

County of Guilford, North Carolina
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2020



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, 2020



**Derrick Bennett, CPA, CPFO, CGMA
Finance Director**

**Marty Lawing
County Manager**

**Prepared by
Guilford County Finance Department**

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	i
Principal Officials	xii
Organizational Chart	xiii

FINANCIAL SECTION

Report of Independent Auditor	1a
Management's Discussion and Analysis	2a

Basic Financial Statements

Exhibit

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

Required Supplementary Information

Local Government Employees' Retirement System and Register of Deeds' Supplemental Pension Fund:	66
Schedule of Proportionate Share of Net Pension Liability (Asset)	67
Schedule of County Contributions	
Law Enforcement Officers' Special Separation Allowance and The Health Care Plan of Guilford County:	68
Schedule of Changes in Net Pension Liability, Related Ratios, and Investment Returns	70
Schedule of Funding Progress	
Schedule of County Contributions	
Notes to the Required Schedules	

TABLE OF CONTENTS

Combining and Individual Fund Financial Statements and Schedules

Major Governmental Funds

Statement/ Schedule		
	General Fund	
A-1	Schedule of Expenditures - Budget and Actual	74
	Capital Projects Funds	
	<i>County Building Construction Fund:</i>	
A-2	Combining Schedule of Revenues and Expenditures	75
A-2a	Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis - Annually Budgeted Projects)	76
A-2b	Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis - Project-Length Budgets)	77
	<i>School Capital Outlay Fund:</i>	
A-3	Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis - Project-Length Budgets)	78
A-3a	Schedule of Expenditures - Guilford Technical Community College - Budget and Actual (Budgetary Basis - Project-Length Budgets)	79
A-3b	Schedule of Expenditures - Guilford County Board of Education - Budget and Actual (Budgetary Basis - Project-Length Budgets)	80
A-4	<i>Community Development Fund</i> - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis - Project-Length Budgets)	81
	Nonmajor Governmental Funds	
	Special Revenue Funds	
B-1	Combining Balance Sheet	84
B-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	85
B-3	<i>Rural Fire Districts Fund</i> - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	86
B-4	<i>Room Occupancy/Tourism Development Tax Fund</i> - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	87
	Proprietary Funds	
	Internal Service Fund	
C-1	Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP)	90
	Fiduciary Funds	
	Pension / OPEB Trust Funds	
D-1	Combining Statement of Net Position	92
D-2	Combining Statement of Changes in Plan Net Position	93
	Agency Funds	
D-3	Combining Statement of Assets and Liabilities	94
D-4	Combining Statement of Changes in Assets and Liabilities	95

TABLE OF CONTENTS

Additional Financial Data

E-1	Analysis of Current Tax Levy	98
E-2	Schedule of Property Taxes Receivable	99
E-3	Analysis of Current Tax Levy - County-Wide Levy	100
E-4	Analysis of Current Tax Levy - County-Wide Levy - General Information	101
E-5	Bonded Debt Service Requirements and Maturity Schedule	102

STATISTICAL SECTION

Table

Financial Trends

1	Schedule of Changes in Net Position / Net Position by Component - Last Ten Fiscal Years	104
2	Schedule of Changes in Fund Balances / Fund Balances - Governmental Funds - Last Ten Fiscal Years	106

Revenue Capacity

3	Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	108
4	Property Tax Rates - Direct and Overlapping Governments (Per \$100 of Assessed Value) - Last Ten Fiscal Years	109
5	Principal Taxpayers - Current Year and Nine Years Ago	110
6	Property Tax Levies and Collections - Last Ten Fiscal Years	111

Debt Capacity

7	Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	112
8	Direct and Overlapping Governmental Activities Debt - June 30, 2019	113
9	Legal Debt Margin Information - Last Ten Fiscal Years	114

Demographic and Economic Information

10	Demographic and Economic Statistics - Last Ten Fiscal Years	115
11	Principal Employers - Current Year and Nine Years Ago	116

Operating Information

12	Total County Government Employees by Function - Last Ten Fiscal Years	117
13	Operating Indicators by Function - Last Ten Fiscal Years	118
14	Capital Asset Statistics by Function - Last Ten Fiscal Years	119

Introductory Section

LETTER OF TRANSMITTAL



Guilford County

January 28, 2021

The Board of County Commissioners
and Mr. Michael Halford, County Manager
Guilford County, North Carolina

The Comprehensive Annual Financial Report (CAFR) of Guilford County, North Carolina, for the fiscal year ended June 30, 2020, 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 generally accepted accounting principles 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, a list of the County's principal officials, and an organizational chart of Guilford County government.

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

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

North Carolina General Statutes Chapter 159, the Local Government Budget and Fiscal Control Act, requires that units of local governments have an audit of their accounts including a complete set of financial statements presented in conformity with GAAP as soon as possible after the close of each fiscal year by a certified public accountant. The audited financial report is submitted to the Local Government Commission (LGC), which is established by statute to oversee local government financial affairs. The Commission is authorized to issue rules and regulations regarding such audits. The LGC approves all audit contracts for audits of units of local government. LGC policy requires audited financial reports to be submitted within four months of the end of the fiscal year. This year, however, the County was granted a three-month extension due to the COVID-19 pandemic. If the audited financial report is submitted later than four months after the end of the fiscal year the audit contract must be amended, and that amendment approved by the LGC before final payment is made to the auditor.

LETTER OF TRANSMITTAL

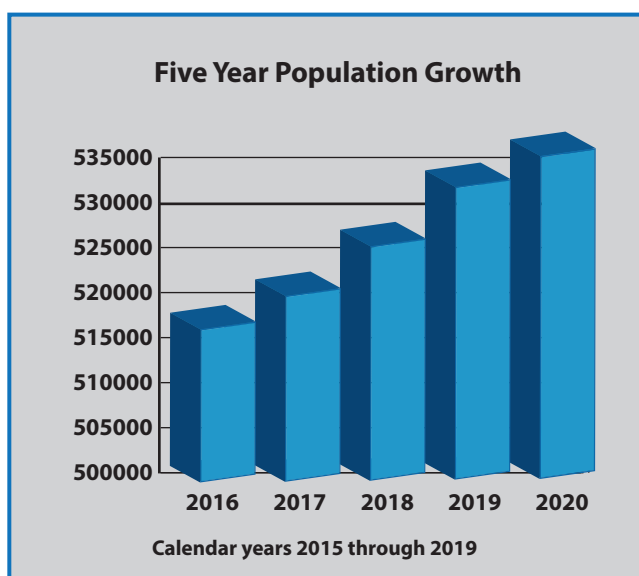
Cherry Bekaert LLP, a firm of licensed certified public accountants, has audited Guilford County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of Guilford County for the fiscal year ended June 30, 2020, are free of material 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, 2020, 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 537,174, is the most populous county of the Piedmont Triad region. The Piedmont Triad is a twelve-county area with a population 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.



LETTER OF TRANSMITTAL

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.

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, 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.

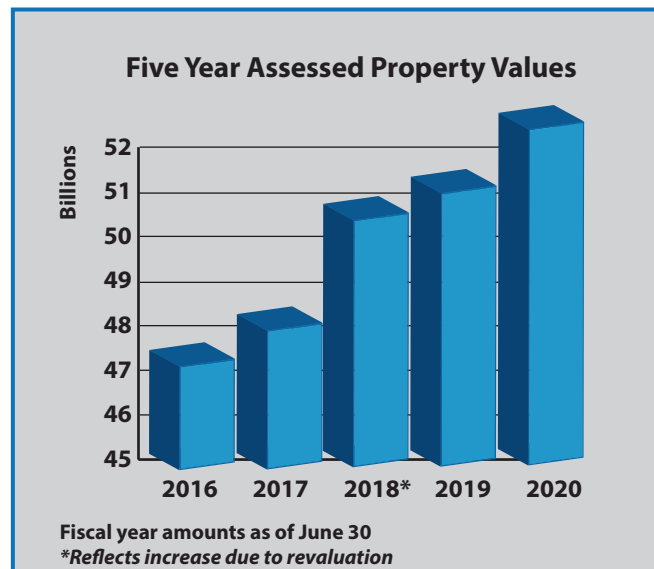
The Board of County Commissioners does not have complete authority over all the services provided within the County. Many County activities are administered by boards with varying degrees of autonomy and by elected officials who receive their instructions from laws passed by the General Assembly. Some examples are the boards of education, 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 health and human services, emergency services, juvenile detention, planning and zoning, building inspections, animal services, 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 Poor's, 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 Budget, Management, and Evaluation Department. The offices of Budget, Management, and Evaluation



LETTER OF TRANSMITTAL

Department and County Manager use these requests as the starting point for developing a proposed budget. The County Manager presents the proposed budget to the Board of County Commissioners by June 1. The Board of County Commissioners is required to hold a public hearing on the proposed budget and to adopt the budget ordinance making appropriations and setting the tax rate no later than July 1, the first day of Guilford County's fiscal year.

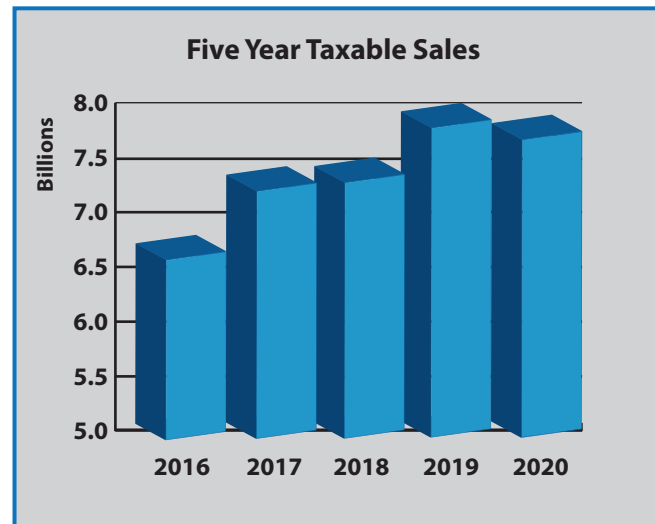
Appropriations in the various funds are formally budgeted on a departmental basis except for the Rural Fire District Fund appropriations, which are by rural fire tax or protection service district; and the Room Occupancy/Tourism Tax Fund, which is on a fund basis. The County Manager is authorized by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

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 10 as part of the basic financial statements for the governmental funds. For other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 75. 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 90 presents budget-to-actual comparisons of the approved financial plan for the Internal Service Fund.

Factors Affecting Financial Condition

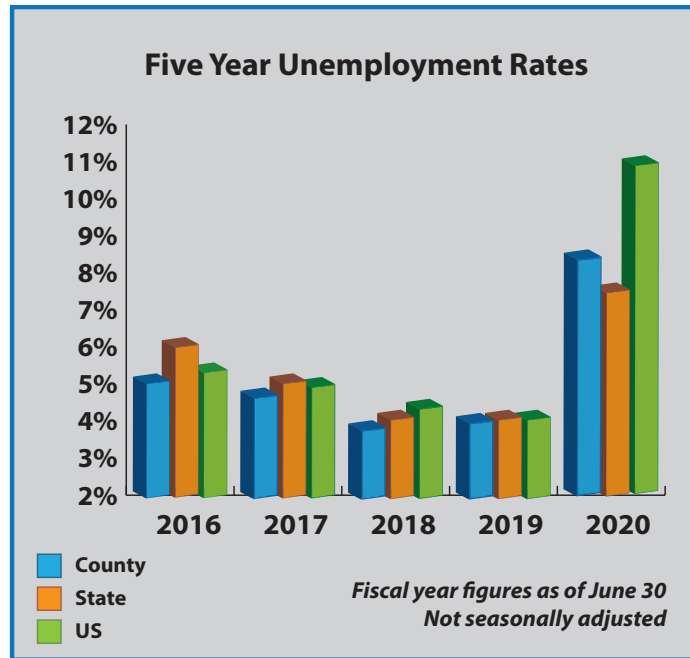
The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Guilford County operates.

Local economy. Guilford County generally enjoys a favorable economic environment. 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



LETTER OF TRANSMITTAL

decreased 1.4% in fiscal year 2020 after increases of 6.8% 1.1%, and 9.64% in fiscal years 2019, 2018, and 2017, respectively. Taxable sales are \$7.83 billion for fiscal year 2020 as compared to \$7.94 billion for fiscal year 2019. Guilford County has a labor force of approximately 260,000. Since 2009, the County's unemployment rate has exceeded both state and national averages. The accompanying graph shows that while Guilford County's year-over-year unemployment rate has trended downward since 2016, the County, State, and U.S. unemployment rates as of June 30, 2020 are 8.6%, 7.7%, and 11.2%, respectively. During the second half of fiscal year 2020, the County experienced a significant increase in unemployment. This increase is due to the COVID-19 pandemic which caused businesses to temporarily, and in some cases, permanently close; thereby, increasing the unemployment rate. Guilford County's economy has continued to change and diversify. In March 2019, manufacturing accounted for 11.78% 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, insurance, aircraft manufacturing, and maintenance, healthcare, real estate development, and distribution services. The County is home to two state universities, four private colleges, a private school of law, and a community college with a cumulative enrollment approaching 57,000 students.



Situated in the Piedmont Triad region of North Carolina, Guilford County is centrally located in the Carolina Core, a corridor stretching across four mega sites, including two in the County, with 7,500+/- acres of certified land for advanced manufacturing, industrial sites, urban research parks, and mixed-use developments. The Carolina Core project is part of an effort to meet the Piedmont Triad Partnership's goal of attracting more than 50,000 jobs to the included area over the next 20 years.

Guilford County houses a robust transportation and logistics structure benefiting from a network of major interstates, airports, and railroads, with access to seaports. This has attracted a continuing inflow of additional capital and job creation in a wide array of existing and new industry, which positions the region to become a global logistics hub of the East Coast. The city of Greensboro, the County Seat, is nearing completion of a \$1 billion Urban Loop, funded by the N.C. Legislature. The southern, eastern, and western sections of the loop have been completed and are open, with the northern section slated for completion by 2021.

The Greensboro/High Point/Guilford County Workforce Development Board reported a workforce totaling approximately 229,000 in Guilford County as of June 2020, with 21,000 less people working compared to the same period a year earlier, with the decline attributed to the COVID-19 pandemic.

LETTER OF TRANSMITTAL

In July 2020, it was reported that 6,910 jobs were retained as a result of 15 companies in the Piedmont Triad receiving between \$5 million and \$10 million in federal Paycheck Protection Program (PPP) funds. A large portion of the retained jobs were at companies located in Guilford County. During the spring of 2020, Guilford County began extending grants to local small businesses as part of the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.

State taxable sales for Guilford County decreased an estimated 1.4% in fiscal year 2020 after an increase of 6.8%, 1.1%, and 9.64% in fiscal years 2019, 2018, and 2017, respectively. The 1.4% decline, attributed to the COVID-19 pandemic, was comprised of a 5.08% rise in taxable sales from July 2019 through February 2020 compared to the same period one year earlier, offset by a 13.87% year over year decline from March 2020 through June 2020. Estimated taxable sales were \$7.83 billion for fiscal year 2020 compared to \$7.94 billion for fiscal year 2019. The County, State, and U.S. unemployment rates as of June 30, 2020 are 9.5%, 7.9%, and 11.2%, respectively. Despite adverse effects of the pandemic, Guilford County's unemployment rate improved to 6.8% as of August 31, 2020, and its economy has continued to grow.

From June 2019 to June 2020, Guilford County saw a 4.7% rise in the unemployment rate, from 4.8% to 9.5%, compared to a 3.5% rise for North Carolina as a whole during the same period. The June 2020 rate nationwide was 11.2%.

North Carolina and Guilford County Yearly Unemployment Rate Changes

	June 2020	June 2019	Change
Statewide	7.9	4.4	3.5
Guilford County	9.5	4.8	4.7

Source: NC Dept. of Commerce Labor & Statistics Division

First quarter 2020, manufacturing accounted for 11.32% 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 aviation, computer and electronic products, and electrical equipment. Major employers with headquarters or divisions within Guilford County include semiconductor, communications, chemical, bus, truck, insurance, aircraft manufacturing and maintenance, healthcare, real estate development, and distribution services. The County is home to two state universities, four private colleges, a private school of law, and a community college with a cumulative enrollment of approximately 68,000 students, down from a pre-pandemic level of 75,000.

In March 2020, the Greensboro-High Point metropolitan statistical area (MSA) attained two top 10 rankings in Site Selection Magazine's "Governor's Cup awards for achievements in economic development, placing 6th in the nation for corporate facility investments in areas with a population ranging from 200,000 to 1 million, and 6th in the South Atlantic among metros of all sizes, tying with the Richmond and Miami-Fort Lauderdale-West Palm beach areas. The MSA has ranked in the top 10 for 12 of the last 15 years, and No. 1 for markets its size three times during that period.

The Piedmont Triad International Airport (PTIA), with direct access to an interstate network, rail, and air, plays a vital role in the region's aerospace, manufacturing, and logistics industry. A recently constructed taxiway bridge connects to 1,000 acres of developable land as part of a broader \$176 million I-73 project from the airport to a new interstate system that will span North Carolina.

PTIA houses the Mid-Atlantic FedEx air hub, which accounts for roughly 80% of cargo volume in the area. The FedEx hub has led to a larger aerospace presence in general, with non-airport employment totaling around 6,000, including aviation entities Honda Aircraft Co. and HAECO America. Other major air cargo companies using PTIA include United Parcel Service (UPS), DHS (Kalitta Air), Airborne Express, and Atlas.

LETTER OF TRANSMITTAL

The FedEx Express mid-Atlantic air hub at PTIA expanded its operations in September 2018 with approximately 400 new employees and eight new daily cargo flights. Current plans are to open a new 260,000 square-foot center along I-40/I-85 in Rock Creek Industrial Center, the Piedmont Triad's largest corporate park, located in Whitsett.

A study released every two years by the North Carolina Department of Transportation's Division of Aerospace reported that PTIA contributes \$8.6 billion to the local economy and supports more than 30,000 local jobs. The study was based on pre-pandemic 2019 data, the most recent data available. The report indicates PTIA leads the state in cargo service, and that PTIA headquartered HAECO Americas employs nearly 3,000 of the state's 4,583 maintenance and repair workers in the state, which itself ranks 6th in the nation in aerospace maintenance and repair employment. According to the study, the Piedmont Triad also leads the state in the number of students enrolled in local community college aviation programs, with more than 500 students enrolled in Guilford Technical Community College programs alone.

Greensboro-based HAECO Americas with 2,200 employees at its PTIA campus provides aircraft maintenance, repair, and overhaul services from its five hangars. In April 2019, HAECO expanded its composite services business from China to North America with an expansion of its PTIA facilities to include the 5th hangar, which could create up to 500 additional jobs when fully staffed. This latest expansion enables HAECO to restore and maintain aircraft built from composite materials, such as HondaJet. In response to the developing COVID-19 environment, HAECO launched three devices in June 2020 to upgrade aircraft lavatories to hands-free operation, and in April 2020 it launched a new solution to allow airlines to carry cargo and passengers at the same time.

As of February 2020, Honda Aircraft Co. announced that its HondaJet was the most delivered aircraft in its class, and was in the process of constructing a \$15.5 million 83,000 square foot wing production facility at its PTIA HondaJet campus. Completion of the new production facility will house a new wing assembly process for the HondaJet Elite, designated as the fastest, farthest, and highest-flying aircraft in its class.

Since 2007, Honda Aircraft Co. has grown its workforce to more than 1,800 and invested approximately \$160 million into its world headquarters campus near PTIA. Greensboro-based Honda Aircraft Co. led in 2019 deliveries in the very light jet category for the third consecutive year and has received type certification in Japan, Argentina, India, and Panama. It occupies more than 680,000 square feet at its headquarters and manufacturing campus on a 130-acre site, which includes a customer service center, a research and development center, and a productions facility.

In July 2020, Amazon opened and began hiring at its newly built 1 million-square-foot, \$150 million fulfillment center in Kernersville, providing a prospective 1,000 full-time equivalent jobs when fully staffed. The site is located in the Triad Business Park, which adjoins the western border of Guilford County. In 2019, it opened a last-mile delivery center in High Point, employing about 200. Currently proposed is an Amazon delivery center at Rock Creek Center in Whitsett, which will be larger than the two existing delivery centers in High Point and Kernersville. Year-over-year Amazon sales grew substantially, driven by shoppers limited by COVID-19.

Also planning to lease at Rock Creek is Prepac, a Canadian furniture maker. Pending approval of local incentives, Prepac plans to invest in a new 260,000 factory, creating 200 jobs over a five-year period.

In August 2018, it was announced that Publix Super Markets would build a \$400 million distribution center in eastern Greensboro and employ 1,000 people with an average salary of \$44,000 by 2025. Construction of the 1.8 million square-foot center, one of the largest distribution centers in the Piedmont Triad region, is taking place on 350 acres in eastern Greensboro and will be completed in two phases. In early 2020 Publix broke ground on the \$300 million Phase One 940,000 refrigerated warehouse and will next add a dry grocery warehouse to the new distribution center.

LETTER OF TRANSMITTAL

In Greensboro, United Parcel Service (“UPS”) Ground, which employs over 2,000 between its Greensboro and High Point facilities, currently operates a small package operations hub and a freight facility moving approximately 1 million pounds of freight daily. Recent plans are to invest \$316 million in a significant expansion in Guilford and adjoining Alamance counties, providing 590 additional jobs. The Greensboro hub is to undergo a \$54 million expansion with the addition of 141 new jobs, further strengthening the County’s global logistics presence.

The International Home Furnishings Market, the world’s largest wholesale home-furnishings industry trade show, is located in the city of High Point. The market is held twice annually, with an average of 150,000 people attending each year from more than 100 countries, utilizing 12 million square feet of permanent exhibit space in 180 buildings, and displaying furnishings from more than 2,000 exhibitors. Its 2020 Spring event was canceled due to the COVID-19 pandemic, with plans to continue the 2020 Fall event in October.

A 2019 report from UNC-Chapel Hill and Duke University’s Global Value Chains Center indicates the High Point Market remains the State’s largest economic event, bringing in an annual \$6.73 billion, and concludes that the market supports 42,427 jobs and generates \$616 million in tax revenue

May 2019 marked the inaugural season of High Point’s new \$36 million baseball stadium, BB&T Point (newly renamed Truist Point), with plans for a park, 120-room hotel, a mixed-use structure with condos, offices, and retail, an apartment facility with underground parking, a children’s museum, and the \$20 million Congdon Events Center, all within the vicinity of the baseball stadium. Year-round usage of the Congdon Yards campus is planned, with a goal to encourage community gathering at the new development in coordination with the High Point Market Authority, which hosts the semi-annual furniture market. Congdon Yards will house private office space, the Material ConneXion library, and a TEDx Event Space to host speakers in conjunction with High Point University.

In downtown Greensboro, a mixed-use development overlooking the First National Bank Baseball Field recently opened a 108-room Hyatt Place Hotel and 289 upscale apartments. Plans are for an office tower, apartments, conference center, and retail shops to follow. An adjacent development includes an office tower, which will house First National Bank’s new market headquarters. Located within walking distance is the newly constructed Steven Tanger Center for the Performing Arts. The March 2020 planned-for opening date of the \$90 million, 3,000 seat Tanger Center has been delayed due to pandemic restrictions imposed by the State. Construction of a new Hampton Inn and Suites close to the city’s governmental plaza is ongoing. Greensboro’s “Downtown Streetscape Master Plan”, designed to create safe and well-connected streetscape improvements to the downtown area, is slated for construction to begin by spring 2021.

Long-term financial planning. On May 4, 2017, the Guilford County Board of Commissioners approved guidelines to form a Joint Capital/Facilities Planning Committee with the Guilford County Schools Board of Education for planning and contracting for the construction of school facilities. At a meeting of the Committee on January 31, 2019, the MGT Consulting Group presented their finding that included a comprehensive plan to address school capital and facilities needs totaling \$1.5 billion. A joint meeting of the Guilford County Board of Commissioners and the Guilford County Board of Education was held on March 14, 2019, where the plan was reviewed in-depth and the joint committee provided direction as to how to proceed. A \$300 million school bond referendum is on the ballot for the November 3 election. School capital and debt service for schools is a significant portion of the County budget; therefore, it is important that the Board of Education understands the County’s fiscal position and capacity to fund future capital. It is also important that the Board of Commissioners understand the school facility needs and priorities.

LETTER OF TRANSMITTAL

The Guilford County Board of Commissioners continued implementation of the County's FY2019-2028 Capital Investment Plan (CIP). The County's work continued on a number of projects for Emergency Services, Guilford Technical Community College, and the Guilford County Schools. Significant steps were taken to move forward with the Law Enforcement Administration and the Animal Shelter Replacement Projects.

