>Changes in Fund Balances</b>  |                        |                   |                     |                   |                     |                    |                     |                   |                     |                    |
| Governmental funds   | <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> | <u>111,897,466</u> |
| Debt service as a percentage<br>of noncapital expenditures (4)             | <b>3.05%</b>           | <b>3.13%</b>      | <b>3.62%</b>        | <b>4.02%</b>      | <b>5.12%</b>        | <b>5.04%</b>       | <b>6.08%</b>        | <b>5.77%</b>      | <b>7.80%</b>        | <b>7.61%</b>       |

**Fund Balances**

|                                    |                                    |                    |                   |                                 |                    |                    |                    |                    |                    |                    |
|------------------------------------|------------------------------------|--------------------|-------------------|---------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| General fund:                      |                                    |                    |                   |                                 |                    |                    |                    |                    |                    |                    |
| Reserved                           | <u>(Restated)</u><br>\$ 34,379,190 | 28,347,418         | 29,393,205        | <u>(Restated)</u><br>35,833,092 | 37,807,777         | 44,883,408         | 43,905,906         | 48,386,558         | 49,298,419         | 49,720,293         |
| Unreserved (2)                     | 47,152,390                         | 61,206,684         | 57,994,642        | 61,188,365                      | 66,940,342         | 69,579,976         | 73,346,411         | 75,041,272         | 77,941,742         | 95,477,488         |
| Total general fund                 | <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> | <u>145,197,781</u> |
| All other governmental funds:      |                                    |                    |                   |                                 |                    |                    |                    |                    |                    |                    |
| Reserved                           | \$ 9,734,408                       | 9,996,196          | 9,774,903         | <u>(Restated)</u><br>11,224,504 | 10,159,955         | 6,462,668          | 9,403,431          | 10,531,341         | 14,888,243         | 14,873,636         |
| Unreserved, reported in:           |                                    |                    |                   |                                 |                    |                    |                    |                    |                    |                    |
| Special revenue funds              | 390,258                            | 174,981            | (69,911)          | (184,893)                       | 276,287            | 648,399            | 1,005,990          | 1,215,613          | 1,277,213          | 657,736            |
| Capital projects funds             | 63,923,017                         | 150,245,085        | 87,826,128        | 145,016,817                     | 104,427,386        | 237,383,366        | 133,324,238        | 193,269,780        | 114,092,089        | 208,666,019        |
| Total all other governmental funds | <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> | <u>224,197,391</u> |

Notes:

- (1) For years 2000 - 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 - 2009, 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 |   |                           |
| 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 <sup>(3)</sup> | 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                    |
| 2009                | 22,879,599,424         | 6,935,720,302          | 6,178,932,522                | 35,994,252,248          | 39,295,035,205                 | 7,459,633,640          | 1,134,193,063                          | 44,588,078,951         | 47,888,861,908                 | 93.1  | 0.7575                    |

