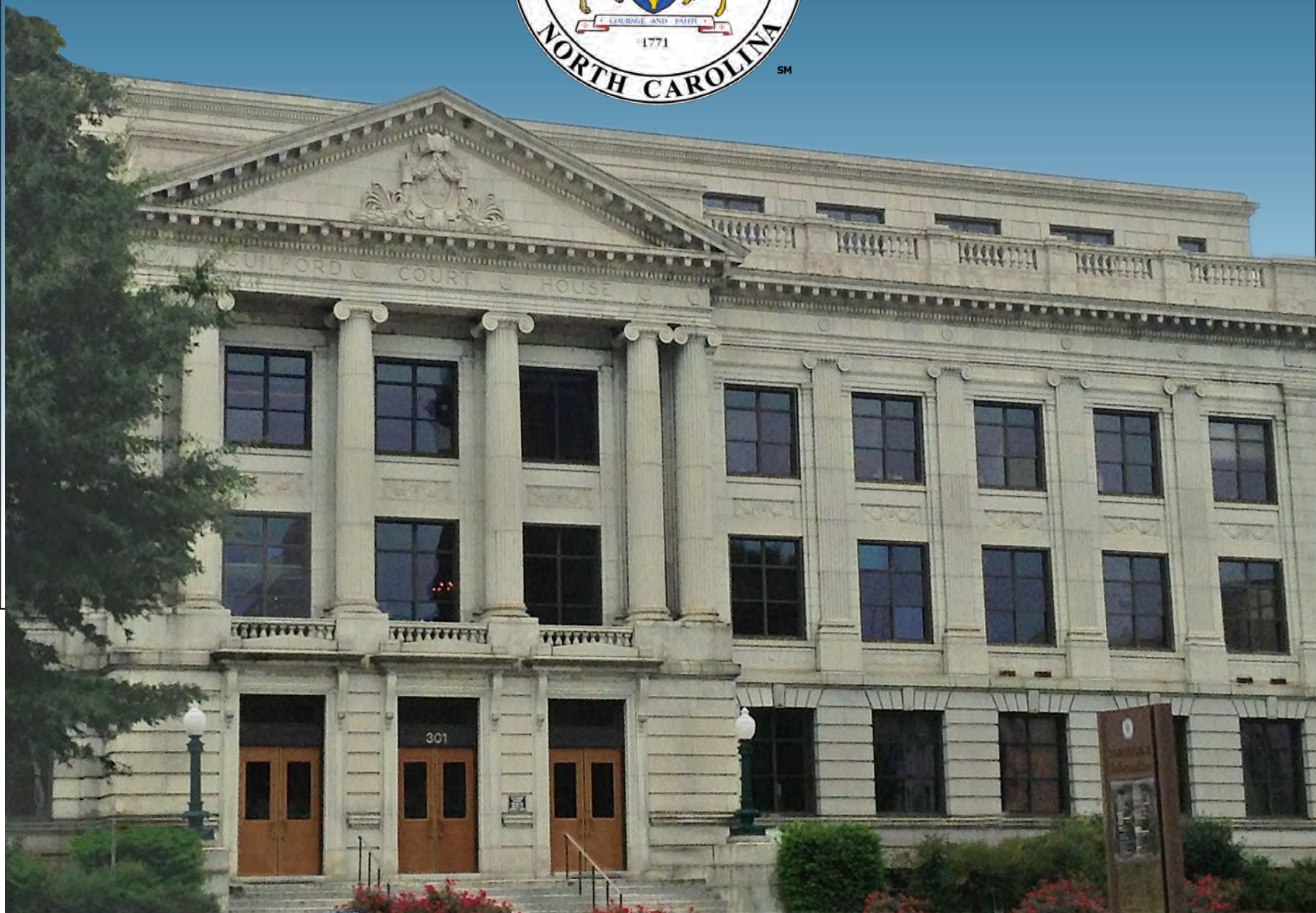


County of Guilford, North Carolina

**Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2014**



COVER

Guilford County Seal

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

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

Old Guilford County Courthouse

(Photo by Sheryl McKenney)

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

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2014



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

**Marty K. Lawing
County Manager**

**Prepared by
Guilford County Finance Department**

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LETTER OF TRANSMITTAL



Guilford County

November 26, 2014

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

The Comprehensive Annual Financial Report (CAFR) of Guilford County, North Carolina, for the fiscal year ended June 30, 2014, is hereby submitted. This report was prepared by the County's Finance Department and consists of management's representations concerning the finances of Guilford County. Responsibility for the reliability, completeness, and fairness of the presentation of all of the information presented in this report rests with the County. In order to provide a reasonable basis for making these representations, management of Guilford County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Guilford County's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, Guilford County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. I believe this financial report is complete and reliable in all material respects.

This report is divided into three sections:

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

The **Financial Section** contains the 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.

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

Cherry Bekaert, LLP, a firm of licensed certified public accountants, has audited Guilford County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial

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statements of Guilford County for the fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Guilford County's financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with GAAP. The report of independent auditor is presented as the first component of the financial section of this report. The independent audit of the financial statements of Guilford County was part of a broader, Federal and State of North Carolina mandated "Single Audit" designed to meet the special needs of Federal and State grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal and State awards. These reports are available in Guilford County's separately issued Single Audit Report.

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

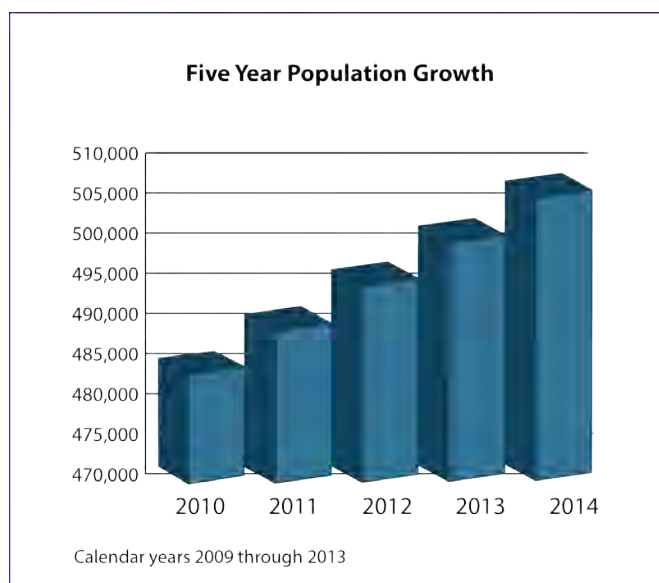
GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Guilford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

County Government Profile

In January of 1771, the North Carolina General Assembly passed an act creating Guilford County. The new county was named after Francis North, first Earl of Guilford, whose son Frederick was Prime Minister of Great Britain at the time of the county's creation. In 1779, the southern portion of Guilford was taken to form Randolph County, and six years later the northern part was cut off to create Rockingham County, leaving Guilford with its present dimensions. Guilford County, with a population of 506,610, is the most populous county of the Piedmont Triad region. The Piedmont Triad is a twelve county area with a population in excess of 1.7 million located in the north central portion of North Carolina between the Blue Ridge Mountains and the coastal plains. A

moderate year-round climate enhances the lifestyle of the area. The County's 651 square miles contain ten municipalities including two of the state's nine largest cities.

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



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Major duties of the Board of County Commissioners include:

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

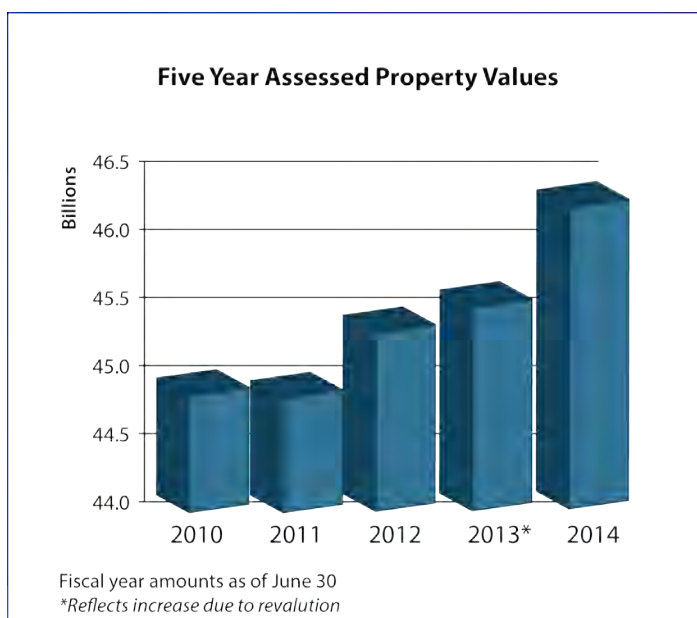
The Board of County Commissioners does not have complete authority over all the services provided within the County. Many County activities are administered by boards with varying degrees of autonomy and by elected officials who receive their instructions from laws passed by the General Assembly. Some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

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

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

County Budget

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



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

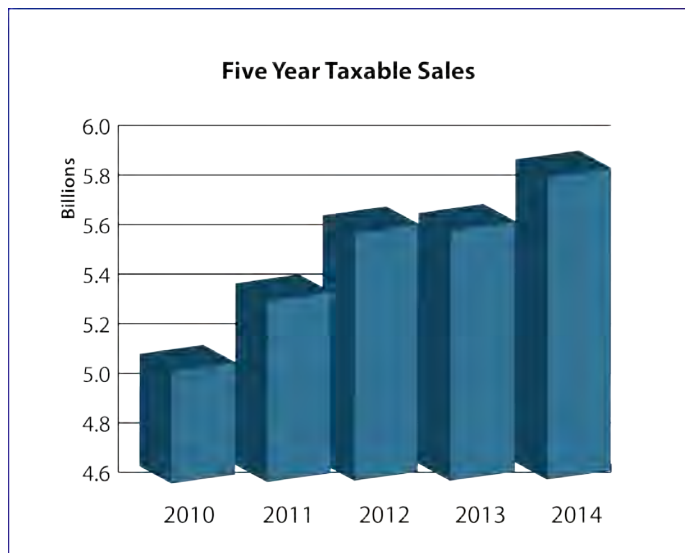
Appropriations in the various funds are formally budgeted on a departmental basis except for the Rural Fire District Fund appropriations, which are by rural fire tax or protection service district; and the Room Occupancy/Tourism Tax Fund, which is on a fund basis. The County Manager is authorized by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

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 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 60. 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 78 presents budget-to-actual comparisons of the approved financial plan for the Internal Service Fund.

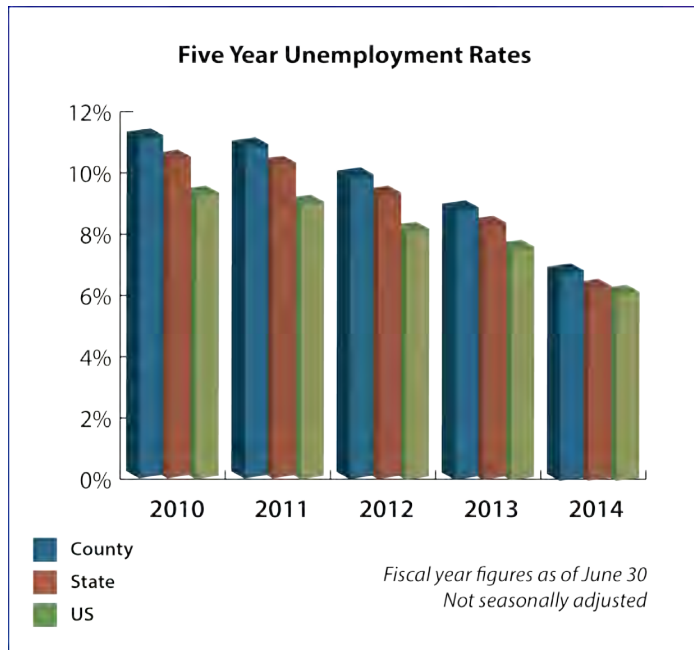
Factors Affecting Financial Condition

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

Local economy. Guilford County generally enjoys a favorable economic environment, which until the recent recession has enjoyed consistent stable growth. While gross retail sales information is unavailable due to the national streamlined sales tax initiative, comparable State taxable sales figures are available to approximate retail sales growth. State taxable sales for Guilford County increased 4.0% in fiscal year 2014 after increases of 0.1%, 5.2% and 5.75% in fiscal



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years 2013, 2012 and 2011, respectively. Taxable sales are \$5.87 billion for fiscal year 2014 as compared to \$ 5.65 billion for fiscal year 2013. Guilford County has a labor force of approximately 252,700. 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 2009 this changed as the unemployment rate began to exceed those averages. The accompanying graph shows Guilford County's unemployment rate is trending downward but still lags progress seen at the State and National levels. The County, State, and U.S. unemployment rates as of June 30, 2014 are 7%, 6.5%, and 6.3%, respectively. Guilford County's economy has

continued to change and diversify. In June 2014, manufacturing accounted for 12.3% of the County's jobs compared to 28.6% in 1980. Manufacturing jobs have declined significantly in furniture and textiles but have shown growth in computer and electronic products and electrical equipment. Major employers with headquarters or divisions within Guilford County include semiconductor, communications, chemical, bus, truck, pharmaceutical, insurance, aircraft manufacturing and maintenance, healthcare, real estate development, and distribution services. The County is home to two state universities, five private colleges, a private school of law, and a community college with a cumulative enrollment exceeding 50,000 students.

Site Selection magazine has ranked the Greensboro-High Point Metropolitan Statistical Area (MSA) fourth in the nation for attracting new industry among similar-sized areas (metros with populations of 200,000-1 million), up from last year's sixth-place ranking. This is the seventh year in a row that the MSA, composed of Guilford, Randolph, and Rockingham counties, has earned a Top 10 national ranking.

A \$176 million road and taxiway designed to open up close to 1,000 acres for economic development at Piedmont Triad International Airport (PTI) is slated to begin this fall. The 9.4 mile, four-lane section of the future Interstate 73 will extend from Bryan Boulevard to just south of U.S. 220 near Haw River. The entire project is expected to be finished by 2017.

Fedex Ground officials announced that an expansion of the company's 400,000 square-foot, \$110 million facility in Triad Business Park began in January and is scheduled for completion in summer 2015. The planned 83,000 square-foot expansion is designed to help the company reach its goal of increasing the facility's sorting capacity from an initial 15,000 packages an hour to 45,000 packages per hour.

Honda Aircraft completed the initial flight of its first production Hondajet at PTI in June 2014. The company expects to obtain aircraft type certification from the Federal Aviation Administration for its \$4.5 million lightweight jet in 2015 and begin deliveries thereafter. The company employs 1,000 employees at its 600,000 square-foot headquarters and manufacturing campus on a 130-acre site near PTI.

Stockholders of RF Micro Devices of Greensboro and Triquint Semiconductor of Hillsboro, Oregon approved a merger of the two companies in September 2014. The resulting company, Qorvo, will have joint headquarters in Greensboro and Hillsboro for an extended period of time. The merger gives Qorvo added scale to compete more effectively in the wireless chip market.

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

Global PC maker Lenovo has leased an additional 68,000 square feet in Rock Creek center to free up space for growth in its consumer business at its 240,000 square-foot manufacturing facility in Whitsett. In June 2013, Lenovo started its first U.S. production line at its Whitsett facility, hiring 115 manufacturing workers. The facility also houses a logistics center, a customer solutions center, and a national returns center.

Labcorp, one of the nation's largest clinical testing companies, will move 975 of its employees from five buildings in downtown Burlington to the former Citi Cards building in McLeansville. The move allows Labcorp to consolidate most of its billing operations in the 176,000 square foot facility.

Conduit Global, a McLeansville call center, received a contract to provide customer service to one of the country's largest telecommunications companies. The call center has tripled in size in the past year to about 550 employees and expects up to 300 more hires through the end of 2014.

Culp Home Fashions in Stokesdale, the mattress fabrics division of High Point-based mattress and upholstery fabric maker Culp, Inc., announced its plans in July 2014 to invest about \$9.5 million in new equipment during its 2015 fiscal year that began in May. A 47,400 square-foot expansion to the 246,000 square-foot facility in Stokesdale is expected to be complete in fall 2014.

The Joint School of Nanoscience and Nanoengineering (JSNN) announced the addition of the 25th member to the Nanomanufacturing Innovation Consortium in July 2014. The consortium was formed in July 2013. Members pay a fee and gain access to JSNN's equipment and ideas from the School's scientists. JSNN graduated its first PhD in May 2014.

Plans for downtown Greensboro's \$100 million Union Square at South Elm development are taking shape. At full build-out the seven-acre development is set to include nearly one million square feet of space, including two large-scale university campus buildings, apartment complexes and an approximately 90,000 square-foot mixed-use building. Development on the first phase of Union Square at South Elm is slated to start in spring 2015 with a groundbreaking on the 105,000 square-foot collaborative health care training facility called Union Square Campus. The building is slated to open in fall 2016 with nursing and health care programs for Guilford Technical Community College (GTCC), North Carolina Agricultural and Technical State University, University of North Carolina at Greensboro and Cone Health. The Union Square Campus is a collaboration between seven colleges and universities in Greensboro and Cone Health, which will provide shared space and resources in a central location.

Cone Health received the approval from its board of directors in September 2014 to pursue a \$100 million plan to relocate its standalone Women's Hospital to a 50,000 square-foot addition at Moses H. Cone Hospital in 2019 along with the construction of a replacement for its Behavioral Health Hospital. The capital plan also calls for the renovation of operating suites at Wesley Long Hospital in Greensboro, which could be completed by spring 2018.

A local developer outlined plans in July 2014 for a \$50 million downtown Greensboro mixed-use project that includes 300 upscale apartments spread across four buildings and a six-story, 100-plus room Hyatt Place hotel. The hotel would be located on the corner of Eugene and Bellemeade streets. The four-acre project is located near NewBridge Bank Park.

Construction is set to begin in October 2015 on the Steven B. Tanger Center for the Performing Arts in Downtown Greensboro with an opening scheduled for May 2017. The \$65 million project will be funded by \$30 million in City commitments and \$35 million from the Community Foundation of Greater Greensboro. The City has acquired downtown sites along North Elm and Lindsay streets where the center will be located.

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

BuzziSpace, Inc. announced in February 2014 that it plans to locate its North American manufacturing headquarters in the former Pickett Cotton Mill on Redding Drive in High Point, creating 113 jobs and investing more than \$1.75 million over the next five years. Renovation to the 105,000 square-foot historic building was expected to start this summer, with an official opening of the facility in the fall. Salaries will vary by job function, with an average annual wage for all jobs of \$45,000 plus benefits.

Ralph Lauren Corporation, High Point's largest employer with more than 2,369 full-time equivalent employees, continued its ongoing major High Point expansion project by adding 307 jobs in 2013. The company's two-phase multi-year expansion project announced in June 2012 and December 2010 includes 900 new jobs and an increase in the local tax base of more than \$163 million. The company has five facilities in High Point including three major distribution/office facilities. In March 2013, the company leased 360,000 square feet in Whitsett to be used as a distribution center, creating 200 jobs. In April 2014, the company announced its plans to build an 843,000 square-foot office and distribution facility in the I-74 Corporate Park located in Forsyth County; the property received final annexation and rezoning approval for the City of High Point in April. The company plans to complete the facility by late 2015, becoming the first tenant of the corporate park.

APAC Customer Services, a provider of call-center outsourcing, announced in April 2014 that it plans to add 500 full-time workers to its call center in north High Point. The 500 jobs were expected to be added in phases through July to serve a major telecommunications client. The previous employer at the site, NCO Customer Management, began laying off hundreds of workers in March 2012, but after APAC took over the operation in August 2012 as part of a merger, the facility stayed open and retained most of the workers.

Over the past eight years, High Point University has added 879 new positions and has invested about \$980 million in expansions and upgrades of its campus. The University's newly planned pharmacy school would be a 200,000 square-foot building that could cost between \$60 and \$80 million. The pharmacy school and a new science building would be built on about 8.8 acres between Montlieu and Barbee avenues in High Point. The High Point City Council approved a request in February 2014 to close a portion of Montlieu Avenue to make way for its new School of Pharmacy building.

Long-term financial planning. In May of 2008, the voters authorized issuance of \$651.4 million in general obligation bonds for law enforcement, school, and community college facilities. Of this amount, \$196.39 million remain unissued for schools, GTCC and jail at \$130.17 million, \$29.85 million and \$36.37 million, respectively. The jail facility is fully funded and complete so no immediate plans exist to issue additional amounts. The timing and amount of future issuance of the school and community college bonds are contingent on the Board's reallocation of funds among school projects as well as anticipated cash flow requirements and financial market conditions. On April 17, 2014, the Board of Commissioners (Board) adopted an order extending the maximum time period permitted for issuing the remaining school and community college bonds from May 6 of 2015 to 2018. On May 22, 2014, the Board approved a resolution to provide for their issuance as bond anticipation notes (BANS) with no more than \$50 million principal outstanding at any time. The BANS provide funds on a more efficient basis as needed to pay these capital project costs at lower short term rates. The County will ultimately lock in long-term financing to pay off the notes by issuing fixed rate general obligation bonds.

The Guilford County Board of Commissioners continued implementation of the County's FY2013-2022 Capital Investment Plan (CIP) which was approved in 2012. The CIP includes planned expenditures and revenue sources over these 10 years for active capital projects, as well as estimated expenditures and revenues for proposed projects through FY2022. During FY2013-14, the Board allocated remaining

LETTER OF TRANSMITTAL

funding for an upgrade to the County's 800 MHz public safety communications system and a new Emergency Medical Services Maintenance and Logistics Facility. In addition, the Board approved and funded the construction of a replacement pool at Hagan-Stone Park. Staff presented additional proposed capital projects totaling \$67 million to the Board during the FY2014-15 budget development process. This amount includes \$53 million for Public Safety projects, \$13 million for General County and Courts projects, and \$700,000 for Parks projects. The Board of Commissioners will consider these additions to the CIP during FY2014-15.

The County has historically provided post-retirement healthcare benefits to retirees meeting certain eligibility requirements, as more fully described under the Pension and other post employment benefits heading below. However, in an effort to address the long-term costs of this benefit, the Board of County Commissioners voted to discontinue all retiree health insurance eligibility for employees hired on or after July 1, 2009. A retirement health savings plan administered by ICMA with defined contributions providing better control of costs was implemented to replace this benefit for new employees. In addition, the County funded the annual required contribution (ARC) for the healthcare plan beyond the historical pay-as-you-go amounts by contributing \$2 million to an irrevocable trust during each of the fiscal years 2013, 2012, 2011 and 2010. The positive financial impact of these changes was apparent in the actuarial valuation report dated December 31, 2009. The ARC decreased from the December 31, 2007 report by \$6 million while the unfunded actuarial accrued liability decreased by \$73.2 million, to \$16.7 million and \$216.1 million, respectively. At a September 23, 2013 work session the Board of County Commissioners made additional changes aimed at further managing the cost of this benefit by providing Medicare-eligible retirees a fully insured Medicare advantage plan effective with the 2014 calendar year. This action removed the future claims liability from the self-funded plan. This strategy provided further positive financial benefits through reduced annual claims costs as well as in the actuarial valuation report dated December 31, 2013. The ARC decreased from the December 31, 2011 report by \$10.5 million while the unfunded actuarial accrued liability decreased by \$104.9 million, to \$13 million and \$142 million, respectively.

The unassigned fund balance of the General Fund at fiscal year end stood at 14% of the subsequent year's budget which exceeds the minimum of 8% set as a policy guideline by the Board of County Commissioners.

Cash management policies and practices

Cash temporarily idle during the year was invested in fully insured or collateralized certificates of deposit, obligations of the U.S. Treasury and various Federal Agencies, prime quality commercial paper, and demand deposits in a State authorized money-market mutual fund whose portfolio consists of the types of instruments noted above. Investment income includes changes in the fair value of investments year-over-year. Changes in fair value during the current year, however, do not necessarily represent trends; nor are such amounts usually realized, especially in the case of temporary changes in the fair value of investments that Guilford County intends to hold to maturity. Interest earnings on investments only for the fiscal year ended June 30, 2014 were \$0.7 million on an average invested balance of \$231.8 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.

LETTER OF TRANSMITTAL

Pension and other post employment benefits

Guilford County provides pension and death benefits for its employees through the statewide North Carolina Local Governmental Employees' Retirement System (LGERS). LGERS is a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. Guilford County has no obligation in connection with employee benefits offered through this plan beyond making the required contributions as set by the North Carolina General Assembly. The July 1, 2013 contribution rate of 7.07% of salary for general employees remained the same beginning July 1, 2014 while the rate of 7.28% for Law Enforcement employees was increased to 7.41%. Guilford County administers a public employee retirement plan, the Law Enforcement Officers' Special Separation Allowance, a single-employer defined benefit pension plan that provides benefits to the County's qualified sworn law enforcement officers. The County is required to provide these benefits by the North Carolina General Statutes (Statutes).

The County contributes to the Supplemental Retirement Income Plan of North Carolina, a defined contribution pension plan administered by the North Carolina Department of State Treasurer and a Board of Trustees. All employees, who are currently members of a state-administered retirement plan, are eligible to participate from their date of employment. The authority to establish and amend benefits rests with the North Carolina General Assembly. The Statutes require that the County contribute monthly 5% of each law enforcement officer's qualified salary. During fiscal year 2014, the County elected to match the employee contribution up to 5% for all other eligible employees as well. All employees can make contributions to the plan in accordance with Internal Revenue Service Code Section 401(k).

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

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 with the limited exception of employees who were later rehired after termination prior to July 1, 2009 due to a Reduction in Force. In September, the Board voted to provide Medicare-eligible retirees a fully insured Medicare advantage plan effective with the 2014 calendar year.) For non Medicare-eligible retirees, the benefit premium charged is the same as for current employees. The County's contribution toward the employer's portion of the premium is determined by the number of years of creditable service. Retirees with less than 20 years creditable service must pay the entire employer's share of the premium in addition to the employee's share. The County pays 50% of the employer's premium for retirees with 20 to 25 years of service, 75% for retirees with 25 to 30 years, and 100% of the employer's premium for retirees with 30 or more years of service and former Commissioners. All but five years of creditable service must be with Guilford County. As of the end of the current fiscal year, these benefits were financed on a pay-as-you-go basis. In prior years, \$8.1 million has been contributed to the Guilford County Local Government Other-Post Employment Benefit (OPEB) Trust, an irrevocable trust, established by the County to meet the requirements of the governmental accounting standards and IRS regulations. As of June 30, 2014, the balance of the trust was \$11.5 million including investment earnings on the excess contributions.

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

LETTER OF TRANSMITTAL

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, 2013. This was the thirty-third consecutive year that Guilford County has received this prestigious award. In order to be awarded a Certificate of Achievement a governmental unit must publish an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

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

Respectfully submitted,

A handwritten signature in black ink that reads "N. Reid Baker III". The signature is written in a cursive style with a distinct "III" at the end.