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. The County funded the annual required contribution (ARC) for the healthcare plan beyond the historical pay-as-you-go amounts by establishing and contributing \$2 million to an irrevocable trust during each of the fiscal years 2010 through 2013. The positive financial impact of these changes was apparent in the actuarial valuation report dated December 31, 2009. 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 and lower ARC and unfunded actuarial accrued liability amounts as reported in the December 31, 2013 actuarial valuation.

The unassigned fund balance of the General Fund at fiscal year end stood at 13.6% of the subsequent year's budget which exceeds the minimum of 8% recommended by the Local Government Commission and 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, 2020 were \$6 million on an average invested balance of \$282 million.

Risk management

The County protects itself from the potential financial losses from the various risks it is exposed to using a combination of risk financing methods, which are accounted for in an Internal Service Fund. The County's insurance program consists of liability, property, workers' compensation, and employee healthcare coverage. The program consists of a combination of County funding, employee/retiree premiums, and insurance. Effective July 1, 2017, the County no longer participates in the Local Government Excess Liability, Inc. and the Local Government Property Insurance Deductible Fund, Inc., but collects the deposits in the Funds as investments of these Funds become liquid. Additional information on Guilford County's risk management activity can be found in Note IV. E. of the notes to the financial statements.

Pension and other post-employment benefits

Guilford County provides pension and death benefits for its employees through the statewide North Carolina Local Governmental Employees' Retirement System (LGERS). LGERS is a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. Guilford County has no obligation in connection with employee benefits offered through this plan beyond making the required contributions as set by the North Carolina General Assembly. The July 1, 2018 contribution rate

LETTER OF TRANSMITTAL

of 7.75% of salary for general employees and 8.36% for Law Enforcement employees was increased to 9.0% and 9.7%, respectively beginning July 1, 2019. 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). These benefits are financed with actuarially determined annual required contributions to the Guilford County Local Government Law Enforcement Officers' Special Separation Allowance (LEOSSA) Trust, an irrevocable trust, established by the County to meet the requirements of the governmental accounting standards and IRS regulations. As of June 30, 2020, the balance of the trust was \$3.08 million.

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. The County has elected to match the employee contribution up to 5% for all other eligible employees. 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, cost-sharing multiple-employer defined contribution benefit 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 two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans permit employees to defer a portion of their salary until future years. All assets and income of the plan are in a trust for the exclusive benefit of the participants and their beneficiaries.

Guilford County also provides post-retirement healthcare benefits through its healthcare plan to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System and their dependents. (The Board of County Commissioners has voted to discontinue all retiree health insurance eligibility for employees hired on or after July 1, 2009.) In September 2013, the Board voted to provide Medicare-eligible retirees a fully insured Medicare advantage plan effective with the 2014 calendar year. For non-Medicare-eligible retirees, the benefit premium charged is the same as for current employees. The County's contribution toward the employer's portion of the premium is determined by the number of years of creditable service. Retirees with less than 20 years creditable service must pay the entire employer's share of the premium in addition to the employee's share. The County pays 50% of the employer's premium for retirees with 20 to 25 years of service, 75% for retirees with 25 to 30 years, and 100% of the employer's premium for retirees with 30 or more years of service and former Commissioners. All but five years of creditable service must be with Guilford County. As of the end of the current fiscal year, these benefits were financed on a pay-as-you-go basis. In prior years, \$8.1 million has been contributed to the Guilford County Local Government Other-Post Employment Benefit (OPEB) Trust, an irrevocable trust, established by the County to meet the requirements of the governmental accounting standards and IRS regulations. As of June 30, 2020, the balance of the trust was \$15.6 million including investment earnings on the excess contributions.

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

LETTER OF TRANSMITTAL

Acknowledgments

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,

Derrick Bennett

Derrick Bennett, CPA, CPFO, CGMA
Finance Director

PRINCIPAL OFFICIALS

Board of County Commissioners

Jeff Phillips
Chairman

Alan Perdue
Vice Chairman

Melvin “Skip” Alston

Alan Branson

Kay S. Cashion

Carolyn Q. Coleman

Justin Conrad

J. Carlvena Foster

Hank Henning

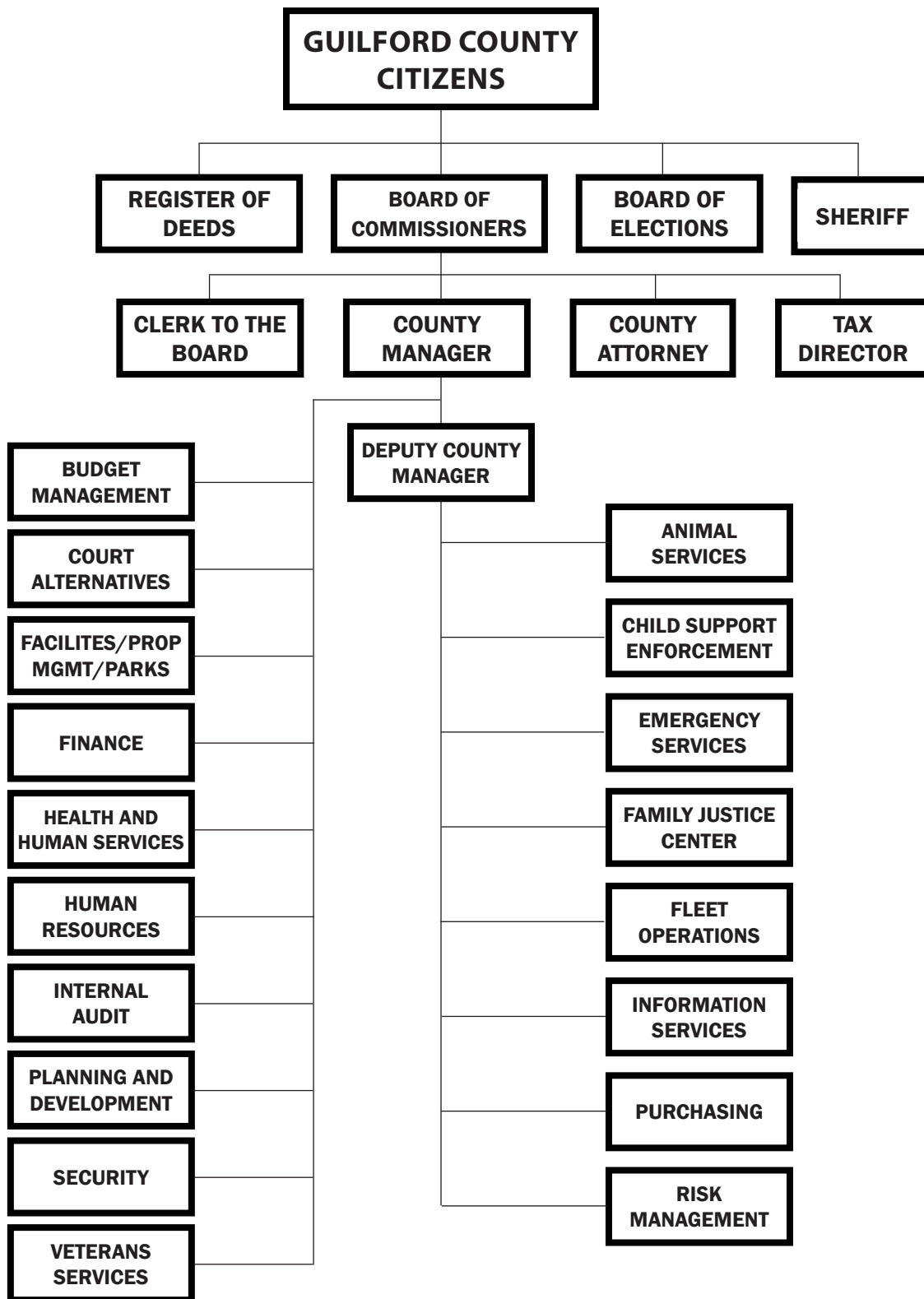
County Manager

Marty K. Lawing

Finance Director

Derrick Bennett, CPA, CPFO, CGMA

2019-20 ORGANIZATIONAL CHART GUILFORD COUNTY, NORTH CAROLINA





Financial Section

Report of Independent Auditor

To 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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2020, 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 January 28, 2021 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.

Chemy Bekaert LLP

Raleigh, North Carolina
January 28, 2021

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, 2020. 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 - ix.

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 \$488.5 million (net position).
- The County's total net position increased by \$33.3 million compared to the prior year. This increase is dampened by spending on education capital projects. The County issues general obligation debt to fund school and community college construction and for which it remains responsible until the bonds are paid. The County School system and community college (separate entities) are the owners of the facilities (assets) that are renovated or constructed from the proceeds. Because the County has no corresponding asset to offset the liability it has incurred, the County's net position is reduced.
- The County's increase in net position was reduced by the \$11.5 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 \$44.8 million.
- The County's outstanding debt decreased by \$71.2 million to \$710.6 million during the fiscal year, while its investment in capital assets decreased \$14.5 million to \$254.3 million.

The County's Funds

- At the fiscal year end, Guilford County's governmental funds reported a combined fund balance of \$269.5 million, a decrease of \$16.7 million from the previous fiscal year end. Approximately 53% of this combined fund balance, or \$142.8 million, is nonspendable or restricted. The fund balance decreases occurred in the County Building Construction Fund, School Capital Outlay Fund, and Rural Fire districts Special Revenue Fund, while increases in the General Fund and Community Development Funds were due mostly to increases in revenues in the General Fund.
- The fund balance of the County's General Fund increased \$3.6 million as expenditures exceeded revenues by \$12.7 million while net other financing sources and uses consumed another \$9.1 million.
- The unassigned fund balance for the General Fund (the County's major operating fund) increased by \$1.9 million to \$80.1 million at fiscal year end equaling 13.6% of the total General Fund expenditures for the year.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Report

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

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

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

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

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

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

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

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

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

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, two capital projects fund types—the County Building Construction Fund and School Capital Outlay Fund—both of which are considered to be major funds and the Community Development Fund. Data from the other two governmental funds are combined into a single, aggregated presentation under nonmajor governmental funds.

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

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

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

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16-64 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information regarding Guilford County's progress in funding its obligations to provide certain pension benefits to its qualified employees, Register of Deeds, and sworn law enforcement officers as well as other postemployment health care benefits to its retirees and their dependents. This supplementary information is required by generally accepted accounting principles and can be found on pages 66-71 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Guilford County, net position is negatively impacted by the fact that the County issues debt to fund the construction of capital assets that become the assets of other governmental entities upon completion. The County issues general obligation debt to fund the

MANAGEMENT'S DISCUSSION AND ANALYSIS

majority of the cost of constructing these assets. Liabilities and deferred inflows exceeded assets and deferred outflows by \$488 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	
	2020	2019
Current and other assets	\$ 400,603,789	347,753,899
Capital assets	254,300,704	239,782,094
Total assets	654,904,493	587,535,993
Deferred Outflows	90,918,974	53,454,372
Long-term liabilities outstanding	1,114,970,265	1,109,521,748
Other liabilities	107,168,872	34,989,826
Total liabilities	1,222,139,137	1,144,511,574
Deferred Inflows	12,166,169	18,263,138
Net position:		
Net investment in capital assets	170,516,251	163,905,230
Restricted	95,390,222	81,021,480
Unrestricted	(754,388,312)	(766,711,057)
Total net position	\$ (488,481,839)	(521,784,347)

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, 2020 include outstanding general obligation debt of \$513.7 million and limited obligation bonds of \$16.8 million related to funding these non-county assets. This represents 82.7% of the County's outstanding bonded debt. Because the County does not retain the related assets, this debt liability (less any unspent proceeds) reduces the County's total net position and presents a less favorable picture as compared to governments that do not extensively fund the capital assets of other governmental entities. Comparative information for changes in net position for the primary government is shown below (see Table A-2).

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	Governmental Activities	
	2020	2019
Revenues		
Program revenues		
Charges for services	\$ 47,968,969	44,223,413
Operating grants and contributions	88,160,673	62,211,790
Capital grants and contributions	547,307	677,276
General revenues		
Taxes:		
Property taxes for general purposes	386,271,999	378,527,860
Property taxes for fire districts	16,799,399	16,266,746
Sales taxes for general purpose	69,205,562	68,391,928
Sales taxes for fire districts	3,851,362	3,762,396
Sales taxes for school capital/debt	21,038,082	20,995,347
Occupancy taxes for tourism development	5,096,688	6,533,545
Other taxes	4,766,374	4,090,812
Grants and contributions not restricted	1,808,038	1,563,491
Unrestricted investment earnings	6,253,767	7,922,271
Other	290,217	2,706,594
Total revenues	652,058,437	617,873,469
Expenses		
General government	53,316,245	45,193,085
Human services	134,486,189	119,369,932
Public safety	152,797,248	139,126,261
Environmental protection	2,160,087	1,959,082
Culture and recreation	7,805,624	7,364,358
Economic development/urban redevelopment	10,995,715	7,491,888
Education	235,599,627	231,624,769
Interest on long-term debt	21,595,194	22,463,821
Total expenses	618,755,929	574,593,196
Changes in net position	33,302,508	43,280,273
Net position at beginning of year	(521,784,347)	(565,064,620)
Net position at end of year	\$ (488,481,839)	(521,784,347)

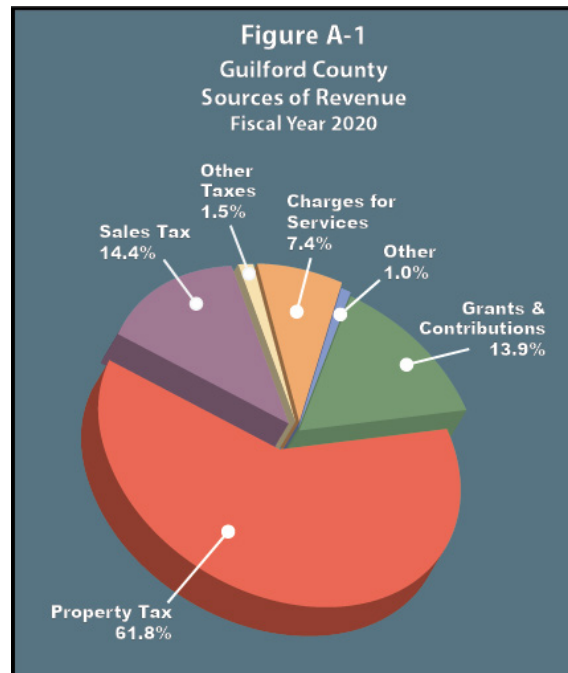
As noted in the highlights, Guilford County's net position increased \$33.3 million during the current fiscal year primarily as a result of an increase in operating grants of \$25.9 million. The increase in operating grants was largely the result of the CARES Act grant received from the Federal government to assist the County in dealing with the coronavirus pandemic.

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

- Guilford County's activities would increase net position even more if the expenses related to capital funding provided to outside entities and debt and restricted revenue supporting these expenses were eliminated.
- Program revenues covered 22.1% of program expenses, increasing 3.5% from last year, with program expenses increasing 7.7% and program revenues increasing 27.6%.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Program revenues totaled \$136.7 million increasing by \$29.6 million from the previous year. Charges for services increased relative to the prior year \$3.8 million to \$48 million, operating grants from the State and Federal government increased \$25.9 million to \$88.2 million while capital grants and contributions decreased \$0.1 million. Human Services reported the largest change in charges for services. Human Services was up \$3.2 million. The remaining 0.6 million can be spread evenly among the rest. 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 \$515.4 million increasing by \$4.6 million over the previous year. Property tax revenue increased \$8.3 million to \$403.1 million as the assessed value increased \$1.463 billion through general growth in property investment. Two of the Fire districts had minor tax rate increases while the County-wide tax rate remained steady at \$.7305 per hundred of assessed value. Sales tax revenue increased \$0.9 million to \$94.1 million. Investment earnings decreased \$1.7 million to \$6.3 million. The remaining general revenues decreased \$2.9 million primarily associated with the sale of real estate in the prior year.
- Expenses increased 7.7% or \$44.2 million to 618.8 million. General government expenses were up \$8.1 million. The increases were across the board with the largest increases in the Information services and Tax departments driven by increase software costs of \$1 million and a tax refund respectively. Human services expenses increased \$15.1 million. The increase was driven by increased costs in Public Health related to the ongoing Cononavirus pandemic of \$4.8 million and the construction for a new Mental health facility \$4.9 million. Public safety expenses were up \$13.7 million driven by the construction of a new EMS Maintenance/Logistics facility \$10.1 million and the ongoing construction of a new Animal Shelter of \$1.7 million. Economic development expenses increased \$3.5 million driven by CARES Act grants of \$4.5 million to local businesses and offset by a decrease in funds given to promote tourism of \$1.4 million. Education expenses were up \$4.0 million from an increase in operating costs expended by the schools and community college.
- Net position increased \$33.3 million versus a \$43.3 million increase in the previous year. Increased general revenues and increased program revenues and increased expenses other than capital funding provided to outside entities continue to generate increases in net position.



MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Government's Funds

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

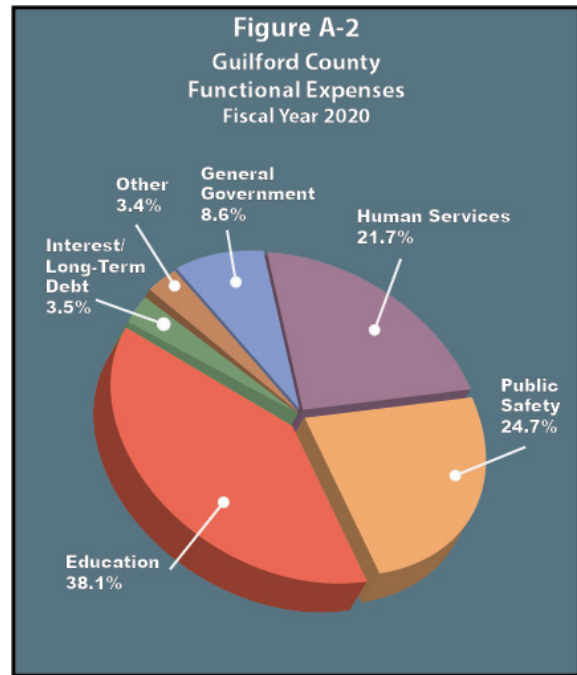
Governmental funds. The focus of Guilford County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Guilford County's financing requirements. In particular, fund balance available for appropriation 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 \$269.5 million, a decrease of \$16.7 million in comparison with the prior year. Most of the decrease is attributable to activity in the County Building Construction fund on the construction of a new Mental Health facility \$5.9 million, EMS Maintenance/Logistics facility \$10.1 million, and the Animal Shelter \$1.7 million. The fund balance available for appropriation, which is not reserved under North Carolina general statutes, makes up 70.22% of the total or \$189.2 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 (\$0.8 million), (2) to liquidate contracts and purchase orders of the prior period (\$38.9 million), or (3) reserved under other state statutory requirements (\$40.6 million).

Approximately \$62.6 million of the available fund balance is restricted for a specific purpose, mainly capital, while another \$7.8 million has been committed for a specific purpose, again mainly capital. Assigned fund balance of \$42.7 million has for the most part been appropriated in the FY2021 budget or assigned towards capital projects. The unassigned fund balance totals \$76.2 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 \$127.6 million, up \$6.7 million, while total fund balance increased \$3.6 million to \$174 million. Fund balance may be available for restricted, committed, assigned, or general purposes. As a measure of the General Fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures. Available fund balance represents 21.6% of total General Fund expenditures, while total fund balance represents 29.5% 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 \$80.1 million, is equal to 12.6% of the fiscal year 2020-21 General Fund budget.

The fund balance of Guilford County's General Fund increased \$3.6 million during the current fiscal year. Revenues of \$602.4 million were greater than expenditures by \$12.7 million and other financing sources and uses consumed another \$9.1 million. Revenue was up 2.9% overall, increasing by \$16.7 million compared to last fiscal year. General Fund revenue activities are as follows:



MANAGEMENT'S DISCUSSION AND ANALYSIS

- Property tax revenue increased to \$386.3 million, up \$7.7 million or 2.1% due to an increase in collections for current year property taxes and vehicle taxes. This increase can be attributed to the overall assessed value increase from \$51.3 billion to \$52.8 billion while the County-wide tax rate remained the same at \$.7305 per hundred of assessed value.
- Sales tax revenue in the General Fund increased by \$0.9 million or 1% to \$90.2 million as taxable retail sales decreased by \$109 million to \$7.8 billion, a 1.4% decrease over the prior year.
- Excise tax revenue saw a 26% increase to \$4 million, an increase of \$0.84 million as the real estate market experienced increased activity.
- Intergovernmental revenue increased \$4.8 million or 7.6% to \$67.6 million. This net increase across 87 sources was largely driven by increases in the uses of Social Services programs funded by the State and Federal governments.
- Charges for services increased \$3.7 million to \$42.1 million, up 9.6%. The most significant increases were in Public Health for \$3.2 million and EMS Fees of \$0.6 million. The balance of the \$0.1 million increase in charges for service is spread among the 105 fee codes throughout other departments. The Public Health increase was due to increased Medicaid services and to the State settling and paying more Medicaid Cost Report funds due to the County EMS Fee increases were for Ambulance Fees, Contracted Services, and Special Events.
- Investment income for the General Fund decreased by \$2.1 million to \$3.7 million, down 35.6% due to interest rate decreases during the fiscal year.
- Other revenues increased \$0.2 million, up 5%.

General Fund expenditures were \$589.7 million, decreasing \$1.1 million or 0.2% from last year. Highlights of significant areas of change include:

- General Government expenditures increased \$3.4 million. The most significant increases occurred in Information Services, Tax, Elections, and Facilities of \$0.9 million, \$1.2 million, \$0.5 million, and \$0.4 million, respectively, these were somewhat offset by a \$0.5 million decrease in Fleet Operation. Information Services increases were mainly in software and/or equipment maintenance/repair costs. Tax increase was for a tax refund. The Elections Department increase related to the costs for the Primary election. The Facilities Department experienced an increase in personnel costs. The decrease in Fleet Operations was from a reduction in expenditures on vehicles compared with the prior year. The balance of the increases and decreases netting to \$0.9 million is generally spread among most of the departments.
- Human Services expenditures increased \$1 million, up 0.9% from last fiscal year. Expenditures increased \$4.2 million in Social Services and decreased \$3.1 million in Public Health. The increases in Social Services were split almost evenly between increased personnel costs and increases in costs for aid programs. The decrease in Public Health expenditures in the General Fund is the result of the CARES Act funding the costs of personnel working on the coronavirus pandemic, these costs were paid from the Community Development Fund.
- Public Safety expenditures decreased \$7.7 million to \$100.3 million, a 7.1% decrease. Law Enforcement and Emergency Services had the most significant decreases of \$4.1 million and \$4 million respectively. These decreases relate to personnel costs related to the coronavirus pandemic being paid for by the CARES Act and recorded in the Community Development fund. These personnel decreases were offset by other Law Enforcement and Emergency Services costs. Other Public Safety increases and decreases were generally spread among the remaining departments.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Debt service costs decreased \$2.3 million to \$93.1 million due mainly to the decrease in debt service costs of \$1.5 million. Other reductions relate to the lack of a bond issuance in FY 2020 and a reduction in principal payments of \$0.5 million.
- Education expenditures increased \$5.3 million as the Guilford Technical Community College funding increased \$0.5 million to \$16.7 million while the Guilford County Schools amount increased \$4.8 million to \$207.4 million.

The other major governmental funds are County Building Construction, School Capital Outlay, and Community Development funds. The County Building Construction Fund primarily handles capital projects in which the assets are retained entirely or in part by the County. The School Capital Outlay Fund, funds the construction of school buildings and facilities for the Guilford County Board of Education and Guilford Technical Community College. The Community Development Fund, funds recovery and development with grant dollars.

The County Building Construction Fund fund balance decreased \$15.8 million to \$64.4 million. Revenue and other sources included \$2.3 million mainly from investment earnings and the transfer of \$3.1 million into the fund from the General Fund. The decrease was driven by expenditures of \$20.4 million included general government projects of \$1.7 million mainly for voting machines, public safety projects of \$11.8 million included \$10.1 million for the EMS Facility projects and \$1.7 million for the County Animal Shelter Replacement, and the Mental Health Facility Replacement project expended \$5.9 million.