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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 |               |               |               |               |               |               |               |               |               |
|---|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | <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>   | <u>2009</u>   |
| County Direct Rates:                    |                               |               |               |               |               |               |               |               |               |               |
| General Levy (1):                       |                               |               |               |               |               |               |               |               |               |               |
| Property taxed at current year's rate   | \$ 0.6079                     | 0.6079        | 0.6420        | 0.6448        | 0.6813        | 0.5961        | 0.6191        | 0.6367        | 0.6693        | 0.7148        |
| Registered motor vehicles at prior rate | <u>0.0293</u>                 | <u>0.0293</u> | <u>0.0304</u> | <u>0.0294</u> | <u>0.0304</u> | <u>0.0257</u> | <u>0.0228</u> | <u>0.0241</u> | <u>0.0211</u> | <u>0.0212</u> |
| Total general direct rate               | 0.6372                        | 0.6372        | 0.6724        | 0.6742        | 0.7117        | 0.6218        | 0.6419        | 0.6608        | 0.6904        | 0.7360        |
| Fire Protection Districts (2)           | <u>0.0200</u>                 | <u>0.0231</u> | <u>0.0235</u> | <u>0.0241</u> | <u>0.0193</u> | <u>0.0211</u> | <u>0.0217</u> | <u>0.0221</u> | <u>0.0226</u> | <u>0.0215</u> |
| Total direct rate                       | \$ <u>0.6572</u>              | <u>0.6603</u> | <u>0.6959</u> | <u>0.6983</u> | <u>0.7310</u> | <u>0.6429</u> | <u>0.6636</u> | <u>0.6829</u> | <u>0.7130</u> | <u>0.7575</u> |
| City Rates:                             |                               |               |               |               |               |               |               |               |               |               |
| Burlington (3)                          | \$ N/A                        | 0.5000        | 0.4218        | 0.4971        | 0.5000        | 0.5545        | 0.5550        | 0.6247        | 0.6250        | 0.6250        |
| Greensboro                              | 0.5828                        | 0.5828        | 0.5828        | 0.6163        | 0.6177        | 0.5717        | 0.5700        | 0.6158        | 0.6369        | 0.6374        |
| High Point                              | 0.5950                        | 0.6209        | 0.6220        | 0.6220        | 0.6220        | 0.5424        | 0.5914        | 0.6075        | 0.6323        | 0.6330        |
| Kernersville (3)                        | N/A                           | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           | 0.5500        |
| Town Rates:                             |                               |               |               |               |               |               |               |               |               |               |
| Archdale (3),(4)                        | \$ 0.2400                     | 0.2400        | 0.2300        | 0.2300        | 0.2300        | 0.2600        | 0.2600        | 0.2600        | 0.2900        | 0.2900        |
| Gibsonville (4)                         | 0.5300                        | 0.5300        | 0.5150        | 0.5150        | 0.5150        | 0.4950        | 0.5150        | 0.5150        | 0.5150        | 0.5150        |
| Jamestown                               | 0.3100                        | 0.3100        | 0.3100        | 0.3386        | 0.3495        | 0.3500        | 0.3500        | 0.3500        | 0.3500        | 0.3693        |
| Oak Ridge                               | None                          | None          | None          | None          | None          | 0.0863        | 0.0863        | 0.0863        | 0.0863        | 0.0863        |
| Pleasant Garden                         | None                          | None          | None          | None          | None          | None          | 0.0500        | 0.0500        | 0.0500        | 0.0260        |
| Sedalia                                 | None                          | None          | None          | None          | 0.2000        | 0.2000        | 0.2000        | 0.2000        | 0.2000        | 0.2000        |
| Summerfield                             | None                          | None          | None          | None          | None          | 0.1050        | 0.0523        | 0.0395        | 0.0390        | 0.0351        |
| Whitsett                                | None                          | None          | None          | None          | None          | None          | None          | None          | None          | 0.0500        |
| Sedgefield Sanitary District            | \$ 0.0400                     | 0.0400        | 0.0400        | 0.0400        | 0.0400        | 0.0352        | 0.0398        | 0.0257        | 0.0298        | 0.0300        |

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 and Kernersville's total direct rates are computed only with regard to assessed taxable value in Guilford County. Beginning in 2009, Archdale's total direct rate is similarly computed.
- (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**

| <u>Taxpayer</u>   | <u>Fiscal Year 2009</u> |   | <u>Fiscal Year 2000</u> |   |
|---|-------------------------|---|-------------------------|---|
|   | <u>Assessed Value</u>   | <u>Percentage of Total Assessed Value</u> | <u>Assessed Value</u>   | <u>Percentage of Total Assessed Value</u> |
| Duke Energy Corporation   | \$ 341,721,051          | 0.77                                      | \$ 301,909,619          | 1.04                                      |
| Koury Corporation   | 277,192,223             | 0.62                                      | 305,885,198             | 1.05                                      |
| Lorillard Tobacco Company   | 270,378,566             | 0.61                                      | 186,722,191             | 0.64                                      |
| RF Micro Devices, Inc.  | 214,973,534             | 0.48                                      | -                       | -   |
| CBL & Associates Properties, Inc.   | 212,855,431             | 0.48                                      | -                       | -   |
| TYCO Electronics (AMP)  | 186,261,055             | 0.42                                      | 197,723,452             | 0.68                                      |
| International Home Furnishings Center (formerly Southern Furniture Exposition Building, Inc.) | 184,884,223             | 0.41                                      | 129,339,000             | 0.45                                      |
| BellSouth   | 166,939,858             | 0.37                                      | 212,838,400             | 0.73                                      |
| Procter & Gamble Manufacturing Company  | 163,788,275             | 0.37                                      | 170,661,016             | 0.59                                      |
| Liberty Property LP   | 137,937,077             | 0.31                                      | -                       | -   |
| VF Corporation  | -                       | -   | 136,239,989             | 0.47                                      |
| Highwoods/Forsyth Limited   | -                       | -   | 137,953,000             | 0.48                                      |
| Guilford Mills, Inc.  | -                       | -   | 116,555,181             | 0.40                                      |
|   | <u>\$ 2,156,931,293</u> | <u>4.84</u>                               | <u>\$ 1,895,827,046</u> | <u>6.53</u>                               |