N. Reid Baker III, CPA
Finance Director



Government Finance Officers Association

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

Presented to

**Guilford County
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

PRINCIPAL OFFICIALS

Board of County Commissioners

Bill Bencini
Chairman

Hank Henning
Vice Chairman

Alan Branson

Kay Cashion

Carolyn Q. Coleman

Bruce Davis

Jeff Phillips

Linda O. Shaw

Ray Trapp

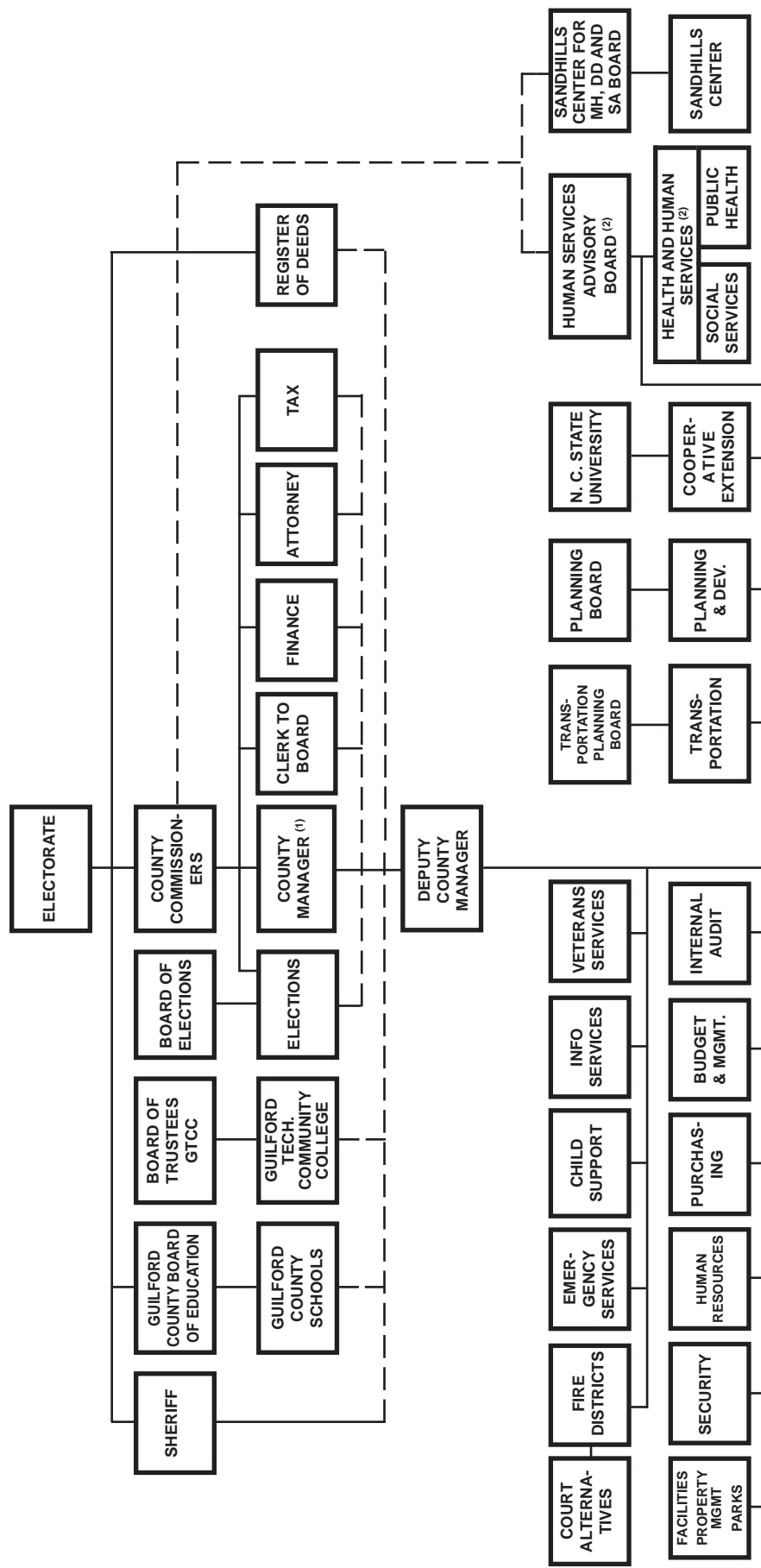
County Manager

Marty K. Lawing

Finance Director

N. Reid Baker III, CPA

2013-14 ORGANIZATIONAL CHART GUILFORD COUNTY, NORTH CAROLINA



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

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

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

Report of Independent Auditor

The Board of County Commissioners
Guilford County, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Guilford County, North Carolina (the "County"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2014, and the respective changes in financial position and cash flows, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Cherry Ricketts LLP

Raleigh, North Carolina
November 26, 2014

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, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the Introductory Section of this report on pages i - x.

Financial Highlights

Government-Wide

- The liabilities and deferred inflows of Guilford County exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$458.9 million (net position).
- The County's total net position decreased by \$28.3 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 position is reduced.
- The County's decrease in net position was significantly less than the \$86.4 million spent on Education capital assets net of dedicated revenues which indicates that the remainder of the County's activities generated offsetting increases in net position of approximately \$58.1 million.
- The County's outstanding debt decreased by \$56 million to \$846.3 million during the fiscal year, while its investment in capital assets decreased only \$3.6 million to \$253.5 million.

The County's Funds

- At the fiscal year end, Guilford County's governmental funds reported a combined fund balance of \$208.6 million, a decrease of \$76.8 million from the previous fiscal year end. Approximately 40.2% of this combined fund balance, or \$83.9 million, is non spendable or restricted. The decreases occurred in the Capital Outlay Funds from capital project expenditures funded mainly by bond issues during prior fiscal years.
- The fund balance of the County's General Fund increased \$12.8 million as revenues exceeded expenditures by \$15.7 million while net other financing sources and uses reduced this by \$2.9 million.
- The unassigned fund balance for the General Fund (the County's major operating fund) increased by \$20.8 million to \$79.5 million at fiscal year end equaling 14.8% of the total General Fund expenditures for the year.

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

Overview of the Financial Report

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Guilford County maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and 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 two 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 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 17-55 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 57 and 58 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Guilford County, net position is negatively impacted by the fact that the County issues debt to fund the construction of capital assets that become the assets of other governmental entities upon completion. The County issues general obligation debt to fund the majority of the cost of constructing these assets. Liabilities and deferred inflows exceeded assets and deferred outflows by \$458.9 million at the close of the most recent fiscal year (net position). Comparative information for net position for the primary government is shown below in summarized form (see Table A-1).

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

	Governmental Activities	
	2014	2013
Current and other assets	\$ 276,892,130	355,816,313
Capital assets	253,537,355	257,124,196
Total assets	530,429,485	612,940,509
Deferred Outflows	1,484,967	2,572,514
Long-term liabilities outstanding	949,769,684	1,001,447,006
Other liabilities	40,156,808	42,436,138
Total liabilities	989,926,492	1,043,883,144
Deferred Inflows	898,064	2,218,824
Net position:		
Net investment in capital assets	140,904,947	138,096,814
Restricted	68,114,126	84,400,139
Unrestricted	(667,929,177)	(653,085,898)
Total net position	\$ (458,910,104)	(430,588,945)

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

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

Guilford County, along with many other counties in North Carolina, issues debt to fund school facilities that become assets of the school district and community college facilities that become property of the community college. In addition, Guilford County has issued debt to fund water and sewer lines that become assets of various municipalities. General obligation bonds have been issued by the County to fund the majority of the cost of these assets. The County's liabilities at June 30, 2014 include outstanding general obligation debt of \$679.1 million and limited obligation bonds of \$16.8 million related to funding these non-county assets. This represents 87.5% of the County's outstanding bonded debt. Because the

MANAGEMENT'S DISCUSSION AND ANALYSIS

County does not retain the related assets, this debt liability (less any unspent proceeds) reduces the County's total net position and presents a less favorable picture as compared to governments that do not extensively fund the capital assets of other governmental entities. Comparative information for changes in net position for the primary government is shown below (see Table A-2).

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

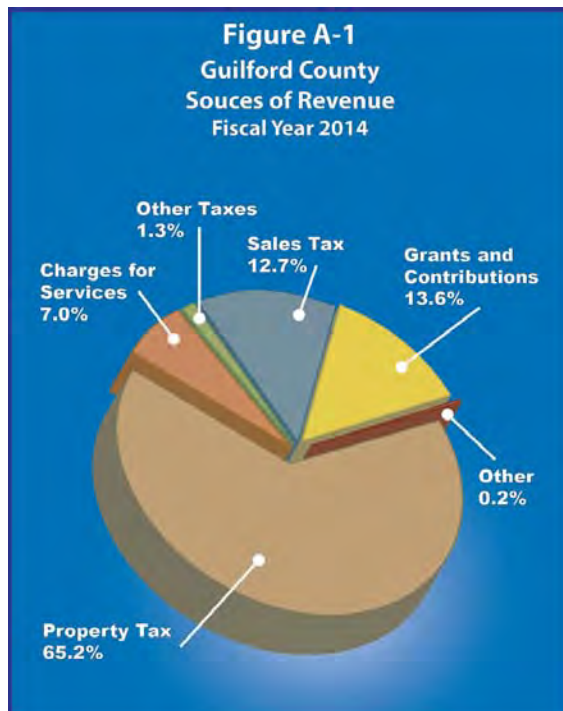
	Governmental Activities	
	2014	2013
Revenues		
Program revenues		
Charges for services	\$ 39,643,583	41,382,069
Operating grants and contributions	75,214,658	87,984,102
Capital grants and contributions	460,052	810,671
General revenues		
Taxes:		
Property taxes for general purposes	360,244,176	354,843,090
Property taxes for fire districts	11,935,061	10,796,169
Sales taxes for general purpose	54,873,264	52,653,793
Sales taxes for fire districts	2,163,798	1,991,259
Sales taxes for school capital/debt	15,346,062	14,512,409
Occupancy taxes for tourism development	4,909,445	4,627,346
Other taxes	2,740,483	2,587,977
Grants and contributions not restricted	1,985,093	1,466,619
Unrestricted investment earnings	983,218	2,279,877
Other	203,773	352,415
Total revenues	570,702,666	576,287,796
Expenses		
General government	40,117,035	42,965,674
Human services	124,275,553	144,195,031
Public safety	115,011,980	119,896,894
Environmental protection	1,372,025	1,357,646
Culture and recreation	6,191,194	7,220,201
Economic development/urban redevelopment	9,802,441	21,261,349
Education	275,978,578	253,356,987
Interest on long-term debt	26,275,019	28,750,330
Total expenses	599,023,825	619,004,112
Changes in net position	(28,321,159)	(42,716,316)
Net position at beginning of year	(430,588,945)	(387,872,629)
Net position at end of year	\$ (458,910,104)	(430,588,945)

MANAGEMENT'S DISCUSSION AND ANALYSIS

As noted in the highlights Guilford County's net position decreased \$28.3 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 \$86.5 million in capital spending with \$51.1 million for school facilities and \$35.4 million for community college facilities.

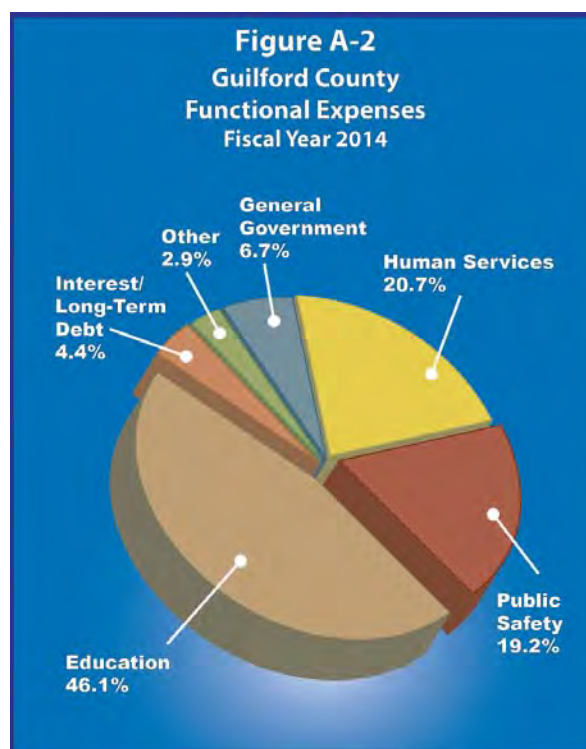
Aspects of the County's financial operations that influenced the change in the County's net position include:

- Guilford County's activities would increase net position if the expenses related to capital funding provided to outside entities and debt and restricted revenue supporting these expenses were eliminated.
- Program revenues covered 19.3% of program expenses, decreasing from 21% last year.
- Program revenues totaled \$115.3 million decreasing by \$14.9 million from the previous year. Charges for services decreased relative to the prior year \$1.7 million to \$39.6 million. Operating grants from the State and Federal government decreased \$12.8 million to \$75.2 million while capital grants and contributions decreased \$0.4 million to \$0.5 million. Human Services charges for services were down \$2.6 million, while Public Safety and Culture-Recreation were up \$0.6 million and \$0.5 million. Human Services decreased \$2.5 million in Mental Health. Public Safety increased by \$0.6 million in Court Alternatives and \$0.5 million from additional Park fees as the County completed its first full year of managing many of the parks. The net decreases in departmental charges for services and operating and capital grants are due principally to the same changes in governmental fund charges for services and intergovernmental revenues that are more fully discussed under this section.
- General revenues totaled \$455.4 million increasing by \$9.3 million over the previous year. Property tax revenue increased \$6.5 million to \$372.2 million even though the County-wide tax rate declined slightly from \$.7804 to \$.77 per hundred of assessed value. Sales tax revenue increased \$3.2 million to \$72.4 million. Investment income decreased \$1.3 million due mainly to a \$0.2 million increase versus a \$1.4 million prior year increase in fair value of interest rate swaps entered into in connection with variable-rate general obligation bonds. The remaining general revenues decreased \$0.8 million overall.



MANAGEMENT'S DISCUSSION AND ANALYSIS

- Expenses decreased 3.2% or \$20 million to \$599 million. Education expenses were up \$22.6 million or 8.9% due mainly to an increase in capital funds expended by the schools and community college as operating funds increased only \$2.1 million. Human services expenses decreased \$19.9 million or 13.8% due mainly to the merger of Mental Health services with a multi-county authority effective January 1, 2013. Economic development expenses decreased \$11.5 million due mainly to reduced funding of water and sewer projects as this program with the City of Greensboro continues to wind down. Public safety expenses decreased \$4.9 million or 4.1%, general government decreased \$2.8 million or 6.6%, interest on long-term debt decreased \$2.5 million to \$26.3 million or 8.6% and culture/recreation decreased \$1 million or 14.3%. These changes in expenses are due principally to the same changes in governmental fund expenditures that are more fully discussed under this section. In addition, decreased OPEB costs of \$9.3 million from the results of the December 31, 2013 actuarial valuation are spread throughout the departments with the most significant reductions to Public Health, Social Services, Law Enforcement and Emergency Services of \$1.8 million, \$2.4 million, \$3.3 million and \$0.9 million, respectively. Human Resources increased by \$1.7 million as the County portion of the retiree premium that decreased \$1.8 million in the General Fund gets allocated to all departments in the Statement of Activities.



Public safety expenses decreased \$4.9 million or 4.1%, general government decreased \$2.8 million or 6.6%, interest on long-term debt decreased \$2.5 million to \$26.3 million or 8.6% and culture/recreation decreased \$1 million or 14.3%. These changes in expenses are due principally to the same changes in governmental fund expenditures that are more fully discussed under this section. In addition, decreased OPEB costs of \$9.3 million from the results of the December 31, 2013 actuarial valuation are spread throughout the departments with the most significant reductions to Public Health, Social Services, Law Enforcement and Emergency Services of \$1.8 million, \$2.4 million, \$3.3 million and \$0.9 million, respectively. Human Resources increased by \$1.7 million as the County portion of the retiree premium that decreased \$1.8 million in the General Fund gets allocated to all departments in the Statement of Activities.

- Net position decreased \$28.3 million, a \$14.4 million or a 33.7% less decline than the previous year, even with an increase in capital funding provided to outside entities. Increases in general revenues net of decreased program revenues and less decreased expenses other than capital funding provided to outside entities continues to generate net position.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Guilford County's governmental funds reported combined ending fund balances of \$208.6 million, a decrease of \$76.8 million in comparison with the prior year. Most of the decrease is attributable to the current expenditure of general and limited obligation bonds for school, community college, park and water and sewer capital projects. Other sources of funds were expended on public safety and other capital projects as well. The fund balance available for appropriation, which

MANAGEMENT'S DISCUSSION AND ANALYSIS

is not reserved under North Carolina general statutes, makes up 77% of the total or \$160.6 million. The remainder of fund balance is reserved to indicate that it is not available for general purposes because it is legally restricted or has been contractually committed: (1) non spendable prepaid expenses and inventories (\$1.3 million), (2) to liquidate contracts and purchase orders of the prior period (\$8.6 million), or (3) reserved under other state statutory requirements (\$38.1 million).

Approximately \$35.9 million of the available fund balance is restricted for a specific purpose, mainly capital, while another \$21 million has been committed for a specific purpose, again mainly capital. Assigned fund balance of \$28.8 million has for the most part been appropriated in the FY2015 budget or assigned towards capital projects. The unassigned fund balance totals \$74.9 million.

The General Fund is the chief operating fund of Guilford County. At the end of the current fiscal year, fund balance available in the General Fund was \$110 million, up \$16.5 million, while total fund balance rose \$12.8 million to \$151.1 million. Fund balance may be available for restricted, committed, assigned or general purposes. As a measure of the General Fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures. Available fund balance represents 20.5% of total General Fund expenditures, while total fund balance represents 28.1% of that same amount. The Local Government Commission (LGC), which is established by statute to oversee local government financial affairs, has recommended that the General Fund undesignated fund balance (as defined prior to GASB Statement No. 54) be maintained at a minimum level of eight percent of the subsequent year's budget. This undesignated fund balance, or Guilford County's current unassigned fund balance of \$79.5 million is equal to 14% of the fiscal year 2014-15 General Fund budget.

The fund balance of Guilford County's General Fund increased \$12.8 million during the current fiscal year. Revenues of \$553 million were more than expenditures by \$15.7 million and other financing sources and uses reduced this by \$2.9 million. Revenue remained steady over all, increasing by only \$0.3 million over last fiscal year. General Fund revenue activities are as follows:

- Property tax revenue increased to \$362.9 million, going up \$9.8 million or 2.8% due to an increase in assessed values from \$45.5 billion to \$46.3 billion and an increase in prior year collections while the County-wide tax rate decreased slightly from \$.7804 to \$.77 per hundred of assessed value.
- Sales tax revenue in the General Fund increased by \$3.1 million or 4.5% to \$70.2 million as taxable retail sales increased \$226 million or 4% to \$5.9 billion.
- Excise tax revenue remained down from its highs due to the slumping real estate market although continued modest increases compared to recent fiscal years is encouraging.
- Charges for services decreased \$1.1 million to \$34.3 million, down 3.1%. The most significant decreases were in Mental Health for \$2.5 million and Register of Deeds for \$0.3 million. Mental Health decreases were due to the merger of these services with a multi-County Authority effective January 1, 2013 while Register of Deeds decreases were due to reduced volume of documents. The most significant increases were in Court Alternatives up \$0.6 million from fees for holding more juvenile offenders from other counties and Parks up \$0.4 million after taking over the operations of the parks from outside contractors effective January 1, 2013. Other significant increases were noted in Emergency Medical Services, Elections and Law Enforcement as well.
- Intergovernmental revenue decreased \$10.2 million or 11.7% to \$76.7 million. Most of the change related to Mental Health down by \$10.6 million due to the merger of these services with a multi-County Authority effective January 1, 2013 buffered by a net increase spread over several departments.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Investment income for the General Fund decreased by \$0.3 million to \$0.6 million due to continued record low interest rates decreasing yields as well as a lower average invested balance.
- Other revenues decreased \$1.2 million, down 15.7%.

General Fund expenditures were \$537.3 million, decreasing \$17.7 million or 3.2% from last year. Highlights of significant areas of change include:

- Debt service costs decreased \$0.4 million or 0.5% due mainly to increased principal costs offset by decreased interest costs as legal, liquidity and remarketing costs remained stable.
- Public Safety expenditures decreased \$1.5 million to \$94.7 million, a 1.5% decrease due mainly to decreased Law Enforcement and Emergency Services expenditures. Law Enforcement expenditures decreased \$1.1 million, down 1.8% as salaries and 401K matching were down, mainly in the Detention Division. Emergency Services expenditures decreased \$0.2 million, or 0.9% with increases and decreases spread throughout the department.
- General Government expenditures decreased \$2.9 million, down 6.6% due mainly to decreases in Human Resources of \$1.8 million primarily for retiree health care and Elections by \$0.7 million for decreased salaries and benefits. Other smaller increases and decreases were generally spread among the other departments.
- Human Services expenditures decreased \$15.3 million, down 11.3% due mainly to decreased expenditures of \$13 million in Mental Health as this department ceased operations on December 31, 2012 with the merger of these services into a multi-county authority, Sandhills Center for Mental Health, Developmental Disabilities and Substance Abuse Services. Other decreases in Public Health and Transportation expenditures of \$1.9 million and \$0.6 million, respectively were offset by increases and decreases spread among the other departments.
- Economic Development and Assistance expenditures increased \$0.7 million to \$1.8 million, up 58.1% due to increased economic incentive payments.
- Education expenditures increased \$2.1 million as the Guilford Technical Community College funding increased \$0.6 million to \$12.4 million while the Guilford County Schools amount increased \$1.5 million to \$177.1 million.

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

The County Building Construction Fund fund balance decreased \$4.4 million. Revenue and other sources included \$0.2 million from park grants, \$0.6 million from outside agencies for their portion of the 800 MHz Radio Replacement project due in FY2014 and \$2 million transfer of County funds from the General Fund to support the Hagan-Stone Park Swimming Pool project. Expenditures of \$4.7 million included general government projects of \$0.1 million mainly for the renovation of buildings; public safety projects of \$3.1 million included \$2.3 million for the 800 MHz Radio and Infrastructure projects as well as \$0.5 million for the Law Enforcement District I project; while park projects with total expenditures of \$1.5 million included expenditures for park improvements, greenways and open space acquisitions. Other uses of \$2.5 million transfers out moved \$2.4 million and \$0.1 million, respectively of unexpended bond premiums and County funds to the School Capital Outlay Fund for several Guilford County Schools and Guilford Technical Community College projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Water and Sewer Construction Fund fund balance decreased \$3 million as minimal fees and other revenues were less than expenditures of \$3.1 million. All water and sewer agreements with municipalities have been terminated and this fund is expected to be closed upon completion of the projects currently budgeted. The termination agreement with the City of Greensboro provided (1) for advance funding to the City of all non-bond sources to manage the remaining projects through completion and (2) for reimbursement of actual City incurred costs with bond funds as they occur. One half of the funds remaining at the end of the projects, if any, are due back to the County.

The School Capital Outlay Fund fund balance decreased \$82.9 million as the 2012 bond issues continued to be utilized as the major funding source. Other financing sources were \$3.5 million transfers in from the General and County Building Construction Funds. Expenditures of \$86.5 million consisted of \$51.1 million and \$35.4 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 is found only in the fund financial statements.

Operating revenues of internal service operations exceeded operating expenses by \$3 million. Non-operating revenue (net investment gain) added \$0.1 million resulting in an overall gain of \$3.1 million. The County anticipated using up to \$1.6 million to reduce excess reserves based on the original annual financial plan. The sole purpose of the fund is the operation of the County's risk management programs. The operating gain was generated from the Health Care and Wellness programs as premium and other revenues exceeded claims, insurance and administrative costs by \$3.9 million.

General Fund Budgetary Highlights

The final General Fund budget for fiscal year 2013-14 was \$570.1 million, an increase of \$11.6 million from the original budget of \$558.5 million which is a 2.1% increase.

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

	<u>Sources</u>		<u>Uses</u>
Fund Balance	\$ 8,429,926	Information Services	\$ 502,447
		Public Health	1,203,908
Property Taxes	2,195,175	Mental Health	1,167,888
		Law Enforcement	3,083,404
Intergovernmental		Economic Development	
Revenue	682,877	& Assistance	2,882,078
		Transfers out	2,000,000
Other Sources	282,271	Other Uses	750,524
	<u>\$ 11,590,249</u>		<u>\$ 11,590,249</u>

The County amends its budget each year to carry forward outstanding encumbrances from the prior year utilizing fund balance. The carry forward budget amendment for the fiscal year ending June 30, 2014 was \$7.9 million for all General Fund departments. This accounts for most of the \$8.4 million additional fund balance appropriation, representing 72.7% of the budget increase. The method of collecting vehicle ad valorem taxes changed during FY2014 and provided a one-time windfall of revenue. The Board budgeted \$2 million of this windfall towards pay-as-you-go capital needs with a transfer out to the County Building Construction Fund Hagan-Stone Park Swimming Pool project. Guilford County typically increases its budget appropriation as a result of additional State and Federal funding received

MANAGEMENT'S DISCUSSION AND ANALYSIS

during the fiscal year. These grant funds generally provide funding for Economic Development, various human services programs of the Social Services 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 reported as intergovernmental revenues was \$0.7 million or 5.9% of the budget increase. Other changes during the year resulted in small increases in several other revenues totaling \$0.3 million.

The final General Fund budget for fiscal year 2013-14 was \$570.1 million, decreasing by \$19.6 million from the previous year's final budget due mainly to a \$13.6 million decrease as a result of the merger during the prior year with Sandhills Center for Mental Health, Developmental Disabilities and Substance Abuse Services. The budget now includes County only funding of these services. Other significant decreases in General Government, Human Services, Public Safety and Debt Service were buffered by increases mainly to Education and Economic Development and Assistance. General Government departments decreased \$2.7 million mainly in Human Resources and Facilities by \$0.9 million and \$1.4 million, respectively. Human Resources was due mainly to discontinued funding to the OPEB Trust Fund offset by increases to retiree health care premiums and provision for implementation of an employee equity pay study; while Facilities was due to routine and special building maintenance for the new detention center and general government buildings during the prior year. Human Services departments other than Mental Health as discussed above, decreased another \$3.9 million mainly in Public Health by \$2 million and Social Services by \$1.3 million. The Public Health decrease is due mainly to the termination of a \$1.5 million line of credit with an outside agency and parking lot and roof repairs at the Hight Point offices. Social Services decreases were mainly in administrative salaries and benefits, crisis assistance and family supportive services programs offset by similar reductions in revenues. Public Safety departments decreased \$1.7 million principally in Law Enforcement by \$1.5 million, mainly in Administrative salaries, benefits and vehicle related costs as well as costs spread generally among all other departmental divisions. Education increased \$2.1 million for Guilford County Schools and Guilford Technical Community College operations by \$1.5 million and \$0.6 million, respectively. Economic Development & Assistance increased \$0.9 million from a higher original budget for potential incentive payments as well as more grants but less carryover of incentive obligations encumbered at year end and not yet earned by the companies. General Fund expenditures and other uses for the 2014 fiscal year were 94.8% of the final budget, similar to the 94.6% from fiscal year 2013.