The School Capital Outlay Fund fund balance decreased by \$4.4 million from \$32.4 million to \$28 million due mainly to the current expenditure of previously issued general obligation bonds for both Guilford County Schools and Guilford Technical Community College purposes. Other financing sources were \$7.1 million transfers in from the General Fund. Expenditures of \$11.5 million consisted of \$10.2 million and \$1.3 million for Guilford County Schools and Guilford Technical Community College projects, respectively.

The Community Development Fund fund balance is the interest earned from cash on hand, which is recorded as a liability. The fund received \$93.7 million from the Federal Government as part of the CARES Act approved by Congress. The County spent \$21.1 million of the funds during the fiscal year. The largest portion was spent on personnel costs of \$14 million spread across Public Health, Law Enforcement, and Emergency Services of \$4.5 million, \$4.2 million, and \$5.3 million, respectively. The fund supported local non-profits and local businesses through grants of \$0.5 million and \$4.5 million, respectively. The remaining \$2 million was split across County departments for cleaning and costs associated with responding to the coronavirus pandemic, the biggest part of which was by the Health Department of \$1.1 million.

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

Operating revenues of internal service operations were less than operating expenses by \$3.7 million. Nonoperating revenue (net investment gain) added \$0.5 million resulting in an overall loss of \$3.2 million. The County originally anticipated using up to \$7.7 million to reduce excess reserves based on the original annual financial plan. The sole purpose of the fund is the operation of the County's risk management programs. The overall loss was generated from Health Care and Wellness programs with a \$3.4 million loss as unusually high claim expenses exceeded revenues, while Risk Retention programs (Liability, Property and Workers' Compensation) premium and other revenues exceeded claims, insurance, professional services, and other revenue by \$0.2 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund Budgetary Highlights

The final General Fund budget for fiscal year 2019-20 was \$643.9 million, an increase of \$15.5 million from the original budget of \$628.4 million which is a 2.5% increase.

	Sources		Uses
Fund Balance	\$ 10,297,587	Human Resources	\$ (934,412)
Property Taxes	225,000	Information Services	680,690
Intergovernmental Revenue	3,374,290	Tax	1,160,928
Charges for Services	11,000	Facilities	(1,157,616)
Other Sources	1,554,523	Public Health	2,419,441
		Social Services	2,732,612
		Law Enforcement	3,391,018
		Emergency Services	516,328
		Economic Development & Assistance	2,294,784
		Education	800,000
		Capital Outlay	2,055,887
		Other Uses	1,502,740
	\$ 15,462,400		\$ 15,462,400

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, 2020 was \$8.7 million for all General Fund departments. This accounts for most of the \$10.3 million additional fund balance appropriation, representing 66.6% of the budget increase. Guilford County typically increases its budget appropriation as a result of additional State and Federal funding received during the fiscal year. This increase in the Intergovernmental Revenue budget was \$3.4 million in FY2020. The most significant increases in budgeted federal funds occurred in County Administration of \$1 million, the funds were not received or any expenditures recorded related to it. Social Services for Home Community Block Grants in \$0.5 million. Other significant increases occurred in Law Enforcement with budget increase of \$0.9 million of federal and state funds spread across multiple programs and grants. Other departments account for smaller individual increases and decreases in the Intergovernmental Revenue budget totaling an overall net increase of \$0.2 million in budgets.

The final General Fund budget for fiscal year 2019-20 was \$643.8 million, increasing \$15.5 million, a 2.5% increase over the original budget. The changes were spread across multiple departments with the largest changes occurring in Law Enforcement and Social Services of \$3.4 million and \$1.2 million, respectively. Law Enforcement's increase was driven by the carryover of encumbrances from the prior year, the largest of which was for vehicle purchases of \$0.8 million. Social Services increase was driven by personnel adjustments totaling \$1.8 million. Public Health increased a net of \$2.4 million driven by capital encumbrances of \$2.1 million related to the HP Public Health HVAC renovation and other projects. The \$2.3 million increase in the Economic Development & Assistance is related to encumbrances rolled from the previous year for contracts with companies for economic development purposes. Capital Outlay increased \$2.1 million to fund capital maintenance needs of the county which was offset by the decrease of \$1.2 million in Facilities. The \$3.8 million net remaining changes were spread across various County departments including a \$0.9 million reduction in Human Resources related

MANAGEMENT'S DISCUSSION AND ANALYSIS

to salary adjustments across the County, funds were budgeted in Human Resources originally before the needs across the County were known.

The resulting \$44 million variance in the actual expenditures and other uses from the final budget versus \$28 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 and capital purchases which are not completed at year end. The variances above the typical range occurred in Public Health, Social Services, Law Enforcement, and Emergency Services. The largest portion of the variance can be attributed to \$14 million of personnel costs for Public Health, Law Enforcement, and Emergency Services being transferred to the Community Development Fund due to the CARES Act Grant.

Capital Asset and Debt Administration

Capital assets. Guilford County's investment in capital assets for its governmental activities as of June 30, 2020, amounts to \$254.3 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 increase in its investment in capital assets was \$14.5 million during the current fiscal year.

Construction in progress increased \$20.8 million before transfers, mainly for major construction projects and renovations and repairs. \$4.6 million was spent constructing a new Mental health facility, \$10 million was spent on the EMS Maintenance/Logistics facility, \$1.7 million was spent on the new County Animal Shelter, and \$1.9 million was spent on Public Health renovations. The remaining amounts were spent on various renovation projects. Buildings increased \$1.2 million before depreciation from closing projects out of construction in progress. Improvements other than buildings decreased \$0.4 million before depreciation, due to the disposal of several assets at Northeast Park. Machinery and equipment increased \$2 million before depreciation as additions of \$3.1 million of which \$1.7 million was for new voting machines and other equipment outpaced disposals. Vehicles increased \$1.5 million, before depreciation as additions of \$2.7 million mainly for Fleet, Transportation, Law Enforcement and Emergency Services outpaced disposals as well.

Additional information on Guilford County's capital assets can be found in Note III. C. on pages 32 and 33 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	Governmental Activities	
	2020	2019
Land	\$ 52,570,408	51,182,244
Buildings	143,663,871	147,506,481
Improvements other than buildings	10,424,312	11,709,866
Machinery and equipment	14,956,179	14,843,541
Vehicles	5,751,757	6,620,985
Construction in progress	25,462,975	5,941,300
Intangibles	1,471,202	1,977,677
Total	\$ 254,300,704	239,782,094

Debt Administration. At the end of the current fiscal year, Guilford County had total bonded debt outstanding of \$641.3 million, \$624.5 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 \$71.4 million in unamortized bond issuance premiums all net of interest rate swap termination charges of \$2.1 million. Guilford County's total debt decreased \$5.4 million during the fiscal year. Additionally, the County retired \$61.9 million with 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 Poor's, 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 \$4.2 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 35-37 of this report.

Table A-5
GUILFORD COUNTY'S Outstanding Debt

	Governmental Activities	
	2020	2019
General obligation bonds	\$ 624,455,000	686,340,000
Plus bond issuance premiums	71,451,721	81,550,915
Less swap termination fees	(2,144,082)	(2,893,739)
Limited obligation bonds	16,845,000	16,845,000
Total	\$ 710,607,639	781,842,176

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

- The County's fiscal 2021 General Fund budget has increased by \$6.2 million from the fiscal year 2020 original budget to \$634.6 million, a 1.01% increase.
- The General Fund appropriated fund balance of \$38.12 million for the fiscal year 2021 is \$7.72 million more than last year's original General Fund budget and maintains a stable unassigned fund balance at June 30, 2020 of 12.5% of the 2021 budget, down from the 12.5% at June 30, 2019. Increases to appropriations from generally available fund balance were \$13.1 million while decreases to appropriations from restricted, committed and assigned funding sources accounted for \$5.4 million. The most significant change is the reduction in budgeted bond premiums by \$6.0 million from the 2019 issue restricted as to use for bond interest, structured to level the impact of increases in the debt service budget. This decrease was offset mainly by the increase in the planned use of Public Health Medicaid Maximization funds by \$1.2 million for provision of services in the restricted programs.
- The General Fund ad valorem tax rate levied for fiscal year 2021 remained unchanged from the prior year at \$.7305 per \$100 valuation. The steady rate combined with a 1.0% increase in the County's estimated tax base to \$53.5 billion will add \$8.4 million in current tax revenue, a 2.2% increase over the previous year. Anticipated collections of prior years' tax revenue remained steady. Estimated sales tax revenue of \$80 million for the fiscal year 2021 is a projected decrease by \$11 million from last year's original General Fund budget. Intergovernmental revenues are budgeted to increase by \$3.9 million. The increase is due to the normal variation in revenues for Public Health and Social Services operations in addition to \$0.8 million on one-time funds to reflect some of the COVID and Coronavirus Relief Act expenses.
- The General Fund department's budget with the most significant decrease was Facilities, which had a budget decrease of \$1.1 million or 10.9%. This was because maintenance of county buildings has been moved to the County Building Construction fund and is now shown as a transfer out. The County Commissioner's budget was combined with the Clerk to the Board as "County Commissioners & Clerk" and the combined budget decreased by \$0.3 million. Fleet Operation's budget saw a decrease in FY2021 of \$0.3 million or 27.9% reflecting COVID-driven reductions in vehicle purchases. Public Assistance Mandates were incorporated in the Social Services Division of the Health & Human Services budget in the FY2021 budget, shifting to the same \$2.4 million that was budgeted in FY2020. In FY2020, Economic Development and Incentive saw a \$0.4 million or 17.6% increase from their FY2020 budget which is due to minor changes in obligations from economic incentive agreements. The budget also reduced the annual cash transfer from the General Fund to the County Building and Construction Fund from \$1.1 million to \$0. This transfer is typically used to support the Capital Investment Plan which will be deferred in favor of other community service priorities and funding ongoing operations during the COVID-19 pandemic.
- The 2021 General Fund budget with the most significant increases over the 2020 amounts was Health & Human Services with the Social Services Division budget which increased \$2.7 million or 4.2% to \$66 million and the Public Health Division budget which increased \$2.2 million or 5.9% mostly due to personnel costs from additional and transferred positions as well as routine county-wide personnel adjustments including merit. Education-related operating support increased \$3.45 million or 1.5% to \$226.7 million with appropriations to Guilford County Schools up \$3 million to \$209.6 million and to Guilford Technical Community College up \$0.45 million to \$17.1 million. Capital support

MANAGEMENT'S DISCUSSION AND ANALYSIS

for Guilford County Schools decreased \$3.0 million to \$3.1 million while Community College support for capital decreased with a \$0.5 million shift from capital to operations resulting in no net increase for school operating and capital in FY 2021. Human Resources increased \$2 million or 18.8% due to increased costs in employer contributions for the County's healthcare plan. The Emergency Services' budget increase of \$1.3 million or 4.0% is due to routine merit and personnel pay adjustments as well as the full year cost of 15 positions added in FY2020. The Law Enforcement budget for FY2021 is up \$1.2 million or 1.8% to \$70.5 million. The increase includes about \$500,000 in additional funding for detention center medical services and Personnel Services increases for county-wide merit increases and various changes in staff positions. Information Service's budget saw an increase of \$0.6 million associated with a number of projects in various departments that were approved by the Information Technology Advisory Committee for FY2021. The Mental Health budget also increased by \$0.6 million as the County added six positions and initial operating funds to support the new Behavioral Health Center that is expected to start operations in early 2021 in coordination with several community partners. Other notable but less significant budget increases include the Tax budget (\$0.6 million), and the Board of Elections' budget increase which is associated with the increased cost associated with the presidential and gubernatorial elections that will occur in FY2021. Solid Waste saw increases totaling \$0.4 million due primarily to rising rates for waste and tire disposal. Recreation saw an increase of \$0.4 million for facility and grounds maintenance of parks and greenways plus Triad Park, operated in partnership with Forsyth 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 Derrick Bennett, 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, 2020, 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, 2020

Exhibit 1

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental</u>	<u>Greensboro/Guilford</u>
	<u>Activities</u>	<u>County Tourism</u>
		<u>Development Authority</u>
Assets		
Cash and cash equivalents/investments	\$ 350,076,093	4,867,279
Receivables:		
Property taxes (net)	5,759,836	-
Accrued interest on property taxes (net)	1,127,162	-
Other taxes	240,965	-
Due from governmental units and agencies	37,168,128	36,893
Due from primary government	-	152,354
Service fees (net)	3,718,572	-
Special assessments	524,852	-
Accrued interest on investments	295,901	3,760
Other	-	1,415
Total receivables	<u>48,835,416</u>	<u>194,422</u>
Deposits and other assets	878,888	-
Net pension asset - restricted	813,392	-
Total non-capital assets	<u>400,603,789</u>	<u>5,061,701</u>
Non-depreciable capital assets	78,257,383	-
Depreciable capital assets (net)	176,043,321	79,390
Total capital assets	<u>254,300,704</u>	<u>79,390</u>
Total assets	<u>654,904,493</u>	<u>5,141,091</u>
Deferred Outflows of Resources		
Unamortized bond refunding charges	2,918,254	-
Related to pension plans and other benefits	88,000,720	-
Total deferred outflows of resources	<u>90,918,974</u>	<u>-</u>
Liabilities		
Accounts payable and accrued liabilities	106,178,959	79,368
Due to component unit	152,353	-
Deposits	837,560	-
Current portion of long-term liabilities	65,580,057	-
Noncurrent portion of long-term liabilities	1,049,390,208	-
Total liabilities	<u>1,222,139,137</u>	<u>79,368</u>
Deferred Inflows of Resources		
Unearned revenue	2,105,732	-
Related to pension plans and other benefits	10,060,437	-
Total deferred inflows of resources	<u>12,166,169</u>	<u>-</u>
Net Position		
Net investment in capital assets	170,516,251	79,390
Restricted for:		
Stabilization by State statute	80,229,698	404,561
Public Health programs	9,198,078	-
Guilford County Schools capital outlay	1,261,556	-
Other purposes	4,700,890	-
Unrestricted (deficit)	(754,388,312)	4,577,772
Total net position	\$ <u>(488,481,839)</u>	<u>5,061,723</u>

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

GUILFORD COUNTY, NORTH CAROLINA
Statement of Activities
For the fiscal year ended June 30, 2020

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Greensboro/Guilford County Tourism	Development Authority
Primary Government:						
Governmental activities:						
General government	\$ 53,316,245	6,258,608	1,211,181	103,837	(45,742,619)	-
Human services	134,486,189	11,515,764	61,287,644	44,300	(61,638,481)	-
Public safety	152,797,248	29,341,119	12,061,374	399,170	(110,995,585)	-
Environmental protection	2,160,087	42,346	1,011,816	-	(1,105,925)	-
Culture - recreation	7,805,624	796,855	76,867	-	(6,931,902)	-
Economic development and assistance	10,995,715	14,277	5,034,056	-	(5,947,382)	-
Education	235,599,627	-	1,526	-	(235,598,101)	-
Interest on long-term debt	21,595,194	-	7,476,209	-	(14,118,985)	-
Total primary government	\$ 618,755,929	47,968,969	88,160,673	547,307	(482,078,980)	-
Component Unit:						
Greensboro/Guilford Co Tourism Dev Authority:						(440,287)
Tourism promotion and development	\$ 4,939,397	40,000	4,459,110	-	-	-
General revenues:						
Taxes:						
Property taxes, levied for general purposes					386,271,999	-
Property taxes, levied for fire districts					16,799,399	-
Sales taxes, levied for general purposes					69,205,562	-
Sales taxes, levied for fire districts					3,851,362	-
Sales taxes, levied for school capital and/or debt					21,038,082	-
Occupancy taxes, levied for tourism development					5,096,688	-
Excise tax					3,992,234	-
Local gross receipts taxes					774,140	-
Grants and contributions not restricted to specific programs					1,808,038	-
Unrestricted investment earnings net of fair value increase of investment derivatives					6,253,767	61,076
Other					290,217	-
Total general revenues					515,381,488	61,076
Change in net position					33,302,508	(379,211)
Net position at beginning of year					(521,784,347)	5,440,934
Net position at end of year					\$ (488,481,839)	5,061,723

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

GUILFORD COUNTY, NORTH CAROLINA
Balance Sheet
Governmental Funds
June 30, 2020

Exhibit 3

	<u>General</u>	<u>County Building Construction</u>	<u>School Capital Outlay</u>	<u>Community Development</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Cash and cash equivalents/investments	\$ 149,227,442	66,613,138	28,745,502	74,428,385	1,889,977	320,904,444
Receivables:						
Property taxes (net)	5,616,702	-	-	-	143,134	5,759,836
Accrued interest on property taxes (net)	1,127,162	-	-	-	-	1,127,162
Other taxes	23,316	-	-	-	217,649	240,965
Due from governmental units and agencies	35,704,733	75,000	337,413	-	1,049,399	37,166,545
Service fees (net)	2,890,701	-	-	-	-	2,890,701
Special assessments (net)	-	524,852	-	-	-	524,852
Accrued interest on investments	219,458	32,845	-	-	507	252,810
Total receivables	<u>45,582,072</u>	<u>632,697</u>	<u>337,413</u>	<u>-</u>	<u>1,410,689</u>	<u>47,962,871</u>
Deposits and other assets	<u>821,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>821,835</u>
Total assets	<u>\$ 195,631,349</u>	<u>67,245,835</u>	<u>29,082,915</u>	<u>74,428,385</u>	<u>3,300,666</u>	<u>369,689,150</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	\$ 13,033,484	2,295,547	1,065,893	73,666,334	65,296	90,126,554
Due to component unit	-	-	-	-	152,353	152,353
Deposits	837,560	-	-	-	-	837,560
Total liabilities	<u>13,871,044</u>	<u>2,295,547</u>	<u>1,065,893</u>	<u>73,666,334</u>	<u>217,649</u>	<u>91,116,467</u>
Deferred Inflows of Resources	<u>7,711,655</u>	<u>524,852</u>	<u>-</u>	<u>734,312</u>	<u>150,494</u>	<u>9,121,313</u>
Fund balances:						
Non spendable	821,835	-	-	-	-	821,835
Restricted	59,208,111	54,342,698	21,839,251	3,428,350	3,150,172	141,968,582
Committed	-	1,250,858	6,515,182	-	-	7,766,040
Assigned	33,877,584	8,831,880	-	-	-	42,709,464
Unassigned	80,141,120	-	(337,411)	(3,400,611)	(217,649)	76,185,449
Total fund balances	<u>174,048,650</u>	<u>64,425,436</u>	<u>28,017,022</u>	<u>27,739</u>	<u>2,932,523</u>	<u>269,451,370</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 195,631,349</u>	<u>67,245,835</u>	<u>29,082,915</u>	<u>74,428,385</u>	<u>3,300,666</u>	<u>369,689,150</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, 2020

Exhibit 4

Total fund balances - total governmental funds (Exhibit 3)	\$	269,451,370
<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.		254,300,704
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows of resources in the funds. (Note II.A.1.)		7,411,850
Net pension asset - NC Register of Deeds' Supplemental Pension		813,392
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.2.)		90,879,643
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)		22,584,869
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (Note II.A.3.)		(1,123,863,637)
Deferred inflows (liability-like credits) as used in governmental activities are not financial uses and therefore are not reported in the funds. (Note II.A.4.)		<u>(10,060,030)</u>
Total net position of governmental activities (Exhibit 1)	\$	<u>(488,481,839)</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, 2020

Exhibit 5

	General	County Building Construction	School Capital Outlay	Community Development	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes:						
Property taxes	\$ 386,324,486	-	-	-	16,798,282	403,122,768
Sales tax	90,243,645	-	-	-	3,851,362	94,095,007
Occupancy taxes	-	-	-	-	5,096,688	5,096,688
Excise tax	3,992,234	-	-	-	-	3,992,234
Local gross receipts tax	774,140	-	-	-	-	774,140
Licenses and permits	2,394,101	-	-	-	-	2,394,101
Intergovernmental	67,581,803	75,000	1,526	21,145,905	-	88,804,234
Charges for services	42,116,814	219,661	-	-	-	42,336,475
Investment earnings	3,743,821	2,018,888	-	27,739	2,724	5,793,172
Other	5,246,099	7,609	-	-	-	5,253,708
Total revenues	<u>602,417,143</u>	<u>2,321,158</u>	<u>1,526</u>	<u>21,173,644</u>	<u>25,749,056</u>	<u>651,662,527</u>
Expenditures						
Current:						
General government	51,422,989	-	-	1,254,938	-	52,677,927
Human services	112,152,201	-	-	4,771,576	-	116,923,777
Public safety	100,321,469	-	-	10,083,968	20,762,284	131,167,721
Environmental protection	1,911,241	-	-	-	-	1,911,241
Culture - recreation	5,876,601	-	-	1,367	-	5,877,968
Economic development and assistance	864,971	-	-	5,034,056	5,096,688	10,995,715
Intergovernmental:						
Education	224,060,398	-	11,539,229	-	-	235,599,627
Capital outlay	-	20,421,029	-	-	-	20,421,029
Debt service:						
Principal retirement	61,885,000	-	-	-	-	61,885,000
Interest and fiscal charges	31,194,936	-	-	-	-	31,194,936
Total expenditures	<u>589,689,806</u>	<u>20,421,029</u>	<u>11,539,229</u>	<u>21,145,905</u>	<u>25,858,972</u>	<u>668,654,941</u>
Excess (deficiency) of revenues over expenditures	<u>12,727,337</u>	<u>(18,099,871)</u>	<u>(11,537,703)</u>	<u>27,739</u>	<u>(109,916)</u>	<u>(16,992,414)</u>
Other Financing Sources (Uses)						
Transfers in	800,000	3,066,887	7,116,528	-	-	10,983,415
Transfers out	(10,183,415)	(800,000)	-	-	-	(10,983,415)
Sale of capital assets	267,554	-	-	-	-	267,554
Total other financing sources (uses)	<u>(9,115,861)</u>	<u>2,266,887</u>	<u>7,116,528</u>	<u>-</u>	<u>-</u>	<u>267,554</u>
Net changes in fund balances	3,611,476	(15,832,984)	(4,421,175)	27,739	(109,916)	(16,724,860)
Fund balances at beginning of year	170,437,174	80,258,420	32,438,197	-	3,042,439	286,176,230
Fund balances at end of year	<u>\$ 174,048,650</u>	<u>64,425,436</u>	<u>28,017,022</u>	<u>27,739</u>	<u>2,932,523</u>	<u>269,451,370</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, 2020

Exhibit 6

Net changes in fund balances - total governmental funds (Exhibit 5)	\$ (16,724,860)
<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>	14,868,868
<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>	(350,258)
<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>	(264,362)
<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>	61,885,000
<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>	(22,872,255)
<p>The Internal Service Fund is used by management to charge the costs of risk management and insurance to individual funds. The net gain (loss) of the Internal Service Fund is reported with governmental activities. (See Exhibit 9)</p>	<u>(3,239,625)</u>
Total fund balances	\$ <u>33,302,508</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary and GAAP Basis</u>	
Revenues				
Taxes:				
Property taxes	\$ 381,050,000	381,275,000	385,091,000	3,816,000
Interest on delinquent property taxes	1,462,000	1,462,000	1,233,486	(228,514)
Total property taxes	382,512,000	382,737,000	386,324,486	3,587,486
Sales tax	90,975,000	90,975,000	90,243,645	(731,355)
Excise tax	2,750,000	2,750,000	3,992,234	1,242,234
Local gross receipts tax	850,000	850,000	774,140	(75,860)
Licenses and permits	1,936,018	1,936,018	2,394,101	458,083
Intergovernmental	67,731,883	71,106,173	67,581,803	(3,524,370)
Charges for services	41,997,840	42,008,840	42,116,814	107,974
Investment earnings	4,380,551	4,380,551	3,743,821	(636,730)
Other	4,689,642	5,414,165	5,246,099	(168,066)
Total revenues	597,822,934	602,157,747	602,417,143	259,396
Expenditures				
Current:				
General government	58,297,365	58,854,227	51,422,989	7,431,238
Human services	119,667,500	125,202,047	112,152,201	13,049,846
Public safety	113,549,514	117,532,265	100,321,469	17,210,796
Environmental protection	1,993,151	2,086,573	1,911,241	175,332
Culture - recreation	6,292,589	6,436,736	5,876,601	560,135
Economic development and assistance	1,133,350	3,428,134	864,971	2,563,163
Intergovernmental:				
Education	223,260,398	224,060,398	224,060,398	-
Debt service:				
Principal retirement	61,985,000	61,985,000	61,885,000	100,000
Interest and fiscal charges	34,094,655	34,094,655	31,194,936	2,899,719
Total expenditures	620,273,522	633,680,035	589,689,806	43,990,229
Excess (deficiency) of revenues over expenditures	(22,450,588)	(31,522,288)	12,727,337	44,249,625
Other Financing Sources (Uses)				
Transfers in	-	800,000	800,000	-
Transfers out	(8,127,528)	(10,183,415)	(10,183,415)	-
Sale of capital assets	177,000	207,000	267,554	60,554
Total other financing sources (uses)	(7,950,528)	(9,176,415)	(9,115,861)	60,554
Net change in fund balances	(30,401,116)	(40,698,703)	3,611,476	44,310,179
Fund balances at beginning of year	170,437,174	170,437,174	170,437,174	-
Fund balances at end of year	\$ 140,036,058	129,738,471	174,048,650	44,310,179