Source: Guilford County Tax Department.



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

| Fiscal Year         | (1)<br>Taxes Levied<br>for the<br>Fiscal Year | Subsequent<br>Years'<br>Adjustments | Total<br>Adjusted<br>Tax Levy | Collected within the<br>Fiscal Year of the Levy |                             | Collections in<br>Subsequent<br>Years | Total Collections to Date |                                 |
|---------------------|---|-------------------------------------|-------------------------------|---|-----------------------------|---------------------------------------|---------------------------|---------------------------------|
|                     |   |                                     |                               | Amount  | Percent of<br>Original Levy |                                       | Amount                    | Percent of<br>Adjusted Tax Levy |
| 2000                | \$ 190,998,340                                | (178,003)                           | 190,820,337                   | 188,961,990                                     | 98.93                       | 1,491,135                             | 190,453,125               | 99.81                           |
| 2001                | 199,064,756                                   | (174,670)                           | 198,890,086                   | 197,132,452                                     | 99.03                       | 1,383,872                             | 198,516,324               | 99.81                           |
| 2002                | 219,054,553                                   | (224,704)                           | 218,829,849                   | 216,755,652                                     | 98.95                       | 1,593,989                             | 218,349,641               | 99.78                           |
| 2003                | 222,664,562                                   | (242,149)                           | 222,422,413                   | 220,251,203                                     | 98.92                       | 1,716,479                             | 221,967,682               | 99.80                           |
| 2004                | 236,247,761                                   | (204,435)                           | 236,043,326                   | 233,477,931                                     | 98.83                       | 2,005,273                             | 235,483,204               | 99.76                           |
| 2005 <sup>(2)</sup> | 254,868,218                                   | (1,611,851)                         | 253,256,367                   | 251,554,341                                     | 98.70                       | 1,030,760                             | 252,585,101               | 99.73                           |
| 2006                | 268,492,562                                   | (416,165)                           | 268,076,397                   | 265,412,691                                     | 98.85                       | 1,920,423                             | 267,333,114               | 99.72                           |
| 2007                | 287,334,796                                   | (303,400)                           | 287,031,396                   | 283,471,941                                     | 98.66                       | 2,518,471                             | 285,990,412               | 99.64                           |
| 2008                | 308,030,341                                   | (219,068)                           | 307,811,273                   | 303,163,588                                     | 98.42                       | 2,816,243                             | 305,979,831               | 99.41                           |
| 2009                | 336,841,767                                   | -                                   | 336,841,767                   | 330,670,794                                     | 98.17                       | -                                     | 330,670,794               | 98.17                           |

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.

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

| <u>Fiscal Year</u> | <u>General Bonded Debt Outstanding General Obligation Bonds (1)</u> | <u>Percentage of Estimated Actual Taxable Value of Property (2)</u> | <u>Per Capita</u> | <u>Other Governmental Activities Debt Capital Leases and Installment Financings (1)</u> | <u>Total Primary Government (1)</u> | <u>Percentage of Personal Income (3)</u> | <u>Per Capita (3)</u> |
|--------------------|---|---|-------------------|---|-------------------------------------|--|-----------------------|
| 2000               | \$ 67,020,000   | 0.21  | 158.65            | 338,899   | 67,358,899                          | 0.54                                     | 159.45                |
| 2001               | 179,715,000   | 0.54  | 422.13            | 1,777,078   | 181,492,078                         | 1.38                                     | 426.30                |
| 2002               | 169,850,000   | 0.48  | 396.68            | 1,255,693   | 171,105,693                         | 1.29                                     | 399.61                |
| 2003               | 283,740,000   | 0.77  | 658.38            | 1,016,256   | 284,756,256                         | 2.13                                     | 660.74                |
| 2004               | 269,910,000   | 0.71  | 621.79            | 862,328   | 270,772,328                         | 1.98                                     | 623.78                |
| 2005               | 438,880,000   | 1.09  | 994.45            | 513,298   | 439,393,298                         | 3.00                                     | 995.61                |
| 2006               | 419,470,000   | 1.02  | 932.73            | 423,913   | 419,893,913                         | 2.71                                     | 933.67                |
| 2007               | 585,120,000   | 1.34  | 1,274.22          | 571,479   | 585,691,479                         | 3.56                                     | 1,275.46              |
| 2008               | 557,405,000   | 1.21  | 1,190.16          | 5,422,364   | 562,827,364                         | 3.25                                     | 1,201.74              |
| 2009               | 694,355,000   | 1.45  | 1,456.76          | 4,783,962   | 699,138,962                         | 3.93                                     | 1,466.80              |