The resulting \$29.8 million variance in the actual expenditures and other uses from the final budget versus \$32.1 million in the prior fiscal year continues to exceed the typical range. Variances usually result from conservative budget practices such as, budgeting fully for positions in many departments; the need to allow for fluctuation in Public Assistance, grant programs and management of the large number of service contracts in the Human Services area; capital purchases which are not completed at year end; and budgeting conservatively for interest on variable-rate bonds. The variances above the typical range occurred in Debt Service as a planned issue was delayed because Guilford County Schools and Guilford Technical Community College were not spending on capital projects as quickly as cash flow data projected. The County Administration variance increased \$0.6 million mainly from unused contingency budget. The Human Resources variance increased \$0.9 million due to provision for implementation of a pay equity study that was delayed until FY2015. Otherwise, variances generally declined as budgets continued to tighten throughout the County. The \$2.2 million decrease in the Human Services variances was concentrated in the Public Health and Social Services departments by \$0.6 million and \$1.7 million, respectively.

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, 2014, amounts to \$253.5 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, vehicles, intangibles, and construction in progress. Infrastructure capital assets at the County's park facilities and watershed facilities have been included under improvements since the amounts are relatively insignificant. Guilford County's net decrease in its investment in capital assets was \$3.6 million during the current fiscal year.

Land increased \$0.4 million mainly from the purchase of a site for law enforcement operations. Construction in progress increased \$0.5 million before transfers, mainly for the Law Enforcement District I location in Summerfield. Buildings increased \$1.3 million mainly from closing the completed Greensboro Health Department Renovation and Law Enforcement District I projects out of construction in progress. Also included was a building at Hagan-Stone Park. Improvements other than buildings increased \$1.4 million before depreciation, mainly in Triad, Northeast and Hagan-Stone Parks. Machinery and equipment increased \$2.8 million before depreciation as additions of \$3.5 million mainly for public safety communication and other equipment outpaced disposals. Vehicles increased \$1.4 million, before depreciation as additions of \$2.6 million mainly for Fleet, Law Enforcement and Emergency Services again outpaced disposals. Intangible assets increased \$0.2 million before depreciation from additional Public Health software licenses, a Child Support case document management system and completion of Emergency Medical Services Statistical Modeling Program software purchases.

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

Table A-4

GUILFORD COUNTY'S Capital Assets
(Net of Accumulated Depreciation)

	Governmental Activities	
	2014	2013
Land	\$ 49,920,583	49,521,516
Buildings	166,165,111	170,217,888
Improvements other than buildings	10,063,095	9,563,143
Machinery and equipment	17,852,288	16,902,826
Vehicles	4,458,332	4,337,008
Construction in progress	145,740	987,953
Intangibles	4,932,206	5,593,862
Total	\$ 253,537,355	257,124,196

MANAGEMENT'S DISCUSSION AND ANALYSIS

Debt Administration. At the end of the current fiscal year, Guilford County had total bonded debt outstanding of \$795.2 million, \$778.4 million of which were general obligation bonds backed by the full faith and credit of the County and \$16.8 million of which were limited obligation bonds backed by collateral. In addition there were \$52.7 million in unamortized bond issuance premiums and \$5.1 million of obligations under capital leases and installment financings all net of interest rate swap termination charges of \$6.7 million. Guilford County's total debt decreased \$56 million during the fiscal year, due mainly to \$51.2 million of scheduled principal payments on general obligation bonds and other debt.

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

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

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

Table A-5
GUILFORD COUNTY'S Outstanding Debt

	Governmental Activities	
	2014	2013
General obligation bonds	\$ 778,375,000	828,310,000
Plus bond issuance premiums	52,674,184	58,536,712
Less swap termination fees	(6,723,073)	(7,770,389)
Limited obligation bonds	16,845,000	16,845,000
Bond anticipation notes	50,000	-
Capital leases and purchase money installment contracts	5,102,338	6,377,923
Total	\$ 846,323,449	902,299,246

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

- The County's fiscal 2015 General Fund budget has increased by \$9.1 million from the fiscal year 2014 original budget to \$567.6 million, a 1.6% increase.
- The General Fund appropriated fund balance of \$26.3 million for the fiscal year 2015 is \$0.9 million less than last year's original General Fund budget, and maintains a stable unassigned fund balance at June 30, 2014 of 14% of the 2015 budget, up from the 10.51% at June 30, 2013. Decreases to appropriations from generally available fund balance were \$0.7 million while decreases to appropriations from restricted, committed and assigned funding sources accounted for \$0.2 million. While the budget again did not provide for a post employment benefit contribution to a pension trust fund in the amount of \$2 million as in fiscal years 2010 - 2013, the Board and management anticipated a positive impact on a new actuarial valuation due to recent changes of the Health Care Plan.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- The General Fund ad valorem tax rate levied for fiscal year 2015 remains at the 2014 level of \$.77 per \$100 valuation. The level rate combined with a slight 0.7% increase in the County's estimated tax base to \$45.9 billion and a reduction of the early payment discount from 1% to 0.5% will add \$5.9 million in current tax revenue, a 1.7% increase over the previous year. This increase is somewhat buffered by a decrease in prior years tax revenue of \$2.5 million due to an anticipated drop in prior year registered motor vehicle collections as current collections improve under a new State Tax and Tag program under which taxes are collected by the State as vehicle licenses are renewed annually.
- Estimated sales tax revenue of \$69.8 million for the fiscal year 2015 is \$4.9 million greater than last year's original General Fund budget. Other significant changes in revenue include increases in intergovernmental revenue of \$1.4 million and net increases in other sources (mainly user charges) totaling \$0.4 million.
- The General Fund budgets with the most significant decreases are Human Resources and Elections. The Human Resources budget is down \$0.7 million or 7.3% to \$8.8 million due mainly to reduced funding of self-insured retiree healthcare as a result of the implementation of a fully insured Medicare Advantage Plan effective with the 2014 calendar year. The Elections budget is down \$0.6 million or 27.1% to \$1.7 million due mainly to fewer anticipated elections in FY2015.
- The 2015 General Fund budgets with the most significant increases over the 2014 amounts are Education related as operating support increased \$3.13 million or 1.7% to \$192.7 million with appropriations to Guilford County Schools up \$2.23 million to \$179.4 million and to Guilford Technical Community College up \$0.9 million to \$13.3 million. Capital support increased \$4.27 million with Transfers Out to Guilford County Schools Capital Outlay up \$2.77 million to \$3.77 million and to Guilford Technical Community College Capital Outlay for \$1.5 million. Other significant increases were to Social Services up \$0.9 million or 1.3% to \$70 million mainly to fund additional costs to transition to new Medicaid eligibility processes using the State NC FAST system; Law Enforcement up \$1.4 million or 2.3% to \$63.8 million mainly for eight additional detention officers, replacement vehicles and technology warranties, replacements and upgrades; and Emergency Services up \$0.9 million or 3.9% to \$25.5 million mainly to fund the operations of a new EMS facility at a growing section of the County.

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

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, 2014, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

GUILFORD COUNTY, NORTH CAROLINA
Statement of Net Position
June 30, 2014

Exhibit 1

	Primary Government	Component Unit
	Governmental Activities	Greensboro/Guilford County Tourism Development Authority
Assets		
Cash and cash equivalents/investments	\$ 220,633,556	2,581,014
Receivables:		
Property taxes (net)	6,964,505	-
Accrued interest on property taxes (net)	933,653	-
Other taxes	557,025	69,048
Due from governmental units and agencies	35,025,584	76,183
Due from primary government	-	300,473
Service fees (net)	2,772,826	-
Special assessments	421,112	-
Accrued interest on investments	53,442	564
Other	4,353	6,269
Total receivables	46,732,500	452,537
Deposits and other assets	9,526,074	-
Total non-capital assets	276,892,130	3,033,551
Non-depreciable capital assets	50,290,323	-
Depreciable capital assets (net)	203,247,032	151,011
Total capital assets	253,537,355	151,011
Total assets	530,429,485	3,184,562
Deferred Outflows of Resources		
Unamortized bond refunding charges	1,360,656	-
Accumulated decrease in fair value of hedging derivatives	124,311	-
Total deferred outflows of resources	1,484,967	-
Liabilities		
Accounts payable and accrued liabilities	37,693,892	139,591
Due to component unit	300,473	-
Deposits	344,475	-
Derivative instrument - rate swaps	1,817,968	-
Current portion of long-term liabilities	57,742,132	-
Noncurrent portion of long-term liabilities	892,027,552	-
Total liabilities	989,926,492	139,591
Deferred Inflows of Resources	898,064	-
Net Position		
Net investment in capital assets	140,904,947	151,011
Restricted for:		
Stabilization by State statute	47,974,216	435,306
Self-funded insurance deposits	9,196,214	-
Guilford County Schools capital outlay	5,014,373	-
Other purposes	5,929,323	-
Unrestricted (deficit)	(667,929,177)	2,458,654
Total net position	\$ (458,910,104)	3,044,971

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, 2014

Exhibit 2

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit Greensboro/Guilford County Tourism Development Authority
Primary Government:						
Governmental activities:						
General government	\$ 40,117,035	6,225,569	32,948	-	(33,858,518)	-
Human services	124,275,553	9,034,653	65,324,711	97,554	(49,818,635)	-
Public safety	115,011,980	23,355,125	1,012,073	201,543	(90,443,239)	-
Environmental protection	1,372,025	41,703	896,949	-	(433,373)	-
Culture - recreation	6,191,194	970,505	66,370	160,955	(4,993,364)	-
Economic development and assistance	9,802,441	15,137	383,388	-	(9,403,916)	-
Education	275,978,578	-	27,643	-	(275,950,935)	-
Interest on long-term debt	26,275,019	891	7,470,576	-	(18,803,552)	-
Total primary government	<u>\$ 599,023,825</u>	<u>39,643,583</u>	<u>75,214,658</u>	<u>460,052</u>	<u>(483,705,532)</u>	<u>-</u>
Component Unit:						
Greensboro/Guilford Co Tourism Dev Authority:						
Tourism promotion and development	\$ 3,636,805	67,530	4,294,638	-	-	725,363
General revenues:						
Taxes:						
Property taxes, levied for general purposes					360,244,176	-
Property taxes, levied for fire districts					11,935,061	-
Sales taxes, levied for general purposes					54,873,264	-
Sales taxes, levied for fire districts					2,163,798	-
Sales taxes, levied for school capital and/or debt					15,346,062	-
Occupancy taxes, levied for tourism development					4,909,445	-
Excise tax					2,019,417	-
Local gross receipts taxes					721,066	-
Grants and contributions not restricted to specific programs					1,985,093	-
Unrestricted investment earnings net of fair value increase of investment derivatives					983,218	5,648
Other					203,773	-
Total general revenues					<u>455,384,373</u>	<u>5,648</u>
Change in net position					<u>(28,321,159)</u>	<u>731,011</u>
Net position at beginning of year					<u>(430,588,945)</u>	<u>2,313,960</u>
Net position at end of year					<u>\$ (458,910,104)</u>	<u>3,044,971</u>

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

GUILFORD COUNTY, NORTH CAROLINA
Balance Sheet
Governmental Funds
June 30, 2014

Exhibit 3

	General	County Building Construction	Water and Sewer Construction	School Capital Outlay	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents/investments	\$ 128,968,344	30,017,814	4,861,017	27,086,780	1,365,980	192,299,935
Receivables:						
Property taxes (net)	6,792,917	-	-	-	171,588	6,964,505
Accrued interest on property taxes (net)	933,653	-	-	-	-	933,653
Other taxes	51,058	-	-	-	505,967	557,025
Due from governmental units and agencies	32,278,520	210,872	-	1,888,713	642,685	35,020,790
Service fees (net)	2,581,296	-	-	-	-	2,581,296
Special assessments	-	-	421,112	-	-	421,112
Accrued interest on investments	42,453	4,535	-	-	232	47,220
Other	4,353	-	-	-	-	4,353
Total receivables	<u>42,684,250</u>	<u>215,407</u>	<u>421,112</u>	<u>1,888,713</u>	<u>1,320,472</u>	<u>46,529,954</u>
Deposits and other assets	<u>1,293,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,293,053</u>
Total assets	<u>\$ 172,945,647</u>	<u>30,233,221</u>	<u>5,282,129</u>	<u>28,975,493</u>	<u>2,686,452</u>	<u>240,122,942</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	\$ 13,127,523	224,316	999,608	7,322,259	128,774	21,802,480
Due to component unit	-	-	-	-	300,473	300,473
Deposits	<u>344,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>344,475</u>
Total liabilities	<u>13,471,998</u>	<u>224,316</u>	<u>999,608</u>	<u>7,322,259</u>	<u>429,247</u>	<u>22,447,428</u>
Deferred Inflows of Resources	<u>8,343,826</u>	<u>-</u>	<u>523,511</u>	<u>-</u>	<u>254,438</u>	<u>9,121,775</u>
Fund balances:						
Non spendable	1,293,053	-	-	-	-	1,293,053
Restricted	46,166,524	9,766,103	2,640,410	21,554,554	2,432,014	82,559,605
Committed	16,630	16,709,794	-	4,275,847	-	21,002,271
Assigned	24,180,984	3,533,008	1,118,600	-	-	28,832,592
Unassigned	<u>79,472,632</u>	<u>-</u>	<u>-</u>	<u>(4,177,167)</u>	<u>(429,247)</u>	<u>74,866,218</u>
Total fund balances	<u>151,129,823</u>	<u>30,008,905</u>	<u>3,759,010</u>	<u>21,653,234</u>	<u>2,002,767</u>	<u>208,553,739</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 172,945,647</u>	<u>30,233,221</u>	<u>5,282,129</u>	<u>28,975,493</u>	<u>2,686,452</u>	<u>240,122,942</u>

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

GUILFORD COUNTY, NORTH CAROLINA
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2014

Exhibit 4

Total fund balances - total governmental funds (Exhibit 3)	\$	208,553,739
<p>Amounts reported for governmental activities in the statement of net position are different because (see also Note II.A.):</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		253,537,355
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (Note II.A.1.)		8,410,200
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.)		317,738
Deferred outflows (asset-like charges) as used in governmental activities are not financial resources and therefore are not reported in the funds. (Note II.A.3.)		1,484,967
The Internal Service Fund is used by management to charge the costs of risk management and insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the statement of net position. (See Exhibit 8)		30,980,931
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (Note II.A.4.)		<u>(962,195,034)</u>
Total net position of governmental activities (Exhibit 1)	\$	<u>(458,910,104)</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, 2014

Exhibit 5

	General	County Building Construction	Water and Sewer Construction	School Capital Outlay	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes:						
Property taxes	\$ 362,933,493	-	-	-	11,995,793	374,929,286
Sales tax	70,219,326	-	-	-	2,163,798	72,383,124
Occupancy taxes	-	-	-	-	4,929,357	4,929,357
Excise tax	2,019,417	-	-	-	-	2,019,417
Local gross receipts tax	721,066	-	-	-	-	721,066
Licenses and permits	1,599,130	-	-	-	-	1,599,130
Intergovernmental	76,683,120	214,621	-	27,643	17,101	76,942,485
Charges for services	34,281,482	-	19,029	-	-	34,300,511
Investment earnings	586,859	40,854	-	-	1,233	628,946
Other	3,970,548	565,007	9,059	-	-	4,544,614
Total revenues	<u>553,014,441</u>	<u>820,482</u>	<u>28,088</u>	<u>27,643</u>	<u>19,107,282</u>	<u>572,997,936</u>
Expenditures						
Current:						
General government	41,705,096	-	-	-	-	41,705,096
Human services	120,065,222	-	-	-	-	120,065,222
Public safety	94,718,247	-	-	-	13,552,968	108,271,215
Environmental protection	1,306,171	-	-	-	-	1,306,171
Culture - recreation	4,959,362	-	-	-	-	4,959,362
Economic development and assistance	1,794,736	-	-	-	4,929,357	6,724,093
Intergovernmental:						
Education	189,528,088	-	-	86,450,490	-	275,978,578
Capital outlay	-	4,679,998	3,052,348	-	-	7,732,346
Debt service:						
Principal retirement	51,210,585	-	-	-	-	51,210,585
Interest and fiscal charges	32,024,643	-	-	-	-	32,024,643
Total expenditures	<u>537,312,150</u>	<u>4,679,998</u>	<u>3,052,348</u>	<u>86,450,490</u>	<u>18,482,325</u>	<u>649,977,311</u>
Excess (deficiency) of revenues over expenditures	<u>15,702,291</u>	<u>(3,859,516)</u>	<u>(3,024,260)</u>	<u>(86,422,847)</u>	<u>624,957</u>	<u>(76,979,375)</u>
Other Financing Sources (Uses)						
Bond anticipation notes issued	-	-	-	50,000	-	50,000
Transfers in	-	2,000,000	-	3,500,000	-	5,500,000
Transfers out	(3,000,000)	(2,500,000)	-	-	-	(5,500,000)
Sale of capital assets	127,435	-	-	-	-	127,435
Total other financing sources (uses)	<u>(2,872,565)</u>	<u>(500,000)</u>	<u>-</u>	<u>3,550,000</u>	<u>-</u>	<u>177,435</u>
Net changes in fund balances	12,829,726	(4,359,516)	(3,024,260)	(82,872,847)	624,957	(76,801,940)
Fund balances at beginning of year	138,300,097	34,368,421	6,783,270	104,526,081	1,377,810	285,355,679
Fund balances at end of year	<u>\$ 151,129,823</u>	<u>30,008,905</u>	<u>3,759,010</u>	<u>21,653,234</u>	<u>2,002,767</u>	<u>208,553,739</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, 2014

Exhibit 6

Net changes in fund balances - total governmental funds (Exhibit 5)	\$ (76,801,940)
<p>Amounts reported for governmental activities in the statement of activities are different because (see also Note II.B.):</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. (Note II.B.1.)</p>	(3,585,969)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to decrease net position. (Note II.B.2.)</p>	(872)
<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>	(2,787,688)
<p>Increases (decreases) in the fair value of hedging derivatives reported as an addition to (a reduction of) investment earnings in the statement of activities do not provide (require the use of) current financial resources and, therefore, are not reported as revenues (expenditures) in the governmental funds. (Note III.E. Derivative Instruments)</p>	247,767
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal consumes the current financial resources. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (Note II.B.4.)</p>	51,160,585
<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>	385,720
<p>The Internal Service Fund is used by management to charge the costs of risk management and insurance to individual funds. The net gain of the Internal Service Fund is reported with governmental activities. (See Exhibit 9)</p>	<u>3,061,238</u>
Change in net position of governmental activities (Exhibit 2)	\$ <u>(28,321,159)</u>

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

GUILFORD COUNTY, NORTH CAROLINA

General Fund

Exhibit 7

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary and GAAP Basis	Final Budget Positive (Negative)
Revenues				
Taxes:				
Property taxes	\$ 346,143,000	348,338,175	361,005,743	12,667,568
Interest on delinquent property taxes	1,300,000	1,300,000	1,927,750	627,750
Total property taxes	347,443,000	349,638,175	362,933,493	13,295,318
Sales tax	64,900,000	65,004,769	70,219,326	5,214,557
Excise tax	1,700,000	1,700,000	2,019,417	319,417
Local gross receipts tax	600,000	600,000	721,066	121,066
Licenses and permits	1,483,390	1,483,390	1,599,130	115,740
Intergovernmental	77,016,053	77,698,930	76,683,120	(1,015,810)
Charges for services	33,992,164	34,010,164	34,281,482	271,318
Investment earnings	667,500	667,822	586,859	(80,963)
Other	3,341,256	3,486,430	3,970,548	484,118
Total revenues	531,143,363	534,289,680	553,014,441	18,724,761
Expenditures				
Current:				
General government	46,113,748	47,111,752	41,705,096	5,406,656
Human services	125,933,818	128,131,226	120,065,222	8,066,004
Public safety	95,943,157	99,237,578	94,718,247	4,519,331
Environmental protection	1,326,006	1,366,257	1,306,171	60,086
Culture - recreation	5,397,634	5,552,016	4,959,362	592,654
Economic development and assistance	2,248,566	5,130,644	1,794,736	3,335,908
Intergovernmental:				
Education	189,528,088	189,528,088	189,528,088	-
Debt service:				
Principal retirement	51,310,585	51,310,585	51,210,585	100,000
Interest and fiscal charges	38,214,106	38,237,811	32,024,643	6,213,168
Bond issuance costs	1,500,000	1,500,000	-	1,500,000
Total expenditures	557,515,708	567,105,957	537,312,150	29,793,807
Excess (deficiency) of revenues over expenditures	(26,372,345)	(32,816,277)	15,702,291	48,518,568
Other Financing Sources (Uses)				
Transfers out	(1,000,000)	(3,000,000)	(3,000,000)	-
Sale of capital assets	110,000	124,006	127,435	3,429
Total other financing sources (uses)	(890,000)	(2,875,994)	(2,872,565)	3,429
Net change in fund balances	(27,262,345)	(35,692,271)	12,829,726	48,521,997
Fund balances at beginning of year	138,300,097	138,300,097	138,300,097	-
Fund balances at end of year	\$ 111,037,752	102,607,826	151,129,823	48,521,997

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

GUILFORD COUNTY, NORTH CAROLINA
Statement of Net Position
Proprietary Funds - Internal Service Fund
June 30, 2014

Exhibit 8

		<u>Governmental Activities</u>
Assets		
Current assets:		
Cash and cash equivalents/investments	\$	28,333,621
Receivables:		
Due from governmental units and agencies		4,794
Service fees (net)		191,530
Accrued interest on investments		<u>6,222</u>
Total receivables		202,546
Deposits and other assets		<u>9,196,685</u>
Total assets		<u>37,732,852</u>
 Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities		5,271,799
Compensated absences		<u>9,643</u>
Total current liabilities		5,281,442
Noncurrent liabilities:		
Compensated absences		<u>2,588</u>
Total liabilities		<u>5,284,030</u>
 Deferred Inflows of Resources		 <u>1,467,891</u>
 Net Position		
Restricted for self-funded insurance deposits		9,196,214
Unrestricted		<u>21,784,717</u>
Total net position	\$	<u>30,980,931</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 Position
Proprietary Funds - Internal Service Fund
For the fiscal year ended June 30, 2014

Exhibit 9

	Governmental Activities
Operating revenues:	
Charges for services	\$ 40,496,275
Other	488,292
Total operating revenues	40,984,567
Operating expenses:	
Personal services	118,982
Other direct service costs	7,892
Professional services	1,561,421
Claims, premiums and bonding	36,339,756
Total operating expenses	38,028,051
Operating gain	2,956,516
Nonoperating revenues:	
Net investment gain	104,722
Change in net position	3,061,238
Total net position at beginning of year	27,919,693
Total net position at end of year	\$ 30,980,931

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, 2014

Exhibit 10

	Governmental Activities
Increase (decrease) in cash and cash equivalents:	
Cash flows from operating activities:	
Cash received from user departments and participants	\$ 40,369,518
Other operating revenues	496,876
Cash paid to employees for services	(121,727)
Cash paid to suppliers, participants and others	(37,380,365)
Net cash provided by operating activities	3,364,302
Cash flows from investing activities:	
Interest and dividends on investments	68,934
Net increase in cash and cash equivalents	3,433,236
Cash and cash equivalents at beginning of year	24,900,385
Cash and cash equivalents at end of year	\$ 28,333,621
 Reconciliation of operating gain to net cash provided by operating activities:	
Operating gain	\$ 2,956,516
Adjustments to reconcile operating gain to net cash provided by operating activities:	
Change in assets and liabilities:	
Decrease in accounts receivable	78,362
Decrease in deposits and other assets	162,368
Increase in accounts payable	300,112
Increase in accrued salaries and benefits payable	330
Decrease in deferred inflows of resources	(130,311)
Decrease in accrued vacation and compensatory benefits	(3,075)
Total adjustments	407,786
Net cash provided by operating activities	\$ 3,364,302

Non-cash investing, capital and financing activities:

During the year, deposits and other assets also increased by \$41,365 from a fund in the banking pool in which the County participates where the risk of loss is retained.

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

GUILFORD COUNTY, NORTH CAROLINA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

Exhibit 11

	Pension Trust Funds	Agency Funds
Assets		
Pooled cash and cash equivalents/investments	\$ 934,421	\$ 893,180
State Treasurer's Local Government Other Post Employment Benefits (OPEB) Fund:		
Short-Term OPEB Fund	2,538,710	-
Long-Term OPEB Fund	1,014,306	-
OPEB Equity Fund	7,954,192	-
Cash and cash equivalents/investments	12,441,629	893,180
Receivables:		
Accrued interest on investments	205	-
Total assets	12,441,834	\$ 893,180
Liabilities		
Accounts payable and accrued liabilities	34,022	\$ 365,065
Representative payee clients payable	-	324,812
Due to other taxing units	-	203,303
Total liabilities	34,022	\$ 893,180
Net Position		
Held in trust for pension benefits	\$ 12,407,812	

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

GUILFORD COUNTY, NORTH CAROLINA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Pension Trust Funds
For the fiscal year ended June 30, 2014

Exhibit 12

		<u>Pension Trust Funds</u>
Additions		
Employer contributions	\$	7,909,956
Retiree contributions		1,727,958
Net investment income		<u>1,676,144</u>
Total additions		<u>11,314,058</u>
 Deductions		
Benefits		9,630,527
Administrative expenses		<u>17,417</u>
Total deductions		<u>9,647,944</u>
Change in net position		1,666,114
Net position at beginning of year		<u>10,741,698</u>
 Net position at end of year	 \$	 <u>12,407,812</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, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

Discretely presented component units.

Greensboro/Guilford County Tourism Development Authority

The Greensboro/Guilford County Tourism Development Authority (the Authority) is a public authority under the North Carolina General Statutes, created to promote activities and programs which encourage travel and tourism to the area. The County is financially accountable for the Authority because it levies the occupancy tax which is the major source of the Authority's revenues and has final approval over the annual budget. The Authority, which has a June 30 year end, is presented as a governmental fund type. Of the \$4,929,357 County levied occupancy taxes earned and included as an economic development and assistance expense of the County, \$3,450,550 is reported as part of the Authority's operating grants and contributions program revenue along with \$862,009 from a separate City of Greensboro levy. The complete financial statements of the Authority may be obtained from its administrative office at Greensboro/Guilford County Tourism Development Authority, 2411 High Point Road, Greensboro, North Carolina 27403.

Guilford County Industrial Facility and Pollution Control Financing Authority

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

B. Basis of Presentation

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

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

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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

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

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

The County reports the following major governmental funds:

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

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

The *Water and Sewer Construction Fund*, a capital projects fund type, accounts for the financing and construction of various water and sewer construction projects through joint agreements with various municipalities (see Note IV. G.). Prior to the recent termination of these agreements, the primary revenue sources were acreage user fees, joint operation fees, and assessments with additional financing provided principally by the proceeds of general obligation bonds when issued. This fund continues to wind down as existing projects are completed.