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, 2020

Exhibit 8

	Governmental Activities
Assets	
Current assets:	
Cash and cash equivalents/investments	\$ 29,171,649
Receivables:	
Due from governmental units and agencies	1,583
Service fees (net)	827,871
Accrued interest on investments	43,091
Total receivables	872,545
Deposits and other assets	844,020
Total assets	30,888,214
 Deferred Outflows of Resources	
Related to pension plans	39,331
 Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	7,080,446
Compensated absences	5,740
Total current liabilities	7,086,186
Noncurrent liabilities:	
Compensated absences	6,705
Net Pension liability	66,142
Total noncurrent liabilities	72,847
Total liabilities	7,159,033
 Deferred Inflows of Resources	
Unearned revenues	1,183,235
Related to pension plans	408
Total deferred inflows of resources	1,183,643
 Net Position	
Restricted for self-funded insurance deposits	842,910
Unrestricted	21,741,959
Total net position	\$ 22,584,869

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, 2020

Exhibit 9

	Governmental Activities
Operating revenues:	
Charges for services	\$ 43,139,226
Other	38,793
Total operating revenues	43,178,019
Operating expenses:	
Personal services	267,576
Other direct service costs	55,136
Professional services	1,258,825
Claims, premiums and bonding	45,297,106
Total operating expenses	46,878,643
Operating loss	(3,700,624)
Nonoperating revenues:	
Net investment gain	460,999
Change in net position	(3,239,625)
Net position at beginning of year	25,824,494
Net position at end of year	\$ 22,584,869

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, 2020

Exhibit 10

	Governmental Activities
Increase (decrease) in cash and cash equivalents:	
Cash flows from operating activities:	
Cash received from user departments and participants	\$ 43,026,247
Other operating revenues	(136,890)
Cash paid to employees for services	(247,095)
Cash paid to suppliers, participants and others	<u>(47,627,285)</u>
Net cash used by operating activities	<u>(4,985,023)</u>
Cash flows from investing activities:	
Interest and dividends on investments	<u>490,372</u>
Net decrease in cash and cash equivalents	(4,494,651)
Cash and cash equivalents at beginning of year	<u>33,666,300</u>
Cash and cash equivalents at end of year	<u>\$ 29,171,649</u>
 Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ <u>(3,700,624)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Change in assets, deferred outflows, liabilities and deferred inflows:	
Increase in accounts receivable	(198,607)
Increase in deposits and other assets	(273,482)
Increase in deferred outflows of resources - related to pension plans	(1,868)
Decrease in accounts payable	(713,146)
Increase in accrued salaries and benefits payable	223
Increase in accrued vacation and compensatory benefits	3,953
Increase in net pension liability	18,351
Decrease in deferred inflows of resources - unearned revenues	(119,645)
Decrease in deferred inflows of resources - related to pension plans	<u>(178)</u>
Total fund balances	<u>(1,284,399)</u>
Net cash used by operating activities	<u>\$ (4,985,023)</u>

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, 2020

Exhibit 11

	Pension / OPEB Trust Funds	Agency Funds
Assets		
Cash and cash equivalents/investments	\$ -	\$ 1,713,541
Guilford County Law Enforcement Officers' Special Separation Allowance (LEOSSA) Accounts:		
Demand deposits	2,015	-
N.C. Capital Management Trust Cash Portfolio	1,279,937	-
State Treasurer's Local Government Law Enforcement Officers' Special Separation Allowance (LEOSSA) Fund:		
Short-Term LEOSSA Fund	1,308,515	-
LEOSSA Equity Fund	514,630	-
State Treasurer's Local Government Other Post Employment Benefits (OPEB) Fund:		
Short-Term OPEB Fund	3,504,925	-
Long-Term OPEB Fund	1,160,411	-
OPEB Equity Fund	10,932,995	-
Cash and cash equivalents/investments	18,703,428	1,713,541
Receivables:		
Accrued interest on investments	99	-
Total assets	18,703,527	\$ 1,713,541
Liabilities		
Accounts payable and accrued liabilities	29,927	\$ 336,206
Representative payee clients payable	-	569,884
Due to other taxing units	-	143,533
Inmate trust funds payable	-	663,918
Total liabilities	29,927	\$ 1,713,541
Net Position		
Restricted for pension / OPEB	\$ 18,673,600	

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 / OPEB Trust Funds
For the fiscal year ended June 30, 2020

Exhibit 12

		<u>Pension / OPEB Trust Funds</u>
Additions		
Employer contributions	\$	9,830,063
Retiree contributions		2,693,713
Investment income		469,003
Investment expenses		<u>(1,373)</u>
Total additions		<u>12,991,406</u>
 Deductions		
Benefits		11,864,723
Administrative expenses		<u>386,341</u>
Total deductions		<u>12,251,064</u>
Change in net position		740,342
Net position at beginning of year		<u>17,933,258</u>
Net position at end of year	\$	<u>18,673,600</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, 2020

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 has a unique Board and it is legally separate from the County. The Authority, which has a June 30 year end, is presented as a governmental fund type. Of the \$5,096,688 County levied occupancy taxes earned and included as an economic development and assistance expense of the County, \$3,567,682 is reported as part of the Authority's operating grants and contributions program revenue along with \$891,428 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 West Gate City Boulevard, 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

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

identifiable to a particular function. No indirect expense allocations have been made in the funds which require reversal for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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 *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), and proceeds of general obligation bonds when issued by Guilford County.

The *Community Development Fund*, a recovery and development project fund type, accounts for projects financed primarily with funds from the State and Federal Government. The projects are primarily used for the County's Corona virus recovery efforts.

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, health care and wellness programs provided to other departments of the County on a cost-reimbursement basis.

Fiduciary funds:

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

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

funds are the Law Enforcement Officers' Special Separation Allowance (LEOSSA) Fund and the Other Post-Employment Benefits Fund. The LEOSSA Fund accounts for the activities of a single employer, public retirement system, and accumulates resources for pension benefit payments to qualified law enforcement officers. The 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 Inmate Trust Fund, which accounts for funds deposited with the Law Enforcement Department by or for the benefit of inmates incarcerated in the County Detention Centers.

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.

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

Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, property taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. See also Note I.E.2 for additional explanation. Those revenues susceptible to accrual are sales taxes, collected and held by the State at year end on behalf of the County, certain intergovernmental revenues and charges for services, and interest on investments. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

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 and School Capital Outlay Capital Projects Funds authorized by project ordinance; the projects within the Community Development Special Revenue Fund authorized by grant ordinances, 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. Appropriations in the Community Development Fund are controlled by project. The annual budget is prepared on the modified accrual basis of accounting as required by North Carolina law and consistent with generally accepted accounting principles. It is amended for supplemental appropriations during the fiscal year by the Board of County Commissioners. The County Manager is authorized by the budget ordinance to make intrafund transfers of appropriations up to \$30,000 for each transaction, except that funds transferred cannot be used to create unauthorized positions or to raise salaries and that funds appropriated for merit raises can be used solely for that purpose. In addition, the County Manager has the authority to transfer funds budgeted in General Fund insurance, salaries and benefits, energy, technology, and facility expense accounts to the same accounts in other departments within the General Fund to adjust for projected expenditure patterns. Each such transfer must be reported to the Board of Commissioners at its next regular meeting. Any revisions that alter total appropriations of any fund must be approved by the Board. All annual appropriations lapse at each fiscal year end and open encumbrances are reappropriated in the following fiscal year's budget.

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

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/OPEB trust and agency funds. The Greensboro/Guilford County

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

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 159-30.2 allows local governments to establish a Law Enforcement Officers Special Separation Allowance (LEOSSA) 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(h) allows the County to make contributions to the Fund. The Fund is not registered with the SEC. The State Treasurer in his 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 held in the State Treasurer's STIF account consisting of short to intermediate treasuries, agencies, and corporate issues authorized by General Statute 147-69.1 and BlackRock's MSCI All Country World Index (ACWI) Equity Index Non-Lendable Class B Fund under General Statute 147-69.2(b)(8). Under the authority of General Statute 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund. In addition to the STIF account, a portion of the Trust assets are invested in the North Carolina Capital Management Trust (NCCMT) Government Portfolio.

General Statute 159-30.1 allows local governments to establish an Other Post Employment Benefits (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 his discretion may invest the proceeds in equities of certain publicly held companies and long- or short-term fixed income investments as detailed in General Statutes 147-69.2(b)(1-6) and (8). Funds submitted are managed in three different sub-funds, the State Treasurer's Short Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by General Statute 147-69.1; the Bond Index Fund (BIF) consisting of high quality debt securities, eligible under General Statute 147-69.2(b)(1)-(6); and BlackRock's MSCI All Country World Index (ACWI) Equity Index Non-Lendable Class B Fund under General Statute 147-69.2(b)(8). Under the authority of General Statute 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund.

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost which approximates fair value. Investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. The securities of the North Carolina Capital Management Trust (NCCMT) Government Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. Funds in the NCCMT Government Portfolio are available for same-day redemption with notice by noon on the day of withdrawal. The NCCMT Term Portfolio's securities are valued at fair value. 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.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

As to the LEOSSA Funds, see the above comments regarding the NCCMT Government Portfolio. The STIF securities are reported at fair value. As to the OPEB Trust funds, the STIF and the BIF securities are reported at fair value. The BlackRock MSCI ACWI Equity Index Fund is valued at net asset value.

2. Property Taxes Receivable

The County's property tax is levied each July 1 on the assessed value as of the prior January 1, for all taxable real and personal property (except registered motor vehicles) located in the County. Property taxes attach as an enforceable lien on real property as of the listing date. Assessed personal property values are established annually at estimated market value. A revaluation of all real property is required to be performed no less than every eight years. On February 6, 2014, the Board of Commissioners approved the policy of conducting future revaluations every five years. The revaluation affecting the fiscal year 2018 levy was completed as of January 1, 2017. North Carolina General Statutes require that property taxes levied as of the beginning of the fiscal year are due September 1. Taxes are collected net of a ½% discount during July and August, in full from September 1 through January 5, and with additional penalties and interest accrued beginning January 6.

Prior to September 1, 2013, Guilford County was responsible for billing and collecting motor vehicle property taxes on behalf of all municipalities and special tax districts in the County. Vehicles were registered with the State's Division of Motor Vehicles under a staggered system and property taxes were due the first day of the fourth month after registration. In 2005, the N.C. General Assembly adopted House Bill 1779 effective September 1, 2013, which states that the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Any motor vehicle property taxes collected by the State prior to June 30 which are not remitted to the County until after the fiscal year end are reported as collected property taxes at year end by the County. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates when significant 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, 2020, 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 acquisition value at the date of the donation. Public domain (infrastructure) capital

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

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		

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. Accumulated compensatory benefits that have not been used for both exempt and nonexempt employees are payable upon separation from County services at the rate of pay that was in effect on August 30, 2009, the date of the effective revision.

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

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

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for *Deferred Outflows of Resources*, which represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion—unearned revenues from prepaid property taxes and grants received in advance of being earned; and pension and post employment benefits related deferrals of pension and OPEB expense. In addition to the above unearned revenues, the

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

governmental funds also report unavailable revenues receivable from the following sources: property taxes and accrued interest, thereon, and special assessments. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The proprietary fund type reports unearned revenues from prepaid healthcare premiums.

7. Long-term Obligations

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

8. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

Restricted for Stabilization by State Statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

enacted by the North Carolina State Legislature in the 1930's that was designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation.

The amount of fund balance not available for appropriation is what is known as "restricted by State statute." *RSS appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as non-spendable. Outstanding encumbrances are included within RSS. RSS is included as a component of restricted net position and restricted fund balance on the face of the balance sheet.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources (other than RSS) 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.

9. Defined Benefit Pension Plans and OPEB Plans

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "state-administered defined benefit pension plans"). The County also administers a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers, the Law Enforcement Officers' Special Separation Allowance (LEOSSA) and one other post employment benefit plan (OPEB), a single-employer defined benefit Health Care Plan (the HC Plan). For purposes of measuring the net pension asset/liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the HC Plan and additions to/deductions from the HC Plan's fiduciary net position of the same basis as they are reported by the HC Plan. For this purpose, the HC Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments for all plans are reported at fair value.

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 inflows of resources in the funds."	
Property taxes receivable (net)	\$ 5,759,836
Accrued interest on property taxes receivable (net)	1,127,162
Special assessments receivable (net)	<u>524,852</u>
Net adjustment to increase total fund balances - total governmental funds to arrive at net position of governmental activities	<u>\$ 7,411,850</u>
2. "Deferred outflows (asset-like charges) as used in governmental activities are not financial resources and therefore are not reported in the funds."	
Contributions to LEOSSA pension plan in current fiscal year	\$ 651,552
Contributions to NCLGERS pension plan in current fiscal year	11,417,323
Contributions to NCROD pension plan in current fiscal year	38,776
LEOSSA other pension plan related resources	1,166,306
NCLGERS other pension plan related resources	17,408,663
NCROD other pension plan related resources	37,198
OPEB related resource deferrals	57,280,902
Unamortized bond refunding charges	<u>2,918,254</u>
Subtotal	90,918,974
Less: NCLGERS plan contributions and other resources of the Internal Service Fund	<u>(39,331)</u>
Net adjustment to increase total fund balances - total governmental funds to arrive at net position of governmental activities	<u>\$ 90,879,643</u>
3. "Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds."	
General obligation bonds payable	\$ 624,455,000
Less: Interest rate swap termination payment (to be amortized as interest expense)	(2,144,082)
Plus: Issuance premiums (to be amortized against interest expense)	71,451,721
Accrued interest payable	8,971,959
Limited obligation bonds payable	16,845,000
Accrued compensated absences payable	9,551,962
Net pension liability - Law Enforcement Officers' Special Separation Allowance	8,901,912
Net pension liability - NC Local Government Employees' Retirement System	48,475,777
Net other postemployment benefits liability - Health Care Benefits Plan	<u>337,432,974</u>
Subtotal	1,123,942,223
Less: accrued compensated absences payable of the Internal Service Fund	(12,444)
Less: NCLGERS net pension liability of the Internal Service Fund	<u>(66,142)</u>
Net adjustment to decrease total fund balances - total governmental funds to arrive at net position of governmental activities	<u>\$ 1,123,863,637</u>
4. "Deferred inflows (liability-like credits) as used in governmental activities are not financial uses and therefore are not reported in the funds."	
LEOSSA pension related resource deferrals	\$ 518,763
NCLGERS pension related resource deferrals	298,930
NCROD pension related resource deferrals	39,223
OPEB related resource deferrals	<u>9,203,521</u>
Subtotal	10,060,437
Less: NCLGERS pension resource deferrals of the Internal Service Fund	<u>(408)</u>
Net adjustment to decrease total fund balances - total governmental funds to arrive at net position of governmental activities	<u>\$ 10,060,029</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-)	\$ 28,110,621
Less: depreciation expense (net of Internal Service Fund amount of \$-0-)	<u>(13,241,753)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ 14,868,868</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.	<u>\$ (350,258)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ (350,258)</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)	\$ (46,504)
Accrued interest on property taxes receivable (net)	(4,864)
Special assessments receivable (net)	<u>(212,994)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ (264,362)</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 premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities."

Principal repayments:

General obligation bonds	\$ <u>61,885,000</u>
--------------------------	----------------------

Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	\$ <u>61,885,000</u>
---	----------------------

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

Accrued interest	\$ 791,318
------------------	------------

Compensated absences	(145,385)
----------------------	-----------

Amortization of deferred charge on refunding	(549,983)
--	-----------

Amortization of interest rate swap termination payment	(749,657)
--	-----------

Amortization of bond premiums	10,099,194
-------------------------------	------------

Net other postemployment benefits obligation - Health Care Benefits Plan	(22,699,001)
--	--------------

Law Enforcement Officers' Special Separation Allowance pension expense	515,942
--	---------

NC Local Government Employees' Retirement System pension expense	(10,106,320)
--	--------------

NC Register of Deeds' Supplemental pension expense	<u>(28,363)</u>
--	-----------------

Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	\$ <u>(22,872,255)</u>
---	------------------------

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Cash Equivalents/Investments

As previously discussed, cash for all County funds is pooled for investment purposes. With the exception of a separate checking account, the Greensboro/Guilford County Tourism Development Authority (Authority) uses the County's pool for its investment purposes. At June 30, 2020, the cash and investments included the following:

Account Balances		Ownership of Funds	
		Primary Government - Guilford County	
Petty cash/cash on hand	\$ 566,551	Governmental Funds	\$ 320,904,444
Demand deposits	5,089,315	Internal Service Fund	29,171,649
Pooled investments	351,003,062	Total Governmental Activities	350,076,093
Pooled Funds	356,658,928		
Pension Trust Fund investments:		Pension Trust Funds	18,703,428
LEOSSA Trust:		Agency Funds	1,713,541
N.C. Capital Management Trust Government Portfolio	1,279,937		
State Treasurer's Local Government LEOSSA Trust Fund	1,823,145	Primary Government - Guilford County	370,493,062
OPEB Trust - State Treasurer's Local Government OPEB Trust Fund	15,598,331	Component Unit - Authority	4,867,279
	\$ 375,360,341		\$ 375,360,341

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 \$5,080,750 and a bank balance of \$7,871,677. Of the bank balance, \$255,346 was covered by Federal depository insurance, and \$7,616,331 in non-interest-bearing deposits was covered by collateral held under the Pooling Method.

Deposits of the Authority not included with the pool had a carrying amount of \$8,566 and a bank balance of \$35,583 which was fully covered by Federal depository insurance.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

Investments

Pooled Investments

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

At June 30, 2020, the County's pooled investments were summarized by type as follows:

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Months)</u>
U.S. Government Agencies	Fair Value - Level 2	\$ 66,406,681	27.91
Commercial Paper and Bankers' Acceptances	Amortized Cost	<u>51,695,904</u>	3.58
N.C. Municipal Bonds	Fair Value - Level 2	<u>1,025,000</u>	
		119,127,585	17.11
N.C. Capital Management Trust			
Government Portfolio	Fair Value - Level 1	95,190,416	Demand
Term Portfolio*	Fair Value - Level 1	<u>136,685,061</u>	1.80
Total Pooled Investments		\$ <u>351,003,062</u>	

* Investments in the NCCMT Term Portfolio are available next day but the fund has a duration of .11 years.

Valuation. Investments with less than one year to maturity at time of purchase and with no call features are priced at amortized cost. The level of fair value hierarchy is as follows: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2: Valued using metrics that may include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.

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

Credit Risk. The County's investment policy incorporates State laws concerning allowable investments 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, 2020, 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 Government Portfolio were valued at \$1 per share and carried a credit rating of AAAM by Standard & Poor's as of June 30, 2020. The County's investment in the NC Capital Management Trust Term Portfolio had a value of \$9.68 per share and was unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies and in high-grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The County's investments in U.S. Agencies (Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation) are rated AA+ by Standard & Poor's and Aaa by Moody's.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

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

Concentration of Credit Risk. The County's investment policy limits investment in any one commercial paper issuer to no more than 15% of the total portfolio, which is defined by the County's investment policy to include interest-bearing bank deposits. As of June 30, 2020, the following investment categories account for more than 5% of the County's investments as reported herein: Federal Farm Credit Bank 7.3% and Federal Home Loan Bank, 5.3%.

LEOSSA Trust Funds

At June 30, 2020, the Guilford County Law Enforcement Officers' Separation Allowance (LEOSSA) Fund had \$2,015 in pooled demand deposits (checking), \$1,279,937 invested in the N.C. Capital Management Trust (NCCMT) Government Portfolio and \$1,823,145 invested in the State Treasurer's Local Government Law Enforcement Officers' Special Separation Allowance (LEOSSA) Fund pursuant to General Statute 159-30.2. The State Treasurer's LEOSSA 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, 71.77% of the LEOSSA funds in the State Treasurer's (LEOSSA) Fund were invested in the State Treasurer's Short-Term Investment Fund (STIF) and 28.23% were invested in the BlackRock MSCI All Country World Index (ACWI) Equity Index Non-Lendable Class B Fund (the equities were split with 57.49% in domestic securities and 42.51% in international securities).

Level of the fair value hierarchy: The NCCMT Government Portfolio is valued at fair value. Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs – other than quoted prices – included in Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF is unrated and had a weighted average maturity at June 30 of 1.3 years.

The BlackRock MSCI ACWI Fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The Fund's fair value is the number of shares times the net asset value as determined by a third party. At June 30, the fair value of the funds was \$23.11 per share. Fair value for this Blackrock fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation Technique: North Carolina Department of State Treasurer LEOSSA investments are measured using the market approach: using prices or other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Interest Rate Risk. The County does not have a formal investment interest rate policy regarding the LEOSSA Fund that manages its exposure to fair value losses arising from increasing interest rates. The NCCMT Cash Portfolio funds are available on demand.

Credit Risk. The County does not have a formal investment policy regarding credit risk for the LEOSSA Fund. The County's investments in the NCCMT Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2020. The STIF is unrated and authorized under NC General Statute 147-69.1. The STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate treasuries, agencies, and money market instruments.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

OPEB Trust Funds

At June 30, 2020, the Guilford County Health Care Plan (the HC Plan) Fund had \$15,598,331 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Fund pursuant to General Statute 159-30.1. 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, 22.47% of the HC Plan funds were invested in the State Treasurer's STIF, 7.44% were invested in the State Treasurer's Bond Index Fund (BIF) and 70.09% were invested in the BlackRock MSCI All Country World Index (ACWI) Equity Index Non-Lendable Class B Fund (the equities were split with 57.49% in domestic securities and 42.51% in international securities).

Level of the fair value hierarchy: Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs – other than quoted prices – included in Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF is unrated and had a weighted average maturity at June 30 of 1.3 years.

Ownership of the BIF is determined monthly at fair value using the same Level 2 hierarchy as the STIF and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. At year end the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 7.97 years.

The BlackRock MSCI ACWI Fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The Fund's fair value is the number of shares times the net asset value as determined by a third party. At June 30 the fair value of the funds was \$22.11 per share. Fair value for this Blackrock fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation Technique: North Carolina Department of State Treasurer OPEB investments are measured using the market approach: using prices or other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

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 STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2020. The BIF is unrated and had a weighted average maturity of 7.47 years at June 30, 2020.

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 STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate treasuries, agencies, and money market instruments. The BIF is unrated and authorized under N.C. General Statutes 147-69.1-2 and invests in U.S. Treasuries, agencies, and corporate bonds with longer-term maturities eligible under G.S. 147-69.2(b)(1)-(6).