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.

**Guilford County, North Carolina  
Direct and Overlapping Governmental Activities Debt  
June 30, 2009**

| <u>Jurisdiction</u>               | <u>Debt<br/>Outstanding</u> | <u>Estimated<br/>Percentage<br/>Applicable (1)</u> | <u>Estimated<br/>Share of<br/>Direct and<br/>Overlapping<br/>Debt</u> |
|-----------------------------------|-----------------------------|--|---|
| Guilford County                   | \$ 699,138,962              | 100.00   | \$ <u>699,138,962</u>   |
| City of Greensboro                | 225,225,457                 | 100.00   | 225,225,457   |
| City of High Point                | 74,254,695                  | 95.12  | 70,631,066  |
| Town of Jamestown                 | 345,595                     | 100.00   | 345,595   |
| City of Burlington                | 16,488,660                  | 1.26   | 207,757   |
| Town of Gibsonville               | 372,691                     | 45.58  | 169,873   |
| City of Archdale                  | 219,537                     | 2.32   | 5,093   |
| Town of Kernersville              | 9,468,390                   | 0.67   | <u>63,438</u>   |
| Total overlapping debt            |                             |  | <u>296,648,279</u>  |
| Total direct and overlapping debt |                             |  | \$ <u>995,787,241</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>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>      | <u>2009</u>      |
| Debt limit  | \$ 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        | 3,567,046        |
| Total net debt applicable to limit                                  | <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> | <u>1,204,916</u> |
| Legal debt margin   | \$ <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> | <u>2,362,130</u> |
| Total net debt applicable to limit<br>as a percentage of debt limit | 12.86%              | 12.26%           | 11.47%           | 11.00%           | 21.93%           | 19.54%           | 18.72%           | 17.84%           | 35.50%           | 33.78%           |

**Legal Debt Margin Calculation for Fiscal Year 2009**

|  |                          |
|--|--------------------------|
| Assessed value of taxable property   | \$ <u>44,588,078,951</u> |
| Debt limit (8% of total assessed value)                                      | \$ <u>3,567,046,316</u>  |
| Debt applicable to limit:  |                          |
| Bonded debt  | 694,355,000              |
| Bonds authorized, unissued   | 512,330,000              |
| Obligations under capital leases and<br>purchase money installment contracts | <u>4,783,962</u>         |
| Gross debt   | 1,211,468,962            |
| Less statutory deductions:   |                          |
| Bonds issued and outstanding for water<br>purposes                           | <u>6,552,822</u>         |
| Net amount of debt applicable to debt limit                                  | <u>1,204,916,140</u>     |
| Legal debt margin  | \$ <u>2,362,130,176</u>  |