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

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

Additionally, the County reports the following fund types:

Proprietary fund:

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

Fiduciary funds:

Pension Trust Funds are used to account for activities which accumulate resources for post-employment benefits to qualified individuals. The County maintains the following pension

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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.

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 was remitted to the N.C. Department of State Treasurer monthly and used by the Division of Motor Vehicles to create a combined motor vehicle registration renewal and property tax collection system. The requirement to remit these funds ended with the July 2013 payment of June collections.

C. Measurement Focus, Basis of Accounting

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

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

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

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

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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

D. Budgetary Control

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

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

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

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

E. Assets, Liabilities and Equity

1. Cash and Cash Equivalents/Investments

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

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

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

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost which approximates fair value. Investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. The securities of the North Carolina Capital Management Trust (NCCMT) Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price of \$1 at June 30, 2014. The NCCMT Term Portfolio's securities are valued at fair value which resulted in a \$9.68 per-share value at June 30, 2014. In accordance with State law, the County has invested in securities which are callable and may provide for periodic interest rate increases in specific increments until maturity; these and all other investments are stated at fair value. As to the OPEB Trust funds, the STIF securities are reported at cost and maintain a constant \$1 per share value; the LTIF is reported at fair value and is also valued at \$1 per share. The BlackRock Alpha Tilts Funds are valued at fair value which is \$22.1960 per share for the Global Ex-US Alpha Tilts Fund B and \$48.3524 per share for the Russell 3000 Alpha Tilts Fund B at June 30, 2014.

2. Property Taxes Receivable

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

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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.

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

Property taxes receivable in the governmental fund financial statements are not recognized as revenue because the amount is not susceptible to accrual. At June 30, 2014, property taxes receivable are materially past due and, consequently, cannot be considered an available resource with which to pay liabilities of the current period, although the amount due is measurable. Therefore, all property taxes receivable are recorded net of an allowance for estimated uncollectible delinquent taxes, with the net receivable recorded as deferred inflows of resources.

3. Allowances for Doubtful Accounts

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

4. Capital Assets

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

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

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

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

5. Vacation, Compensatory and Sick Leave Benefits

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

According to the provisions of The Fair Labor Standards Act, nonexempt employees may earn compensatory time at the rate of one and one-half hours for each hour worked in excess of specified limits. However, the Board of County Commissioners approved a revision to the personnel regulations effective August 30, 2009, that provided payment of overtime for non-exempt employees in lieu of compensatory time accrual. Further, the revision requires nonexempt employees to use compensatory balances prior to using other types of leave. The personnel regulations revision also eliminated compensatory time for exempt employees. Instead, exempt employees may qualify for up to 80 hours of management leave that is awarded at the beginning of the following year. Unused management leave balances at the end of the calendar year are forfeited for future use and are not paid to the employee at the end of service. Accumulated compensatory benefits that have not been used for both exempt and nonexempt employees are payable upon separation from County services at the rate of pay that was in effect on August 30, 2009, the date of the effective revision.

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

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

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for *Deferred Outflows of Resources*, which represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has two items that meet this criterion, unamortized bond refunding charges and the accumulated decrease in fair value of hedging derivatives.

In addition to liabilities, the statement of net position will sometimes report a separate section, *Deferred Inflows of Resources*, which represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until actually earned. The County has one item that meets the criterion which arise only under a modified accrual basis of accounting and qualify for reporting in this category. In addition, the governmental funds report unavailable revenues receivable from the following sources: property taxes and accrued interest, thereon; special assessments; occupancy taxes and due from other governmental units on certain contracts. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or propriety fund type statement of net position. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Termination fees for swaps on effective hedges are deferred and amortized over the life of the associated refunding bonds using the effective interest method. Bonds payable are reported net of the applicable bond premiums and swap termination fees. Bond issuance costs are expensed in the reporting period in which they are incurred.

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

8. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

- **Nonspendable Fund Balance** – Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- **Restricted Fund Balance** - Amounts are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balance** - Amounts are committed when they can only be used for specific purposes pursuant to constraints imposed by majority vote of the County's governing body, the Board of County Commissioners (Board). Any changes or removal of specific purposes requires the same majority vote by the Board who represent the highest level of decision-making authority for the County.
- **Assigned Fund Balance** - Amounts are assigned when they are constrained by the County's *intent* to use for specific purposes, but are neither restricted nor committed. Intent relative to assigned fund balances has been established by actions of the Board of County Commissioners. It includes all remaining positive balances not classified as assigned, restricted or committed and reported in governmental funds other than the General Fund.
- **Unassigned Fund Balance** - Amounts are unassigned to represent the residual classification for the General Fund as the balance has not been restricted, committed, or assigned to specific purposes. It includes all remaining negative balances not classified as restricted or committed and reported in governmental funds other than the General Fund.

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

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

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

II. Reconciliation of government-wide and fund financial statements

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

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

1. "Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds."	
Property taxes receivable (net)	\$ 6,964,505
Accrued interest on property taxes receivable (net)	933,653
Occupancy taxes receivable	76,720
Due from governmental units (cities) for reimbursement by contract of County watershed bonded debt	14,210
Special assessments receivable	<u>421,112</u>
Net adjustment to increase total fund balances - total governmental funds to arrive at net position of governmental activities	<u>\$ 8,410,200</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:	
Net pension asset for excess contributions to the Pension Trust Fund	\$ <u>317,738</u>
Net adjustment to increase total fund balances - total governmental funds to arrive at net position of governmental activities	<u>\$ 317,738</u>
3. "Deferred outflows (asset-like charges) as used in governmental activities are not financial resources and therefore are not reported in the funds."	
Unamortized bond refunding charges	\$ 1,360,656
Accumulated decrease in fair value of hedging derivatives	<u>124,311</u>
Net adjustment to increase total fund balances - total governmental funds to arrive at net position of governmental activities	<u>\$ 1,484,967</u>
4. "Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds."	
General obligation bonds payable	\$ 778,375,000
Less: Interest rate swap termination payment (to be amortized as interest expense)	(6,723,073)
Plus: Issuance premiums (to be amortized against interest expense)	52,674,184
Accrued interest payable	10,619,613
Derivative liability	1,817,968
Limited obligation bonds payable	16,845,000
Capital leases and installment financings payable	5,102,338
Bond anticipation notes payable	50,000
Net other postemployment benefits obligation - Health Care Benefits Plan	94,153,746
Accrued compensated absences payable	<u>9,292,489</u>
Subtotal	962,207,265
Less: Accrued compensated absences payable of the Internal Service Fund	<u>(12,231)</u>
Net adjustment to decrease total fund balances - total governmental funds to arrive at net position of governmental activities	<u>\$ 962,195,034</u>

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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

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

1. "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period."	
Capital outlay (net of Internal Service Fund amount of \$-0-)	\$ 8,584,861
Less: depreciation expense (net of Internal Service Fund amount of \$-0-)	<u>(12,170,830)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ (3,585,969)</u>
2. "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to decrease net position."	
In the statement of activities, only the gain or loss on the disposal of capital assets is reported. However, in the governmental funds, only the proceeds from a sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost net of accumulated depreciation of the capital assets disposed.	\$ (13,367)
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	<u>12,495</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ (872)</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)	\$ (2,799,627)
Accrued interest on property taxes receivable (net)	49,579
Occupancy taxes receivable	(19,912)
Due from governmental units (cities) for reimbursement by contract of County watershed bonded debt	(4,778)
Special assessments receivable	<u>(12,950)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ (2,787,688)</u>

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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

Debt issued or incurred:

Issuance of bond anticipation notes	\$	(50,000)
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Principal repayments:

General obligation bonds		49,935,000
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Capital leases and installment financings		<u>1,275,585</u>
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Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	\$	<u><u>51,160,585</u></u>
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5. "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. Some expenditures reported in the governmental funds do require the use of current financial resources because items are prepaid using the purchases method and, therefore, are not reported as expenses in the statement of activities."

Accrued interest	\$	672,950
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Compensated absences		519,256
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Amortization of deferred charge on refunding		(790,567)
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Amortization of interest rate swap termination payment		(1,047,316)
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Amortization of bond premiums		5,862,528
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Net other postemployment benefits obligation - Health Care Benefits Plan		(4,820,806)
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Net pension asset for excess contributions to the Pension Trust Fund		<u>(10,325)</u>
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Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	\$	<u><u>385,720</u></u>
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GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Cash Equivalents/Investments

As previously discussed, cash for all County funds is pooled for investment purposes. With the exception of a separate checking account, the Greensboro/Guilford County Tourism Development Authority (Authority) uses the County's pool for its investment purposes. At June 30, 2014, the cash and investments included the following:

Account Balances	Ownership of Funds
	Primary Government – Guilford County
Petty cash/cash on hand	Governmental Funds
\$ 135,759	\$ 192,299,935
Demand deposits	Internal Service Fund
56,758,534	28,333,621
Public Funds Money Market Accounts	Total Governmental Activities
50,231,947	220,633,556
Certificates of deposit	Pension Trust Funds
32,950,734	12,441,629
Investments	Agency Funds
84,965,197	893,180
OPEB Trust Funds	Component Unit – Authority
11,507,208	2,581,014
\$ 236,549,379	\$ 236,549,379

Deposits

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

At year-end, the deposit portion of pooled cash and investments had a carrying amount of \$139,918,820 and a bank balance of \$141,636,180. Of the bank balance, \$1,500,048 was covered by Federal depository insurance, and \$58,203,450 in non-interest-bearing deposits and \$81,932,682 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 \$22,396 and a bank balance of \$83,169 which was fully covered by Federal depository insurance.

Investments

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

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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

At June 30, 2014, 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	\$ 4,645,000	4.73
U.S. Government Agencies	11,750,303	50.37
Commercial Paper and Bankers' Acceptances	<u>51,225,163</u>	4.95
	67,620,466	32.05
N.C. Capital Management Trust		
Cash Portfolio	3,192,490	Demand
Term Portfolio*	<u>14,152,241</u>	2.76
Total Pooled Investments	<u>\$ 84,965,197</u>	

* Investments in the NCCMT Term Portfolio are available next day but the fund has a duration of .23 years.

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

The County is invested in a "pay-fixed, receive-variable" interest rate swap with notional amount of \$30,000,000. The County makes monthly fixed payments and receives variable payments based on 60.4% of the five-year LIBOR swap. The swap was executed in November 2006 and matures in February 2020. Additional details on the swap are included in Note III. E. under the Derivative Instruments section. At June 30, 2014, the fair value of the swap is \$(1,693,657) and is included in the derivatives liability total.

Credit Risk. The County's investment policy incorporates State laws concerning allowable investment and imposes additional restrictions on concentration in certain types of investments and on allowable maturities. North Carolina General Statutes limits investment in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2014, the County's investments in commercial paper were rated A1 or better by Moody's Investors Service and P1 by Standard and Poors and F1 or better by Fitch Ratings. The County's investments in the NCCMT Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2014. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The County's investments in U.S. Agencies (Federal Home Loan Bank, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation) are rated AAA by Standard & Poor's and Aaa by Moody's.

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

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

Concentration of Credit Risk. The County's investment policy limits investment in any one commercial paper issuer to no more than 15% of the total portfolio, which is defined by the County's investment policy to include interest-bearing bank deposits. As of June 30, 2014, the following investment categories account for more than 5% of the County's investments as reported herein: ABN AMRO North America Commercial Paper, 16.4%; Deutsche Bank LLC Commercial Paper, 14.3%; Societe Generale Commercial Paper, 7.0%; Rabobank Commercial Paper, 5.9%; Federal Home Loan Bank, 12.1%; NCCMT Term Portfolio, 16.7%; and U.S. Treasury, 5.5%.

OPEB Trust Funds

At June 30, 2014, the Guilford County Health Care Plan (the HC Plan) Fund had \$11,507,208 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, 22.06% of the HC Plan funds were invested in the State Treasurer's Short-Term Investment Fund (STIF), 8.81% were invested in the Long-Term Investment Fund (LTIF) and 69.13% were invested in equity funds. The equity investment allocation is 25% international equities via the BlackRock Global Ex-US Alpha Tilts Fund and 75% domestic through the BlackRock Russell 3000 Alpha Tilts Fund, but due to changes in valuation, the Funds comprised 24.14% and 75.86%, respectively, of the equity balance in the OPEB Trust.

Interest Rate Risk. The County does not have a formal investment interest rate policy regarding the HC Plan Fund that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer's STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2014. The State Treasurer's LTIF is unrated and had a weighted average maturity of 16.3 years at June 30, 2014.

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

B. Receivables

Receivables are recorded net of an allowance for estimated uncollectible accounts at June 30, 2014 in the County's individual funds as follows:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Fund
Allowance for uncollectible accounts on:				
Property taxes	\$ 10,070,958	167,058	10,238,016	-
Accrued interest on property taxes	3,917,998	-	3,917,998	-
Service fees	<u>19,494,748</u>	<u>-</u>	<u>19,494,748</u>	<u>31,950</u>
	<u>\$ 33,483,704</u>	<u>167,058</u>	<u>33,650,762</u>	<u>31,950</u>

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2014 follows:

Primary Government – Governmental Activities

A summary of changes in capital assets, net of accumulated depreciation, for the fiscal year ended June 30, 2014 follows:

	Balance July 1, 2013	Increases	Decreases	Transfers	Balance June 30, 2014
Non-depreciable capital assets:					
Land	\$ 49,521,516	399,067	-	-	49,920,583
Construction in progress	987,953	548,389	-	(1,390,602)	145,740
Intangibles - non-depreciable	224,000	-	-	-	224,000
Total non-depreciable capital assets	<u>50,733,469</u>	<u>947,456</u>	<u>-</u>	<u>(1,390,602)</u>	<u>50,290,323</u>
Depreciable capital assets:					
Buildings	231,196,055	178,723	-	1,074,352	232,449,130
Improvements other than buildings	20,302,883	1,131,708	-	316,250	21,750,841
Machinery and equipment	37,468,364	3,456,977	(612,735)	-	40,312,606
Vehicles	25,387,748	2,644,261	(1,291,385)	-	26,740,624
Intangibles - depreciable	8,844,344	238,231	-	-	9,082,575
Total depreciable capital assets	<u>323,199,394</u>	<u>7,649,900</u>	<u>(1,904,120)</u>	<u>1,390,602</u>	<u>330,335,776</u>
Less accumulated depreciation for:					
Buildings	(60,978,167)	(5,305,852)	-	-	(66,284,019)
Improvements other than buildings	(10,739,740)	(948,006)	-	-	(11,687,746)
Machinery and equipment	(20,565,538)	(2,494,148)	599,368	-	(22,460,318)
Vehicles	(21,050,740)	(2,522,937)	1,291,385	-	(22,282,292)
Intangibles	(3,474,482)	(899,887)	-	-	(4,374,369)
Total accumulated depreciation	<u>(116,808,667)</u>	<u>(12,170,830)</u>	<u>1,890,753</u>	<u>-</u>	<u>(127,088,744)</u>
Total depreciable capital assets (net)	<u>206,390,727</u>	<u>(4,520,930)</u>	<u>(13,367)</u>	<u>1,390,602</u>	<u>203,247,032</u>
Governmental activities capital assets (net)	<u>\$ 257,124,196</u>	<u>(3,573,474)</u>	<u>(13,367)</u>	<u>-</u>	<u>253,537,355</u>

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

Function/Program	
General government	\$ 2,879,507
Human services	1,291,313
Public safety	6,857,120
Environmental protection	38,183
Culture - recreation	<u>1,104,707</u>
Total government activities depreciation expense	<u>\$ 12,170,830</u>

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

Guilford County's construction in progress at June 30, 2014 is composed of the following:

Project Name	Project Authoriza- tion ⁽¹⁾	Expended to June 30, 2014	Placed in Service in FY 2014	Remaining CIP Balance June 30, 2014	Estimated Costs to Complete ⁽²⁾	Required Future Financing
Northeast Park	\$ 3,589,009	3,494,482	3,494,482	-	94,527	-
EMS Base Station - Rock Creek	2,313,800	2,131,117	2,131,117	-	182,683	-
GC Detention Center	88,799,883	88,708,337	88,708,337	-	91,546	-
GSO Courthouse Renovations	4,367,874	4,170,552	4,170,552	-	197,322	-
New DSS Facility - High Point	445,538	420,675	420,675	-	24,863	-
Greensboro Health Department Renovation	2,844,318	2,115,398	2,115,398	-	728,920	-
High Point Courthouse Renovations	468,626	23,631	-	23,631	444,995	-
Greene Street Center	398,180	19,565	-	19,565	378,615	-
Bellemeade Center Renovations	811,025	93,044	-	93,044	717,981	-
BB&T Building	5,194,402	5,157,175	5,157,175	-	37,227	-
Edgeworth Building Renovation	551,000	526,329	526,329	-	24,671	-
Law Enforcement District 1	524,580	469,551	469,551	-	55,029	-
Hagan-Stone Park	64,000	27,502	25,502	2,000	36,498	-
EMS Maintenance/Logistics Facility	5,213,000	-	-	-	5,213,000	-
Law Enforcement Special Op Building	100,000	7,500	-	7,500	92,500	-
Hagan-Stone Park Swimming Pool	2,000,000	-	-	-	2,000,000	-
	<u>\$ 117,685,235</u>	<u>107,364,858</u>	<u>107,219,118</u>	<u>145,740</u>	<u>10,320,377</u>	<u>-</u>

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

(2) Assumes project will be fully expended as budgeted.

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, 2014 follows:

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
Depreciable capital assets:				
Furniture, fixtures and equipment	\$ 233,796	163,069	(56,833)	340,032
Less accumulated depreciation	<u>(216,963)</u>	<u>(28,891)</u>	<u>56,833</u>	<u>(189,021)</u>
Tourism Authority capital assets, net	<u>\$ 16,833</u>	<u>134,178</u>	<u>-</u>	<u>151,011</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, 2014 includes the following balances:

	<u>Vendors</u>	<u>Salaries, Benefits Accrued & Withheld</u>	<u>Accrued Interest</u>	<u>Due to Gov. Units, Districts & Agencies</u>	<u>Other</u>	<u>Total</u>
Major Governmental Funds:						
General	\$ 5,822,590	5,903,238	-	996,093	405,602	13,127,523
County Building Construction	224,316	-	-	-	-	224,316
Water and Sewer Construction	999,608	-	-	-	-	999,608
School Capital Outlay (1)	-	-	-	7,322,259	-	7,322,259
Nonmajor Governmental Funds	-	-	-	128,774	-	128,774
Internal Service Fund (2)	22,788	5,123	-	-	5,243,888	5,271,799
Reconciliation of balances in fund financial statements to government-wide financial statements	-	-	10,619,613	-	-	10,619,613
Total - Governmental Activities	<u>\$ 7,069,302</u>	<u>5,908,361</u>	<u>10,619,613</u>	<u>8,447,126</u>	<u>5,649,490</u>	<u>37,693,892</u>

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

(2) Other payable is County's insurance claims liability, all due within one year, of \$5,243,888. See Note IV. E. 4.

E. Long-term Liabilities

Primary Government – Governmental Activities

A summary of changes in long-term liabilities for the fiscal year ended June 30, 2014 follows:

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2014</u>	<u>Current Portion of Balance</u>
Bonds payable:					
General obligation bonds	\$ 828,310,000	-	(49,935,000)	778,375,000	51,995,000
Plus bond issuance premiums	58,536,712	-	(5,862,528)	52,674,184	-
Less swap termination fees	<u>(7,770,389)</u>	<u>-</u>	<u>1,047,316</u>	<u>(6,723,073)</u>	<u>-</u>
Total bonds payable	879,076,323	-	(54,750,212)	824,326,111	51,995,000
Limited obligation bonds	16,845,000	-	-	16,845,000	-
Capital leases and installment financings	6,377,923	-	(1,275,585)	5,102,338	1,275,585
Bond anticipation notes	-	50,000	-	50,000	-
Compensated absences	9,814,820	6,318,235	(6,840,566)	9,292,489	4,471,547
Net other postemployment benefits obligation	<u>89,332,940</u>	<u>11,973,134</u>	<u>(7,152,328)</u>	<u>94,153,746</u>	<u>-</u>
Total	<u>\$ 1,001,447,006</u>	<u>18,341,369</u>	<u>(70,018,691)</u>	<u>949,769,684</u>	<u>57,742,132</u>

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

The County issues general obligation bonds to provide funds for the acquisition, development, and construction of major capital facilities and to provide funding for Guilford County Schools and Guilford Technical Community College facilities. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the County and principal and interest requirements are appropriated in the General Fund when due. The remaining long-term liabilities of the governmental activities are generally liquidated by the General Fund also. The installment financing agreement is collateralized by a deed of trust on the land and building involved in the financing. The limited obligation bonds are collateralized by school facilities which are not owned by the County. The Internal Service Fund predominantly serves the governmental funds, therefore, any long-term liabilities are included as part of the above totals for governmental activities. At year end this amounted to \$12,231 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.

Of total governmental activities debt of \$846,323,449, only \$122,077,049 relates to assets to which the County holds title. Unexpended debt proceeds related to this debt amount to \$9,444,641.

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, 2014, such statutory limit for the County was \$3,703,834,821 providing a debt margin of approximately \$2.64 billion.

Bonds authorized and unissued at June 30, 2014 are as follows:

For Additions and/or Improvements To	Date Approved	Balance
Public Schools	05/06/2008	\$ 130,170,000
Community College	05/06/2008	29,850,000
Jail	05/06/2008	36,370,000
Refunding	02/02/2012	<u>74,500,000</u>
		<u>\$ 270,890,000</u>

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

Long-term liabilities outstanding as of June 30, 2014 include the following:

General Obligation Bonds:

February 2005 \$9,220,000 Public Improvement serial bonds due in annual installments of \$610,000 to \$615,000 through March 2020; variable rate interest synthetically fixed at 3.22% upon issuance due monthly.	\$ 3,685,000
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.	32,315,000
February 2005 \$93,220,000 Public Improvement serial bonds due in annual installments of \$2,000,000 to \$18,645,000 from March 2019 through 2025; interest due monthly at variable rates.	93,220,000
February 2005 \$54,380,000 General Obligation Refunding bonds due in annual installments of \$6,500,000 to \$7,920,000 through October 2016; interest at 5.00%.	22,320,000
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 \$5,000,000 to \$8,000,000 through April 2018; interest at 4.00% to 5.00%.	26,000,000
February 2009 \$164,600,000 Public Improvement serial bonds due in annual installments of \$8,230,000 through February 2029; interest at 4.00% to 5.00%.	123,450,000
April 2010 \$82,500,000 Public Improvement serial bonds due in annual installments of \$8,250,000 through August 2020; interest at 5.00%.	57,750,000
April 2010 \$82,500,000 taxable Build America Bonds (Public Improvement) due in annual installments of \$8,250,000 from August 2021 through 2031; interest at 4.541% to 5.461%.	82,500,000
April 2010 \$84,775,000 General Obligation Refunding Bonds due in annual installments of \$5,900,000 to \$6,735,000 through February 2022, interest at 2.50% to 5.00%.	56,320,000
April 2010 \$51,215,000 General Obligation Refunding Bonds due in annual installments of \$10,155,000 to \$10,325,000 from August 2018 through 2022, interest at 4.00% to 5.00%.	51,215,000
September 2011 \$20,635,000 General Obligation Refunding Bonds due in annual installments of \$155,000 to \$4,120,000 through October 2018, interest at 2.00% to 5.00%.	16,555,000
April 2012 \$133,745,000 Public Improvement serial bonds due in annual installments of \$280,000 to \$9,705,000 through March 2031; interest at 2.00% to 5.00%.	125,400,000
April 2012 \$17,145,000 Taxable General Obligation Qualified School Construction bonds due March 2032; interest at 3.934%. Sinking fund installments of \$1,408,258 to \$3,900,000 begin March 2028.	17,145,000
April 2012 \$25,500,000 General Obligation Refunding Bonds due in annual installments of \$585,000 to \$7,125,000 from October 2016 through 2020, interest at 2.00% to 5.00%.	25,500,000
Total general obligation bonds	<u>\$ 778,375,000</u>

Limited Obligation Bonds:

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

For \$8,291,300 building and land obligation due in semi-annual installments of \$637,792 plus interest at 3.406% through March 2018.	<u>\$ 5,102,338</u>
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Bond Anticipation Notes:

June 2014 letter-of-credit facility for up to \$50,000,000 against May 2008 authorization for Public Schools and Community College. Interest payable monthly at 70% of one-month LIBOR plus 35 basis points. Expires June 2017.	<u>\$ 50,000</u>
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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 standby purchasing agreements covering \$129.22 million of the County's outstanding 2005 variable rate bonds and \$45 million outstanding 2007 variable rate bonds have been extended to December 31, 2017 with provision for extension. The remarketing agreements expire with final repayment of the bonds. The County paid \$945,052 in fiscal year 2014 pursuant to these agreements.

Derivative Instruments

The County has several interest-rate swaps in effect to hedge its borrowing costs including both effective and ineffective derivatives. The (negative) fair value of an effective or hedging derivative is reported as a derivative (liability) asset and as a deferred (outflow) inflow of resources on the Statement of Net Position. For ineffective or investment derivatives, current year changes in fair value flow through investment revenue. (Negative) positive fair values as of June 30 are reported as derivative (liabilities) assets.

Objective of the interest rate swaps. As a means to lower its borrowing costs, the County entered into interest rate swaps in connection with its variable-rate general obligation bonds. The intention of the swaps was to effectively change the County's variable interest rate on the bonds to a synthetic fixed rate. No amount was paid at the inception of any of these swaps. All of the County's swaps relate to government activities. The County's interest rate swaps are summarized in the table as follows. Bond amounts and swap notional amounts are as of June 30, 2014.

	<u>Hedging Derivative Instruments</u>	<u>Investment Derivative Instruments</u>
Date of contract	September 2004	November 2006
Effective Date	February 3, 2005	February 1, 2008
Type of transaction	Pay-fixed interest rate swap	Pay-fixed interest rate swap
Objective	Hedge of changes in cash flows on related bonds	Hedge of changes in cash flows on related bonds
Bonds:		
Amount	\$6 million	\$30 million
Description	2005 Series A & B	2005 Series A & B
Maturity	February 1, 2020	March 1, 2020
Principal payments begin	March 1, 2006	March 1, 2016
Rate	variable	variable
Rate basis	SIFMA	SIFMA
Swap:		
Notional amount	\$6 million	\$30 million
Maturity	February 1, 2015	February 1, 2020
Notional value declines begin	March 1, 2006	February 1, 2016
Rate County pays	3.220%	3.220%
Rate County receives	variable	variable
Rate basis received	67% of 30-day LIBOR	60.4% of 5-year LIBOR swap
Spread	None	None
June 30, 2014 information:		
Fair value of swap	\$(124,311)	\$(1,693,657)
Fair value classification	Debt	Investment
Increase (decrease) in fair value of swap from 2013	296,979	247,767
Increase (decrease) in fair value reported in	Deferred outflows	Investment revenue

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

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

Credit risk. As of June 30, 2014, 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. The County has no policy requiring collateral or other security to support derivative agreements subject to credit risk, nor is there a policy requiring netting arrangements with counterparties. Bank of America is counterparty on both of the County's swaps and at June 30, 2014 their senior unsecured debt was rated A2 by Moody's, and A by Standard & Poor's and Fitch Ratings.