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

B. Receivables

Receivables are recorded net of an allowance for estimated uncollectible accounts at June 30, 2020 in the County's individual funds as follows:

	General Fund	County Building Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Fund
Allowance for uncollectible accounts on:					
Property taxes	\$ 4,463,526	-	91,193	4,554,719	-
Accrued interest on property taxes	2,712,837	-	-	2,712,837	-
Service fees	31,083,612	-	-	31,083,612	1,162
Special assessments	-	379,769	-	379,769	-
	<u>\$ 38,259,975</u>	<u>379,769</u>	<u>91,193</u>	<u>38,730,937</u>	<u>1,162</u>

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020 follows:

Primary Government – Governmental Activities

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

	Balance July 1, 2019	Increases	Decreases	Transfers	Balance June 30, 2020
Non-depreciable capital assets:					
Land	\$ 51,182,244	1,388,164	-	-	52,570,408
Construction in progress	5,941,300	20,785,957	-	(1,264,282)	25,462,975
Intangibles - non-depreciable	224,000	-	-	-	224,000
Total non-depreciable capital assets	<u>57,347,544</u>	<u>22,174,121</u>	<u>-</u>	<u>(1,264,282)</u>	<u>78,257,383</u>
Depreciable capital assets:					
Buildings	235,697,762	-	-	1,195,054	236,892,816
Improvements other than buildings	28,385,700	-	(399,835)	69,228	28,055,093
Machinery and equipment	47,350,192	3,131,380	(1,068,254)	-	49,413,318
Vehicles	34,795,031	2,737,141	(2,102,577)	-	35,429,595
Intangibles - depreciable	9,950,127	67,979	-	-	10,018,106
Total depreciable capital assets	<u>356,178,812</u>	<u>5,936,500</u>	<u>(3,570,666)</u>	<u>1,264,282</u>	<u>359,808,928</u>
Less accumulated depreciation for:					
Buildings	(88,191,281)	(5,037,664)	-	-	(93,228,945)
Improvements other than buildings	(16,675,834)	(1,084,040)	129,093	-	(17,630,781)
Machinery and equipment	(32,506,651)	(2,942,006)	991,518	-	(34,457,139)
Vehicles	(28,174,046)	(3,603,589)	2,099,797	-	(29,677,838)
Intangibles	(8,196,450)	(574,454)	-	-	(8,770,904)
Total accumulated depreciation	<u>(173,744,262)</u>	<u>(13,241,753)</u>	<u>3,220,408</u>	<u>-</u>	<u>(183,765,607)</u>
Total depreciable capital assets (net)	<u>182,434,550</u>	<u>(7,305,253)</u>	<u>(350,258)</u>	<u>1,264,282</u>	<u>176,043,322</u>
Governmental activities capital assets (net)	<u>\$ 239,782,094</u>	<u>14,868,868</u>	<u>(350,258)</u>	<u>-</u>	<u>254,300,704</u>

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

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

Function/Program	
General government	\$ 2,629,045
Human services	1,346,837
Public safety	7,955,953
Environmental protection	79,529
Culture - recreation	<u>1,230,389</u>
Total governmental activities depreciation expense	<u>\$ 13,241,753</u>

Guilford County's construction in progress at June 30, 2020 is composed of the following:

Project Name	Project Authorization ⁽¹⁾	Expended to June 30, 2020	Placed in Service to June 30, 2020	Remaining CIP Balance June 30, 2020	Estimated Costs to Complete	Required Future Financing
Northeast Park	\$ 3,589,009	3,500,727	3,500,727	-	88,282	-
High Point Courthouse Renovations	968,626	881,094	881,094	-	87,532	-
Greene Street Center	638,180	538,490	538,490	-	99,690	-
Hagan-Stone Park	64,000	35,094	35,094	-	28,906	-
EMS Maintenance/Logistics Facility	13,416,463	11,804,179	-	11,804,179	1,612,284	-
Law Enforcement Special Op Building	3,950,000	3,918,573	3,918,573	-	31,427	-
Hagan-Stone Park Swimming Pool	2,000,000	1,988,548	1,988,548	-	11,452	-
Bryan Park Phase 1	500	-	-	-	500	-
Bryan Park Expansion	100,000	-	-	-	100,000	-
Bur Mil Park Clubhouse Renovation	1,283,000	1,224,269	1,224,269	-	58,731	-
County Animal Shelter Replacement	14,672,717	2,225,445	-	2,225,445	12,447,272	-
High Point Parking Deck Repairs	2,542,000	1,803,989	1,751,710	52,279	738,011	-
HP Justice Complex HVAC System	1,350,000	1,123,250	1,012,041	111,209	226,750	-
Mental Health Facility	18,955,000	4,983,151	-	4,983,151	13,971,849	-
Old Courthouse Renovations	3,500,000	2,955,106	-	2,955,106	544,894	-
Bur Mil Park Improvements	130,000	122,664	122,664	-	7,336	-
Greensboro Courthouse HVAC	1,150,000	1,122,473	1,122,473	-	27,527	-
Law Enforcement Admin Bld Renov	1,736,000	502,698	-	502,698	1,233,302	-
HP Public Health HVAC Renovation ⁽²⁾	1,404,750 ⁽²⁾	1,265,507	-	1,265,507	139,243	-
Bur Mil Operations Maintenance Shop ⁽²⁾	24,010 ⁽²⁾	22,318	22,318	-	-	-
Munis System ⁽²⁾	1,071,340 ⁽²⁾	1,068,371	-	1,068,371	2,969	-
Clinical MedMax ⁽²⁾	519,837 ⁽²⁾	486,030	-	486,030	33,807	-
BB&T 3 rd Floor UpFit - Fitness Center ⁽²⁾	366,286 ⁽²⁾	326,110	326,110	-	40,176	-
Independence 5 th Floor UpFit ⁽²⁾	16,000 ⁽²⁾	9,000	-	9,000	7,000	-
Dundas Circle HVAC Renovations ⁽²⁾	275,629 ⁽²⁾	265,186	265,186	-	10,443	-
Dental ⁽²⁾	479,804 ⁽²⁾	479,804	479,804	-	-	-
	<u>\$ 74,203,151</u>	<u>42,652,076</u>	<u>17,189,101</u>	<u>25,462,975</u>	<u>31,549,383</u>	<u>-</u>

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

(2) The Project is funded through annual appropriation and is not part of a Capital Project Ordinance.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

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, 2020 follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Depreciable capital assets:				
Furniture, fixtures and equipment	\$ 336,965	56,675	(13,337)	380,303
Less accumulated depreciation	(289,184)	(25,066)	13,337	(300,913)
Tourism Authority capital assets, net	<u>\$ 47,781</u>	<u>31,609</u>	<u>-</u>	<u>79,390</u>

D. Accounts Payable and Accrued Liabilities

Primary Government – Governmental Activities

Accounts payable and accrued liabilities at June 30, 2020 includes the following balances:

	Vendors	Salaries, Benefits Accrued & Withheld	Accrued Interest	Due to Gov. Units, Districts & Agencies	Other	Total
Major Governmental Funds:						
General	\$ 6,223,273	6,005,201	-	725,159	79,850	13,033,484
County Building Construction	2,295,547	-	-	-	-	2,295,547
School Capital Outlay (1)	-	-	-	1,065,893	-	1,065,893
Community Development	1,079,519	-	-	72,586,815	-	73,666,334
Nonmajor Governmental Funds	-	-	-	65,296	-	65,296
Internal Service Fund (2)	16,164	7,000	-	-	7,057,282	7,080,446
Reconciliation of balances in fund financial statements to government-wide financial statements	-	-	8,971,959	-	-	8,971,959
Total - Governmental Activities	<u>\$ 9,614,503</u>	<u>6,012,201</u>	<u>8,971,959</u>	<u>74,443,163</u>	<u>7,137,132</u>	<u>106,178,959</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 \$7,057,282. See Note IV. E. 4.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

E. Long-term Liabilities

Primary Government – Governmental Activities

A summary of changes in long-term liabilities for the fiscal year ended June 30, 2020 follows:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Current Portion of Balance
Bonds payable:					
General obligation bonds	\$ 686,340,000	-	(61,885,000)	624,455,000	61,500,000
Plus bond issuance premiums	81,550,915	-	(10,099,194)	71,451,721	-
Less swap termination fees	<u>(2,893,739)</u>	-	<u>749,657</u>	<u>(2,144,082)</u>	-
Total bonds payable	764,997,176	-	(71,234,537)	693,762,639	61,500,000
Limited obligation bonds	16,845,000	-	-	16,845,000	-
Compensated absences	9,402,624	5,519,721	(5,370,382)	9,551,963	4,080,057
Net pension liability - LGERS	43,027,641	5,448,136	-	48,475,777	-
Net pension liability - LEOSSA	8,798,798	1,435,547	(1,332,433)	8,901,912	-
Net other postemployment benefits liability	<u>266,450,509</u>	<u>80,097,804</u>	<u>(9,115,339)</u>	<u>337,432,974</u>	-
Total	<u>\$ 1,109,521,748</u>	<u>92,501,208</u>	<u>(87,052,691)</u>	<u>1,114,970,265</u>	<u>65,580,057</u>

The County issues general obligation bonds to provide funds for the acquisition, development, and construction of major capital facilities and to provide funding for Guilford County Schools and Guilford Technical Community College facilities. 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 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 \$12,445 of the compensated absences balance and \$66,142 of the Local Government Employees' Retirement System net pension liability. 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 \$707,689,383, only \$124,650,056 relates to assets to which the County holds title. Unexpended debt proceeds related to this debt amount to \$40,865,602.

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, 2020, such statutory limit for the County was \$4.2 billion providing a debt margin of approximately \$3.5 billion.

The County has no authorized and unissued bonds at June 30, 2020.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

Long-term liabilities outstanding as of June 30, 2020 include the following:

General Obligation Bonds:

April 2010 \$82,500,000 Public Improvement serial bonds due in annual installments of \$8,250,000 through August 2020; interest at 5.00%.	\$ 8,250,000
April 2010 \$82,500,000 taxable Build America Bonds (Public Improvement) due in annual installments of \$8,250,000 from August 2021 through 2030; interest at 4.541% to 5.461%.	82,500,000
April 2010 \$51,215,000 General Obligation Refunding Bonds due in annual installments of \$10,250,000 to \$10,325,000 through 2022; interest at 5.00%.	30,870,000
April 2012 \$133,745,000 Public Improvement serial bonds due in annual installments of \$2,000,000 to \$9,705,000 through March 2024; interest at 2.00% to 5.00%.	25,700,000
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 \$3,610,000 to \$7,065,000 through October 2020; interest at 3.00%.	3,610,000
April 2016 \$92,930,000 General Obligation Refunding Bonds due in annual installments of \$7,490,000 to \$13,345,000 from October 2019 through 2028; interest at 1.50% to 5.00%.	85,160,000
April 2017 \$27,195,000 Public Building serial bonds due in annual installments of \$1,360,000 to \$1,455,000 through 2037; interest at 3.00% to 5.00%.	23,785,000
April 2017 \$160,070,000 Public Improvement serial bonds due in annual installments of \$3,765,000 to \$11,650,000 through 2037; interest at 3.00% to 5.00%.	145,850,000
November 2017 \$179,785,000 General Obligation Refunding Serial Bonds due in annual installments of \$270,000 to \$35,640,000 through 2030; interest at 3.00% to 5.00%.	161,585,000
June 2019 \$40,000,000 General Obligation Serial Bonds due in annual installments of zero to \$2,225,000 from May 2020 through 2039; interest at 3.00% to 5.00%.	40,000,000
Total general obligation bonds	<u>\$ 624,455,000</u>
Limited Obligation Bonds:	
April 2012 \$16,845,000 Taxable Limited Obligation Qualified School Construction bonds due April 2032; interest at 4.564%. Sinking fund installments of \$100,000 to \$3,875,000 began April 2014.	<u>\$ 16,845,000</u>

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

Debt Service Requirements

As of June 30, 2020, aggregate debt service requirements on the County's debt are as follows, including interest payments of \$173,654,466.

Year Ending June 30	General Obligation Bonds		Limited Obligation Bonds, Capital Leases, and Installment Financings		Total
	Principal	Interest	Principal	Interest	
2021	\$ 61,500,000	27,902,180	-	768,806	90,170,986
2022	67,085,000	25,133,788	-	768,806	92,987,594
2023	70,615,000	21,864,631	-	768,806	93,248,437
2024	66,190,000	18,781,136	-	768,806	85,739,942
2025	66,750,000	15,756,203	-	768,806	83,275,009
2026-2030	181,490,000	41,552,315	-	3,844,029	226,886,344
2031-2035	83,245,000	11,871,585	16,845,000	1,537,611	113,499,196
2036-2039	27,580,000	1,566,958	-	-	29,146,958
	<u>\$ 624,455,000</u>	<u>164,428,796</u>	<u>16,845,000</u>	<u>9,225,670</u>	<u>814,954,466</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 2021 and would provide a total rebate of \$26,331,657 over the remaining life of the bonds. Historically, some amounts received through fiscal 2020 have been reduced from 5.9% to 8.7% due to the budget sequestration; future amounts will also be reduced until the federal budget impasse is resolved. The IRS has announced that rebates will be reduced by 5.7% in the Federal budget year beginning October 1, 2020. The rebate is not reflected in the above table.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

F. Deferred Outflows and Deferred Inflows of Resources

1. Related to Pension Plans and Other Benefits

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pension plans and other benefits from the following sources:

	<u>NCLGERS</u>	<u>LEOSSA</u>	<u>RODSPF</u>	<u>OPEB</u>	<u>Total</u>
Deferred Outflows of Resources					
Differences between expected and actual experience	\$ 8,300,281	962,871	-	-	9,263,152
Changes of assumptions	7,900,748	60,939	-	56,964,692	64,926,379
Net difference between projected and actual earnings on plan investments	1,182,392	142,496	8,323	316,210	1,649,421
Changes in proportion and differences between County contributions and proportionate share of contributions	25,242	-	28,875	-	54,117
County contributions subsequent to the measurement date	<u>11,417,323</u>	<u>651,552</u>	<u>38,776</u>	<u>-</u>	<u>12,107,651</u>
Total	<u>\$ 28,825,986</u>	<u>1,817,858</u>	<u>75,974</u>	<u>57,280,902</u>	<u>88,000,720</u>
Deferred Inflows of Resources					
Differences between expected and actual experience	\$ -	-	39,223	4,203,589	4,242,812
Changes of assumptions	-	518,763	-	4,999,932	5,518,695
Changes in proportion and differences between County contributions and proportionate share of contributions	298,930	-	-	-	298,930
Total	<u>\$ 298,930</u>	<u>518,763</u>	<u>39,223</u>	<u>9,203,521</u>	<u>10,060,437</u>

Benefits:

NCLGERS - North Carolina Local Governmental Employees' Retirement System. See Note IV. A. 1.

LEOSSA - Law Enforcement Officers' Special Separation Allowance. See Note IV. A. 2.

RODSPF - Register of Deeds' Supplemental Pension Fund. See Note IV. A. 4.

OPEB - Other Postemployment Benefit - Guilford County Health Care Plan. See Note IV. C. 1.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

2. Related to Revenues

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

Deferred inflows of resources at June 30, 2020 is composed of the following unearned and unavailable revenues:

	Major Governmental				
	General Fund	County Building Construc- tion Fund	Community Develop- ment Fund	Nonmajor Governmental and Other Funds	Total
Governmental Funds:					
Unearned revenues:					
Property tax collections not yet earned	\$ 793,135	-	-	7,361	800,496
Federal, State and private foundation grants received in advance	<u>174,657</u>	<u>-</u>	<u>734,312</u>	<u>-</u>	<u>908,969</u>
Total unearned revenues	<u>967,792</u>	<u>-</u>	<u>734,312</u>	<u>7,361</u>	<u>1,709,465</u>
Unavailable revenues:					
Property taxes receivable (net)	5,616,702	-	-	143,133	5,759,835
Accrued interest on property taxes receivable (net)	1,127,162	-	-	-	1,127,162
Special assessments receivable (net)	<u>-</u>	<u>524,852</u>	<u>-</u>	<u>-</u>	<u>524,852</u>
Total unavailable revenues	<u>6,743,864</u>	<u>524,852</u>	<u>-</u>	<u>143,133</u>	<u>7,411,849</u>
Total deferred inflows of resources - Governmental Funds	<u>\$ 7,711,656</u>	<u>524,852</u>	<u>734,312</u>	<u>150,494</u>	<u>9,121,314</u>
Internal Service Fund:					
Unearned revenues:					
Service fees collected in advance from external sources				\$ 396,268	396,268
Service fees collected in advance from internal sources ⁽¹⁾				<u>786,967</u>	<u>786,967</u>
Total unearned revenues - Internal Service Fund				<u>\$ 1,183,235</u>	<u>1,183,235</u>
⁽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					\$ 1,709,465
Internal Service Fund (from external sources) per above					<u>396,268</u>
Total unearned revenues - Governmental Activities					<u>\$ 2,105,733</u>

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, 2020:

Net position restricted for stabilization by State statute	Amount
Reserved for encumbrances	\$ 38,856,841
Reserved by State statute	<u>41,372,857</u>
Net position restricted for stabilization by State statute	<u>\$ 80,229,698</u>
Net position restricted for other purposes	Amount
Rural Fire Districts	\$ 2,025,750
Net pension asset - Register of Deeds Supplemental Pension Fund	813,392
Law Enforcement	313,990
Register of Deeds automation enhancement	420,713
Self-funded insurance deposits	842,910
Other	<u>284,135</u>
Net position restricted for other purposes	<u>\$ 4,700,890</u>
Unrestricted net position (liabilities)	Amount
Water and sewer	\$ (598,861)
Guilford County Schools	(476,622,406)
Guilford Technical Community College	(78,292,312)
Other	<u>(198,874,733)</u>
Unrestricted net position	<u>\$ (754,388,312)</u>

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

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

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

The following are details of Guilford County's fund balances as of June 30, 2020:

	General	County Building Construction	School Capital Outlay	Community Development Fund	Nonmajor Governmental Funds	Total Governmental Funds
Non spendable:						
Prepays reserve ⁽¹⁾	\$ 793,332	-	-	-	-	793,332
Inventories reserve ⁽¹⁾	28,503	-	-	-	-	28,503
Total non spendable ⁽¹⁾	821,835	-	-	-	-	821,835
Restricted:						
State statute reserve ⁽¹⁾	38,838,208	107,845	337,413	-	1,267,556	40,551,022
Encumbrance reserve ⁽¹⁾	6,838,446	28,590,045	-	3,428,350	-	38,856,841
Total stabilization by State statute ⁽¹⁾	45,676,654	28,697,890	337,413	3,428,350	1,267,556	79,407,863
Public Health programs	9,198,078	-	-	-	-	9,198,078
Social Services - Adoption Incentive	25,615	-	-	-	-	25,615
Law Enforcement	313,990	-	-	-	-	313,990
Register of Deeds automation enhancement	420,713	-	-	-	-	420,713
Debt service	3,364,000	-	-	-	-	3,364,000
Public building projects	-	24,138,945	-	-	-	24,138,945
Law Enforcement projects	-	432,516	-	-	-	432,516
Park projects	-	1,073,347	-	-	-	1,073,347
Guilford County Schools projects	-	-	20,710,332	-	-	20,710,332
Guilford Technical Community College projects	-	-	791,506	-	-	791,506
Rural fire districts	-	-	-	-	1,882,616	1,882,616
Other	209,061	-	-	-	-	209,061
Total restricted	59,208,111	54,342,698	21,839,251	3,428,350	3,150,172	141,968,582
Committed:						
County building projects	-	1,250,858	-	-	-	1,250,858
Guilford County Schools projects	-	-	4,596,788	-	-	4,596,788
Guilford Technical Community College projects	-	-	1,918,394	-	-	1,918,394
Total committed	-	1,250,858	6,515,182	-	-	7,766,040
Assigned:						
Animal Shelter - Have a Heart Fund	41,895	-	-	-	-	41,895
Social Services - Team HOPE	47,247	-	-	-	-	47,247
Law Enforcement	10,060	-	-	-	-	10,060
Family Justice Center	75,570	-	-	-	-	75,570
Cooperative Extension	71,342	-	-	-	-	71,342
Other	32,203	-	-	-	-	32,203
Appropriated in subsequent year's budget ⁽²⁾	33,599,267	-	-	-	-	33,599,267
Remaining positive balance	-	8,831,880	-	-	-	8,831,880
Total assigned	33,877,584	8,831,880	-	-	-	42,709,464
Unassigned	80,141,120	-	(337,411)	(3,400,611)	(217,649)	76,185,449
Total fund balance	\$ 174,048,650	64,425,436	28,017,022	27,739	2,932,523	269,451,370

(1) Reserved fund balances not available for appropriation under North Carolina General Statute 159.8(a). Reserved fund balance equals total fund balance minus (cash and investments minus the sum of liabilities, encumbrances and deferred revenues arising from cash receipts). The statute requires this computation at the end of each fiscal year and thus the amount can increase or decrease each year based on the computation. Stabilization amounts cannot be expended because they are not available for appropriation under the statute.

(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, 2020 under North Carolina General Statute 159.8(a):

	General
Total fund balance	\$ 174,048,650
Less reserves by State statute:	
Non spendable	(821,835)
Restricted	(45,676,654)
Fund balance available for appropriation	127,550,161
Available for restricted purposes:	
Total restricted sources	13,531,457
Appropriated in subsequent year's budget	(4,417,265)
Available for restricted purposes	9,114,192
Available for assigned purposes:	
Total assigned	33,877,584
Appropriated in subsequent year's budget:	
From assigned sources	(80,843)
From unassigned sources	(33,599,267)
Available for assigned purposes	197,474
Available for unassigned purposes:	
Total unassigned	80,141,120
Board minimum - 8% of subsequent year's budget	(50,770,824)
Available for unassigned purposes	29,370,296
Fund balance available for appropriation	127,550,161
Appropriated in subsequent year's budget	(38,097,375)
Board minimum - 8% of subsequent year's budget	(50,770,824)
Total available for restricted, committed, assigned and unassigned purposes	\$ 38,681,962

H. Interfund Transfers

The following is a summary of interfund transfers for Guilford County for the fiscal year ended June 30, 2020:

Transfers In	Transfers Out		
	Major Governmental Funds		
	General	County Building Construction	Total
Major Governmental Funds:			
General	\$ -	800,000	800,000
County Building Construction	3,066,887	-	3,066,887
School Capital Outlay	7,116,528	-	7,116,528
Total	\$ 10,183,415	800,000	10,983,415

Transfers of \$.8 million from the County Building Construction Fund to the General Fund are used to support Education needs when Elections machine replacement costs were lower than anticipated.

Transfers of \$3 million from the General Fund to the County Building Construction Fund are for funding general government construction projects per the Guilford County Capital Improvement Plan.

Transfers from the General Fund to the School Capital Outlay Fund are for funding the Guilford County Schools Capital Maintenance FY2020 project totaling \$6.1 million and the Guilford Technical Community College Capital Maintenance FY2020 project in the amount of \$1 million.

There were no interfund receivables or payables at June 30, 2020.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

IV. OTHER INFORMATION

A. Employees Retirement Systems and Plans

Primary Government

1. North Carolina Local Governmental Employees' Retirement System

Plan Description

Guilford County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of General Statute Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided

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

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

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

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

Contributions

Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Plan members are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2020 was 9.56% of compensation for law enforcement officers and 8.95% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. The County's contributions to the LGERS for the years ended June 30, 2020, \$11,417,323. The contributions made by the County equaled the required contributions for each year.

Refunds of Contributions

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

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

At June 30, 2020, the County reported a liability of \$48,475,777 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019, utilizing update procedures incorporating the actuarial assumptions.

The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, the County's proportion was 1.775% (measured as of June 30, 2019), which was a decrease of 0.039% from its proportion as of June 30, 2019 (measured as of June 30, 2018).

For the year ended June 30, 2020, the County recognized pension expense of \$21,539,947. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,300,281	-
Changes of assumptions	7,900,748	-
Net difference between projected and actual earnings on pension plan investments	1,182,392	-
Changes in proportion and differences between County contributions and proportionate share of contributions	25,242	298,930
County contributions subsequent to the measurement date	11,417,323	-
Total	<u>\$ 28,825,986</u>	<u>298,930</u>

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

The \$11,417,323 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 8,495,628
2022	2,639,351
2023	4,669,716
2024	1,305,038
Total	<u>\$ 17,109,733</u>

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 - 8.10 percent
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation

The plan actuary currently uses mortality rates based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer), and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100.0%	

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

The information above is based on 30-year expectations developed with the consulting actuary for the 2018 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 110,872,967	\$ 48,475,777	\$ (3,388,928)

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

2. Law Enforcement Officers' Special Separation Allowance

Plan Description

Guilford County administers a public employee retirement system, the Law Enforcement Officers' Special Separation Allowance (LEOSSA), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The LEOSSA is a monthly benefit paid to officers retired under the North Carolina Local Government Employees' Retirement System until age 62. The benefit 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.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

All full-time County law enforcement officers are covered by the LEOSSA. At December 31, 2018, the LEOSSA's membership consisted of:

Inactive members/beneficiaries receiving benefits	50
Active plan members	<u>264</u>
Total	<u><u>314</u></u>

Summary of Significant Accounting Policies:

Basis of Accounting – Financial statements for the LEOSSA 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 \$1,335,920 or 8.33% of annual covered payroll. There were no contributions made by employees. Contributions equaled the required contributions for each year. 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 LEOSSA are financed through investment earnings.

The annual required contribution for the current year was determined as part of the December 31, 2018 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 5.75% investment rate of return and (b) projected salary increases ranging from 3.50% to 7.35% 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 was being amortized as a level dollar on a closed basis. The remaining amortization period at December 31, 2017 was 13 years.