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

| <u>Fiscal Year</u> | <u>Population (1)</u> | <u>Personal<br/>Income (2)<br/><i>(in thousands)</i></u> | <u>Per<br/>Capita<br/>Income (3)</u> | <u>Median<br/>Age (1)</u> | <u>Public School<br/>Enrollment (4)</u> | <u>Unemployment<br/>Rate (5)</u> |
|--------------------|-----------------------|--|--------------------------------------|---------------------------|---|----------------------------------|
| 2000               | 422,452               | \$ 12,415,019  | \$ 29,388                            | 34.97                     | 61,190                                  | 3.3 %                            |
| 2001               | 425,736               | 13,105,006   | 30,782                               | 35.28                     | 61,894                                  | 5.1                              |
| 2002               | 428,180               | 13,279,146   | 31,013                               | 35.59                     | 62,767                                  | 6.3                              |
| 2003               | 430,966               | 13,394,423   | 31,080                               | 35.90                     | 63,873                                  | 6.2                              |
| 2004               | 434,086               | 13,675,011   | 31,503                               | 36.20                     | 65,118                                  | 5.4                              |
| 2005               | 441,330               | 14,626,118   | 33,141                               | 36.48                     | 66,367                                  | 5.1                              |
| 2006               | 449,725               | 15,497,973   | 34,461                               | 36.78                     | 68,118                                  | 4.6                              |
| 2007               | 459,199               | 16,440,702   | 35,803                               | 37.11                     | 69,677                                  | 4.7                              |
| 2008               | 468,344               | 17,334,816   | 37,013                               | 37.40                     | 70,707                                  | 6.2                              |
| 2009               | 476,642               | 17,803,532   | 37,352                               | 37.88                     | 70,968                                  | 10.9                             |

Sources:

- (1) 2000 through 2009 North Carolina Office of State Planning estimates.
- (2) Computed as a factor of population times per capita income.
- (3) Calendar years 1999 through 2007 Bureau of Economic Analysis, U.S. Department of Commerce.  
 Calendar year 2008 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 2009 which is the average adjusted monthly rate for January through June.

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

| <u>Employer</u>                              | <u>2009</u>      |  | <u>2000</u>      |  |
|--|------------------|--|------------------|--|
|  | <u>Employees</u> | <u>Percentage of<br/>Total County<br/>Employment</u> | <u>Employees</u> | <u>Percentage of<br/>Total County<br/>Employment</u> |
| Guilford County School System                | 9,386            | 4.02   | 8,000            | 3.64   |
| Moses H. Cone Health Systems                 | 7,440            | 3.19   | 6,000            | 2.73   |
| City of Greensboro                           | 2,958            | 1.27   | 2,376            | 1.08   |
| United States Postal Service                 | 2,800            | 1.20   | 2,180            | 0.99   |
| University of North Carolina at Greensboro   | 2,800            | 1.20   | 1,900            | 0.87   |
| Guilford County Government                   | 2,648            | 1.14   | 2,689            | 1.22   |
| American Express Credit Card Services        | 2,100            | 0.90   | 3,200            | 1.46   |
| Bank of America (formerly Nationsbank, N.A.) | 2,000            | 0.86   | 2,070            | 0.94   |
| United Parcel Service (UPS)                  | 2,000            | 0.86   | 1,900            | 0.87   |
| High Point Regional Health System            | 1,863            | 0.80   | 1,975            | 0.90   |
| Lorillard, Inc.                              | 1,800            | 0.77   | 2,275            | 1.04   |
| Citi Cards                                   | 1,700            | 0.73   | -                | -  |
| AMP, Inc.                                    | -                | -  | 2,500            | 1.14   |
| Cone Mills Corporation                       | -                | -  | 2,108            | 0.96   |
| Sears Roebuck & Co.                          | -                | -  | 2,097            | 0.95   |
| Guilford Mills, Inc.                         | -                | -  | 1,800            | 0.82   |
| Total County Employment                      | 233,211          |  | 219,617          |  |

## Sources:

Principal employer data is from the Greensboro Economic Development Alliance, the High Point Economic Development Corporation 2008 Annual Report and the individual local governments. Total County employment is for calendar years 1999 and 2008 from the North Carolina Employment Security Commission civilian labor force estimates.