Basis risk. The swaps expose the County to basis risk because the variable-rate payments received by the County are based on indices other than interest rates the County pays on its hedged variable-rate debt, which is remarketed every seven days. At June 30, 2014, the weighted average interest rate on the County's hedged variable-rate debt was .04% while 67% of 1 month LIBOR was .10%. Depending on the future relationship between LIBOR and SIFMA, the expected cost savings may not be realized.

Termination risk. The County or the counterparty may terminate the swap(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).

As of June 30, 2014, aggregate debt service requirements on the County's fixed and variable rate debt and net payments on associated hedging derivative instruments are as follows including interest payments of \$213,408,355, which includes \$229 on the \$50,000 bond anticipation note not reflected in the table below. These amounts assume that current interest rates on variable rate bonds and the current reference rates of hedging derivative instruments will remain the same until maturity. As these rates vary, interest payments on variable rate bonds and net receipts/payments on the hedging derivative instruments will vary.

Year Ending June 30	General Obligation Bonds			Limited Obligation Bonds, Capital Leases, and Installment Financings		Total
	Principal	Interest	Net Payments Hedging Instruments	Principal	Interest	
2015	\$ 51,995,000	28,206,122	109,060	1,275,585	931,753	82,517,520
2016	55,670,000	25,908,522	-	1,275,584	888,301	83,742,407
2017	56,640,000	23,408,022	-	1,275,585	844,848	82,168,455
2018	57,600,000	21,037,372	-	1,275,584	801,395	80,714,351
2019	57,370,000	18,179,381	-	-	768,806	76,318,187
2020-2024	294,010,000	57,145,396	-	-	3,844,029	354,999,425
2025-2029	170,605,000	22,226,555	-	-	3,844,029	196,675,584
2030-2032	34,485,000	2,958,118	-	16,845,000	2,306,417	56,594,535
	<u>\$ 778,375,000</u>	<u>199,069,488</u>	<u>109,060</u>	<u>21,947,338</u>	<u>14,229,578</u>	<u>1,013,730,464</u>

Federal legislation currently provides for a rebate of 35% of interest paid on the County's taxable 2010 Build America Bonds and 100% of the interest paid on the 2012 Qualified School Construction Bond (QSCB) issues. If unchanged, this rebate would be \$2,901,766 in fiscal year 2015 and would provide a total rebate of \$43,742,256 over the remaining life of the bonds. However, some amounts received through fiscal 2014 have been reduced by either 8.7% or 7.2% due to the budget sequestration; future amounts will also be reduced until the federal budget impasse is resolved. The rebate is not reflected in the above table.

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

F. Deferred Inflows of Resources

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

Deferred inflows of resources at June 30, 2014 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 revenues:				
Property tax collections not yet earned	\$ 562,001	-	6,130	568,131
Prepaid special assessments not yet billed or earned	-	102,399	-	102,399
Federal, State and private foundation grants received in advance	41,045	-	-	41,045
Total unearned revenues	603,046	102,399	6,130	711,575
Unavailable revenues:				
Property taxes receivable (net)	6,792,917	-	171,588	6,964,505
Accrued interest on property taxes receivable (net)	933,653	-	-	933,653
Occupancy taxes receivable	-	-	76,720	76,720
Due from governmental units (cities) for reimbursement by contract of County watershed bonded debt	14,210	-	-	14,210
Special assessments receivable	-	421,112	-	421,112
Total unavailable revenues	7,740,780	421,112	248,308	8,410,200
Total deferred inflows of resources: Governmental Funds	\$ 8,343,826	523,511	254,438	9,121,775

Internal Service Fund:

Unearned revenues:			
Service fees collected in advance from external sources		\$ 186,489	186,489
Service fees collected in advance from internal sources ⁽¹⁾		1,281,402	1,281,402
Total deferred inflows of resources - unearned revenue - Internal Service Fund		\$ 1,467,891	1,467,891

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

Governmental Activities:

Unearned revenues:			
Governmental Funds per above			\$ 711,575
Internal Service Fund (from external sources) per above			186,489
Total deferred inflows of resources - unearned revenues - Governmental Activities			\$ 898,064

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

G. Net Position/Fund Balances

The following are summaries of Guilford County's net position restricted for stabilization by State statute, restricted for other purposes, and unrestricted, as of June 30, 2014:

<u>Net position restricted for stabilization by State statute</u>	<u>Amount</u>
Reserved for encumbrances	\$ 8,561,408
Reserved by State statute	<u>39,412,808</u>
Net position restricted for stabilization by State statute	<u>\$ 47,974,216</u>
<u>Net position restricted for other purposes</u>	<u>Amount</u>
Rural Fire Districts	\$ 1,531,438
Public Health programs	2,755,595
Law Enforcement	1,016,392
Register of Deeds automation enhancement	502,288
Other	<u>123,610</u>
Net position restricted for other purposes	<u>\$ 5,929,323</u>
<u>Unrestricted net position (liabilities)</u>	<u>Amount</u>
Water and sewer	\$ (4,820,745)
Guilford County Schools	(614,518,275)
Guilford Technical Community College	(85,764,977)
Other	<u>37,174,820</u>
Unrestricted net position	<u>\$ (667,929,177)</u>

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

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

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

The following are details of Guilford County's fund balances as of June 30, 2014:

	General	County Building Construction	Water and Sewer Construction	School Capital Outlay	Other Govern- mental Funds	Total Governmen- tal Funds
Non spendable:						
Prepays reserve ⁽¹⁾	\$ 1,282,406	-	-	-	-	1,282,406
Inventories reserve ⁽¹⁾	10,647	-	-	-	-	10,647
Total non spendable ⁽¹⁾	<u>1,293,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,293,053</u>
Restricted:						
State statute reserve ⁽¹⁾	34,943,471	215,407	-	1,888,713	1,072,164	38,119,755
Encumbrance reserve ⁽¹⁾	4,876,926	1,044,072	2,640,410	-	-	8,561,408
Total stabilization by State statute ⁽¹⁾	<u>39,820,397</u>	<u>1,259,479</u>	<u>2,640,410</u>	<u>1,888,713</u>	<u>1,072,164</u>	<u>46,681,163</u>
Public Health programs	2,755,595	-	-	-	-	2,755,595
Law Enforcement	961,363	-	-	-	-	961,363
Register of Deeds automation enhancement	502,288	-	-	-	-	502,288
Debt service	2,079,991	-	-	-	-	2,079,991
Public building projects	-	2,523,457	-	-	-	2,523,457
Law Enforcement projects	-	2,072,343	-	-	-	2,072,343
Park projects	-	1,510,823	-	-	-	1,510,823
Guilford County Schools projects	-	-	-	19,665,841	-	19,665,841
Rural fire districts	-	-	-	-	1,359,850	1,359,850
Other	46,890	2,400,001	-	-	-	2,446,891
Total restricted	<u>46,166,524</u>	<u>9,766,103</u>	<u>2,640,410</u>	<u>21,554,554</u>	<u>2,432,014</u>	<u>82,559,605</u>
Committed:						
Public Health programs	16,630	-	-	-	-	16,630
County building projects	-	16,709,794	-	-	-	16,709,794
Guilford County Schools projects	-	-	-	3,911,599	-	3,911,599
Guilford Technical Community College projects	-	-	-	364,248	-	364,248
Total committed	<u>16,630</u>	<u>16,709,794</u>	<u>-</u>	<u>4,275,847</u>	<u>-</u>	<u>21,002,271</u>
Assigned:						
Law Enforcement	1,532,208	-	-	-	-	1,532,208
Other	100,000	-	-	-	-	100,000
Appropriated in subsequent year's budget ⁽²⁾	22,548,776	-	-	-	-	22,548,776
Remaining positive fund balance	-	3,533,008	1,118,600	-	-	4,651,608
Total assigned	<u>24,180,984</u>	<u>3,533,008</u>	<u>1,118,600</u>	<u>-</u>	<u>-</u>	<u>28,832,592</u>
Unassigned	<u>79,472,632</u>	<u>-</u>	<u>-</u>	<u>(4,177,167)</u>	<u>(429,247)</u>	<u>74,866,218</u>
Total fund balance	<u>\$ 151,129,823</u>	<u>30,008,905</u>	<u>3,759,010</u>	<u>21,653,234</u>	<u>2,002,767</u>	<u>208,553,739</u>

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

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

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

Computation of fund balance that is available for appropriation as of June 30, 2014 under North Carolina General Statute 159.8(a):

	General
Total fund balance	\$ 151,129,823
Less reserves by State statute:	
Non spendable	(1,293,053)
Restricted	(39,820,397)
Fund balance available for appropriation	110,016,373
Available for restricted purposes:	
Total restricted sources	6,346,127
Appropriated in subsequent year's budget	(3,621,240)
Available for restricted purposes	2,724,887
Available for committed purposes:	
Total committed sources	16,630
Appropriated in subsequent year's budget	(7,000)
Available for committed purposes	9,630
Available for assigned purposes:	
Total assigned	24,180,984
Appropriated in subsequent year's budget:	
From assigned sources	(136,262)
From unassigned sources	(22,548,776)
Available for assigned purposes	1,495,946
Available for unassigned purposes:	
Total unassigned	79,472,632
Board minimum - 8% of subsequent year's budget	(45,408,942)
Available for unassigned purposes	34,063,690
Fund balance available for appropriation	110,016,373
Appropriated in subsequent year's budget	(26,313,278)
Board minimum - 8% of subsequent year's budget	(45,408,942)
Total available for restricted, committed, assigned and unassigned purposes	\$ 38,294,153

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, 2014:

	Transfers Out		
	Major Governmental Funds		
Transfers In	General	County Building Construction	Total
Major Governmental Funds:			
County Building Construction	\$ 2,000,000	-	2,000,000
School Capital Outlay	1,000,000	2,500,000	3,500,000
Total	\$ 3,000,000	2,500,000	5,500,000

Transfers of \$2 million from the General Fund to the County Building Construction Fund are to fund the Hagan-Stone Park Swimming Pool capital project.

Transfers from the General Fund to the School Capital Outlay Fund are for one half of the funding for the Guilford County Schools Capital Maintenance FY2014 project totaling \$2 million.

Transfers from the County Building Construction Fund to the School Capital Outlay Fund are to move unexpended and unobligated premiums from the 2010A and 2012A bond issues totaling \$2.4 million plus \$100,000 County funds to complete funding for the Guilford County Schools Capital Maintenance FY2014 project and provide all the funding for the \$1.5 million Guilford Technical Community College Capital Maintenance FY2014 project.

There were no interfund receivables or payables at June 30, 2014.

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 7.07% and 7.28%, 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.

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

The County's contributions to the LGERS for the years ended June 30, 2014, 2013, and 2012 were \$7,451,419, \$7,539,360, and \$8,027,410, respectively. The contributions made by the County equaled the required contributions for each year.

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, 2013, the Separation Allowance's membership consisted of:

Retirees receiving benefits	42
Active plan members	<u>262</u>
Total	<u>304</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 \$757,628 or 5.49% 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, 2012 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return and (b) projected salary increases ranging from 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2012 was 18 years.

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

Annual Pension Cost and Net Pension Obligation (Asset)

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

Annual required contribution	\$	757,628
Interest on net pension obligation		(16,403)
Adjustment to annual required contribution		<u>26,728</u>
Annual pension cost		767,953
Contributions made		<u>757,628</u>
Decrease in net pension asset		10,325
Net pension obligation (asset) beginning of year		<u>(328,063)</u>
Net pension obligation (asset) end of year	\$	<u><u>(317,738)</u></u>

Three Year Trend Information			
Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
6/30/2012	\$ 678,606	99.5	\$ (332,126)
6/30/2013	745,907	99.5	(328,063)
6/30/2014	767,953	98.7	(317,738)

Funded Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the plan was 11.42% funded. The actuarial accrued liability for benefits was \$8,128,731 and the actuarial value of assets was \$928,399, resulting in an unfunded actuarial accrued liability (UAAL) of \$7,200,332. The covered payroll (annual payroll of active employees covered by the plan) was \$13,812,657, and the ratio of the UAAL to the covered payroll was 52.13%.

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

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

The following are financial statements for the Law Enforcement Officers' Special Separation Allowance Pension Trust Fund included as Fiduciary Funds in Exhibits 11 and 12 at June 30, 2014:

Statement of Plan Net Position
June 30, 2014

	Law Enforcement Officers' Special Separation Allowance
Assets	
Current assets:	
Cash and cash equivalents/investments	\$ 934,421
Receivables:	
Accrued interest on investments	205
Total assets	934,626
Liabilities	
Accounts payable and accrued liabilities	34,022
Net Position	
Held in trust for pension benefits	\$ 900,604

Statement of Changes in Plan Net Position
For the fiscal year ended June 30, 2014

	Law Enforcement Officers' Special Separation Allowance
Additions	
Employer contributions	\$ 757,628
Net investment income	2,127
Total additions	759,755
Deductions	
Benefits	750,241
Administrative expenses	678
Total deductions	750,919
Change in net position	8,836
Net position at beginning of year	891,768
Net position at end of year	\$ 900,604

3. Supplemental Retirement Income Plan

Plan Description

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

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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, 2014, the County also elected to contribute up to a 5% match of qualified salaries for all other eligible employees. All covered employees may make voluntary contributions to the Plan. All contributions and investment earnings allocated to the employees' accounts are fully vested immediately. County contributions for the year ended June 30, 2014, to law enforcement officers' accounts and other employees' accounts were \$660,499 and \$2,608,506, respectively. Voluntary contributions to the Plan were \$3,805,538.

4. Registers of Deeds' Supplemental Pension Fund

Plan Description

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 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, 2014, the County's required and actual contributions were \$35,636.

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, 2014 was \$87,325.

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.

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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, 2014 were \$33,624 and \$37,675, respectively.

C. Other Postemployment Benefits (OPEB)

1. Health Care Benefits

Plan Description

Under the terms of a County resolution, Guilford County administers a single-employer defined benefit Health Care Plan (the HC Plan). This plan provides postemployment healthcare benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System). Employees hired or rehired on or after July 1, 2009 are not eligible for these benefits with limited exceptions. The County's contribution is determined by the number of years of creditable service prior to retirement. Non-Medicare eligible retirees with at least 30 years of creditable service and their dependents may participate with the County contributing the normal employer share of the premium and the retiree paying the normal employee share of the premium. Non-Medicare eligible retirees with at least 25 years of creditable service and their dependents may participate with the County contributing 75 percent of the employer's share and the retiree paying the balance of the employer's share of the premium as well as the normal employee share of the premium. Non-Medicare eligible retirees with at least 20 years of creditable service and their dependents may participate with the County contributing 50 percent of the employees share and the retiree paying the balance of the employer's share of the premium as well as the normal employee share of the premium. Prior to January 1, 2014, Medicare-eligible retirees who are enrolled in both Medicare Parts A and B are eligible to participate with the County contributing a flat amount for retirees with 30 years of creditable service, 75 percent of that rate for retirees with at least 25 years of creditable service and 50 percent of that rate for retirees with at least 20 years of creditable service. Effective January 1, 2014, all Medicare-eligible participants are covered by a fully insured Medicare Advantage Plan with the County contributing the same percentages of the premium as noted above for retirees with at least 30 years, 25 years, and 20 years of creditable service. Employer and participants' costs for the six months ending June 30, 2014 were \$659,928 and \$107,814. Medicare-eligible participants receive secondary coverage. A separate report was not issued for the plan.

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

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

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 16.66% of annual covered payroll. For the current year, the County contributed \$7,152,328 (retiree claims paid, insurance and other costs less premiums received) or 9.1% of annual covered payroll. The contribution for fiscal year 2014 did not include an additional amount to prefund benefits deposited in the Guilford County Local Government Other Post-Employment Benefit (OPEB) Trust, an irrevocable trust, to meet the requirements of the governmental accounting standards and IRS regulations. The County provides healthcare coverage through self insurance. The County's required contributions, under a County resolution establishing premium amounts for different coverages, for employees and retirees were 32.0% and 7.9% of covered payroll, respectively. Contributions (premiums) made by employees and retirees were 7.1% and 2.2% of covered payroll, respectively. The County's obligation to contribute to the HC Plan is established and may be amended by the County's Board of County Commissioners.

Summary of Significant Accounting Policies

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

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$ 13,040,988
Interest on net OPEB obligation	4,466,647
Adjustment to annual required contribution	<u>(5,534,501)</u>
Annual OPEB cost	11,973,134
Contributions made	<u>7,152,328</u>
Increase in net OPEB obligation	4,820,806
Net OPEB obligation beginning of year	<u>89,332,940</u>
Net OPEB obligation end of year	<u>\$ 94,153,746</u>

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012, 2013, and 2014 were as follows:

Three Year Trend Information			
Fiscal Year Ended	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2012	\$ 22,800,926	38.6	\$ 75,186,033
6/30/2013	22,633,555	37.5	89,332,940
6/30/2014	11,973,134	59.7	94,153,746

Funded Status and Funding Progress

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

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

Actuarial Methods and Assumptions

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

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

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

The following are financial statements for the Other Post Employment Benefits Pension Trust Fund included as Fiduciary Funds in Exhibits 11 and 12 at June 30, 2014:

Statement of Plan Net Position
June 30, 2014

	Other Post Employment Benefits
Assets	
Current assets:	
State Treasurer's Local Government Other Post Employment Benefits (OPEB) Fund:	
Short-Term OPEB Fund	\$ 2,538,710
Long-Term OPEB Fund	1,014,306
OPEB Equity Fund	7,954,192
Cash and cash equivalents/investments	\$ 11,507,208
Net Position	
Held in trust for pension benefits	\$ 11,507,208

Statement of Changes in Plan Net Position
For the fiscal year ended June 30, 2014

	Other Post Employment Benefits
Additions	
Employer contributions	\$ 7,152,328
Retiree contributions	1,727,958
Net investment income	1,674,017
Total additions	10,554,303
Deductions	
Benefits	8,880,286
Administrative expenses	16,739
Total deductions	8,897,025
Change in net position	1,657,278
Net position at beginning of year	9,849,930
Net position at end of year	\$ 11,507,208

2. Medicare Supplement Plan

Eligible retirees after age 65 who do not opt to participate in the HC Plan may participate in a Medicare supplement plan. The service requirements are the same for the Medicare supplement plan as noted above for the healthcare benefit. The County contributes up to \$40 per month for each retiree with at least 30 years of creditable service and 75 percent of that amount for each retiree with at least 25 years of creditable service. The cost of retiree Medicare supplement benefits is recognized as an expenditure when the premiums are paid. As of June 30, 2014, four Medicare-eligible retirees who did not opt to participate in the HC Plan, participate in the Medicare supplement benefit. For the fiscal year ended June 30, 2014, the County paid \$1,964 for Medicare supplement coverage.

3. Guilford County Retiree Welfare Benefits Plan

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

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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

A participant is eligible to receive benefits at separation from service. All assets and income of the plan are in a trust for the exclusive benefit of the participant and their beneficiaries and therefore are not a part of the County's financial statements. Employer and participant contributions for the fiscal year ended June 30, 2014 were \$211,142 and \$130,063, respectively.

D. Other Employment Benefits

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

E. Risk Management

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

All operating funds of the County participate in the risk management program and make payments to the program 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 self-funded, including participation in the Local Government Excess Liability Fund, Inc. (ELF), a public entity banking pool of funds designed to cover certain types of liability claims and whose structure provides for no transfer of risk to the member units. Fund balances within each ELF Fund are segregated by member and in the event of loss, are made available for claims payment by the respective member, on a loan or withdrawal basis. The structure is considered to be similar to a claims-servicing arrangement. The ELF Revolving Fund - Primary Liability Coverage (Primary Liability Fund) covers claims in excess of \$100,000 up to \$5,000,000 per occurrence. The ELF Self-Retention Fund - Guilford County (Self-Retention Fund) was established as a transitional fund to pay claims not covered by the Primary Liability Fund and other

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

related expenses. As of June 30, 2014, the County's balances in the Primary Liability and Self-Retention Funds were \$7,272,132 and \$605,121, respectively, which were recorded in the Internal Service Fund as a deposit. The County covers the first \$100,000 in liability claims and the claims in excess of the \$5,000,000 per occurrence out of its available Internal Service Fund reserves.

The property insurance program is financed using a combination of self-funding, which includes participation in the Local Government Property Insurance Deductible Fund, Inc., a public entity banking pool (Property Fund) and purchased insurance. The Property Fund's structure provides for no transfer of risk to the member units. Fund balances are segregated by member and in the event of loss, are made available for claims payment by the respective member, on a loan or withdrawal basis. The Property Fund pays property losses up to \$50,000 per occurrence after application of a \$10,000 deductible requirement. A purchased insurance policy provides excess coverage above \$50,000 up to 100% replacement cost, limited to \$391 million per occurrence. As of June 30, 2014, the County's balance in the Property Fund of \$152,369 was recorded in the Internal Service Fund as a deposit. Deductibles are covered out of the County's available Internal Service Fund reserves.

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

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

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

2. Workers' Compensation Insurance

The workers compensation program is financed using a combination of self-funding, which includes participation in the Local Government Excess Liability Fund, Inc. (ELF), and purchased insurance. The County is self-insured for the first \$100,000 per occurrence from the County's available Internal Service Fund reserves. Claims from \$100,000 to \$600,000 are covered by the ELF Revolving Fund-Employers' Liability/Workers' Compensation (WC Fund). Claims above \$600,000 are covered by a purchased insurance policy with an unlimited indemnity for workers compensation losses and employers' liability. Amounts paid by the WC Fund are repaid in subsequent years by the governmental unit incurring the loss, thus, no risk of loss has been transferred by the County to the WC Fund, a banking pool. Annual deposits by members are actuarially determined. As of June 30, 2014, the County's balance in the WC Fund of \$670,738 was recorded in the Internal Service Fund as a deposit.

3. Employee Healthcare Insurance

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

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

4. Reconciliation of Claims Liability

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

	Fiscal Year 2013-2014					Fiscal Year
	Liability	Property	Workers' Compensation	Employee Healthcare	Total	2012-13 Total
Balance Beginning of Year	\$ 214,689	11,817	2,379,638	2,303,128	4,909,272	5,303,643
Incurred Claims (Including IBNRs) and Changes in Estimates	80,712	226,883	2,128,317	32,129,711	34,565,623	34,608,229
Less Claims Payments	124,582	182,850	1,691,407	32,232,168	34,231,007	35,002,600
Balance End of Year	<u>\$ 170,819</u>	<u>55,850</u>	<u>2,816,548</u>	<u>2,200,671</u>	<u>5,243,888</u>	<u>4,909,272</u>

F. Benefit Payments Issued by the State

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

Program Title	Federal	State
Aid to the Blind	\$ 90,438	51,559
Aid to Families with Dependent Children	(3,294)	(903)
SC/SA Domiciliary Care	-	2,700,112
Refugee Assistance	172,465	-
Adoption Assistance - CWS	-	1,738,400
Adoption Assistance - IV-E	3,144,945	821,622
Medical Assistance	340,997,132	187,038,818
Health Choice	6,506,816	2,052,220
Woman, Infants and Children	10,297,414	-
Supplemental Nutrition Assistance Program	146,517,599	-
Temporary Assistance for Needy Families	2,351,978	(105)
Total benefit payments issued by the State	<u>\$ 510,075,493</u>	<u>194,401,723</u>

G. Commitments and Contingencies

The County leases certain equipment under long-term lease agreements. At June 30, 2014, such arrangements with initial or remaining noncancellable terms in excess of one year are as follows:

Year Ending June 30	Capital Leases and Installment Financings	Operating Leases
2015	\$ 1,438,532	250,970
2016	1,394,079	10,545
2017	1,351,627	2,970
2018	1,308,174	1,238
Total minimum payments	<u>5,493,412</u>	<u>265,723</u>
Less amount representing interest	391,074	
Present value of net minimum payment	<u>\$ 5,102,338</u>	

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

There were no contingent rentals or sublease rentals associated with leases in effect at June 30, 2014. The total rental expense amounted to \$712,344 for the fiscal year ended June 30, 2014.

Until recently, the County was a party to contracts with certain municipalities to extend public water and sewer lines from their utility systems into unincorporated areas. These contracts have been terminated and the County's remaining commitment is limited to projects budgeted in the Water and Sewer Construction Fund.

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 \$16.7 million at June 30, 2014, 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, 2014, 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, 2014, there were seven series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$33,060,427.

I. Joint Venture

Guilford Technical Community College

The County, in conjunction with the State of North Carolina and Guilford County Board of Education, participates in a joint venture to operate the Guilford Technical Community College. Each of the three participants appoints four members of the thirteen-member board of trustees of the community college. The president of the community college's student government serves as an ex officio nonvoting member. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. Of the general obligation bond and bond anticipation note issues for this purpose, \$79,509,209 in debt is still outstanding. The County has an ongoing financial responsibility for the community college because of the

GUILFORD COUNTY, NORTH CAROLINA
Notes to the Financial Statements

statutory responsibilities to provide funding for the community college's facilities. The County contributed \$12,397,690 for operating purposes during the fiscal year ended June 30, 2014. In addition, the County made debt service payments of \$10,073,836, net of applicable rebates, during the fiscal year on general obligation bonds issued for community college capital facilities. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2014. Complete financial statements for the community college may be obtained from the community college's administrative offices at 601 High Point Road, Jamestown, North Carolina 27282.

J. Jointly Governed Organizations

Piedmont Triad Airport Authority

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

High Point Convention and Visitors Bureau

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

Piedmont Authority for Regional Transportation

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

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

The County participates with eight other counties in the Sandhills Center for Mental Health, Developmental Disabilities and Substance Abuse Services (Center). The Center is governed by a twenty-three member Area Board. A County Commissioner from each participating government sits on the Board. The remaining fourteen members are allocated based on population in each county. The County Commissioners in each county then appoint these remaining members that are allotted to their county. None of the participating governments have an equity interest in the Center, so no equity interest has been reflected in the County's financial statements at June 30, 2014. During the fiscal year ended June 30, 2014, the County paid \$9,900,000 to the Center to supplement its activities. Complete financial statements for the Center may be obtained from the Center's offices at 1120 Seven Lakes Drive, PO Box 9, West End, NC 27376.

Piedmont Triad Regional Council

The County participates with eleven other counties and sixty municipalities in the Piedmont Triad Regional Council (PTRC). The PTRC was established to promote regional issues and cooperation among its members and to coordinate various funding received from Federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership dues of \$103,999 to the PTRC during the fiscal year ended June 30, 2014.