LEOSSA - Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions

At June 30, 2020, the County reported a net pension liability of \$8,901,912. The net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$819,976. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 962,871	-
Changes of assumptions	60,939	518,763
Net difference between projected and actual earnings on pension plan investments	142,496	-
County contributions subsequent to the measurement date	<u>651,552</u>	<u>-</u>
Total	<u><u>\$ 1,817,858</u></u>	<u><u>518,763</u></u>

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

The \$651,552 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2021	\$	55,502
2022		180,843
2023		274,994
2024		121,785
2025		11,630
Thereafter		2,789
	\$	<u>647,543</u>

Actuarial Assumptions. The entry age normal cost method was used. The total pension liability in the December 31, 2018 actuarial valuation. The total pension liability was determined on December 31, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.50 to 7.35 percent, average, including inflation
Investment rate of return	5.75 percent, net of pension plan investment expense, including inflation

The rates of mortality for the period after service retirement are according to the RP-2014 Healthy Annuitant base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015. Rates are adjusted by 104% for males and 100% for females.

The long-term expected rate of return on pension plan investments is assumed to be 5.75% annually.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset provided by the County are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Short Term Investment	20%	2.12%
Equity Index	65%	7.96%
Bond Index	<u>15%</u>	1.88%
Total	<u>100%</u>	

Discount rate. The discount rate used to measure the total pension liability was 5.75%. The discount rate determination as of the measurement date does not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that the County would contribute the actuarially determined contribution in the future. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members through 2055. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

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

	1% Decrease (4.75%)	Discount Rate (5.75%)	1% Increase (6.75%)
County's net pension liability	\$ 9,753,531	\$ 8,901,912	\$ 8,121,078

Changes in the net pension liability. The following presents a schedule of the changes in the County's net pension liability:

	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance as of December 31, 2018	\$ 11,443,597	2,644,799	8,798,798
Changes for the year:			
Service Cost	283,018	-	283,018
Interest	629,806	-	629,806
Difference between expected and actual experience	519,507	-	519,507
Contributions employer	-	1,218,487	(1,218,487)
Net investment income	-	113,946	(113,946)
Benefit payments	(980,902)	(980,902)	-
Plan administrative expenses	-	(3,216)	3,216
Net changes	451,429	348,315	103,114
Balance as of December 31, 2019	\$ 11,895,026	2,993,114	8,901,912

As of December 31, 2018, the most recent actuarial valuation date, the plan was 25.16% funded. As of the December 31, 2019 measurement date, the actuarial accrued liability for benefits was \$11,895,026 and the actuarial value of assets was \$2,993,114, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,901,912. The covered payroll (annual payroll of active employees covered by the plan) was \$16,029,530, and the ratio of the UAAL to the covered payroll was 55.53%.

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, 2020:

Statement of Plan Net Position
June 30, 2020

	<u>Law Enforcement Officers' Special Separation Allowance</u>
Assets	
Current assets:	
Demand deposits	\$ 2,015
N.C. Capital Management Trust Cash Portfolio	1,279,937
State Treasurer's Local Government Law Enforcement Officers' Special Separation Allowance (LEOSSA) Fund:	
Short-Term LEOSSA Fund	1,308,515
LEOSSA Equity Fund	<u>514,630</u>
Cash and cash equivalents/investments	3,105,097
Receivables:	
Accrued interest on investments	<u>99</u>
Total assets	<u>3,105,196</u>
Liabilities	
Accounts payable and accrued liabilities	<u>29,927</u>
Net Position	
Held in trust for pension benefits	<u>\$ 3,075,269</u>

Statement of Changes in Plan Net Position
For the fiscal year ended June 30, 2020

	<u>Law Enforcement Officers' Special Separation Allowance</u>
Additions	
Employer contributions	\$ 1,335,920
Net investment income	52,990
Investment expenses	<u>(50)</u>
Total additions	<u>1,388,860</u>
Deductions	
Benefits	1,060,049
Administrative expenses	<u>3,159</u>
Total deductions	<u>1,063,208</u>
Change in net position	325,652
Net position at beginning of year	<u>2,749,617</u>
Net position at end of year	<u>\$ 3,075,269</u>

3. Supplemental Retirement Income Plan
Plan Description

The County contributes to the Supplemental Retirement Income Plan of North Carolina (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. All law enforcement officers and any other employees, who are currently members of a state-administered retirement plan, are eligible to participate from the date of employment. Article 5 of General Statute 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Plan is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy

Article 12E of General Statute Chapter 143 requires that the County contribute each month an amount equal to 5% of each law enforcement officer's qualified salary. During the year ended June 30, 2019, 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, 2020, to law enforcement officers' accounts and other employees' accounts were \$746,488 and \$3,540,951, respectively. Voluntary contributions to the Plan were \$4,367,749.

4. Registers of Deeds' Supplemental Pension Fund

Plan Description

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

Benefits Provided

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

Contributions

Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County pursuant to Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution for this fiscal year and the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. For the fiscal year ended June 30, 2020, the County's required and actual contributions to the RODSPF were \$38,776.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

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

At June 30, 2020, the County reported an asset of \$813,392 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2019, the County's proportion was 4.12%, which was a decrease of 0.128% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$67,392. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	39,223
Net difference between projected and actual earnings on pension plan investments	8,323	-
Changes in proportion and differences between County contributions and proportionate share of contributions	28,875	-
County contributions subsequent to the measurement date	38,776	-
Total	\$ 75,974	39,223

The \$38,776 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 673
2022	14,224
2023	(854)
2024	(16,068)
Total	\$ (2,025)

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.75 percent, including 3.5 percent inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

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

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2020 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will continue to be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (672,361)	\$ (813,392)	\$ (932,628)

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

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

B. Deferred Compensation Plans

1. Guilford County

Guilford County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. All assets and income of the plan are in a trust for the exclusive benefit of the participants and their beneficiaries and therefore are not a part of the County's financial statements. The compensation deferred for the fiscal year ended June 30, 2020 was \$13,921.

2. Discretely Presented Component Unit

Greensboro Area Convention and Visitors Bureau Deferred Compensation Plan

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

The Authority makes a matching contribution in an amount equal to the employees deferred contribution up to a maximum of 6%. All employees may defer amounts up to the maximum allowed by the Internal Revenue Service each year. Employees' contributions vest immediately. The Authority's contributions are fully vested after five years of continuous service. The employee receives credit for his contribution as well as the Authority's, and benefits are based on the total assets owned in the employee's individual accounts. Authority and employee contributions for the fiscal year ended June 30, 2020 were \$49,292 and \$71,008, 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

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

fully insured Medicare Advantage Plan with the County contributing the same percentages of the premium as noted above for retirees with at least 30 years, 25 years, and 20 years of creditable service. Employer and participants' costs for the fiscal year ending June 30, 2020 were \$1,990,991 and \$933,243. 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 June 30, 2018, the date of the latest actuarial valuation:

	Total
Inactive Employees or Beneficiaries Currently Receiving Benefits	1,085
Active Employees*	1,074
Total Membership	2,159

* Excludes 1,354 active members who will not receive benefits due to the July 1, 2009 closure of the plan.

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.

For the current year, the County contributed \$8,494,143 (retiree claims paid, insurance, and other costs less premiums received) or 14.50% of annual covered payroll. The contribution for fiscal year 2020 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 44.4% and 10.3% of covered payroll, respectively. Contributions (premiums) made by employees and retirees were 10.4% and 4.6% 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.

Investments

Solely for purposes of investing County contributions in the Guilford County OPEB Trust, the County's investment policy shall allow placement of assets in the OPEB investment fund managed by the State Treasurer's office, as initially authorized by the Board of County Commissioners on November 6, 2008, in addition to investments authorized by NC General Statute 159-30. Placement of County contributions in the State Treasurer's OPEB investment fund shall be at the

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

discretion of the Board of Trustees, as shall be the allocation of assets within that fund. The Board may at its discretion hold contributions in cash or cash equivalents accounts for a time prior to investing the funds as authorized above. The target allocations are based on the initial allocation approved and made during our recent re-enrollment in the fund.

Asset Class	Target Allocation	10 Year Expected Arithmetic Real Rate of Return
Short Term Investment	20%	2.12%
Equity Index	65%	7.96%
Bond Index	15%	1.88%
Total	100%	

Rate of Return. For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 2.73 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The components of the net OPEB liability at June 30, 2020, the measurement date, is presented in the table below:

Total OPEB liability	\$ 353,031,305
Plan fiduciary net position	15,598,331
Net OPEB liability	\$ 337,432,974
Ratio of fiduciary net position to total OPEB liability	4.42%

Actuarial Methods and Assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions and other inputs:

Inflation	2.50%
Real wage growth	1.00%
Wage inflation	3.50%
Salary increases, including wage inflation	
General Employees	3.50% - 7.75%
Law Enforcement Officers	3.50% - 7.35%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including price inflation	5.75%
Municipal Bond Index Rate	
Prior Measurement Date	3.50%
Measurement Date	2.21%
Year FNP is projected to be depleted	
Prior Measurement Date	2021
Measurement Date	2022
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior Measurement Date	3.52%
Measurement Date	2.25%
Health Care Cost Trends	
Pre-Medicare	7.25% for 2018 decreasing to an ultimate rate of 4.75% by 2028
Medicare	5.38% for 2018 decreasing to an ultimate rate of 4.75% by 2022
Dental	4.00%

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

The total OPEB liability was rolled forward to June 30, 2020, utilizing update procedures incorporating the actuarial assumptions. The discount rate used to measure the total OPEB liability was based upon the Single Equivalent Interest Rate.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 - December 31, 2014, adopted by the LGERS.

Several factors were considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense, and inflation) are developed by the investment consultant for each major asset class. These ranges should be combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

- *Discount Rate (Single Equivalent Interest Rate).* The discount rate used to measure the total OPEB liability as of the Measurement Date was 2.25%. The projection of cash flows used to determine the discount rate was based on an actuarial valuation performed as of June 30, 2018. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The actuarial methods and assumptions used in the projection of cash flows were (1) those of the June 30, 2018 actuarial valuation, (2) total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date, in subsequent projection years, total payroll was assumed to increase annually at a rate of 3.5%, (3) active employees do not explicitly contribute to the Plan, (4) benefit payments are assumed to be paid out of the trust until the trust is depleted, (5) projected assets do not include employer contributions that fund the estimated service costs of future employees, and (6) cash flows occur mid-year.

Based on these assumptions, the Plan's fiduciary net position was projected to be depleted in 2022 and, as a result, the Municipal Bond Index Rate was used in the determination of the Single Equivalent Interest Rate. Here, the long-term expected rate of return of 5.75% on Plan investments was applied to periods through 2022 and the Municipal Bond Index Rate at the Measurement Date (2.21%) was applied to periods on and after 2022, resulting in a Single Equivalent Interest Rate at the Measurement Date (2.25%). As a result of the change to the Municipal Bond Index Rate, there was a change in the discount rate from 3.52% at the Prior Measurement Date to 2.25% at the Measurement Date.

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 276,189,525	337,432,974	417,540,421

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

Sensitivity of the net OPEB liability to changes in the discount rate. The following exhibit presents the net OPEB liability of the Plan, calculated using the discount rate of 2.25%, as well as what the Plan's net OPEB liability would be if it were calculated using a Discount Rate that is 1- percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (1.25%)	Current Discount Rate (2.25%)	1% Increase (3.25%)
Net OPEB Liability	\$ 405,773,553	337,432,974	284,419,147

Changes in Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the County reported a net OPEB liability of \$337,432,974. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. Actuarial gains and losses arising from the change in the SEIR from 3.52% on the Prior Measurement Date to 2.25% on the Measurement Date are accounted for as changes of assumptions or other inputs.

At June 30, 2020, the components of the net OPEB liability of the County, measured as of June 30, 2020, were as follows:

	Total OPEB Liability		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance as of June 30, 2019	\$ 281,634,150	15,183,641	266,450,509
Changes for the year:			
Service Cost at the end of the year*	5,075,513	-	5,075,513
Interest on TOL and Cash Flows	9,765,513	-	9,765,513
Difference between expected and actual experience	(216,370)	-	(216,370)
Changes of assumptions or other inputs	65,255,455	-	62,255,455
Contributions - employer	-	8,482,956	(8,482,956)
Net investment income	-	416,013	(416,013)
Benefit payments	(8,482,956)	(8,482,956)	-
Plan administrative expenses	-	(1,323)	1,323
Net changes	71,397,155	414,690	70,982,465
Balance as of June 30, 2020	\$ 353,031,305	15,598,331	337,432,974

*Service cost includes interest for the year.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020, the County recognized OPEB expense of \$31,181,957. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	4,203,589
Changes of assumptions or other inputs	56,964,692	4,999,932
Net difference between projected and actual earnings on plan investments	316,210	-
Total	\$ 57,280,902	9,203,521

Other amounts reported as Deferred Outflows of resources and Deferred Inflows of Resources related to OPEB benefits will be recognized in OPEB Expense as follows:

Year ended June 30:	
2021	\$ 17,212,629
2022	17,935,517
2023	12,837,834
2024	91,401
	48,077,381

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, 2020:

Statement of Plan Net Position
June 30, 2020

	Other Post Employment Benefits
Assets	
Current assets:	
State Treasurer's Local Government Other Post Employment Benefits (OPEB) Fund:	
Short-Term OPEB Fund	\$ 3,504,925
Long-Term OPEB Fund	1,160,411
OPEB Equity Fund	10,932,995
Cash and cash equivalents/investments	\$ 15,598,331
Net Position	
Held in trust for OPEB benefits	\$ 15,598,331

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

Statement of Changes in Plan Net Position
For the fiscal year ended June 30, 2020

	<u>Other Post Employment Benefits</u>
Additions	
Employer contributions	\$ 8,494,143
Retiree contributions	2,693,713
Net investment income	416,013
Investment expenses	<u>(1,324)</u>
Total additions	<u>11,602,545</u>
Deductions	
Benefits	10,804,674
Administrative expenses	<u>383,181</u>
Total deductions	<u>11,187,855</u>
Change in net position	414,690
Net position at beginning of year	<u>15,183,641</u>
Net position at end of year	<u>\$ 15,598,331</u>

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, 2020, 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, 2020, the County paid \$1,584 for Medicare supplement coverage.

D. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for Members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer State-administered cost-sharing plan funded on a one-year term cost basis. Lump sum death benefits are provided to beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The benefit payment is equal to the employee's 12 highest months' salary in a row during the 24 months prior to his/her death, but the benefit must be between \$25,000 and \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. For the fiscal year ended June 30, 2020, the County made contributions to the State for death benefits of \$76,929. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .05% and .14% of covered payroll, respectively. The contributions to the LGERS Death Benefit Plan are not separated between the postemployment benefit amount and the other benefit amount, as the amount cannot be reasonably estimated.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

E. Risk Management

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

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

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

1. Liability and Property Insurance

The liability program is totally self-funded. The County retains the right to plead, assert, and interpose governmental immunity on unique claims and cases of first impression, in which there may appear to be no clearly established precedent. If, in the opinion of the County Attorney but for the defense of governmental immunity, the County would be liable for property damage, personal injury damages, or wrongful death to a claimant, the governmental immunity defense may be waived; but only to the extent authorized in the policy and only if consistent with the stated conditions and factors in the policy.

The property insurance program is financed using a combination of self-funding and purchased insurance. A purchased insurance policy provides excess coverage above \$100,000 up to 100% replacement cost, limited to \$426 million per occurrence. The County covers all claims up to \$100,000 per occurrence out of its available Internal Service Fund reserves.

The County has one location designated as an "A" or "B" area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency. This location is 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; register of Deeds \$50,000; and Sheriff \$ 25,000. The remaining employees are covered under the Employee Practices Insurance Policy, which provides coverage in excess of \$150,000 retention, with a maximum coverage limit of \$1,000,000.

2. Workers' Compensation Insurance

The workers' compensation program is financed using a combination of self-funding and purchased insurance. The County is self-insured for the first \$750,000 per occurrence from the County's available Internal Service Fund reserves. Claims above \$750,000 are covered by a purchased insurance policy with a \$2,000,000 indemnity for workers' compensation losses and employers' liability.

3. Employee Healthcare Insurance

The employee healthcare program is financed using a combination of self-funding supplemented by employee/retiree 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-

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

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/retiree contributions, to pay claims administration and medical claims of the employees, eligible retirees, and their covered dependents. Specific stop-loss insurance with a deductible level of \$425,000 per member for all occurrences is purchased to limit the County's losses for the overall program. The County provides a basic and an enhanced dental plan for employees, retirees, and covered dependents, supplemented by employee/retiree contributions, which are also accounted for in the self-funded program.

In addition to reserves that are maintained and accounted for in all of the above programs in the Internal Service Fund, the County has established and contributed funds to the Other Post Employment Benefits (OPEB) Pension Trust Fund that are available to provide postemployment health care benefits to eligible retirees. These additional contributions and earnings thereon continue to accumulate for financing future needs as all current healthcare claims are paid directly from the self-supporting Internal Service Fund.

4. Reconciliation of Claims Liability

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

	Fiscal Year 2019-2020					Fiscal Year
	Liability	Property	Workers' Compensation	Employee Healthcare	Total	2018-19 Total
Balance Beginning of Year	\$ 1,180,351	4,226	2,521,938	4,036,593	7,743,108	7,075,302
Incurred Claims (Including IBNRs) and Changes in Estimates	406,142	238,825	838,540	39,284,101	40,767,608	41,820,128
Less Claims Payments	1,026,283	53,593	1,106,735	39,266,823	41,453,434	41,152,322
Balance End of Year	<u>\$ 560,210</u>	<u>189,458</u>	<u>2,253,743</u>	<u>4,053,871</u>	<u>7,057,282</u>	<u>7,743,108</u>

F. Commitments and Contingencies

The County leases certain equipment under long-term lease agreements. At June 30, 2020, such arrangements with initial or remaining noncancellable terms in excess of one year are as follows (includes estimated amounts based on annual usage for applicable contracts):

Year Ending June 30	Operating Leases
2021	444,717
2022	411,699
2023	423,017
2024	434,736
Total minimum payments	<u>\$ 1,714,169</u>

There were no contingent rentals or sublease rentals associated with leases in effect at June 30, 2020. The total rental expense amounted to \$631,608 for the fiscal year ended June 30, 2020.

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 \$9.4 million at June 30, 2020, represent commitments.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

The County participates in a number of Federal and State of North Carolina financial assistance programs. For the fiscal year ended June 30, 2020, these programs were subject to audit in accordance with generally accepted auditing standards, Government Auditing Standards, the provisions of the OMB Uniform Guidance, 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.

During 2020 an outbreak of a novel strain of coronavirus ("COVID-19") emerged globally. As a result of the spread of COVID-19, economic uncertainties have arisen that could negatively impact the County's revenue and operations for an indeterminable time period. Other financial impacts could occur that are unknown at this time.

The County received a grant from the Federal Government CARES Act, the expenditures of these funds are subject to audit by the federal government, and the County is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of the management of the County, no material refunds will be required as a result of expenditures disallowed by the federal government.

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.

G. 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, 2020, there were four series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$25,621,440.

H. 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 issues for this purpose, \$74,201,996 in debt is still outstanding. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$16,650,000 for operating purposes during the fiscal year ended June 30, 2020. In addition, the County made debt service payments of \$9,269,327 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, 2020.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

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.

I. 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 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, 2020. During the fiscal year ended June 30, 2020, the County paid \$9,674,000 to the Center to supplement its activities. Complete financial statements for the Center may be obtained from the Center's offices at 1120 Seven Lakes Drive, PO Box 9, West End, NC 27376.

Piedmont Triad Regional Council

The County participates with eleven other counties and sixty-two 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 \$109,248 to the PTRC during the fiscal year ended June 30, 2020.

J. Subsequent Event

The County has evaluated subsequent events through January 28, 2021 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:

Local Government Employees' Retirement System (LGERS):

Schedule of Proportionate Share of Net Pension Liability (Asset)

Schedule of County Contributions

Register of Deeds' Supplemental Pension Fund (RODSPF):

Schedule of Proportionate Share of Net Pension Liability (Asset)

Schedule of County Contributions

Law Enforcement Officers' Special Separation Allowance:

Schedule of Changes in Net Pension Liability and Related Ratios

Schedule of County Contributions

Notes to the Required Schedules

The Health Care Plan of Guilford County:

Schedule of Changes in Net OPEB Liability, Related Ratios, and Investment Returns

Schedules of County Contributions

Notes to the Required Schedules

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

Schedule of Proportionate Share of Net Pension Liability (Asset) ⁽¹⁾

Fiscal Year	Proportion of the Net Pension Liability (Asset)	Proportion of the Net Pension Liability (Asset) NPL(A) (a)	Covered Payroll (b)	Proportionate Share of NPL(A) as a % of Covered Payroll (a / b)	Plan Fiduciary Net Position as a % of the Total Pension Liability (Asset) ⁽²⁾
2014	1.96690%	\$ 23,708,704	\$ 109,811,167	21.59%	94.35%
2015	1.84431	(10,876,744)	104,985,908	(10.36)	102.64
2016	1.94646	8,735,596	109,247,583	8.00	98.79
2017	1.85028	39,269,140	112,487,082	34.91	98.09
2018	1.83218	27,990,635	116,340,359	24.06	91.47
2019	1.81372	43,027,641	119,990,864	35.86	94.18
2020	1.77507	48,475,777	122,801,048	39.48	90.68

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

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

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

⁽²⁾ This will be the same percentage for all participant employers in the LGERs plan.

Schedule of County Contributions ⁽¹⁾

Fiscal Year	Contractually Required Contribution (a)	Contributions in Relation to the Contractually Required Contribution (b)	Contribution Deficiency (Excess) (b - a)	Covered Payroll (c)	Contributions as a % of Covered Payroll (b / c)
2014	\$ 7,451,417	7,451,417	-	104,985,908	7.10%
2015	7,772,719	7,772,719	-	109,247,583	7.11
2016	7,554,059	7,554,059	-	112,487,082	6.72
2017	8,527,761	8,527,761	-	116,340,359	7.33
2018	9,092,962	9,092,962	-	119,990,864	7.58
2019	9,610,528	9,610,528	-	122,801,048	7.83
2020	11,417,323	11,417,323	-	126,533,167	9.02

⁽¹⁾ Ten-year trend information is being developed in this table.

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

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

Schedule of Proportionate Share of Net Pension Liability (Asset) ⁽¹⁾

Fiscal Year	Proportion of the Net Pension Liability (Asset)	Proportion of the Net Pension Liability (Asset) NPL(A) (a)	Covered Payroll (b)	Proportionate Share of NPL(A) as a % of Covered Payroll (a / b)	Plan Fiduciary Net Position as a % of the Total Pension Liability (Asset) ⁽²⁾
2014	4.29451%	\$ (917,307)	\$ 109,792	(835.50)%	190.50%
2015	4.30446	(975,649)	111,018	(878.82)	193.88
2016	4.36596	(1,011,768)	112,895	(896.20)	197.29
2017	4.39733	(822,125)	115,792	(710.00)	160.17
2018	4.39079	(749,464)	118,321	(633.42)	153.77
2019	4.24793	(703,585)	121,469	(579.23)	153.31
2020	4.12011	(813,392)	125,177	(649.79)	164.11

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

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

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

Schedule of County Contributions ⁽¹⁾

Fiscal Year	Contractually Required Contribution (a)	Contributions in Relation to the Contractually Required Contribution (b)	Contribution Deficiency (Excess) (b - a)	Covered Payroll (c)	Contributions as a % of Covered Payroll (b / c)
2014	\$ 35,145	35,145	-	111,018	31.66%
2015	34,936	34,936	-	112,895	30.95
2016	35,923	35,923	-	115,792	31.02
2017	38,150	38,150	-	118,321	32.24
2018	36,353	36,353	-	121,469	29.93
2019	35,305	35,305	-	125,177	28.20
2020	38,776	38,776	-	128,993	30.06

⁽¹⁾ Ten-year trend information is being developed in this table.