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

| <b>Function/Program</b>  | <b>Total Number of Employees Paid as of June 30</b> |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|--------------------------|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                          | <b>2000</b>   | <b>2001</b>         | <b>2002</b>         | <b>2003</b>         | <b>2004</b>         | <b>2005</b>         | <b>2006</b>         | <b>2007</b>         | <b>2008</b>         | <b>2009</b>         |
| General government       | 400   | 457                 | 472                 | 395                 | 401                 | 394                 | 462                 | 380                 | 419                 | 338                 |
| Human services           | 1,544   | 1,572               | 1,528               | 1,445               | 1,451               | 1,462               | 1,460               | 1,376               | 1,369               | 1,366               |
| Public safety            | 742   | 813                 | 840                 | 798                 | 830                 | 855                 | 891                 | 897                 | 892                 | 937                 |
| Environmental protection | -   | 1                   | 1                   | -                   | 1                   | 3                   | 6                   | 6                   | 5                   | 5                   |
| Culture-recreation       | -   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 2                   | 2                   |
| <b>Total</b>             | <b><u>2,686</u></b>                                 | <b><u>2,843</u></b> | <b><u>2,841</u></b> | <b><u>2,638</u></b> | <b><u>2,683</u></b> | <b><u>2,714</u></b> | <b><u>2,819</u></b> | <b><u>2,659</u></b> | <b><u>2,687</u></b> | <b><u>2,648</u></b> |

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 |            |            |            |            |            |            |            |            |            |
|---|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|   | 2000        | 2001       | 2002       | 2003       | 2004       | 2005       | 2006       | 2007       | 2008       | 2009       |
| General government: (2)                         |             |            |            |            |            |            |            |            |            |            |
| Real estate documents processed                 | 397,666     | 415,020    | 338,034    | 556,164    | 656,458    | 691,835    | 541,936    | 598,176    | 590,300    | 510,744    |
| Vital records recorded and issued               | 63,928      | 65,628     | 68,018     | 74,332     | 59,058     | 61,126     | 63,240     | 64,870     | 73,560     | 79,814     |
| Building permits issued                         | 3,743       | 2,977      | 2,785      | 2,750      | 2,765      | 2,765      | 2,659      | 2,660      | 2,800      | 2,800      |
| Bldg.plumb,mech & elec insp completed           | 80,778      | 79,230     | 51,678     | 51,000     | 51,500     | 51,500     | 56,881     | 51,152     | 45,700     | 45,700     |
| Human Services:                                 |             |            |            |            |            |            |            |            |            |            |
| Laboratory tests performed (2)                  | 197,446     | 212,842    | 157,204    | 148,421    | 136,802    | 142,046    | 165,916    | 180,160    | 194,148    | 187,314    |
| Number of prescripions filled (2)               | 75,000      | 83,000     | 85,000     | 48,215     | 85,284     | 66,413     | 89,393     | 80,791     | 82,825     | 82,000     |
| Adoption assistance cases (2),(4)               | 350         | 254        | 600        | 715        | 715        | 875        | 1,100      | 1,117      | 1,118      | 1,090      |
| Children in Social Services custody (2)         | 870         | 753        | 645        | 573        | 573        | 500        | 559        | 496        | 475        | 475        |
| Schedule GTA SCAT trips (2)                     | 72,000      | 107,500    | 114,400    | 119,600    | 149,500    | 157,500    | 160,000    | N/A        | N/A        | N/A        |
| Bus Service-Senior (2)                          | N/A         | 7,200      | 9,000      | 7,600      | 4,515      | 4,620      | 4,650      | N/A        | N/A        | N/A        |
| Bus Service-Medicaid (2)                        | N/A         | 5,800      | 9,780      | 13,100     | 21,900     | 22,550     | 22,550     | N/A        | N/A        | N/A        |
| Social Services paratransit (2)                 | 70,760      | 99,800     | 98,220     | 112,600    | 110,659    | 113,979    | 114,000    | N/A        | N/A        | N/A        |
| Public Safety:                                  |             |            |            |            |            |            |            |            |            |            |
| 911 calls received (1),(3)                      | 140,000     | 155,000    | 106,000    | 112,000    | 116,000    | 118,000    | 121,709    | 117,180    | 125,201    | 123,504    |
| Emergency HazMat responses (2)                  | 50          | 50         | 52         | 150        | 100        | 100        | 95         | 90         | 90         | 70         |
| Average daily population juvenile detention (2) | 38          | 46         | 48         | 48         | 48         | 48         | 48         | 48         | 48         | 48         |
| Average daily population adult jail (6)         | 734         | 678        | 735        | 781        | 825        | 855        | 875        | 885        | 914        | 907        |
| Number of animals received (2)                  | 11,345      | 10,173     | 12,112     | 14,341     | 16,000     | 15,325     | 14,935     | 15,100     | 15,827     | 15,993     |
| Number of spay/neuter surgeries performed (2)   | 3,611       | 3,560      | 3,749      | 4,000      | 4,500      | 5,000      | 6,149      | 4,500      | 6,500      | 5,495      |
| Environmental protection: (2)                   |             |            |            |            |            |            |            |            |            |            |
| Number of scrap tires processed                 | 574,000     | 565,000    | 594,000    | 625,000    | 650,000    | 650,000    | 1,000,000  | 1,000,000  | 1,000,000  | 1,000,000  |
| Number of white goods disposed of(tons)         | 1,750       | 1,600      | 2,654      | 2,700      | 2,800      | 2,800      | 2,800      | 2,000      | 2,400      | 2,600      |
| Culture - recreation: (2)                       |             |            |            |            |            |            |            |            |            |            |
| Number of park and rec participants             | 590,000     | 645,000    | 675,100    | 1,130,000  | 1,373,100  | 1,590,600  | 1,815,100  | 1,825,100  | 1,925,100  | 2,385,100  |
| Education:                                      |             |            |            |            |            |            |            |            |            |            |
| Average daily membership (5)                    | 61,190      | 61,894     | 62,767     | 63,873     | 65,118     | 66,367     | 68,118     | 69,677     | 70,707     | 70,968     |
| County appropriation per pupil (7)              | \$1,697.96  | \$1,739.23 | \$1,842.36 | \$1,841.77 | \$1,929.81 | \$1,968.83 | \$2,079.71 | \$2,248.45 | \$2,335.91 | \$2,468.23 |