K. Subsequent Event

The County has evaluated subsequent events through November 26, 2014 in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

Required Supplementary Information

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

Law Enforcement Officers' Special Separation Allowance:

Schedule of Funding Progress

Schedule of Employer Contributions

Notes to the Required Schedules

The Health Care Plan of Guilford County:

Schedule of Funding Progress

Schedule of Employer Contributions

Notes to the Required Schedules

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

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/08	\$ 1,409,260	6,242,737	4,833,477	22.6%	\$ 12,640,852	38.2%
12/31/09	1,207,354	7,677,564	6,470,210	15.7	12,737,800	50.8
12/31/10	1,030,668	7,320,905	6,290,237	14.1	13,996,047	44.9
12/31/11	963,291	7,744,871	6,781,580	12.4	14,564,460	46.6
12/31/12	892,971	7,685,267	6,792,296	11.6	14,249,536	47.7
12/31/13	928,399	8,128,731	7,200,332	11.4	13,812,657	52.1

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2009	\$ 474,840	100.0
2010	521,280	100.0
2011	657,157	100.0
2012	675,368	100.0
2013	741,844	100.0
2014	757,628	100.0

Notes to the Required Schedules

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

Valuation date	12/31/2013
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	17 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	From 4.25% to 7.85% per year
*Includes inflation at	3.00%
Cost of living adjustments	N/A

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

Schedule of Funding Progress

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

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

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

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2009	\$ 22,776,648	20.6
2010	16,746,459	38.9
2011	16,746,459	43.4
2012	23,532,302	37.4
2013	23,532,302	36.1
2014	13,040,988	54.8

Notes to the Required Schedules

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

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

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



Major Governmental Funds

General Fund

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

Capital Projects Funds

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

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

GUILFORD COUNTY, NORTH CAROLINA
General Fund

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Schedule of Expenditures - Budget and Actual
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary and GAAP Basis	Final Budget Positive (Negative)
Current:				
General government:				
County commissioners	\$ 406,196	422,627	401,712	20,915
Clerk to the board	197,273	197,510	182,872	14,638
County administration	1,395,881	1,329,740	610,017	719,723
County attorney	1,864,956	1,864,958	1,782,766	82,192
Human resources	9,443,738	9,053,244	7,838,341	1,214,903
Budget and management	450,297	450,299	407,612	42,687
Internal audit	509,628	514,629	481,293	33,336
Finance	2,523,232	2,707,957	2,418,020	289,937
Purchasing	351,774	375,669	356,235	19,434
Information services	8,900,493	9,402,940	8,312,889	1,090,051
Tax	5,365,671	5,563,300	5,385,514	177,786
Register of deeds	2,027,257	2,102,260	2,052,564	49,696
Elections	2,327,107	2,327,108	1,706,658	620,450
Planning and development	676,995	684,297	670,731	13,566
Facilities	7,185,913	7,615,329	6,904,127	711,202
Security	1,526,507	1,536,509	1,459,643	76,866
Property management	173,117	173,119	85,840	87,279
Fleet operation	<u>787,713</u>	<u>790,257</u>	<u>648,262</u>	<u>141,995</u>
Total general government	<u>46,113,748</u>	<u>47,111,752</u>	<u>41,705,096</u>	<u>5,406,656</u>
Human services:				
Public health	31,012,448	32,216,356	29,323,811	2,892,545
Mental health	9,900,000	11,067,888	9,962,019	1,105,869
Social services	69,153,442	68,902,559	66,539,081	2,363,478
Public assistance - adults, families, medical	5,725,941	5,650,941	4,754,444	896,497
Child support enforcement	6,350,488	6,291,797	5,880,363	411,434
Cooperative extension service	500,115	535,346	450,087	85,259
Coordinated services	1,493,515	1,504,833	1,483,959	20,874
Veteran services	121,372	128,375	123,715	4,660
Transportation	<u>1,676,497</u>	<u>1,833,131</u>	<u>1,547,743</u>	<u>285,388</u>
Total human services	<u>125,933,818</u>	<u>128,131,226</u>	<u>120,065,222</u>	<u>8,066,004</u>
Public safety:				
Law enforcement	62,385,387	65,468,791	62,674,676	2,794,115
Emergency services	24,520,231	24,765,888	23,963,617	802,271
Inspections	2,064,675	2,075,112	1,895,695	179,417
Court alternatives	2,424,002	2,314,006	2,081,701	232,305
Animal services	3,092,266	3,110,449	2,816,417	294,032
Other protection	<u>1,456,596</u>	<u>1,503,332</u>	<u>1,286,141</u>	<u>217,191</u>
Total public safety	<u>95,943,157</u>	<u>99,237,578</u>	<u>94,718,247</u>	<u>4,519,331</u>
Environmental protection:				
Sanitation	1,080,841	1,093,846	1,062,113	31,733
Soil and water conservation	<u>245,165</u>	<u>272,411</u>	<u>244,058</u>	<u>28,353</u>
Total environmental protection	<u>1,326,006</u>	<u>1,366,257</u>	<u>1,306,171</u>	<u>60,086</u>
Culture - recreation:				
Culture & libraries	1,827,807	1,827,807	1,827,807	-
Recreation - parks	<u>3,569,827</u>	<u>3,724,209</u>	<u>3,131,555</u>	<u>592,654</u>
Total culture - recreation	<u>5,397,634</u>	<u>5,552,016</u>	<u>4,959,362</u>	<u>592,654</u>
Economic development and assistance	<u>2,248,566</u>	<u>5,130,644</u>	<u>1,794,736</u>	<u>3,335,908</u>
Intergovernmental:				
Education - current appropriation:				
Guilford Technical Community College	12,397,690	12,397,690	12,397,690	-
Guilford County Board of Education	<u>177,130,398</u>	<u>177,130,398</u>	<u>177,130,398</u>	-
Total education	<u>189,528,088</u>	<u>189,528,088</u>	<u>189,528,088</u>	-
Debt service:				
Principal retirement	51,310,585	51,310,585	51,210,585	100,000
Interest and fiscal charges	38,214,106	38,237,811	32,024,643	6,213,168
Bond issuance costs	<u>1,500,000</u>	<u>1,500,000</u>	-	<u>1,500,000</u>
Total debt service	<u>91,024,691</u>	<u>91,048,396</u>	<u>83,235,228</u>	<u>7,813,168</u>
Total expenditures	\$ <u>557,515,708</u>	<u>567,105,957</u>	<u>537,312,150</u>	<u>29,793,807</u>

GUILFORD COUNTY, NORTH CAROLINA
 County Building Construction Capital Projects Fund
 Combining Schedule of Revenues and Expenditures
 For the fiscal year ended June 30, 2014

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	<u>Annually Budgeted Projects</u>	<u>Project- Length Budgets</u>	<u>Total</u>
Revenues			
Intergovernmental	\$ -	214,621	214,621
Interest on investments	40,854	-	40,854
Other	-	565,007	565,007
Total revenues	<u>40,854</u>	<u>779,628</u>	<u>820,482</u>
Expenditures			
Capital outlay	-	4,679,998	4,679,998
Excess (deficiency) of revenues over expenditures	<u>40,854</u>	<u>(3,900,370)</u>	<u>(3,859,516)</u>
Other Financing Sources (Uses)			
Transfers in	-	2,000,000	2,000,000
Transfers out	<u>(2,500,000)</u>	<u>-</u>	<u>(2,500,000)</u>
Total other financing sources (uses)	<u>(2,500,000)</u>	<u>2,000,000</u>	<u>(500,000)</u>
Deficiency of revenues and other sources over expenditures and other uses	<u>\$ (2,459,146)</u>	<u>(1,900,370)</u>	<u>(4,359,516)</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, 2014

A-2a

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary and</u> <u>GAAP Basis</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues				
Interest on investments	\$ -	-	40,854	40,854
Other Financing Sources (Uses)				
Transfers out	(2,500,000)	(2,500,000)	(2,500,000)	-
Appropriated fund balance	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>	<u>(2,500,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,500,000)</u>	<u>(2,500,000)</u>
Deficiency of revenues and other sources over uses	\$ <u>-</u>	<u>-</u>	<u>(2,459,146)</u>	<u>(2,459,146)</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, 2014

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Intergovernmental	\$ 3,610,911	3,227,767	214,621	3,442,388
Other	3,105,450	1,049,860	565,007	1,614,867
Total revenues	<u>6,716,361</u>	<u>4,277,627</u>	<u>779,628</u>	<u>5,057,255</u>
Expenditures				
Capital outlay:				
General Government Projects:				
Greensboro Courthouse Renovations	4,577,874	4,350,735	10,006	4,360,741
BB&T Building	10,077,000	9,827,283	37,567	9,864,850
Tax Technology System Replacement	2,340,000	2,290,344	7,550	2,297,894
New Financial Reporting System	5,331,636	4,789,097	1,352	4,790,449
Upgrade to Financial Reporting System	481,150	427,543	(41)	427,502
Time and Attendance System	696,473	623,439	-	623,439
High Point Courthouse Renovations	1,728,626	547,646	-	547,646
Greene Street Center	398,180	19,565	-	19,565
Edgeworth Building Renovations	551,000	521,296	9,038	530,334
Human Services Projects:				
Greensboro Health Department Renovations	3,041,656	2,312,736	-	2,312,736
Bellemeade Center Renovations	833,114	110,895	-	110,895
New DSS Facility - High Point	8,045,664	7,887,569	-	7,887,569
Public Safety Projects:				
GC Detention Center	90,581,382	90,486,757	3,079	90,489,836
Law Enforcement District I	574,580	150	519,401	519,551
Law Enforcement Special Ops Building	100,000	-	7,500	7,500
800 MHz Radio Replacement	8,274,300	6,717,864	359,164	7,077,028
800 MHz Infrastructure Upgrade	12,044,000	2,495,344	1,958,330	4,453,674
Fire/EMS Paging Systems Narrowbanding	502,000	-	245,116	245,116
EMS Base Station - Rock Creek	2,670,000	2,477,999	2,413	2,480,412
EMS Maintenance/Logistics Facility	6,213,000	-	-	-
EMS Base Station 4 Relocation	335,000	-	2,475	2,475
Culture-Recreation Projects:				
Bicentennial Greenway Trail Phase III	3,753,474	3,501,827	138,192	3,640,019
Triad Park	5,192,622	4,052,297	392,897	4,445,194
Bryan Park - Phase I	100,000	3,920	-	3,920
Bur Mil Park Improvements	2,923,352	2,769,490	7,280	2,776,770
Northeast Park	9,242,725	8,909,473	122,090	9,031,563
Open Space Acquisition	10,126,386	9,475,934	53,402	9,529,336
Hagan-Stone Park Swimming Pool	2,000,000	-	-	-
Hagan-Stone Park	1,368,775	574,831	774,388	1,349,219
Trails Development	363,938	71,688	2,447	74,135
Atlantic & Yadkin Greenway-Stimulus	664,549	279,964	-	279,964
Economic Development & Assistance Projects:				
Haystack Site Development Project	30,000	-	26,352	26,352
Total expenditures	<u>195,162,456</u>	<u>165,525,686</u>	<u>4,679,998</u>	<u>170,205,684</u>
Deficiency of revenues over expenditures	<u>(188,446,095)</u>	<u>(161,248,059)</u>	<u>(3,900,370)</u>	<u>(165,148,429)</u>
Other Financing Sources				
General obligation bonds issued	116,787,985	117,513,034	-	117,513,034
Capital-related debt issued	10,077,000	10,077,000	-	10,077,000
Premiums on general obligation bonds issued	13,359,182	15,759,183	-	15,759,183
Transfers in	4,069,218	2,069,218	2,000,000	4,069,218
Appropriated fund balance	44,152,710	-	-	-
Total other financing sources	<u>188,446,095</u>	<u>145,418,435</u>	<u>2,000,000</u>	<u>147,418,435</u>
Excess (deficiency) of revenues and other sources over expenditures	\$ <u>-</u>	<u>(15,829,624)</u>	<u>(1,900,370)</u>	<u>(17,729,994)</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, 2014

A-3

	Annually Budgeted Projects	Project- Length Budgets	Total
Revenues			
Charges for services	\$ 19,029	-	19,029
Other	9,059	-	9,059
Total revenues	28,088	-	28,088
Expenditures			
Capital outlay	-	3,052,348	3,052,348
Excess (deficiency) of revenues over expenditures	\$ 28,088	(3,052,348)	(3,024,260)

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, 2014

A-3a

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	Budgetary and GAAP Basis	Final Budget Positive (Negative)
Revenues				
Charges for services:				
Assessments	\$ -	-	19,029	19,029
Other	-	-	9,059	9,059
Total revenues	\$ <u>-</u>	<u>-</u>	<u>28,088</u>	<u>28,088</u>

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, 2014

A-3b

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Expenditures				
Capital outlay:				
Sanitary sewer:				
Forest Oaks Estates	\$ 2,314,502	1,856,220	458,282	2,314,502
Lynwood Lakes Sewer	5,518,255	1,814,606	1,456,630	3,271,236
Water:				
Forest Oaks Estates	1,147,876	724,936	422,940	1,147,876
Lynwood Lakes Water	2,921,769	1,813,882	714,496	2,528,378
Total expenditures	11,902,402	6,209,644	3,052,348	9,261,992
Other Financing Sources				
Appropriated fund balance	11,902,402	-	-	-
Deficiency of other sources over expenditures	\$ -	(6,209,644)	(3,052,348)	(9,261,992)

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, 2014

A-4

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Intergovernmental:				
State Lottery Funds	\$ 2,238,299	2,178,234	-	2,178,234
Public School Building Capital Fund	16,027,725	15,587,447	27,643	15,615,090
Public School Building Bond Fund	12,500,102	12,500,102	-	12,500,102
Guilford County Schools	17,079,051	17,138,103	-	17,138,103
Total revenues	<u>47,845,177</u>	<u>47,403,886</u>	<u>27,643</u>	<u>47,431,529</u>
Expenditures				
Intergovernmental:				
Education:				
Guilford Technical				
Community College	107,550,043	44,283,060	35,341,195	79,624,255
Guilford County Board of Education	811,248,780	605,980,415	51,109,295	657,089,710
Total expenditures	<u>918,798,823</u>	<u>650,263,475</u>	<u>86,450,490</u>	<u>736,713,965</u>
Deficiency of revenues over expenditures	<u>(870,953,646)</u>	<u>(602,859,589)</u>	<u>(86,422,847)</u>	<u>(689,282,436)</u>
Other Financing Sources				
General obligation bonds issued	803,168,449	643,098,468	-	643,098,468
Bond anticipation notes issued	-	-	50,000	50,000
Premium on put bonds	3,442,106	3,442,106	-	3,442,106
Capital-related debt issued	16,843,000	16,845,000	-	16,845,000
Transfers in	44,604,311	41,104,315	3,500,000	44,604,315
Appropriated fund balance	2,895,780	-	-	-
Total other financing sources	<u>870,953,646</u>	<u>704,489,889</u>	<u>3,550,000</u>	<u>708,039,889</u>
Excess of revenues and other sources over expenditures	\$ <u>-</u>	<u>101,630,300</u>	<u>(82,872,847)</u>	<u>18,757,453</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, 2014

A-4a

<u>Project Name</u>	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
GTCC - Northwest Campus Jamestown Campus	\$ 61,461,030	29,512,491	15,897,978	45,410,469
Parking Deck	8,706,473	8,674,773	31,700	8,706,473
Aviation Classroom Building	8,500,000	2,422,569	5,625,523	8,048,092
Medlin Learning Center - HVAC and Renovations	9,557,543	2,813,938	2,976,947	5,790,885
GTCC - Transportation and Welding Facilities	14,824,997	-	7,532,584	7,532,584
Capital Maintenance FY2011	1,500,000	859,289	640,711	1,500,000
Capital Maintenance FY2012	1,500,000	-	1,135,752	1,135,752
Capital Maintenance FY2014	<u>1,500,000</u>	<u>-</u>	<u>1,500,000</u>	<u>1,500,000</u>
 Total expenditures	 \$ <u>107,550,043</u>	 <u>44,283,060</u>	 <u>35,341,195</u>	 <u>79,624,255</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, 2014

A-4b

Project Name	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
System Wide Air Conditioning Renovation	\$ 21,139,311	21,114,840	-	21,114,840
Andrews High School	10,445,234	9,603,795	194,447	9,798,242
Dudley High School	32,334,301	32,257,250	60,467	32,317,717
Northwest High School	18,667,108	18,666,936	-	18,666,936
Smith High School Academy	5,797,246	5,775,577	(1,273)	5,774,304
Sedalia Elementary School	6,497,629	6,417,629	-	6,417,629
Southern Middle School	25,889,162	25,889,146	-	25,889,146
Gateway Education Center West	12,823,091	12,823,090	(223)	12,822,867
Gibsonville Elementary School	13,260,337	12,990,966	4,000	12,994,966
Irving Park Elementary School	3,135,759	3,105,471	8,836	3,114,307
Jamestown Middle School	34,205,563	33,131,841	17,852	33,149,693
Madison Elementary School	2,396,440	2,259,487	(131)	2,259,356
Northeast High School	12,454,899	11,411,640	608,730	12,020,370
Northeast Middle School	5,403,087	5,318,130	-	5,318,130
Northern Elementary School	14,047,129	14,046,586	-	14,046,586
Northern High School	54,013,259	53,988,742	-	53,988,742
Oak View Elementary School	5,335,104	4,986,687	150,674	5,137,361
Parkview Elementary School	7,713,081	7,694,228	(38)	7,694,190
Ragsdale High School	52,070,346	35,299,632	4,220,966	39,520,598
Reedy Fork Area Elementary School	16,347,859	16,249,604	-	16,249,604
Southern High School	9,149,764	9,040,327	48,634	9,088,961
Union Hill Elementary School	17,861,344	17,828,325	18,670	17,846,995
McLeansville Elementary School	5,090,756	5,061,332	26	5,061,358
Eastern Guilford High School Replacement	52,529,277	51,600,775	276,679	51,877,454
High Point SCALE Site	3,200,000	2,878,194	55,707	2,933,901
System-Wide Renovations/Various Sch Sites	5,314,419	4,773,367	136,566	4,909,933
Southeast High School	33,311,222	23,337,232	448,827	23,786,059
Alamance Elementary School	15,102,463	14,076,005	384,592	14,460,597
Summerfield Elementary School	17,949,766	16,080,853	133,538	16,214,391
Southwest High School	22,162,553	19,309,245	611,395	19,920,640
Southeast Area Elementary School	24,893,360	1,997,216	15,094,395	17,091,611
Allen Middle School	6,199,325	4,367,046	372,820	4,739,866
Southeast Middle School	13,194,475	10,322,372	272,518	10,594,890
North Greensboro Area Elementary School	25,362,974	18,800,592	85,136	18,885,728
Grimsley High School	11,389,990	7,532,229	2,890,208	10,422,437
Airport Area High School	65,338,608	515,172	-	515,172
Airport Middle School - Land	2,087,969	56,018	-	56,018
Northwest Middle School	7,741,712	6,868,195	36,092	6,904,287
Subtotal expenditures	\$ 691,855,922	547,475,772	26,130,110	573,605,882

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, 2014

A-4b

Project Name	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Subtotal expenditures forward	\$ 691,855,922	547,475,772	26,130,110	573,605,882
Allen Jay Middle School	13,757,467	1,810,695	7,957,128	9,767,823
Dudley High School	2,619,786	2,464,796	132,163	2,596,959
Dudley High School - Athletics	6,215,878	6,014,122	57,232	6,071,354
Mobile Classrooms	2,386,250	1,367,574	106	1,367,680
High Point Central High School	5,758,121	4,325,300	1,384,049	5,709,349
McLeansville Elementary School	6,309,892	3,916,947	11,000	3,927,947
Northwest High School - Site & Athletics	4,270,346	3,955,806	20,128	3,975,934
Simeon Stadium	1,764,229	1,392,157	-	1,392,157
Tracks	2,075,000	1,577,296	24,292	1,601,588
Tennis Courts	1,249,000	169,680	169,789	339,469
HVAC	7,689,724	4,416,629	820,988	5,237,617
Page High School - Athletics	2,127,651	1,564,721	27,199	1,591,920
HVAC - FY10 Medicaid Swap	2,149,670	1,812,543	-	1,812,543
Archer Elementary	733,303	75,358	-	75,358
Mclver Education Center	121,637	10,564	2,230	12,794
HVAC - QSCB	10,789,525	8,140,818	1,664,701	9,805,519
Roof Replacement/Repair - QSCB	4,886,918	2,529,385	37,762	2,567,147
Windows/Door Replacement - QSCB	3,014,100	2,139,308	91,511	2,230,819
Falkner/Hairston Autism Wing	11,503,195	5,408,229	2,866,827	8,275,056
Roof Repair/Replace-Allen Jay Elem Sch	586,826	553,180	-	553,180
Roof Repair/Replace-Andrews High Sch	883,175	768,407	(927)	767,480
Roof Repair/Replace-Erwin Montessori	83,000	68,465	-	68,465
Roof Repair/Replace-Pleasant Garden ES	475,000	222,891	-	222,891
Roof Repair/Replace-Weaver Education Ctr	584,283	423,478	(152)	423,326
System-Wide Renovation FY2012	5,792,273	1,913,921	2,142,708	4,056,629
Roofing System-wide	4,060,545	265,143	1,830,222	2,095,365
Page High School-Roofing	261,000	-	1,235	1,235
Bluford Elementary School - Renovation	1,124,570	-	434	434
Dudley High School - New Traffic Pattern	82,138	-	963	963
Guilford Middle School - Replacement	1,909,680	-	1,076	1,076
High Point Central - Add/Renovation	1,375,399	-	434	434
Hunter Elementary School - Replacement	910,400	-	1,076	1,076
Northwest High School - New Traffic Pattern	113,160	-	963	963
Northwood Elementary Sch - Kitchen Reno	54,750	-	434	434
Smith High School - Athletic Renovation	527,836	-	434	434
Western High School - Addition/Renovation	560,200	-	434	434
Academy at Central High School	1,750,000	-	1,744,700	1,744,700
System-Wide Renov Security/CommUpgrd	570,420	-	-	-
Capital Maintenance FY2012	4,266,511	1,197,230	2,988,046	4,185,276
Capital Maintenance FY2013	2,000,000	-	-	-
Capital Maintenance FY2014	2,000,000	-	1,000,000	1,000,000
Total expenditures	\$ <u>811,248,780</u>	<u>605,980,415</u>	<u>51,109,295</u>	<u>657,089,710</u>

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

GUILFORD COUNTY, NORTH CAROLINA
Combining Balance Sheet
Nonmajor Governmental Funds -
Special Revenue Funds
June 30, 2014

B-1

	<u>Rural Fire Districts</u>	<u>Room Occupancy/ Tourism Development Tax</u>	<u>Total Nonmajor Governmental Funds</u>
Assets			
Cash and cash equivalents/ investments	\$ 1,365,980	-	1,365,980
Receivables:			
Property taxes (net of allowance for estimated uncollectible delinquent taxes of \$171,588)	171,588	-	171,588
Other taxes	-	505,967	505,967
Due from governmental units and agencies	642,685	-	642,685
Accrued interest on investments	232	-	232
Total receivables	<u>814,505</u>	<u>505,967</u>	<u>1,320,472</u>
Total assets	\$ <u>2,180,485</u>	<u>505,967</u>	<u>2,686,452</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	128,774	128,774
Due to component unit	-	<u>300,473</u>	<u>300,473</u>
Total liabilities	<u>-</u>	<u>429,247</u>	<u>429,247</u>
Deferred Inflows of Resources	<u>177,718</u>	<u>76,720</u>	<u>254,438</u>
Fund balances:			
Restricted	2,002,767	429,247	2,432,014
Unassigned	-	<u>(429,247)</u>	<u>(429,247)</u>
Total fund balances	<u>2,002,767</u>	<u>-</u>	<u>2,002,767</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>2,180,485</u>	<u>505,967</u>	<u>2,686,452</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, 2014

B-2

	Rural Fire Districts	Room Occupancy/ Tourism Development Tax	Total Nonmajor Governmental Funds
Revenues			
Taxes:			
Property taxes	\$ 11,995,793	-	11,995,793
Sales tax	2,163,798	-	2,163,798
Occupancy taxes	-	4,929,357	4,929,357
Intergovernmental	17,101	-	17,101
Investment earnings	1,233	-	1,233
Total revenues	14,177,925	4,929,357	19,107,282
Expenditures			
Current:			
Public safety	13,552,968	-	13,552,968
Economic development and assistance	-	4,929,357	4,929,357
Total expenditures	13,552,968	4,929,357	18,482,325
Net changes in fund balances	624,957	-	624,957
Fund balances at beginning of year	1,377,810	-	1,377,810
Fund balances at end of year	\$ 2,002,767	-	2,002,767

GUILFORD COUNTY, NORTH CAROLINA
Rural Fire Districts Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the fiscal year ended June 30, 2014

B-3

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary and</u> <u>GAAP Basis</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues				
Taxes:				
Property taxes	\$ 11,106,807	11,100,984	11,941,664	840,680
Interest on delinquent taxes	-	-	54,129	54,129
Total property taxes	11,106,807	11,100,984	11,995,793	894,809
Sales tax	1,880,000	1,880,000	2,163,798	283,798
Intergovernmental	-	-	17,101	17,101
Investment earnings	-	-	1,233	1,233
Total revenues	<u>12,986,807</u>	<u>12,980,984</u>	<u>14,177,925</u>	<u>1,196,941</u>
Expenditures				
Current:				
Public safety:				
Alamance Community	1,100,447	1,100,447	1,100,447	-
Climax	99,890	99,890	99,890	-
Climax Fire Protection Service District	16,106	16,106	16,106	-
Colfax	524,103	524,103	524,103	-
Colfax Fire Protection Service District	58,469	58,469	58,469	-
Deep River	215,943	215,943	215,943	-
Friedens Community	154,413	154,413	154,413	-
Gibsonville	14,846	14,846	14,846	-
Guilford College Community	526,891	532,821	532,821	-
Guil-Rand	141,205	141,205	141,205	-
Guil-Rand Fire Protection Service District	23,305	23,305	23,305	-
Fire Protection District No. 1	26,122	26,122	26,122	-
Fire Protection Service District No. 13	225,470	225,470	225,470	-
Fire Protection Service District No. 14	46,196	44,914	44,914	-
Julian	67,725	67,725	67,725	-
Kimesville	104,012	104,012	104,012	-
McLeansville	806,036	806,036	806,036	-
Mount Hope Community	607,995	607,995	607,995	-
Northeast	850,634	850,634	850,634	-
Oak Ridge	1,183,708	1,183,708	1,183,708	-
Pinecroft-Sedgefield	1,779,386	1,779,386	1,779,386	-
Pleasant Garden	659,542	659,542	659,542	-
PTIA Fire Protection Service District	78,460	72,530	72,530	-
Rankin	932,844	932,844	932,844	-
Southeast	189,477	189,477	189,477	-
Stokesdale	625,653	625,653	625,653	-
Summerfield	1,914,097	1,914,097	1,914,097	-
Whitsett	389,203	389,203	389,203	-
No. 14	190,790	192,072	192,072	-
Total expenditures	<u>13,552,968</u>	<u>13,552,968</u>	<u>13,552,968</u>	<u>-</u>
Net change in fund balance	(566,161)	(571,984)	624,957	1,196,941
Fund balance at beginning of year	<u>1,377,810</u>	<u>1,377,810</u>	<u>1,377,810</u>	<u>-</u>
Fund balance at end of year	\$ <u>811,649</u>	<u>805,826</u>	<u>2,002,767</u>	<u>1,196,941</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, 2014

B-4

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary and</u> <u>GAAP Basis</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues				
Taxes:				
Occupancy	\$ 5,500,000	5,500,000	4,929,357	(570,643)
Expenditures				
Current:				
Economic development and assistance	<u>5,500,000</u>	<u>5,500,000</u>	<u>4,929,357</u>	<u>570,643</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



Proprietary Fund

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

GUILFORD COUNTY, NORTH CAROLINA

Internal Service Fund

C-1

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

For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary and GAAP Basis	Final Budget Positive (Negative)
Revenues				
Operating revenues:				
Charges for services	\$ 42,196,073	42,217,952	40,496,275	(1,721,677)
Other	60,000	60,000	488,292	428,292
Total operating revenues	42,256,073	42,277,952	40,984,567	(1,293,385)
Nonoperating revenues:				
Net investment gain	36,500	36,500	104,722	68,222
Total revenues	42,292,573	42,314,452	41,089,289	(1,225,163)
Expenditures				
Risk Retention-Liability/Property/WC:				
Personnel services			115,907	
Other direct service costs			7,892	
Professional services			66,090	
Claims, premiums and bonding	-	-	2,853,007	-
Total Risk Retention	3,095,000	3,095,000	3,042,896	52,104
Health Care & Wellness:				
Professional services			1,495,331	
Claims, premiums and bonding	-	-	33,486,749	-
Total Health Care & Wellness	40,756,263	40,778,142	34,982,080	5,796,062
Total expenditures	43,851,263	43,873,142	38,024,976	5,848,166
Excess of revenues over expenditures	(1,558,690)	(1,558,690)	3,064,313	4,623,003
Other financing sources:				
Appropriated fund balance	1,558,690	1,558,690	-	(1,558,690)
Deficiency of revenues and other sources over expenditures	\$ -	-	3,064,313	3,064,313
Reconciliation from financial plan basis (modified accrual) to full accrual:				
Decrease in accrued vacation pay			(3,075)	
Change in net position			\$ 3,061,238	

Fiduciary Funds

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

Individual Fund Descriptions:

Pension Trust Funds

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

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

Individual Fund Descriptions:

Agency Funds

- *Tax Collection Fund* - Accounts for occupancy and/or ad valorem property taxes collected by the County tax collector in his capacity as agent for the Cities of Archdale, Burlington, Greensboro, and High Point, the Towns of Gibsonville, Jamestown, Kernersville, Oak Ridge, Pleasant Garden, Sedalia, Summerfield, and Whitsett and the Sedgefield Sanitary District. Also accounts for privilege taxes on the short-term lease or rental of vehicles which are collected by the County tax collector in his capacity as agent for the Piedmont Authority for Regional Transportation.
- *Fines and Forfeitures Fund* - Accounts for fines and forfeitures collected by the County that are required to be remitted to the Guilford County Board of Education.
- *Representative Payee Fund* - Accounts for funds deposited with the Social Services Department for the benefit of specified clients being served by the County.
- *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 was remitted to the N.C. Department of State Treasurer monthly and used by the Division of Motor Vehicles to create a combined motor vehicle registration renewal and property tax collection system. The requirement to remit these funds ended with the July 2013 payment of June collections.