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

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

Schedule of Changes in Net Pension Liability and Related Ratios ⁽¹⁾

	Calendar Year Ending December 31					
	2019	2018	2017	2016	2015	2014
Total pension liability:						
Service cost	\$ 283,018	278,928	278,631	420,359	410,014	
Interest	629,806	601,487	577,272	422,913	431,513	
Difference between expected and actual experience	519,507	584,658	473,989	-	-	
Changes of assumptions & other inputs	-	-	-	(1,823,831)	119,089	
Benefit payments	<u>(980,902)</u>	<u>(964,241)</u>	<u>(853,275)</u>	<u>(799,210)</u>	<u>(754,406)</u>	
Net change in total pension liability	451,429	500,832	476,617	(1,779,769)	206,210	
Total pension liability - beginning	<u>11,443,597</u>	<u>10,942,765</u>	<u>10,466,148</u>	<u>12,245,917</u>	<u>12,039,707</u>	
Total pension liability - ending	\$ <u>11,895,026</u>	<u>11,443,597</u>	<u>10,942,765</u>	<u>10,466,148</u>	<u>12,245,917</u>	<u>12,039,707</u>
Plan net position:						
Contributions - County	\$ 1,218,487	1,433,864	1,409,832	1,185,121	954,345	
Net investment income	113,946	32,977	16,615	6,899	3,665	
Benefit payments	(980,902)	(964,241)	(853,275)	(799,210)	(754,406)	
Administrative expense	<u>(3,216)</u>	<u>(2,115)</u>	<u>(2,082)</u>	<u>(1,381)</u>	<u>(696)</u>	
Net change in plan net position	348,315	500,485	571,090	391,429	202,908	
Plan net position - beginning	<u>2,644,799</u>	<u>2,144,314</u>	<u>1,573,224</u>	<u>1,181,795</u>	<u>978,887</u>	
Plan net position - ending	\$ <u>2,993,114</u>	<u>2,644,799</u>	<u>2,144,314</u>	<u>1,573,224</u>	<u>1,181,795</u>	<u>978,887</u>
Net pension liability - ending	\$ <u>8,901,912</u>	<u>8,798,798</u>	<u>8,798,451</u>	<u>8,892,924</u>	<u>11,064,122</u>	<u>11,060,820</u>
Ratio of plan net position to total pension liability	25.16%	23.11%	19.60%	15.03%	9.65%	8.13%
Covered payroll	\$ 16,029,530	15,869,582	15,663,490	15,110,053	15,110,053	14,480,738
Net pension liability as a percentage of covered payroll	55.53%	55.44%	56.17%	58.85%	73.22%	76.38%

⁽¹⁾ Ten-year trend information is being developed in this table.

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

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

Schedule of County Contributions

Year Ended June 30	Actuarially Determined Employer Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency (Excess) (b - a)	Covered Payroll (c)	Contributions as a % of Covered Payroll (b / c)
2010	521,280	521,280	-	12,640,852	4.12
2011	657,157	657,157	-	12,737,800	5.16
2012	675,368	675,368	-	13,996,047	4.83
2013	741,844	741,844	-	14,564,460	5.09
2014	757,628	757,628	-	14,249,536	5.32
2015	924,237	924,237	-	13,812,657	6.69
2016	984,456	984,456	-	15,052,196	6.54
2017	1,385,791	1,385,791	-	15,258,827	9.08
2018	1,400,798	1,400,798	-	15,414,016	9.09
2019	1,284,119	1,284,119	-	15,318,896	8.38
2020	1,335,920	1,335,920	-	15,180,285	8.80

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	12/31/2018
Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Remaining amortization period	12 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return*	5.75%
Projected salary increases*	From 3.50% to 7.35% per year
*Includes inflation at	2.50%
Cost of living adjustments	N/A

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

Schedule of Changes in Net OPEB Liability, Related Ratios and Investment Returns ⁽¹⁾

	Fiscal Year Ending June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total OPEB liability:					
Service cost	\$ 5,075,513	5,396,338	5,778,816	6,570,738	-
Interest	9,765,513	10,110,618	9,482,747	8,544,228	-
Changes of benefit terms				-	-
Difference between expected & actual experience	(216,370)	(8,199,833)	(713,685)	-	-
Changes of assumptions	65,255,455	19,844,455	(14,740,056)	(25,530,915)	-
Benefit payments	<u>(8,482,956)</u>	<u>(8,124,130)</u>	<u>(7,078,957)</u>	<u>(7,135,245)</u>	-
Net change in total OPEB liability	71,397,155	19,027,448	(7,271,135)	(17,551,194)	-
Total OPEB liability - beginning	<u>281,634,150</u>	<u>262,606,702</u>	<u>269,877,837</u>	<u>287,429,031</u>	-
Total OPEB liability - ending	\$ <u>353,031,305</u>	<u>281,634,150</u>	<u>262,606,702</u>	<u>269,877,837</u>	<u>287,429,031</u>
Plan fiduciary net position:					
Contributions - County	\$ 8,482,956	8,141,413	7,093,802	7,135,245	-
Net investment income	416,013	742,403	1,026,993	1,497,947	-
Benefit payments	(8,482,956)	(8,124,130)	(7,078,957)	(7,135,245)	-
Administrative expense	<u>(1,323)</u>	<u>(18,796)</u>	<u>(17,511)</u>	-	-
Net change in plan fiduciary net position	414,690	740,890	1,024,327	1,497,947	-
Plan fiduciary net position - beginning	<u>15,183,641</u>	<u>14,442,751</u>	<u>13,418,424</u>	<u>11,920,477</u>	-
Plan fiduciary net position - ending	\$ <u>15,598,331</u>	<u>15,183,641</u>	<u>14,442,751</u>	<u>13,418,424</u>	<u>11,920,477</u>
Net OPEB liability - ending	\$ <u>337,432,974</u>	<u>266,450,509</u>	<u>248,163,951</u>	<u>256,459,413</u>	<u>275,508,554</u>
Ratio of plan fiduciary net position to total OPEB liability	4.42%	5.39%	5.50%	4.97%	4.15%
Covered employee payroll	\$ 58,483,119	58,483,119	65,979,137	65,979,137	65,979,137
Net OPEB liability as a percentage of covered employee payroll	576.97%	455.60%	376.12%	388.70%	417.57%
Annual money-weighted rate of return, net of investment expenses	2.73%	5.13%	7.63%	12.57%	-1.28%

⁽¹⁾ Ten-year trend information is being developed in this table.

Data is presented since implementation of Governmental Accounting Standards Board Statement No. 74.

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

Schedule of County Contributions ⁽¹⁾

	Fiscal Year Ending June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 15,216,749	14,672,141	14,686,986	15,296,839	13,040,988
Contributions in relation to the actuarially determined contribution	<u>8,482,956</u>	<u>8,141,413</u>	<u>7,093,802</u>	<u>7,135,245</u>	<u>6,518,203</u>
Contribution deficiency (excess)	\$ <u>6,733,793</u>	<u>6,530,728</u>	<u>7,593,184</u>	<u>8,161,594</u>	<u>6,522,785</u>
Covered employee payroll ⁽²⁾	\$ 58,483,119	58,483,119	65,979,137	65,979,137	65,979,137
Actual contributions as a percentage of covered employee payroll	14.50%	13.92%	10.75%	10.81%	9.88%

⁽¹⁾ Ten-year trend information is being developed in this table.

Data is presented since implementation of Governmental Accounting Standards Board Statement No. 74.

⁽²⁾ For years following the valuation date (when no new valuation is performed), covered payroll has been set equal to the covered payroll from the most recent valuation. Covered payroll does not include pay for active members who are ineligible for benefits.

Notes to the Required Schedules

Actuarially Determined Contribution rates, as a percentage of payroll, used to determine the Actuarially Determined Contribution amounts in the Schedule of Employer Contributions are calculated with each biennial actuarial valuation. The following actuarial methods and assumptions (from the June 30, 2018 actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2020:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Amortization period	30 years, closed
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.50%
Real wage growth	1.00%
Wage inflation	3.50%
Salary increases, including wage inflation	
General employees & firefighters	3.50% - 7.75%
Law enforcement officers	3.50% - 7.35%
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	5.75%
Health care cost trends:	
Pre-Medicare	7.25% for 2018 decreasing to an ultimate rate of 4.75% by 2028
Medicare	5.38% for 2018 decreasing to an ultimate rate of 4.75% by 2022
Dental	4.00%



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.
- *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 (3) Proceeds of general obligation bonds issued by Guilford County. Under North Carolina law, such bonds cannot be issued by the respective school.
- *Community Development Fund* - Accounts for projects financed primarily with grant funds for recovery and development purposes. Guilford County received an appropriation from the North Carolina General Assembly to fund a water and sewer study for the northwest section of the County. The County also received a distribution from the CARES Act from the Federal Government.

**GUILFORD COUNTY, NORTH CAROLINA
General Fund**

A-1

**Schedule of Expenditures - Budget and Actual
For the fiscal year ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary and GAAP Basis	Final Budget Positive (Negative)
Current:				
General government:				
County commissioners	\$ 974,398	1,027,161	497,277	529,884
Clerk to the board	466,207	531,836	451,395	80,441
County administration	1,544,356	1,531,469	982,581	548,888
County attorney	2,589,839	2,660,010	2,458,499	201,511
Human resources	10,685,800	9,751,388	7,809,986	1,941,402
Budget and management	726,315	774,989	584,672	190,317
Internal audit	624,200	662,330	526,786	135,544
Finance	2,736,368	2,808,268	2,527,829	280,439
Purchasing	330,815	360,815	340,841	19,974
Information services	11,164,933	11,845,623	11,581,165	264,458
Tax	6,781,947	7,942,875	7,671,465	271,410
Register of deeds	2,330,846	2,335,846	2,172,962	162,884
Elections	2,497,614	2,723,053	2,369,317	353,736
Planning and development	869,520	937,719	853,691	84,028
Facilities	10,336,634	9,179,018	7,740,921	1,438,097
Security	2,540,574	2,628,490	2,241,643	386,847
Fleet operation	1,096,999	1,153,337	611,959	541,378
Total general government	<u>58,297,365</u>	<u>58,854,227</u>	<u>51,422,989</u>	<u>7,431,238</u>
Human services:				
Health and Human Services:				
Public health	36,518,294	38,937,735	30,418,184	8,519,551
Social services	60,952,208	63,684,820	59,909,941	3,774,879
Mental health	9,674,000	9,674,000	9,674,000	-
Public assistance - adults, families, medical	2,391,076	2,280,938	2,085,462	195,476
Child support enforcement	6,747,354	6,880,273	6,619,794	260,479
Cooperative extension service	706,164	713,584	678,723	34,861
Coordinated services	1,274,437	1,541,090	1,380,259	160,831
Veteran services	281,017	286,017	247,950	38,067
Transportation	1,122,950	1,203,590	1,137,888	65,702
Total human services	<u>119,667,500</u>	<u>125,202,047</u>	<u>112,152,201</u>	<u>13,049,846</u>
Public safety:				
Law enforcement	69,295,243	72,686,261	63,856,329	8,829,932
Emergency services	32,698,734	33,215,062	26,155,136	7,059,926
Inspections	2,537,285	2,472,093	2,275,446	196,647
Court alternatives	2,883,116	2,688,741	2,323,194	365,547
Family Justice Center	819,086	859,086	785,515	73,571
Animal services	4,235,302	4,490,938	3,996,952	493,986
Other protection	1,080,748	1,120,084	928,897	191,187
Total public safety	<u>113,549,514</u>	<u>117,532,265</u>	<u>100,321,469</u>	<u>17,210,796</u>
Environmental protection:				
Sanitation	1,674,331	1,749,983	1,594,986	154,997
Soil and water conservation	318,820	336,590	316,255	20,335
Total environmental protection	<u>1,993,151</u>	<u>2,086,573</u>	<u>1,911,241</u>	<u>175,332</u>
Culture - recreation:				
Culture & libraries	1,834,277	1,834,277	1,827,807	6,470
Recreation - parks	4,458,312	4,602,459	4,048,794	553,665
Total culture - recreation	<u>6,292,589</u>	<u>6,436,736</u>	<u>5,876,601</u>	<u>560,135</u>
Economic development and assistance	1,133,350	3,428,134	864,971	2,563,163
Intergovernmental:				
Education - current appropriation:				
Guilford Technical Community College	16,650,000	16,650,000	16,650,000	-
Guilford County Board of Education	206,610,398	207,410,398	207,410,398	-
Total education	<u>223,260,398</u>	<u>224,060,398</u>	<u>224,060,398</u>	<u>-</u>
Debt service:				
Principal retirement	61,985,000	61,985,000	61,885,000	100,000
Interest and fiscal charges	34,094,655	34,094,655	31,194,936	2,899,719
Total debt service	<u>96,079,655</u>	<u>96,079,655</u>	<u>93,079,936</u>	<u>2,999,719</u>
Total expenditures	<u>\$ 620,273,522</u>	<u>633,680,035</u>	<u>589,689,806</u>	<u>43,990,229</u>

GUILFORD COUNTY, NORTH CAROLINA
County Building Construction Capital Projects Fund
Combining Schedule of Revenues and Expenditures
For the fiscal year ended June 30, 2020

A-2

	Annually Budgeted Projects	Project- Length Budgets	Total
Revenues			
Intergovernmental	\$ -	75,000	75,000
Charges for services	219,661	-	219,661
Investment earnings	525,693	1,493,195	2,018,888
Other	7,609	-	7,609
Total revenues	752,963	1,568,195	2,321,158
Expenditures			
Capital outlay	-	20,421,029	20,421,029
Excess (deficiency) of revenues over expenditures	752,963	(18,852,834)	(18,099,871)
Other Financing Sources (Uses)			
Transfers in	791,000	2,275,887	3,066,887
Transfers out	(800,000)	-	(800,000)
Total other financing sources (uses)	(9,000)	2,275,887	2,266,887
Excess (deficiency) of revenues and other sources over expenditures	\$ 743,963	(16,576,947)	(15,832,984)

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, 2020

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				
Charges for services	\$ -	-	219,661	219,661
Investment earnings	-	-	525,693	525,693
Other	-	-	7,609	7,609
Total revenues	<u>-</u>	<u>-</u>	<u>752,963</u>	<u>752,963</u>
Expenditures				
Capital outlay:				
County building construction				
for future projects	<u>1,011,000</u>	<u>791,000</u>	<u>-</u>	<u>791,000</u>
Total expenditures	<u>1,011,000</u>	<u>791,000</u>	<u>-</u>	<u>791,000</u>
Excess (deficiency) of revenues over expenditures	(1,011,000)	(791,000)	752,963	1,543,963
Other Financing Sources (Uses)				
Transfers in	1,011,000	791,000	791,000	-
Transfers out	-	(800,000)	(800,000)	-
Appropriated fund balance	<u>-</u>	<u>800,000</u>	<u>-</u>	<u>(800,000)</u>
Total other financing sources (uses)	<u>1,011,000</u>	<u>791,000</u>	<u>(9,000)</u>	<u>(800,000)</u>
Excess of revenues and other sources over expenditures	<u>\$ -</u>	<u>-</u>	<u>743,963</u>	<u>743,963</u>

GUILFORD COUNTY, NORTH CAROLINA
County Building Construction Capital Projects Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Budgetary Basis - Project-Length Budgets)
From inception and for the fiscal year ended June 30, 2020

A-2b

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Intergovernmental	\$ 9,381,074	1,581,073	75,000	1,656,073
Investment earnings	-	72,999	1,493,195	1,566,194
Other	920,443	920,443	-	920,443
Total revenues	10,301,517	2,574,515	1,568,195	4,142,710
Expenditures				
Capital outlay:				
General Government Projects:				
High Point Courthouse Renovations	2,228,626	1,522,558	-	1,522,558
Greene Street Center	648,180	547,748	-	547,748
Old Courthouse Renovation	3,500,000	2,263,683	776,433	3,040,116
HP Justice Complex HVAC System	1,350,000	1,237,560	-	1,237,560
High Point Parking Deck Repairs	2,667,000	1,682,533	121,456	1,803,989
Independence Center Parking Deck Repairs	600,000	465,570	-	465,570
Greensboro Courthouse HVAC	1,150,000	1,100,565	21,908	1,122,473
Voting Machines Replacement	2,000,000	-	1,746,108	1,746,108
FY 2020 County Maintenance	2,275,887	-	-	-
Human Services Projects:				
Mental Health Facility Replacement	20,800,000	422,804	5,948,511	6,371,315
Public Safety Projects:				
Law Enforcement Admin Building Renovation	1,736,000	460,090	42,608	502,698
800 MHz Infrastructure Upgrade	11,964,274	9,493,959	-	9,493,959
Fire Station 63 EMS Colocation	511,248	485,808	-	485,808
EMS Base 1 Co-Location/Fire 7	1,775,000	-	-	-
EMS Maintenance/Logistics Facility	14,416,463	2,930,547	10,052,664	12,983,211
County Animal Shelter Replacement	15,350,717	1,127,391	1,711,341	2,838,732
Juvenile Justice Projects	1,800,000	-	-	-
Culture-Recreation Projects:				
Bryan Park - Phase I	100,000	31,420	-	31,420
Bryan Park Expansion	100,000	16,440	-	16,440
Bur Mil Park Improvements	3,065,352	2,960,657	-	2,960,657
Bur Mil Park Clubhouse Renovation	1,283,000	1,224,269	-	1,224,269
Northeast Park	9,242,725	9,039,208	-	9,039,208
Open Space Acquisition	10,248,246	9,783,826	-	9,783,826
Hagan-Stone Park Swimming Pool	2,000,000	1,988,547	-	1,988,547
Hagan-Stone Park	1,384,499	1,381,080	-	1,381,080
Trails Development	363,938	98,380	-	98,380
Atlantic & Yadkin Greenway-Stimulus	664,549	279,964	-	279,964
Total expenditures	113,225,704	50,544,607	20,421,029	70,965,636
Deficiency of revenues over expenditures	(102,924,187)	(47,970,092)	(18,852,834)	(66,822,926)
Other Financing Sources				
General obligation bonds issued	57,234,854	77,860,940	-	77,860,940
Premiums on general obligation bonds issued	3,492,908	4,126,271	-	4,126,271
Transfers in	4,275,887	2,000,000	2,275,887	4,275,887
Sale of capital assets	1,800,000	-	-	-
Appropriated fund balance	36,120,538	-	-	-
Total other financing sources	102,924,187	83,987,211	2,275,887	86,263,098
Excess (deficiency) of revenues and other sources over expenditures	\$ -	36,017,119	(16,576,947)	19,440,172

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, 2020

A-3

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Intergovernmental:				
State Lottery Funds	\$ 1,647,220	1,647,219	-	1,647,219
Public School Building Capital Fund	6,387,285	6,361,505	1,526	6,363,031
Guilford County Schools	10,055,805	10,114,858	-	10,114,858
Total revenues	18,090,310	18,123,582	1,526	18,125,108
Expenditures				
Intergovernmental:				
Education:				
Guilford Technical				
Community College	45,260,504	41,245,647	1,304,958	42,550,605
Guilford County Board of Education	330,806,931	304,695,112	10,234,271	314,929,383
Total expenditures	376,067,435	345,940,759	11,539,229	357,479,988
Deficiency of revenues over expenditures	(357,977,125)	(327,817,177)	(11,537,703)	(339,354,880)
Other Financing Sources				
General obligation bonds issued	336,984,640	327,251,676	-	327,251,676
Bond anticipation notes issued	-	19,135,000	-	19,135,000
Transfers in	18,842,815	11,719,026	7,116,528	18,835,554
Appropriated fund balance	2,149,670	2,149,672	-	2,149,672
Total other financing sources	357,977,125	360,255,374	7,116,528	367,371,902
Excess (deficiency) of revenues and other sources over expenditures	\$ -	32,438,197	(4,421,175)	28,017,022

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, 2020

A-3a

<u>Project Name</u>	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
HVAC and Renovations	\$ 7,826,356	6,864,729	824,591	7,689,320
Center for Advanced Manufacturing	33,434,148	33,420,907	(641,228)	32,779,679
Capital Maintenance FY2018	1,500,000	960,011	539,989	1,500,000
Capital Maintenance FY2019	1,500,000	-	581,606	581,606
Capital Maintenance FY2020	1,000,000	-	-	-
 Total expenditures	 \$ 45,260,504	 41,245,647	 1,304,958	 42,550,605

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, 2020

A-3b

Project Name	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Northern High School	\$ 53,988,222	53,988,199	-	53,988,199
Ragsdale High School	46,287,351	46,286,086	-	46,286,086
Reedy Fork Area Elementary School	16,347,859	16,274,604	-	16,274,604
High Point SCALE Site	2,945,506	2,944,846	-	2,944,846
System-Wide Renovations/Various Sch Sites	5,188,619	5,078,259	-	5,078,259
Southeast High School	32,028,433	32,027,134	(3,908)	32,023,226
Southwest High School	19,869,678	19,868,571	-	19,868,571
Mobile Classrooms	1,767,447	1,638,560	-	1,638,560
HVAC	19,878,222	19,442,963	343,759	19,786,722
HVAC - FY10 Medicaid Swap	2,149,670	2,124,077	-	2,124,077
Roof Repair/Replace-Andrews High School	767,481	762,504	-	762,504
Roof Repair/Replace-Pleasant Garden ES	258,630	227,868	-	227,868
System-Wide Renovation FY2012	4,849,057	4,179,796	278,003	4,457,799
Roofing System-Wide	6,039,748	4,303,565	1,228,591	5,532,156
Page High School - Roofing	164,135	154,773	-	154,773
Bluford Elementary School - Renovation	8,288,612	8,192,996	-	8,192,996
Guilford Middle School - Replacement	35,279,684	33,200,814	500	33,201,314
High Point Central - Add/Renovation	17,986,007	15,636,067	944,368	16,580,435
Hunter Elementary School - Replacement	19,273,675	18,700,270	-	18,700,270
Northwest High School - New Traffic Pattern	1,156,200	568,891	-	568,891
Smith High School - Athletic Renovation	7,679,051	7,592,815	-	7,592,815
Western High School - Addition/Renovation	8,547,130	8,222,054	85,196	8,307,250
Southern HS - Stadium Improvements	634,480	566,779	-	566,779
System-Wide Safety & Security	1,491,703	1,404,793	12,418	1,417,211
Career & Technical Edu Cap Improvements	5,223,803	-	895,145	895,145
School Safety & Security Improvements	600,000	-	63,250	63,250
Capital Maintenance FY2019	6,000,000	1,307,828	4,692,172	6,000,000
Capital Maintenance FY2020	6,116,528	-	1,694,777	1,694,777
Total expenditures	\$ 330,806,931	304,695,112	10,234,271	314,929,383

GUILFORD COUNTY, NORTH CAROLINA
Community Development Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
(Budgetary Basis - Project-Length Budgets)
From inception and through the year ended June 30, 2020

A-4

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Intergovernmental:				
CARES Act - Federal Grant	\$ 93,732,721	-	21,145,905	21,145,905
General Assembly Appropriation	3,637,246	175,000	-	175,000
Investment earnings	-	-	27,739	27,739
Total revenues	<u>97,369,967</u>	<u>175,000</u>	<u>21,173,644</u>	<u>21,348,644</u>
Expenditures				
Current:				
General Government Projects:				
County Expense Reimbursement	1,307,336	-	112,466	112,466
County Mitigation & Preparedness	2,790,000	-	1,142,472	1,142,472
Phase Two - CARES Act	23,248,745	-	-	-
Human Services Projects:				
County Expense Reimbursement	8,200,000	-	4,771,576	4,771,576
County Mitigation & Preparedness	2,550,000	-	-	-
Public Safety Projects:				
County Expense Reimbursement	11,000,000	-	9,789,709	9,789,709
Community Lifeline Support	2,000,000	-	-	-
County Mitigation & Preparedness	7,650,000	-	294,259	294,259
Culture-Recreation Projects:				
County Expense Reimbursement	10,000	-	1,367	1,367
County Mitigation & Preparedness	10,000	-	-	-
Economic Development and Assistance Projects:				
Regional Water System Project	3,637,246	175,000	-	175,000
Community Lifeline Support	5,500,000	-	488,895	488,895
Local Business Support	20,000,000	-	4,545,161	4,545,161
Other Governments Mitigation & Preparedness	4,466,640	-	-	-
Education Projects:				
Other Governments Mitigation & Preparedness	5,000,000	-	-	-
Total expenditures	<u>97,369,967</u>	<u>175,000</u>	<u>21,145,905</u>	<u>21,320,905</u>
Deficiency of revenues over expenditures	<u>-</u>	<u>-</u>	<u>27,739</u>	<u>27,739</u>
Net change in fund balance	\$ <u>-</u>	<u>-</u>	<u>27,739</u>	<u>27,739</u>
Fund balance at beginning of year			<u>-</u>	
Fund balance at end of year			\$ <u>27,739</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, 2020