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, 2008 and 2009

(5) North Carolina Department of Public Instruction

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

(7) Guilford County Current Appropriations per average daily membership



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

| Function/Program                              | Fiscal Year |         |         |         |         |         |         |         |         |         |
|---|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|   | 2000        | 2001    | 2002    | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    |
| Human Services: (2),(5)                       |             |         |         |         |         |         |         |         |         |         |
| Public health occupied square footage         | 121,723     | 121,723 | 121,723 | 121,723 | 95,806  | 95,806  | 95,806  | 101,098 | 101,098 | 101,098 |
| Mental health occupied square footage         | 193,037     | 193,037 | 193,037 | 193,037 | 203,515 | 203,515 | 203,515 | 176,673 | 208,742 | 208,742 |
| Social services occupied square footage       | 156,328     | 156,328 | 156,328 | 156,328 | 148,262 | 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   | 9,040   |
| Public Safety:                                |             |         |         |         |         |         |         |         |         |         |
| Number of law enforcement vehicles (4),(5)    | 260         | 260     | 270     | 305     | 304     | 304     | 319     | 344     | 363     | 376     |
| Number of law enforcement centers (5)         | 2           | 2       | 2       | 2       | 2       | 2       | 2       | 2       | 2       | 2       |
| Number of emergency medical vehicles (4),(5)  | 41          | 47      | 48      | 69      | 67      | 73      | 73      | 75      | 77      | 84      |
| Number of emergency medical stations (5)      | 10          | 11      | 11      | 11      | 11      | 11      | 11      | 12      | 14      | 14      |
| Number of fire marshall vehicles (4),(5)      | 10          | 10      | 10      | 17      | 16      | 15      | 16      | 23      | 19      | 19      |
| Number of volunteer fire stations (3),(6)     | 40          | 40      | 38      | 38      | 38      | 38      | 38      | 38      | 38      | 39      |
| Number of volunteer firefighters (6)          | 1,100       | 1,100   | 1,100   | 1,100   | 1,100   | 800     | 800     | 691     | 629     | 629     |
| Number of animal control vehicles (4),(5)     | 8           | 8       | 8       | 14      | 15      | 14      | 13      | 13      | 16      | 17      |
| Culture-recreation:                           |             |         |         |         |         |         |         |         |         |         |
| Parks (9)                                     | 204         | 205     | 205     | 256     | 257     | 257     | 257     | 266     | 268     | 275     |
| Libraries (7)                                 | 12          | 12      | 10      | 10      | 10      | 10      | 10      | 10      | 10      | 10      |
| Education: (1)                                |             |         |         |         |         |         |         |         |         |         |
| Number of schools (8)                         | 96          | 98      | 101     | 102     | 107     | 108     | 108     | 116     | 120     | 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