GUILFORD COUNTY, NORTH CAROLINA
Pension Trust Funds
Combining Statement of Net Position
June 30, 2014

D-1

	Pension Trust Funds		
	Law Enforcement Officers' Special Separation Allowance	Other Post Employment Benefits	Total
Assets			
Current assets:			
Pooled cash and cash equivalents/investments	\$ 934,421	-	934,421
State Treasurer's Local Government Other Post Employment Benefits (OPEB) Fund:			
Short-Term OPEB Fund	-	2,538,710	2,538,710
Long-Term OPEB Fund	-	1,014,306	1,014,306
OPEB Equity Fund	-	7,954,192	7,954,192
Cash and cash equivalents/investments	934,421	11,507,208	12,441,629
Receivables:			
Accrued interest on investments	205	-	205
Total assets	<u>934,626</u>	<u>11,507,208</u>	<u>12,441,834</u>
Liabilities			
Accounts payable and accrued liabilities	<u>34,022</u>	<u>-</u>	<u>34,022</u>
Net Position			
Held in trust for pension benefits	\$ <u>900,604</u>	<u>11,507,208</u>	<u>12,407,812</u>

GUILFORD COUNTY, NORTH CAROLINA
Pension Trust Funds
Combining Statement of Changes in Plan Net Position
For the fiscal year ended June 30, 2014

D-2

	Pension Trust Funds		
	Law Enforcement Officers' Special Separation Allowance	Other Post Employment Benefits	Total
Additions			
Employer contributions	\$ 757,628	7,152,328	7,909,956
Retiree contributions	-	1,727,958	1,727,958
Net investment income	2,127	1,674,017	1,676,144
Total additions	<u>759,755</u>	<u>10,554,303</u>	<u>11,314,058</u>
Deductions			
Benefits	750,241	8,880,286	9,630,527
Administrative expenses	678	16,739	17,417
Total deductions	<u>750,919</u>	<u>8,897,025</u>	<u>9,647,944</u>
Change in net position	8,836	1,657,278	1,666,114
Net position at beginning of year	<u>891,768</u>	<u>9,849,930</u>	<u>10,741,698</u>
Net position at end of year	<u>\$ 900,604</u>	<u>11,507,208</u>	<u>12,407,812</u>

GUILFORD COUNTY, NORTH CAROLINA
 Agency Funds
 Combining Statement of Assets and Liabilities
 June 30, 2014

D-3

	Agency Funds				Total
	Tax Collection	Fines and Forfeitures	Representative Payee	NC Treasurer's Vehicle Interest	
Assets					
Cash and cash equivalents/investments	\$ 203,303	365,065	324,812	-	893,180
Total assets	\$ <u>203,303</u>	<u>365,065</u>	<u>324,812</u>	<u>-</u>	<u>893,180</u>
Liabilities					
Accounts payable and accrued liabilities	\$ -	365,065	-	-	365,065
Representative payee clients payable	-	-	324,812	-	324,812
Due to other taxing units	<u>203,303</u>	-	-	-	<u>203,303</u>
Total liabilities	\$ <u>203,303</u>	<u>365,065</u>	<u>324,812</u>	<u>-</u>	<u>893,180</u>

GUILFORD COUNTY, NORTH CAROLINA
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the fiscal year ended June 30, 2014

D-4

	<u>Balance 7/1/13</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/14</u>
<u>Tax Collection Fund</u>				
Assets				
Cash and cash equivalents/investments	\$ <u>218,959</u>	<u>234,038,201</u>	<u>234,053,857</u>	<u>203,303</u>
Liabilities				
Due to other taxing units	\$ <u>218,959</u>	<u>234,038,201</u>	<u>234,053,857</u>	<u>203,303</u>
<u>Fines and Forfeitures Fund</u>				
Assets				
Cash and cash equivalents/investments	\$ <u>411,815</u>	<u>2,061,708</u>	<u>2,108,458</u>	<u>365,065</u>
Liabilities				
Accounts payable and accrued liabilities	\$ <u>411,815</u>	<u>2,061,708</u>	<u>2,108,458</u>	<u>365,065</u>
<u>Representative Payee Fund</u>				
Assets				
Cash and cash equivalents/investments	\$ <u>343,728</u>	<u>2,422,510</u>	<u>2,441,426</u>	<u>324,812</u>
Liabilities				
Representative payee clients payable	\$ <u>343,728</u>	<u>2,422,510</u>	<u>2,441,426</u>	<u>324,812</u>
<u>NC Treasurer's Vehicle Interest Fund</u>				
Assets				
Cash and cash equivalents/investments	\$ <u>28,635</u>	<u>-</u>	<u>28,635</u>	<u>-</u>
Liabilities				
Due to other taxing units	\$ <u>28,635</u>	<u>-</u>	<u>28,635</u>	<u>-</u>
<u>Total Agency Funds</u>				
Assets				
Cash and cash equivalents/investments	\$ <u>1,003,137</u>	<u>238,522,419</u>	<u>238,632,376</u>	<u>893,180</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 411,815	2,061,708	2,108,458	365,065
Representative payee clients payable	343,728	2,422,510	2,441,426	324,812
Due to other taxing units	<u>247,594</u>	<u>234,038,201</u>	<u>234,082,492</u>	<u>203,303</u>
Total liabilities	\$ <u>1,003,137</u>	<u>238,522,419</u>	<u>238,632,376</u>	<u>893,180</u>



Additional Financial Data

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

Analysis of Current Tax Levy

Schedule of Property Taxes Receivable

Analysis of Current Tax Levy -
County-Wide Levy

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

Bonded Debt Service Requirements
and Maturity Schedule

GUILFORD COUNTY, NORTH CAROLINA
Analysis of Current Tax Levy
For the fiscal year ended June 30, 2014

E-1

	Assessed Value	Rate (1)	Total Adjusted Tax Levy (2)	Current Tax Collections	Uncollected at June 30, 2014
County-wide	\$ 46,297,928,507	0.7700	\$ <u>360,089,637</u>	<u>(354,765,085)</u>	<u>5,324,552</u>
Rural fire districts:					
Alamance Community	959,460,179	0.0998	970,242	(952,537)	17,705
Gibsonville	12,262,686	0.0972	12,103	(12,015)	88
Climax	87,515,387	0.1000	89,103	(87,538)	1,565
Climax FPSD	86,441,571	0.0200	16,967	(16,731)	236
Colfax	443,144,785	0.1000	450,867	(446,357)	4,510
Colfax FPSD	436,564,125	0.0140	60,205	(59,638)	567
Deep River	199,220,865	0.0941	188,506	(185,188)	3,318
Friedens Community	134,430,994	0.1000	137,194	(135,080)	2,114
Guilford College Community	395,501,392	0.1000	408,218	(407,561)	657
Guil-Rand	122,772,431	0.1000	124,350	(121,636)	2,714
Guil-Rand FPSD	121,423,911	0.0200	24,019	(23,523)	496
Julian	57,187,906	0.1011	58,538	(57,907)	631
Kimesville	85,989,732	0.1027	90,137	(87,481)	2,656
McLeansville	730,700,612	0.1000	733,342	(716,943)	16,399
Mount Hope Community	663,643,057	0.0800	532,714	(526,889)	5,825
Northeast	745,563,029	0.1000	755,464	(742,847)	12,617
Oak Ridge	1,190,573,375	0.0848	1,019,553	(1,013,746)	5,807
Pinecroft-Sedgefield	1,552,678,968	0.0988	1,553,161	(1,532,383)	20,778
Pleasant Garden	574,049,170	0.1000	582,010	(568,611)	13,399
Rankin	807,097,026	0.1000	817,275	(802,996)	14,279
Rankin FPSD	794,981,809	0.0300	232,289	(231,169)	1,120
Southeast	137,814,222	0.1250	173,399	(170,535)	2,864
Stokesdale	583,193,917	0.1000	584,516	(576,650)	7,866
Summerfield	1,747,243,642	0.0956	1,686,044	(1,673,928)	12,116
Whitsett	477,332,225	0.0730	351,790	(347,387)	4,403
No. 14 (Franklin Blvd.)	145,846,611	0.1000	148,987	(144,290)	4,697
No. 14 FPSD	142,697,327	0.0266	41,032	(37,224)	3,808
FPSD No. 1 (Horneytown)	22,577,269	0.0918	21,089	(20,827)	262
PTIA FPSD	326,762,656	0.0200	64,955	(64,928)	27
Total rural fire districts			<u>11,928,069</u>	<u>(11,764,545)</u>	<u>163,524</u>
Total entity-wide			\$ <u>372,017,706</u>	<u>(366,529,630)</u>	<u>5,488,076</u>

Percent of current year adjusted tax levy collected:

County-wide	<u>98.52</u> %
Rural fire districts	<u>98.63</u>
Entity-wide	<u>98.52</u>

Notes:

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

GUILFORD COUNTY, NORTH CAROLINA
Schedule of Property Taxes Receivable
June 30, 2014

E-2

Fiscal Year	Uncollected Balance June 30, 2013	Total Adjusted Tax Levy	Collections and Credits	Uncollected Balance June 30, 2014
2013-2014	\$ -	372,017,706	366,529,630	5,488,076
2012-2013	8,846,699	-	5,504,061	3,342,638
2011-2012	3,247,793	-	1,066,052	2,181,741
2010-2011	1,820,162	-	441,278	1,378,884
2009-2010	1,339,115	-	208,732	1,130,383
2008-2009	1,235,082	-	132,386	1,102,696
2007-2008	964,415	-	94,321	870,094
2006-2007	670,714	-	49,599	621,115
2005-2006	582,313	-	38,040	544,273
2004-2005	573,895	-	31,274	542,621
2003-2004	489,318	-	489,318	-
	\$ 19,769,506	372,017,706	374,584,691	17,202,521
Less allowance for estimated uncollectible delinquent taxes:				
General Fund			\$ (10,070,958)	
Rural Fire Districts Fund			(167,058)	(10,238,016)
Property taxes receivable (net)				\$ 6,964,505
Reconciliation with revenues:				
General Fund:				
Ad valorem taxes			\$ 361,005,743	
Interest on delinquent taxes			1,927,750	\$ 362,933,493
Rural Fire Districts Fund:				
Ad valorem taxes			11,941,664	
Interest on delinquent taxes			54,129	11,995,793
Plus collections and credits not included in revenues:				
Releases net of refunds on prior fiscal years			951,478	
Penalties on delinquent taxes			235,036	
Amounts written off for year 2003 - 2004 per statute of limitations			489,318	1,675,832
Subtotal				376,605,118
Less revenues not included in collections and credits:				
Collections on years prior to 2004 - 2005			56,493	
Payments in lieu of taxes			(95,041)	
Interest collected			(1,981,879)	(2,020,427)
Total collections and credits				\$ 374,584,691

GUILFORD COUNTY, NORTH CAROLINA
Analysis of Current Tax Levy
County-Wide Levy
For the fiscal year ended June 30, 2014

E-3

	County-Wide			Total Levy	
	Assessed Value	Rate (1)	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Adjusted levy before pen.					
Property taxed at current year's rate (2)	\$ 44,940,283,581	0.7700	349,248,125	323,423,285	25,824,840
Registered motor vehicle taxed at prior year's	<u>1,357,644,926</u>	0.7804	<u>10,595,061</u>	<u>-</u>	<u>10,595,061</u>
Total	<u>46,297,928,507</u>		<u>359,843,186</u>	<u>323,423,285</u>	<u>36,419,901</u>
Penalties			<u>246,451</u>	<u>246,451</u>	<u>-</u>
Total adjusted tax levy			360,089,637	323,669,736	36,419,901
Uncollected taxes at June 30, 2014			<u>(5,324,552)</u>	<u>(3,819,815)</u>	<u>(1,504,737)</u>
Current year's taxes			\$ <u>354,765,085</u>	<u>319,849,921</u>	<u>34,915,164</u>
Current adjusted tax levy collection percentage			<u>98.52%</u>	<u>98.82%</u>	<u>95.87%</u>

Notes:

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

GUILFORD COUNTY, NORTH CAROLINA
Analysis of Current Tax Levy
County-Wide Levy - General Information
For the fiscal year ended June 30, 2014

Secondary Market Disclosures:

Assessed Valuation:	
Assessment Ratio (1)	100%
Real Property (2)	\$ 36,986,215,133
Personal Property	8,246,115,049
Public Service Companies (3)	<u>1,065,598,325</u>
Total Assessed Valuation	\$ <u>46,297,928,507</u>
Tax Rate per \$100 (4)	<u>0.7700</u>
Adjusted Levy (5)	\$ <u>372,017,706</u>

Notes:

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

County-wide	\$ 360,089,637
Special Fire Districts	<u>11,928,069</u>
Total Levy	\$ <u>372,017,706</u>

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

GUILFORD COUNTY, NORTH CAROLINA
Bonded Debt Service Requirements
and Maturity Schedule
As of June 30, 2014

E-5

	<u>UTILITY</u>		<u>OTHER</u>		<u>TOTAL</u>	
	Existing Debt		Existing Debt		Existing Debt	
General Obligation	Principal	Principal & Interest	Principal	Principal & Interest	Principal	Principal & Interest
Fiscal Year	Principal	Principal & Interest	Principal	Principal & Interest	Principal	Principal & Interest
2014-15	\$ 2,245,522	2,589,916	49,749,478	77,611,206	51,995,000	80,201,122
2015-16	2,242,552	2,479,574	53,427,448	79,098,949	55,670,000	81,578,523
2016-17	1,965,306	2,101,971	54,674,694	77,946,051	56,640,000	80,048,022
2017-18	668,698	751,146	56,931,302	77,886,226	57,600,000	78,637,372
2018-19	279,861	340,733	57,090,139	75,208,648	57,370,000	75,549,381
2019-20	266,648	314,100	58,063,352	73,617,323	58,330,000	73,931,423
2020-21	262,203	301,656	59,327,797	72,667,447	59,590,000	72,969,103
2021-22	263,092	289,435	59,996,908	71,286,251	60,260,000	71,575,686
2022-23	263,759	276,947	60,116,241	69,363,525	60,380,000	69,640,472
2023-24	-	-	55,450,000	63,038,712	55,450,000	63,038,712
2024-25	-	-	55,455,000	62,080,547	55,455,000	62,080,547
2025-26	-	-	36,870,000	42,418,894	36,870,000	42,418,894
2026-27	-	-	36,920,000	41,387,174	36,920,000	41,387,174
2027-28	-	-	23,570,000	26,933,686	23,570,000	26,933,686
2028-29	-	-	17,790,000	20,011,253	17,790,000	20,011,253
2029-30	-	-	8,810,000	10,185,483	8,810,000	10,185,483
2030-31	-	-	8,530,000	9,438,151	8,530,000	9,438,151
2031-32	-	-	17,145,000	17,819,484	17,145,000	17,819,484
	\$ <u>8,457,641</u>	<u>9,445,478</u>	<u>769,917,359</u>	<u>967,999,010</u>	<u>778,375,000</u>	<u>977,444,488</u>

Limited Obligation

2014-15	\$	-	768,806	-	768,806
2015-16		-	768,806	-	768,806
2016-17		-	768,806	-	768,806
2017-18		-	768,806	-	768,806
2018-19		-	768,806	-	768,806
2019-20		-	768,806	-	768,806
2020-21		-	768,806	-	768,806
2021-22		-	768,806	-	768,806
2022-23		-	768,806	-	768,806
2023-24		-	768,806	-	768,806
2024-25		-	768,806	-	768,806
2025-26		-	768,806	-	768,806
2026-27		-	768,806	-	768,806
2027-28		-	768,806	-	768,806
2028-29		-	768,806	-	768,806
2029-30		-	768,806	-	768,806
2030-31		-	768,806	-	768,806
2031-32		-	768,806	-	768,806
			<u>16,845,000</u>	<u>17,613,806</u>	<u>16,845,000</u>
	\$		<u>16,845,000</u>	<u>30,683,508</u>	<u>16,845,000</u>

Statistical Section

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

Contents	Tables
Financial Trends These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.	1 - 2
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the County’s ability to generate its property taxes.	3 - 6
Debt Capacity 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.	7 - 9
Demographic and Economic Information 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.	10 - 11
Operating Information 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.	12 - 14

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

Table 1

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government (1)	\$ 38,935,052	43,691,593	41,915,381	42,686,479	43,920,236	40,228,036	43,193,135	46,807,995	42,965,674	40,117,035
Human services	168,210,350	170,986,656	167,658,603	187,408,591	183,143,016	167,271,667	165,311,991	158,946,804	144,195,031	124,275,553
Public safety (1)	77,965,005	83,334,706	90,576,330	101,980,944	104,015,673	102,286,880	101,857,575	111,502,379	119,896,894	115,011,980
Environmental protection	1,682,060	1,127,138	1,194,998	1,395,364	1,319,735	1,293,411	1,317,107	1,368,749	1,357,646	1,372,025
Culture - recreation	3,824,634	4,790,197	6,244,857	5,981,193	6,822,953	6,662,104	5,847,964	5,817,799	7,220,201	6,191,194
Urban redevelopment and housing	152,052	158,816	165,681	-	185,987	219,047	-	-	-	-
Economic development and assistance	6,272,110	9,679,480	6,961,147	6,711,552	7,179,186	6,591,833	21,510,154	7,239,287	21,261,349	9,802,441
Education	210,740,935	258,171,386	311,169,199	274,425,035	263,067,760	251,720,561	274,154,519	282,303,468	253,356,987	275,978,578
Interest on long-term debt	11,468,056	15,477,774	18,787,205	22,265,124	21,720,267	22,513,943	26,371,175	26,392,310	28,750,330	26,275,019
Total primary government expenses	519,250,254	587,417,746	644,673,401	642,854,282	631,374,813	598,787,482	639,563,620	640,378,791	619,004,112	599,023,825
Program Revenues										
Governmental activities:										
Charges for services:										
General government	7,632,915	8,092,944	7,908,972	7,329,664	6,493,504	5,930,518	5,565,128	8,209,756	6,383,668	6,225,569
Human services	21,075,399	20,768,155	16,414,577	17,390,778	18,196,954	17,062,584	15,107,982	17,713,928	11,659,633	9,034,653
Public safety	16,056,217	17,697,563	17,901,405	19,486,002	20,476,409	19,375,549	20,229,569	20,018,789	22,715,104	23,355,125
Economic development and assistance	2,653,574	2,699,976	2,796,826	3,089,466	1,933,971	2,364,652	1,785,255	72,337	89,664	15,137
Other activities	278,833	198,133	139,105	139,174	107,016	85,534	63,185	301,158	534,000	1,013,099
Operating grants and contributions:										
Human services	80,870,482	80,654,657	81,501,929	85,671,190	88,445,374	87,497,137	90,171,609	84,760,563	75,384,567	65,324,711
Public safety	2,388,765	2,916,616	2,086,924	1,818,775	1,199,627	1,637,406	1,374,698	1,382,428	1,875,697	1,012,073
Education	4,968,633	4,165,991	16,594,201	13,482,032	4,206,914	1,121,632	2,976,116	61,328	1,491,820	27,643
Interest on long-term debt	-	-	-	6,000,000	12,500,000	8,000,000	9,496,397	6,257,976	7,883,817	7,470,576
Other activities	2,912,425	3,683,034	1,020,755	826,942	1,788,851	1,024,903	921,022	1,365,697	1,348,201	1,379,655
Capital grants and contributions:										
General government	-	6,000	-	-	-	10,000	-	-	-	-
Human services	84,778	5,518	1,107,265	61,185	258,777	243,318	326,015	115,355	311,817	97,554
Public safety	66,236	490,261	22,810	110,975	349,110	223,545	431,312	299,356	374,780	201,543
Culture - recreation	237,573	50,300	-	1,000	6,306,168	2,381,838	520,844	-	124,074	160,955
Other activities	9,759	17,883	-	-	-	-	-	-	-	-
Total primary government program revenues	139,235,589	141,447,031	147,494,769	155,407,183	162,262,675	146,958,616	148,969,132	140,558,671	130,176,842	115,318,293
Total primary government net expenses	(380,014,665)	(445,970,715)	(497,178,632)	(487,447,099)	(469,112,138)	(451,828,866)	(490,594,488)	(499,820,120)	(488,827,270)	(483,705,532)

General Revenues and Other Changes in Net Position

Governmental activities:

Taxes:

Property taxes	254,787,316	267,195,969	286,570,949	307,477,528	336,155,671	339,016,318	339,701,250	363,239,575	365,639,259	372,179,237
Sales taxes	79,845,527	82,561,886	88,839,038	88,097,598	72,903,563	62,749,914	62,543,117	66,753,745	69,157,461	72,383,124
Occupancy taxes	4,232,851	4,465,837	4,419,986	4,618,458	4,036,491	3,853,035	4,084,391	4,441,971	4,627,346	4,909,445
Excise taxes	2,935,945	3,399,037	3,268,199	3,155,087	1,686,397	1,560,241	1,544,182	1,628,390	1,900,114	2,019,417
911 charges	769,657	824,713	788,590	381,944	-	-	-	-	-	-
Local gross receipts taxes	789,591	746,443	736,098	751,131	631,080	578,291	628,422	685,671	687,863	721,066
Franchise taxes	520,014	618,753	462,080	143,515	148,147	149,479	82,213	-	-	-
Unrestricted grants and contributions	3,735,353	1,347,053	1,060,902	1,472,030	1,421,855	2,841,217	3,474,304	1,945,810	1,466,619	1,985,093
Unrestricted investment earnings	7,707,805	15,391,864	17,075,971	17,427,005	7,875,270	1,289,848	3,151,886	(2,517,050)	2,279,877	983,218
Other	222,293	313,562	2,019,617	371,374	225,855	257,879	6,045,727	452,404	352,415	203,773
Total primary government general revenues and other changes in net position	355,546,352	376,885,117	405,241,430	423,895,670	425,084,329	412,296,222	421,255,492	436,630,516	446,110,954	455,384,373

Changes in Net Position

Governmental activities / primary government

	\$	(24,468,313)	(91,937,202)	(63,551,429)	(44,027,809)	(39,532,644)	(69,338,996)	(63,189,604)	(42,716,316)	(28,321,159)
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Net Position by Component

Governmental activities:

Invested in capital assets, net of related debt	\$	112,083,864	115,542,072	116,246,292	115,992,624	120,573,365	122,628,297	129,476,162	133,301,449	138,096,814	140,904,947
Restricted		25,288,493	27,765,244	30,720,400	36,221,646	37,896,605	143,817,796	93,262,484	81,943,441	84,400,139	68,114,126
Unrestricted		(77,996,935)	(153,017,492)	(248,614,070)	(317,413,077)	(371,277,681)	(518,786,448)	(547,421,671)	(603,117,519)	(653,085,898)	(667,929,177)
Governmental activities / primary government	\$	59,375,422	(97,710,176)	(101,647,378)	(165,198,807)	(212,807,711)	(324,683,025)	(387,872,629)	(430,588,945)	(458,910,104)	

Notes:

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

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes:										
Property taxes	\$ 254,318,144	267,441,956	285,914,118	306,464,934	334,877,456	338,881,551	338,901,967	361,701,450	363,917,353	374,929,286
Sales taxes	79,845,527	82,561,886	88,839,038	88,097,598	72,903,563	62,749,914	62,543,117	66,753,745	69,157,461	72,383,124
Occupancy taxes	4,232,851	4,485,837	4,419,986	4,618,458	4,036,491	3,853,035	4,084,391	4,441,971	4,530,714	4,929,357
Excise taxes	2,935,945	3,399,037	3,268,199	3,155,087	1,686,397	1,560,241	1,544,182	1,628,390	1,900,114	2,019,417
911 charges	769,657	824,713	788,590	381,944	-	-	-	-	-	-
Local gross receipts taxes	789,591	746,443	736,098	751,131	631,080	578,291	628,422	685,671	687,863	721,066
Franchise taxes	520,014	618,753	462,080	143,515	148,147	149,479	82,213	-	-	-
Total taxes	343,411,729	360,078,625	384,428,109	403,612,667	414,283,134	407,772,511	407,784,292	435,211,227	440,193,505	454,982,250
Licenses and permits	3,387,258	3,470,989	2,420,370	2,263,699	1,585,588	1,440,463	1,565,894	1,515,015	1,615,435	1,599,130
Intergovernmental	94,419,673	92,559,452	101,329,674	108,160,439	108,853,768	102,154,244	108,877,034	95,334,713	88,797,966	76,942,485
Charges for services	40,891,308	42,299,395	37,116,489	39,836,114	40,359,429	38,919,317	37,771,760	39,396,379	35,376,318	34,300,511
Investment earnings	7,207,426	14,408,915	15,605,317	15,895,947	7,130,248	3,098,015	1,761,870	1,084,348	913,633	628,946
Other	5,344,140	5,309,364	7,631,167	7,235,788	7,234,433	5,787,254	4,859,173	6,647,123	6,165,660	4,544,614
Total revenues	494,661,534	518,126,740	548,531,126	577,004,654	579,446,600	559,171,804	562,620,023	579,188,805	573,062,517	572,997,936
Expenditures										
General government	37,795,664	43,048,897	40,509,958	39,464,132	41,209,590	39,026,532	41,211,152	41,411,153	44,636,072	41,705,096
Human services	168,618,392	170,804,456	167,594,028	173,386,520	171,232,873	157,837,907	156,312,988	149,105,449	135,334,550	120,065,222
Public safety	77,030,474	83,730,591	88,984,727	92,098,335	95,895,858	94,698,652	94,936,538	101,788,522	109,199,054	108,271,215
Environmental protection	1,125,296	1,086,756	1,237,988	1,171,174	1,141,212	1,203,142	1,236,978	1,259,345	1,260,849	1,306,171
Culture - recreation	3,247,907	4,230,945	4,979,283	5,154,091	5,774,257	5,757,497	4,882,347	4,794,610	5,435,795	4,959,362
Urban redevelopment & housing	152,052	158,816	165,681	-	185,987	219,047	-	-	-	-
Economic development & assistance	5,375,881	7,046,010	5,421,073	5,653,323	5,156,366	4,580,634	5,764,008	6,763,125	5,665,860	6,724,093
Education (1)	138,892,306	150,696,921	166,425,861	175,956,849	186,918,211	186,918,211	186,918,211	186,918,211	187,383,088	189,528,088
Capital outlay - Education (1)	71,848,629	107,474,465	144,743,338	98,468,186	76,149,549	64,802,350	87,236,308	95,385,257	65,973,899	86,450,490
Capital outlay - Other	6,499,337	11,182,101	12,158,726	11,038,077	9,880,574	31,362,531	76,124,528	32,100,377	25,984,432	7,732,346
Debt service:										
Principal	13,810,000	19,410,000	19,790,000	27,715,000	28,160,200	36,215,200	37,545,200	45,602,892	49,495,585	51,210,585
Interest	12,916,990	17,228,026	18,171,528	22,211,212	19,935,396	20,852,231	27,018,923	27,136,589	33,104,335	30,972,615
Other fiscal charges	67,360	504,413	470,194	985,535	854,108	3,834,542	1,776,942	1,859,397	1,025,997	1,052,028
Bond issuance / put bond costs	825,559	-	542,749	-	300,443	1,748,409	-	1,499,741	-	-
Total expenditures	538,205,847	616,602,397	671,195,134	653,302,434	642,794,624	649,056,885	720,964,123	695,624,668	664,499,516	649,977,311
Excess (deficiency)	(43,544,313)	(98,475,657)	(122,664,008)	(76,297,780)	(63,348,024)	(89,885,081)	(158,344,100)	(116,435,863)	(91,436,999)	(76,979,375)
of revenues over expenditures										

Other Financing Sources (Uses) & Other Changes in Fund Balances										
Refunding bonds issued	54,380,000	-	-	-	-	135,990,000	-	-	46,135,000	-
General obligation bonds issued	183,220,000	-	-	164,600,000	-	165,000,000	-	-	150,890,000	-
Bond anticipation notes issued	-	-	-	-	-	-	-	-	-	50,000
Refunding capital-related debt issued	-	-	-	-	-	-	-	-	3,316,300	-
Capital-related debt issued	158,845	253,812	485,187	5,102,000	-	-	-	-	21,820,000	-
Payment to bond refunding escrow agent	(60,717,190)	-	-	-	-	(146,310,850)	-	-	(53,364,279)	-
Premiums on bonds/put bonds/refunding bonds issued	5,657,142	-	1,879,435	-	10,526,417	30,354,381	-	29,039,009	-	-
Payment to terminate interest rate swaps	-	-	-	-	-	(11,211,119)	-	(4,660,034)	-	-
Payment to refinance capital-related debt	-	-	-	-	-	-	-	(3,316,300)	-	-
Transfers in	12,118,221	9,131,329	1,494,729	5,317,116	2,930,621	9,781,781	6,794,162	1,500,000	5,141,210	5,500,000
Transfers out	(12,118,221)	(9,131,329)	(1,494,729)	(5,317,116)	(2,930,621)	(9,781,781)	(6,794,162)	(1,500,000)	(5,141,210)	(5,500,000)
Sale of capital assets	191,586	250,004	2,317,974	248,922	119,073	165,734	7,822,165	104,378	288,165	127,435
Total other financing sources (uses) and other changes in fund balances	182,890,383	503,816	190,122,596	5,350,922	175,245,490	173,988,146	7,822,165	189,964,074	288,165	177,435
Changes in Fund Balances										
Governmental funds	\$ 139,346,070	(97,971,841)	67,458,588	(70,946,858)	111,897,466	84,103,065	(150,521,935)	73,528,211	(91,148,834)	(76,801,940)
Debt service as a percentage of noncapital expenditures (2)	5.07%	6.02%	5.78%	7.80%	7.64%	8.94%	9.39%	10.98%	12.70%	12.81%
Fund Balances										
General fund:										
Reserved	\$ 44,883,408	43,905,906	48,386,558	49,298,419	49,720,293	-	(3)	-	-	-
Unreserved	69,579,976	73,346,411	75,041,272	77,941,742	95,477,488	-	-	499,646	1,358,046	1,293,053
Non spendable	-	-	-	-	-	54,351	-	51,084,382	57,971,070	53,372,359
Restricted	-	-	-	-	-	60,625,494	-	27,692	24,472	16,630
Committed	-	-	-	-	-	33,342	-	25,447,565	27,107,976	24,180,984
Assigned	-	-	-	-	-	25,541,815	-	55,209,633	53,990,425	58,714,232
Unassigned	-	-	-	-	-	53,291,259	-	132,268,918	140,451,989	151,129,823
Total general fund	114,463,384	117,252,317	123,427,830	127,240,161	145,197,781	139,546,261	(3)	302,976,302	376,504,513	208,553,739
All other governmental funds:										
Reserved	6,462,668	9,403,431	10,531,341	14,888,243	14,873,636	85,380,194	-	-	-	-
Unreserved, reported in:										
Special revenue funds	648,399	1,005,990	1,215,613	1,277,213	657,736	310,200	-	-	-	-
Capital projects funds	237,383,366	133,324,238	193,269,780	114,092,089	208,666,019	228,261,582	-	-	-	-
Non spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	148,181,022	195,194,337	127,209,068
Committed	-	-	-	-	-	-	-	18,629,202	29,582,739	11,369,186
Assigned	-	-	-	-	-	-	-	5,587,932	15,656,754	14,066,459
Unassigned	-	-	-	-	-	-	-	(1,690,772)	(4,381,306)	(5,589,131)
Total all other governmental funds	244,494,433	143,733,659	205,016,734	130,257,545	224,197,391	313,951,976	170,707,384	236,052,524	147,055,582	57,423,916
Total fund balances	\$ 358,957,817	260,985,976	328,444,564	257,497,706	369,395,172	453,498,237	302,976,302	376,504,513	285,355,679	208,553,739

Notes:

- For years 2005 - 2010, annual capital appropriations to Guilford Technical Community College and Guilford County Board of Education from the General Fund are included in Capital outlay - Education as in the prior years and 2011 when these appropriations were reported in the School Capital Outlay Fund.
- 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.
- The 2010 fund balances have been reclassified to reflect the impact of the 2011 implementation of Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The years prior to 2010 have not been reclassified.

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

Fiscal Year	Total Real Property (1)		Estimated Actual Taxable Value	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						
2005 ⁽³⁾	\$ 32,330,383,860	6,854,211,987	32,541,906,251	1,051,999,690	40,236,595,537	40,448,117,928	99.5 %	\$ 0.6429
2006	32,679,098,070	7,016,390,035	33,112,876,755	1,047,823,964	40,743,312,069	41,177,090,754	98.9	0.6636
2007	33,648,245,400	7,548,094,997	35,006,497,503	1,079,835,566	42,276,175,963	43,634,428,066	96.9	0.6829
2008	34,819,671,635	7,476,297,491	37,553,571,651	1,101,662,076	43,397,631,202	46,131,531,218	94.1	0.7130
2009	35,994,252,248	7,459,633,640	39,295,035,205	1,134,193,063	44,588,078,951	47,888,861,908	93.1	0.7575
2010	36,596,181,356	7,223,197,327	40,193,499,567	1,072,382,177	44,891,760,860	48,489,079,071	92.6	0.7590
2011	36,814,403,214	7,017,828,595	38,743,846,784	1,034,274,005	44,866,505,814	46,795,949,384	95.9	0.7592
2012	37,039,761,422	7,304,372,150	35,711,301,024	1,013,624,243	45,357,757,815	44,029,297,417	103.0	0.8040
2013 ⁽³⁾	36,867,575,947	7,610,406,089	37,030,510,192	1,067,428,654	45,545,410,690	45,708,344,935	99.6	0.8042
2014	36,986,215,133	8,246,115,049	37,224,451,623	1,065,598,325	46,297,928,507	46,536,164,997	99.5	0.7938

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 and slightly lower values from a down market in fiscal year 2013.
- (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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Fiscal Year Taxes Are Payable										
County Direct Rates:										
General Levy (1):										
Property taxed at current year's rate	\$ 0.5961	0.6191	0.6367	0.6693	0.7148	0.7164	0.7182	0.7609	0.7580	0.7471
Registered motor vehicles at prior rate	0.0257	0.0228	0.0241	0.0211	0.0212	0.0210	0.0192	0.0203	0.0225	0.0229
Total general direct rate	0.6218	0.6419	0.6608	0.6904	0.7360	0.7374	0.7374	0.7812	0.7805	0.7700
Fire Protection Districts (2)	0.0211	0.0217	0.0221	0.0226	0.0215	0.0216	0.0218	0.0228	0.0237	0.0238
Total direct rate	\$ 0.6429	0.6636	0.6829	0.7130	0.7575	0.7590	0.7592	0.8040	0.8042	0.7938
City Rates:										
Burlington (3)	\$ 0.5545	0.5550	0.6247	0.6250	0.6250	0.5904	0.5900	0.5801	0.5800	0.5800
Greensboro	0.5717	0.5700	0.6158	0.6369	0.6374	0.6375	0.6352	0.6349	0.6351	0.6350
High Point	0.5424	0.5914	0.6075	0.6323	0.6330	0.6330	0.6330	0.6613	0.6746	0.6750
Kernersville (3)	N/A	N/A	N/A	N/A	0.5500	0.4975	0.4975	0.4975	0.4975	0.5273
Town Rates:										
Archdale (4)	\$ 0.2600	0.2600	0.2600	0.2900	0.2900	0.2900	0.2900	0.2900	0.2900	0.2900
Gibsonville (4)	0.4950	0.5150	0.5150	0.5150	0.5150	0.5100	0.5100	0.5100	0.5100	0.5100
Jamestown	0.3500	0.3500	0.3500	0.3500	0.3693	0.3700	0.3895	0.3900	0.3948	0.4434
Oak Ridge	0.0863	0.0863	0.0863	0.0863	0.0863	0.0863	0.0863	0.0863	0.0863	0.0863
Pleasant Garden	None	0.0500	0.0500	0.0500	0.0260	0.0250	0.0250	0.0250	0.0250	0.0250
Sedalia	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2729	0.2750	0.2750	0.2750
Summerfield (5)	0.1050	0.0523	0.0395	0.0390	0.0351	0.0018	0.0350	0.0350	0.0350	0.0350
Whitsett	None	None	None	None	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Sedgefield Sanitary District	\$ 0.0352	0.0398	0.0257	0.0298	0.0300	0.0300	0.0300	0.0300	0.0358	0.0360

Notes:

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

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

Taxpayer	Fiscal Year 2014		Fiscal Year 2005	
	Assessed Value	Percentage of Total Assessed Value	Assessed Value	Percentage of Total Assessed Value
Duke Energy Corporation	\$ 383,697,007	0.83	\$ 308,238,996	0.82
Lorillard Tobacco Company	342,995,136	0.74	235,262,485	0.67
Koury Corporation	234,509,185	0.51	398,076,535	0.97
American Express Travel Related Services Co.	219,923,030	0.48	-	-
GBL LLC	191,907,100	0.41	-	-
Procter & Gamble Manufacturing Company	177,375,604	0.38	-	0.43
TYCO Electronics	172,761,531	0.37	147,831,024	0.49
Highwoods Forsyth LTD	153,805,701	0.33	166,041,100	0.44
International Home Furnishings Center	147,559,315	0.32	193,565,060	-
Lincoln National Life Insurance	145,968,433	0.32	-	0.40
BellSouth	-	-	183,655,028	0.52
Starmount Company	-	-	173,340,163	0.50
Liberty Properties Limited Partnership	-	-	160,721,229	-
Koury Ventures Limited	-	-	148,184,351	0.38
Total Top Ten Principal Taxpayers	\$ 2,170,502,042	4.69	\$ 2,114,915,971	5.62

Source: Guilford County Tax Department.

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

Fiscal Year	Taxes Levied for the Fiscal Year	Subsequent Years' Adjustments	Total Adjusted Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percent of Original Levy		Amount	Percent of Adjusted Tax Levy
2005 ⁽²⁾	\$ 254,868,218	(1,618,014)	253,250,204	251,554,341	98.70	1,152,673	252,707,014	99.79
2006	268,492,562	(424,756)	268,067,806	265,412,691	98.85	2,105,481	267,518,172	99.79
2007	287,334,796	(326,896)	287,007,900	283,471,941	98.66	2,913,921	286,385,862	99.78
2008	308,030,341	(352,908)	307,677,433	303,163,588	98.42	3,643,751	306,807,339	99.72
2009	336,841,767	(262,668)	336,579,099	330,670,794	98.17	4,805,609	335,476,403	99.67
2010	339,838,448	(234,923)	339,603,525	333,596,483	98.16	4,876,658	338,473,141	99.67
2011	339,943,072	(200,652)	339,742,420	333,063,607	97.98	5,299,926	338,363,533	99.59
2012	363,248,000	(284,251)	362,963,749	355,095,355	97.76	5,686,650	360,782,005	99.40
2013 ⁽²⁾	365,428,942	(853,725)	364,575,217	356,582,243	97.58	4,650,337	361,232,580	99.08
2014	372,017,706	-	372,017,706	366,529,630	98.52	-	366,529,630	98.52

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 years 2013 and 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

Fiscal Year	General Bonded Debt Outstanding		Percentage of Estimated Actual Taxable Value of Property (2)	Per Capita	Other Governmental Activities Debt		Total Primary Government (1)	Percentage of Personal Income (3)	Per Capita (3)
	General Obligation Bonds (1)				Limited Obligation Bonds, Capital Leases and Installment Financings (1)				
2005	\$ 448,562,448		1.11	1,018.08	513,298		449,075,746	2.96	1,019.24
2006	426,858,183		1.04	952.40	423,913		427,282,096	2.67	953.35
2007	592,036,829		1.36	1,290.43	571,479		592,608,308	3.45	1,291.67
2008	563,189,520		1.22	1,202.20	5,422,364		568,611,884	3.19	1,213.77
2009	709,758,171		1.48	1,485.44	4,783,962		714,542,133	3.99	1,495.46
2010	846,091,651		1.74	1,747.47	4,147,088		850,238,739	4.80	1,756.04
2011	806,334,450		1.72	1,646.67	3,571,400		809,905,850	4.49	1,653.96
2012	932,027,810		2.12	1,881.61	24,498,508		956,526,318	5.11	1,931.07
2013	879,076,323		1.92	1,755.07	23,222,923		902,299,246	4.61	1,801.43
2014	824,376,111		1.77	1,627.24	21,947,338		846,323,449	4.21	1,670.56

Notes:

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

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

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

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

Guilford County, North Carolina
Direct and Overlapping Governmental Activities Debt
June 30, 2014

Jurisdiction	Debt Outstanding (1)	Estimated Percentage Applicable (1),(2)	Estimated Share of Direct and Overlapping Debt
Guilford County	\$ 853,046,522	100.00	\$ 853,046,522
City of Greensboro	218,654,974	100.00	218,654,974
City of High Point	78,034,600	94.54	73,773,911
Town of Oak Ridge	1,110,000	100.00	1,110,000
Town of Kernersville	12,228,744	2.79	341,182
Town of Gibsonville	506,576	48.52	245,791
City of Burlington	11,318,300	1.66	187,884
City of Archdale	2,406,420	2.67	64,251
Town of Sedalia	9,731	100.00	9,731
Total overlapping debt			<u>294,387,724</u>
Total direct and overlapping debt			<u>\$ 1,147,434,246</u>

Notes:

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

Table 9

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 3,218,928	3,259,465	3,382,094	3,471,810	3,567,046	3,591,341	3,589,320	3,628,621	3,643,633	3,703,834
Total net debt applicable to limit	<u>629,005</u>	<u>610,091</u>	<u>603,424</u>	<u>1,232,525</u>	<u>1,204,916</u>	<u>1,158,903</u>	<u>1,185,811</u>	<u>1,167,675</u>	<u>1,118,988</u>	<u>1,068,470</u>
Legal debt margin	\$ <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>	<u>2,432,438</u>	<u>2,403,509</u>	<u>2,460,946</u>	<u>2,524,645</u>	<u>2,635,364</u>
Total net debt applicable to limit as a percentage of debt limit	19.54%	18.72%	17.84%	35.50%	33.78%	32.27%	33.04%	32.18%	30.71%	28.85%

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value of taxable property	\$ 46,297,928,507
Debt limit (8% of total assessed value)	\$ 3,703,834,281
Debt applicable to limit:	
Bonded debt	778,425,000
Bonds authorized, unissued	270,890,000
Limited obligation bonds and obligations under purchase money installment contracts	21,947,338
Gross debt	<u>1,071,262,338</u>
Less statutory deductions:	
Bonds issued and outstanding for water purposes	<u>2,792,580</u>
Net amount of debt applicable to debt limit	<u>1,068,469,758</u>
Legal debt margin	\$ <u>2,635,364,523</u>

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

Fiscal Year	Population (1)	Personal Income (2) (in thousands)	Per Capita Income (3)	Median Age (4)	Public School Enrollment (5)	Unemployment Rate (6)
2005	440,597	\$ 15,171,958	\$ 34,435	36.06	66,367	5.1 %
2006	448,192	15,989,250	35,675	36.17	68,118	4.6
2007	458,792	17,187,266	37,462	36.25	69,677	4.8
2008	468,466	17,840,122	38,082	36.29	70,707	6.2
2009	477,809	17,887,736	37,437	36.33	70,968	10.5
2010	484,180	17,700,168	36,557	36.38	70,710	11.1
2011	489,676	18,021,056	36,802	36.53	71,227	10.5
2012	495,335	18,723,168	37,799	36.51	71,587	9.5
2013	500,879	19,552,814	39,037	36.58	71,885	8.3
2014	506,610	20,091,139	39,658	36.69	71,774	6.9

Sources:

(1) Calendar years 2004 through 2012
Calendar year 2013
Bureau of Economic Analysis, U.S. Department of Commerce.
United States Census Bureau estimates.

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

(3) Calendar years 2004 through 2012
Calendar year 2013
Bureau of Economic Analysis, U.S. Department of Commerce.
Piedmont Triad Council of Governments estimate.

(4) Fiscal years 2005 through 2014
North Carolina Office of State Planning estimates.

(5) Average daily membership of Guilford County Schools as compiled by North Carolina Department of Public Instruction.
Fiscal year 2014 is average daily membership for last completed month (December).

(6) North Carolina Employment Security Commission - Calendar year annual average except for 2014 which is the average adjusted monthly rate for January through June.

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

Employer	2014		2005	
	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
Guilford County School System	10,408	4.45	7,900	3.50
Cone Health	8,281	3.54	7,000	3.10
City of Greensboro	2,982	1.27	2,919	1.29
United States Postal Service	2,868	1.23	2,592	1.15
University of North Carolina at Greensboro	2,473	1.06	2,000	0.89
Guilford County Government	2,418	1.03	2,833	1.26
Ralph Lauren Corporation	2,369	1.01	920	0.41
Bank of America	2,300	0.98	1,900	0.84
High Point Regional Health System	2,200	0.94	1,735	0.77
The Volvo Group	2,100	0.90	503	0.22
North Carolina A & T State University	1,910	0.82	1,500	0.67
United Parcel Service (UPS)	1,803	0.77	1,838	0.81
Total County Employment	233,995		225,571	

Sources:

Principal employer data is from the Greensboro Economic Development Alliance, the High Point Economic Development Corporation and the individual employers. Total County employment is for calendar years 2004 and 2013 from the North Carolina Department of Commerce.

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

Function/Program	Total Number of Employees Paid as of June 30										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government (1)	401	394	462	380	419	338	464	323	320	315	312
Human services	1,451	1,462	1,460	1,376	1,369	1,366	1,264	1,176	1,051	987	973
Public safety	830	855	891	897	892	953	913	932	1,021	1,034	1,031
Environmental protection	1	3	6	6	5	5	5	4	7	7	7
Culture-recreation (2)	-	-	-	-	2	2	2	2	2	101	95
Total	<u>2,683</u>	<u>2,714</u>	<u>2,819</u>	<u>2,659</u>	<u>2,687</u>	<u>2,664</u>	<u>2,648</u>	<u>2,437</u>	<u>2,401</u>	<u>2,444</u>	<u>2,418</u>

Note:

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

Table 13

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

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government:										
Real estate documents processed (8)	691,835	541,936	598,176	590,300	510,744	329,094	357,284	351,377	423,053	337,840
Vital records recorded and issued (8)	61,126	63,240	64,870	73,560	79,814	68,196	69,484	72,477	70,806	73,434
Building permits issued (2)	2,765	2,659	2,660	2,800	2,800	2,200	2,200	2,870	2,870	3,804
Bldg.plumb.mech & elec insp completed (2)	51,500	56,881	51,152	45,700	45,700	29,200	29,700	22,014	22,014	27,000
Human Services:										
Laboratory tests performed (2),(10)	142,046	165,916	180,160	194,148	187,314	203,250	209,096	200,364	194,378	187,677
Number of prescriptions filled (2),(10)	66,413	89,393	80,791	82,825	82,000	77,906	98,741	59,703	42,284	44,346
Adoption assistance cases (2),(4)	875	1,100	1,117	1,118	1,090	1,059	1,027	1,011	993	950
Children in Social Services custody (2),(4)	500	559	496	475	475	386	374	341	345	386
Public Safety:										
911 calls received (1),(3)	118,000	121,709	117,180	125,201	123,504	128,892	130,947	131,072	143,930	150,968
Emergency HazMat responses (2),(11)	100	95	90	90	70	70	42	22	111	105
Average daily population juvenile detention (2)	48	48	48	48	48	48	35	30	18	24
Average daily population adult jail (6)	855	875	885	914	907	955	920	875	883	932
Number of animals received (2),(12)	15,325	14,935	15,100	15,827	15,993	16,890	17,000	16,000	16,000	13,933
Number of spay/neuter surgeries performed (2),(12)	5,000	6,149	4,500	6,500	5,495	5,098	7,200	4,000	4,000	5,525
Environmental protection: (9)										
Number of scrap tires processed	650,000	590,000	620,000	555,000	490,000	565,000	610,000	550,000	520,000	540,000
Number of white goods disposed of (tons)	1,440	1,732	1,387	468	332	236	169	97	85	85
Culture - recreation: (2)										
Number of park and rec participants	1,590,600	1,815,100	1,825,100	1,925,100	2,385,100	2,770,350	2,788,440	2,788,440	3,025,000	3,136,000
Education:										
Average daily membership (5)	66,367	68,118	69,677	70,707	70,968	70,710	71,227	71,587	71,885	71,774
County appropriation per pupil (7)	\$ 1,968.83	\$ 2,079.71	\$ 2,248.45	\$ 2,335.91	\$ 2,468.23	\$ 2,471.24	\$ 2,459.26	\$ 2,446.89	\$ 2,443.21	\$ 2,467.89

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 - 2014
- (5) North Carolina Department of Public Instruction except for 2014 which is the last completed month (December)
- (6) Guilford County Annual Budget except for 2008, 2011-2014 per Law Enforcement Department
- (7) Guilford County Current Appropriations per average daily membership
- (8) Guilford County Register of Deeds
- (9) Guilford County Planning and Development
- (10) Guilford County Public Health 2011-2013
- (11) Guilford County Emergency Services 2011-2013
- (12) Guilford County Animal Shelter 2014
- (13) Guilford County Juvenile Detention

Table 14

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

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Human Services: (2),(5)										
Public health occupied square footage	95,806	95,806	101,098	101,098	101,098	101,098	101,098	101,098	101,098	101,098
Mental health occupied square footage (10)	203,515	203,515	176,673	208,742	208,742	208,742	119,750	119,750	-	-
Social services occupied square footage	148,262	148,262	148,262	148,262	148,262	148,262	155,738	155,860	155,860	155,860
Cooperative extension occupied square footage	47,022	47,022	47,022	47,022	47,022	47,022	47,022	47,022	47,022	47,022
Child support occupied square footage	-	9,040	9,040	9,040	9,040	9,040	15,101	15,101	15,101	15,101
Public Safety:										
Number of law enforcement vehicles (4),(5)	304	319	344	363	376	426	419	406	425	438
Number of law enforcement centers (5)	2	2	2	2	2	2	2	2	2	2
Number of emergency medical vehicles (4),(6)	73	73	75	77	84	92	83	84	82	82
Number of emergency medical stations (6)	11	11	12	14	14	14	15	15	15	15
Number of fire marshall vehicles (4),(6)	15	16	23	19	19	15	21	24	25	24
Number of volunteer fire stations (3),(6)	38	37	37	37	37	37	36	36	38	38
Number of volunteer firefighters (6)	800	800	691	629	629	629	682	682	620	621
Number of animal control vehicles (4),(5)	14	13	13	16	17	14	14	13	16	19
Culture-recreation:										
Parks (9)	257	257	266	268	275	275	275	275	275	275
Libraries (7)	10	10	10	10	10	10	10	10	10	11
Education: (1)										
Number of schools (8)	108	108	116	120	120	121	122	124	129	130

Notes:

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

Sources:

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