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	\$ 1,889,977	-	1,889,977
Receivables:			
Property taxes (net of allowance for estimated uncollectible delinquent taxes of \$97,364)	143,134	-	143,134
Other taxes	-	217,649	217,649
Due from governmental units and agencies	1,049,399	-	1,049,399
Accrued interest on investments	507	-	507
Total receivables	<u>1,193,040</u>	<u>217,649</u>	<u>1,410,689</u>
Total assets	\$ <u>3,083,017</u>	<u>217,649</u>	<u>3,300,666</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	65,296	65,296
Due to other funds	-	-	-
Due to component unit	-	152,353	152,353
Deferred revenue	-	-	-
Total liabilities	<u>-</u>	<u>217,649</u>	<u>217,649</u>
Deferred inflows of resources	<u>150,494</u>	-	<u>150,494</u>
Fund balances:			
Restricted	2,932,523	217,649	3,150,172
Unassigned	-	(217,649)	(217,649)
Total fund balances	<u>2,932,523</u>	<u>-</u>	<u>2,932,523</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>3,083,017</u>	<u>217,649</u>	<u>3,300,666</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, 2020

B-2

	Rural Fire Districts	Room Occupancy/ Tourism Development Tax	Total Nonmajor Governmental Funds
Revenues			
Taxes:			
Property taxes	\$ 16,798,282	-	16,798,282
Sales tax	3,851,362	-	3,851,362
Occupancy taxes	-	5,096,688	5,096,688
Investment earnings	2,724	-	2,724
Total revenues	20,652,368	5,096,688	25,749,056
Expenditures			
Current:			
Public safety	20,762,284	-	20,762,284
Economic development and assistance	-	5,096,688	5,096,688
Total expenditures	20,762,284	5,096,688	25,858,972
Net changes in fund balances	(109,916)	-	(109,916)
Fund balances at beginning of year	3,042,439	-	3,042,439
Fund balances at end of year	\$ 2,932,523	-	2,932,523

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, 2020

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary and GAAP Basis	Final Budget Positive (Negative)
Revenues				
Taxes:				
Property taxes	\$ 16,254,828	16,254,828	16,750,029	495,201
Interest on delinquent taxes	-	-	48,253	48,253
Total property taxes	16,254,828	16,254,828	16,798,282	543,454
Sales tax	3,634,130	3,634,130	3,851,362	217,232
Investment earnings	-	-	2,724	2,724
Total revenues	19,888,958	19,888,958	20,652,368	763,410
Expenditures				
Current - Public safety:				
Alamance Community Fire District	1,268,873	1,283,839	1,283,839	-
Alamance Community FPSD	221,654	209,654	209,654	-
Climax Fire District (FD)	125,262	127,762	127,762	-
Climax Fire Protection Service District	63,801	61,301	61,301	-
Colfax FD	686,363	686,363	686,363	-
Colfax Fire Protection Service District	242,845	242,845	242,845	-
Deep River FD	245,831	245,831	245,831	-
Friedens Community FD	199,856	199,856	199,856	-
Friedens Community FPSD	72,332	72,332	72,332	-
Gibsonville FD	15,370	15,370	15,370	-
Guilford College Community FD	681,296	686,296	686,296	-
Guilford College Community FPSD	39,004	34,004	34,004	-
Guil-Rand FD	158,108	158,108	158,108	-
Guil-Rand FPSD	71,434	71,434	71,434	-
Fire Protection Service District No. 1	48,071	48,071	48,071	-
Julian FD	109,042	109,042	109,042	-
Kimesville FD	131,453	131,453	131,453	-
McLeansville FD	1,047,119	1,047,119	1,047,119	-
McLeansville FPSD	355,818	355,818	355,818	-
Mount Hope Community FD	764,148	764,148	764,148	-
Northeast FD	1,120,378	1,120,378	1,120,378	-
Northeast FPSD	409,802	409,802	409,802	-
Oak Ridge FD	1,811,957	1,811,957	1,811,957	-
Pinecroft-Sedgefield FD	2,099,377	2,109,377	2,109,377	-
Pinecroft-Sedgefield FPSD	425,496	415,496	415,496	-
Pleasant Garden FD	768,201	773,201	773,201	-
Pleasant Garden FPSD	78,629	73,629	73,629	-
PTIA Fire Protection Service District	311,094	311,094	311,094	-
Rankin FD (No. 13)	1,150,966	1,150,966	1,150,966	-
Rankin FPSD (No. 13)	344,003	344,003	344,003	-
Southeast FD	265,890	265,890	265,890	-
Stokesdale FD	946,380	946,380	946,380	-
Summerfield FD	2,555,212	2,555,212	2,555,212	-
Summerfield FPSD	776,134	776,134	776,134	-
Whitsett FD	688,022	693,022	693,022	-
Whitsett FPSD	190,810	185,810	185,810	-
No. 14 FD	212,632	212,632	212,632	-
Fire Protection Service District No. 14	56,655	56,655	56,655	-
Total expenditures	20,759,318	20,762,284	20,762,284	-
Net change in fund balance	(870,360)	(873,326)	(109,916)	763,410
Fund balance at beginning of year	3,042,439	3,042,439	3,042,439	-
Fund balance at end of year	\$ 2,172,079	2,169,113	2,932,523	763,410

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, 2020

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	\$ 7,500,000	7,500,000	5,096,688	(2,403,312)
Expenditures				
Current:				
Economic development and assistance	<u>7,500,000</u>	<u>7,500,000</u>	<u>5,096,688</u>	<u>2,403,312</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary and</u>	<u>Final Budget</u>
			<u>GAAP Basis</u>	<u>Positive</u>
				<u>(Negative)</u>
Revenues				
Operating revenues:				
Charges for services	\$ 42,307,047	43,433,971	43,139,226	(294,745)
Other	40,000	190,000	38,793	(151,207)
Total operating revenues	<u>42,347,047</u>	<u>43,623,971</u>	<u>43,178,019</u>	<u>(445,952)</u>
Nonoperating revenues:				
Net investment gain	350,000	350,000	460,999	110,999
Total revenues	<u>42,697,047</u>	<u>43,973,971</u>	<u>43,639,018</u>	<u>(334,953)</u>
Expenditures				
Risk Retention-Liability/Property/WC:				
Personnel services	-	-	267,643	-
Other direct service costs	-	-	8,216	-
Professional services	-	-	115,698	-
Claims, premiums and bonding	-	-	2,268,966	-
Total Risk Retention	<u>3,302,411</u>	<u>3,731,746</u>	<u>2,660,523</u>	<u>1,071,223</u>
Health Care & Wellness:				
Other direct service costs			67,111	
Professional services	-	-	1,143,127	-
Claims, premiums and bonding	-	-	43,028,140	-
Total Health Care & Wellness	<u>47,096,065</u>	<u>48,401,546</u>	<u>44,238,378</u>	<u>4,163,168</u>
Total expenditures	<u>50,398,476</u>	<u>52,133,292</u>	<u>46,898,901</u>	<u>5,234,391</u>
Excess (deficiency) of revenues over expenditures	(7,701,429)	(8,159,321)	(3,259,883)	4,899,438
Other financing sources:				
Appropriated fund balance	<u>7,701,429</u>	<u>8,159,321</u>	<u>-</u>	<u>(8,159,321)</u>
Excess of revenues and other sources over expenditures	\$ <u>-</u>	<u>-</u>	<u>(3,259,883)</u>	<u>(3,259,883)</u>
Reconciliation from financial plan basis (modified accrual) to full accrual:				
Increase in deferred outflows of resources - related to pension plans			(1,868)	
Increase in accrued vacation pay			3,953	
Increase in net pension liability			18,351	
Decrease in deferred inflows of resources - related to pension plans			(178)	
Total			<u>20,258</u>	
Change in net position			\$ <u>(3,239,625)</u>	

Fiduciary Funds

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

Individual Fund Descriptions:

Pension/OPEB 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.
- *Inmate Trust Fund* - Accounts for funds deposited with the Law Enforcement Department by or for the benefit of inmates incarcerated in the County Detention Centers.

GUILFORD COUNTY, NORTH CAROLINA
Pension / OPEB Trust Funds
Combining Statement of Net Position
June 30, 2020

D-1

	Pension / OPEB Trust Funds		
	Law Enforcement Officers' Special Separation Allowance	Other Post Employment Benefits	Total
Assets			
Current assets:			
Guilford County Law Enforcement Officers' Special Separation Allowance (LEOSSA) Accounts:			
Demand deposits	\$ 2,015	-	2,015
N.C. Capital Management Trust Cash Portfolio	1,279,937	-	1,279,937
State Treasurer's Local Government Law Enforcement Officers' Special Separation Allowance (LEOSSA) Fund:			
Short-Term LEOSSA Fund	1,308,515	-	1,308,515
LEOSSA Equity Fund	514,630	-	514,630
State Treasurer's Local Government Other Post Employment Benefits (OPEB) Fund:			
Short-Term OPEB Fund	-	3,504,925	3,504,925
Long-Term OPEB Fund	-	1,160,411	1,160,411
OPEB Equity Fund	-	10,932,995	10,932,995
Cash and cash equivalents/investments	3,105,097	15,598,331	18,703,428
Receivables:			
Accrued interest on investments	99	-	99
Total assets	3,105,196	15,598,331	18,703,527
Liabilities			
Accounts payable and accrued liabilities	29,927	-	29,927
Net Position			
Held in trust for pension / OPEB benefits	\$ 3,075,269	15,598,331	18,673,600

GUILFORD COUNTY, NORTH CAROLINA
Pension / OPEB Trust Funds
Combining Statement of Changes in Plan Net Position
For the fiscal year ended June 30, 2020

D-2

	Pension / OPEB Trust Funds		
	Law Enforcement Officers' Special Separation Allowance	Other Post Employment Benefits	Total
Additions			
Employer contributions	\$ 1,335,920	8,494,143	9,830,063
Retiree contributions	-	2,693,713	2,693,713
Investment income (loss)	52,990	416,013	469,003
Investment expenses	(50)	(1,323)	(1,373)
Total additions	<u>1,388,860</u>	<u>11,602,546</u>	<u>12,991,406</u>
Deductions			
Benefits	1,060,049	10,804,674	11,864,723
Administrative expenses	3,159	383,182	386,341
Total deductions	<u>1,063,208</u>	<u>11,187,856</u>	<u>12,251,064</u>
Change in net position	325,652	414,690	740,342
Net position at beginning of year	<u>2,749,617</u>	<u>15,183,641</u>	<u>17,933,258</u>
Net position at end of year	<u>\$ 3,075,269</u>	<u>15,598,331</u>	<u>18,673,600</u>

GUILFORD COUNTY, NORTH CAROLINA
Agency Funds
Combining Statement of Assets and Liabilities
June 30, 2020

D-3

	Agency Funds				
	<u>Tax Collection</u>	<u>Fines and Forfeitures</u>	<u>Representative Payee</u>	<u>Inmate Trust</u>	<u>Total</u>
Assets					
Cash and cash equivalents/investments	\$ 143,533	336,206	569,884	181,273	1,230,896
Total assets	\$ <u>143,533</u>	<u>336,206</u>	<u>569,884</u>	<u>181,273</u>	<u>1,230,896</u>
Liabilities					
Accounts payable and accrued liabilities	\$ -	336,206	-	-	336,206
Representative payee clients payable	-	-	569,884	-	569,884
Due to other taxing units	143,533	-	-	-	143,533
Inmate trust funds payable	-	-	-	181,273	181,273
Total liabilities	\$ <u>143,533</u>	<u>336,206</u>	<u>569,884</u>	<u>181,273</u>	<u>1,230,896</u>

GUILFORD COUNTY, NORTH CAROLINA

Agency Funds

D-4

**Combining Statement of Changes in Assets and Liabilities
For the fiscal year ended June 30, 2020**

	<u>Balance</u> <u>7/1/19</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/20</u>
<u>Tax Collection Fund</u>				
Assets				
Cash and cash equivalents/investments	\$ <u>163,987</u>	<u>273,325,900</u>	<u>273,346,354</u>	<u>143,533</u>
Liabilities				
Due to other taxing units	\$ <u>163,987</u>	<u>273,325,900</u>	<u>273,346,354</u>	<u>143,533</u>
<u>Fines and Forfeitures Fund</u>				
Assets				
Cash and cash equivalents/investments	\$ <u>407,924</u>	<u>1,903,416</u>	<u>1,975,134</u>	<u>336,206</u>
Liabilities				
Accounts payable and accrued liabilities	\$ <u>407,924</u>	<u>1,903,416</u>	<u>1,975,134</u>	<u>336,206</u>
<u>Representative Payee Fund</u>				
Assets				
Cash and cash equivalents/investments	\$ <u>371,492</u>	<u>2,517,683</u>	<u>2,319,291</u>	<u>569,884</u>
Liabilities				
Representative payee clients payable	\$ <u>371,492</u>	<u>2,517,683</u>	<u>2,319,291</u>	<u>569,884</u>
<u>Inmate Trust Fund</u>				
Assets				
Cash and cash equivalents/investments	\$ <u>155,244</u>	<u>1,555,913</u>	<u>1,529,884</u>	<u>181,273</u>
Liabilities				
Inmate trust funds payable	\$ <u>155,244</u>	<u>1,555,913</u>	<u>1,529,884</u>	<u>181,273</u>
<u>Total Agency Funds</u>				
Assets				
Cash and cash equivalents/investments	\$ <u>1,098,647</u>	<u>279,302,912</u>	<u>279,170,663</u>	<u>1,230,896</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 407,924	1,903,416	1,975,134	336,206
Representative payee clients payable	371,492	2,517,683	2,319,291	569,884
Due to other taxing units	163,987	273,325,900	273,346,354	143,533
Inmate trust funds payable	<u>155,244</u>	<u>1,555,913</u>	<u>1,529,884</u>	<u>181,273</u>
Total liabilities	\$ <u>1,098,647</u>	<u>279,302,912</u>	<u>279,170,663</u>	<u>1,230,896</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

E-1

**Analysis of Current Tax Levy
For the fiscal year ended June 30, 2020**

	<u>Assessed Value</u>	<u>Rate (1)</u>	<u>Total Adjusted Tax Levy (2)</u>	<u>Current Tax Collections</u>	<u>Uncollected at June 30, 2020</u>
County-wide	\$ 52,807,783,368	0.7305	\$ 385,795,748	383,024,318	2,771,430
Rural fire / service districts:					
Alamance Community FD	1,033,958,214	0.1000	1,032,510	1,023,429	9,081
Alamance Community FPSD	1,033,958,214	0.0179	184,678	183,053	1,625
Climax FD	97,366,809	0.1000	97,532	96,458	1,074
Climax FPSD	97,390,390	0.0500	48,755	48,218	537
Colfax FD	553,268,220	0.1000	553,466	551,741	1,725
Colfax FPSD	553,268,220	0.0359	198,692	198,073	619
Deep River FD	210,277,366	0.0941	199,980	198,030	1,950
Friedens Community FD	156,206,787	0.1000	156,240	155,208	1,032
Friedens Community FPSD	156,206,787	0.0390	60,925	60,522	403
Gibsonville FD	12,732,096	0.0945	12,101	12,088	13
Guilford College Community FD	569,830,038	0.1000	569,455	569,004	451
Guilford College FPSD	63,646,968	0.0500	31,825	31,636	189
Guil-Rand FD	128,180,456	0.1000	128,118	125,241	2,877
Guil-Rand FPSD	128,180,476	0.0466	59,699	58,358	1,341
Julian FD	59,055,290	0.1454	86,262	84,808	1,454
Kimesville FD	94,610,157	0.1097	104,126	101,814	2,312
McLeansville FD	801,355,937	0.1000	800,849	790,239	10,610
McLeansville FPSD	801,355,937	0.0372	297,891	293,950	3,941
Mount Hope Community FD	802,219,120	0.0800	640,736	636,904	3,832
Northeast FD	886,720,459	0.1000	888,228	880,029	8,199
Northeast FPSD	886,720,655	0.0399	351,738	348,478	3,260
Oak Ridge FD	1,511,978,878	0.0977	1,475,289	1,468,628	6,661
Pinecroft-Sedgefield FD	1,689,976,422	0.1000	1,691,041	1,676,928	14,113
Pinecroft-Sedgefield FPSD	1,687,633,565	0.0200	337,466	334,655	2,811
Pleasant Garden FD	620,611,963	0.1000	622,036	614,693	7,343
Pleasant Garden FPSD	620,612,001	0.0107	66,531	65,748	783
Rankin FD	984,769,270	0.0963	949,577	940,873	8,704
Rankin FPSD	984,768,970	0.0289	284,974	282,362	2,612
Southeast FD	155,272,890	0.1375	213,499	211,051	2,448
Stokesdale FD	749,813,813	0.1000	748,639	743,927	4,712
Summerfield FD	2,044,039,291	0.1000	2,040,372	2,034,369	6,003
Summerfield FPSD	2,044,039,291	0.0310	632,514	630,653	1,861
Whitsett FD	549,405,755	0.1000	552,970	548,475	4,495
Whitsett FPSD	549,405,800	0.0296	162,719	161,389	1,330
No. 14 FD (Franklin Blvd.)	164,556,625	0.1000	164,563	161,165	3,398
No. 14 FPSD	164,556,625	0.0275	45,256	44,322	934
FPSD No. 1 (Horneytown)	25,732,974	0.1500	38,447	38,373	74
PTIA FPSD	506,217,337	0.0495	250,391	250,355	36
Total rural fire districts			<u>16,780,090</u>	<u>16,655,247</u>	<u>124,843</u>
Total entity-wide			\$ <u>402,575,838</u>	<u>399,679,565</u>	<u>2,896,273</u>

Percent of current year adjusted tax levy collected:

County-wide	<u>99.28</u> %
Rural fire districts	<u>99.26</u>
Entity-wide	<u>99.28</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 motor vehicle taxes that have been prorated less than twelve months.

GUILFORD COUNTY, NORTH CAROLINA
Schedule of Property Taxes Receivable
June 30, 2020

E-2

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2019</u>	<u>Total Adjusted Tax Levy</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2020</u>
2019-2020	\$ -	402,575,838	399,679,565	2,896,273
2018-2019	3,026,583	-	1,635,874	1,390,709
2017-2018	1,283,369	-	464,719	818,650
2016-2017	879,053	-	238,212	640,841
2015-2016	701,273	-	142,252	559,021
2014-2015	583,371	-	86,492	496,879
2013-2014	916,617	-	69,257	847,360
2012-2013	1,192,896	-	60,472	1,132,424
2011-2012	912,515	-	39,840	872,675
2010-2011	681,674	-	21,952	659,722
2009-2010	688,102	-	688,102	-
	<u>\$ 10,865,453</u>	<u>402,575,838</u>	<u>403,126,737</u>	<u>10,314,554</u>

Less allowance for estimated uncollectible delinquent taxes:

General Fund	\$ (4,463,525)	
Rural Fire Districts Fund	(91,193)	<u>(4,554,718)</u>

Property taxes receivable (net) \$ 5,759,836

Reconciliation with revenues:

General Fund:		
Ad valorem taxes	\$ 385,091,000	
Interest on delinquent taxes	<u>1,233,486</u>	\$ 386,324,486
Rural Fire Districts Fund:		
Ad valorem taxes	16,750,029	
Interest on delinquent taxes	<u>48,253</u>	16,798,282
Plus collections and credits not included in revenues:		
Releases net of refunds on prior fiscal years	388,196	
Penalties on delinquent taxes	306,407	
Amounts written off for year 2008 - 2009 per statute of limitations	<u>688,102</u>	<u>1,382,705</u>
Subtotal		404,505,473

Less revenues not included in collections and credits:

Collections on years prior to 2009 - 2010	(37,047)	
Payments in lieu of taxes	(59,950)	
Interest collected	<u>(1,281,739)</u>	<u>(1,378,736)</u>

Total collections and credits \$ 403,126,737

GUILFORD COUNTY, NORTH CAROLINA
Analysis of Current Tax Levy
County-Wide Levy
For the fiscal year ended June 30, 2020

	County-Wide			Total Levy	
	Assessed Value	Rate (1)	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Adjusted levy before penalties:					
Property taxed at current year's rate (2)	\$ 52,807,783,368	0.7305	385,450,942	352,928,392	32,522,550
Penalties			<u>344,806</u>	<u>344,806</u>	<u>-</u>
Total adjusted tax levy			385,795,748	353,273,198	32,522,550
Uncollected taxes at June 30, 2020			<u>(2,771,430)</u>	<u>(2,771,430)</u>	<u>-</u>
Current year's taxes collected			\$ <u>383,024,318</u>	<u>350,501,768</u>	<u>32,522,550</u>
Current adjusted tax levy collection percentage			<u>99.28%</u>	<u>99.22%</u>	<u>100.00%</u>

Notes:

- (1) Per \$100 of assessed value.
- (2) Assessed value times rate will not equal amount of levy due to rounding differences, preferential rate treatments to certain properties, discoveries and releases at prior years' rates, current year discounts which are not rate related and motor vehicle taxes that have been prorated less than twelve months.

GUILFORD COUNTY, NORTH CAROLINA
Analysis of Current Tax Levy
County-Wide Levy - General Information
For the fiscal year ended June 30, 2020

Secondary Market Disclosures:

Assessed Valuation:	
Assessment Ratio (1)	100%
Real Property (2)	\$ 41,848,205,664
Personal Property	9,572,297,856
Public Service Companies (3)	<u>1,387,279,848</u>
Total Assessed Valuation	\$ <u>52,807,783,368</u>
Tax Rate per \$100 (4)	<u>0.7305</u>
Adjusted Levy (5)	\$ <u>402,575,838</u>

Notes:

- (1) Percentage of appraised value has been established by State Statute.
- (2) Real property assessment is based on 2018 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	\$ 385,795,748
Special Fire Districts	<u>16,780,090</u>
Total Levy	\$ <u>402,575,838</u>

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

GUILFORD COUNTY, NORTH CAROLINA

E-5

Bonded Debt Service Requirements

and Maturity Schedule

As of June 30, 2020

General Obligation	UTILITY		OTHER		TOTAL	
	Existing Debt		Existing Debt		Existing Debt	
	Fiscal Year	Principal	Principal & Interest	Principal	Principal & Interest	Principal
2020-21	\$ 105,044	135,541	61,394,956	89,266,639	61,500,000	89,402,180
2021-22	105,241	130,781	66,979,759	92,088,007	67,085,000	92,218,788
2022-23	104,650	125,292	70,510,350	92,354,339	70,615,000	92,479,631
2023-24	59,068	75,055	66,130,932	84,896,081	66,190,000	84,971,136
2024-25	59,383	72,468	66,690,617	82,433,735	66,750,000	82,506,203
2025-26	59,738	69,854	49,220,262	61,746,716	49,280,000	61,816,570
2026-27	60,053	67,183	49,439,947	59,574,180	49,500,000	59,641,363
2027-28	59,107	64,435	34,200,893	41,998,883	34,260,000	42,063,318
2028-29	59,304	61,677	28,295,696	34,510,284	28,355,000	34,571,961
2029-30	-	-	20,095,000	24,949,103	20,095,000	24,949,103
2030-31	-	-	19,820,000	23,672,521	19,820,000	23,672,521
2031-32	-	-	28,715,000	31,879,454	28,715,000	31,879,454
2032-33	-	-	11,570,000	13,610,770	11,570,000	13,610,770
2033-34	-	-	11,570,000	13,161,570	11,570,000	13,161,570
2034-35	-	-	11,570,000	12,792,270	11,570,000	12,792,270
2035-36	-	-	11,570,000	12,433,483	11,570,000	12,433,483
2036-37	-	-	11,570,000	12,073,675	11,570,000	12,073,675
2037-38	-	-	2,220,000	2,353,200	2,220,000	2,353,200
2038-39	-	-	2,220,000	2,286,600	2,220,000	2,286,600
	\$ 671,588	802,286	623,783,412	788,081,510	624,455,000	788,883,796

Limited Obligation

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		-	768,805	-	768,805
2029-30		-	768,805	-	768,805
2030-31		-	768,805	-	768,805
2031-32			16,845,000	17,613,806	16,845,000
	\$		16,845,000	26,070,669	16,845,000

Statistical Section

Statistical Section

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

Contents	Tables
Financial Trends 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.

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	43,193,135	46,807,995	42,965,674	40,117,035	40,163,299	43,825,380	45,807,940	45,157,062	45,193,085	53,316,245
Human services	165,311,991	159,946,804	144,195,031	124,275,553	126,324,488	132,372,286	142,424,262	113,292,511	119,369,932	134,486,189
Public safety	101,857,575	111,502,379	119,896,894	115,011,980	119,621,993	124,934,944	130,189,605	134,222,836	139,126,261	152,797,248
Environmental protection	1,317,107	1,368,749	1,357,646	1,372,025	1,422,030	1,528,622	1,730,646	1,920,573	1,959,082	2,160,087
Culture - recreation	5,847,964	5,817,799	7,220,201	6,191,194	6,209,636	6,920,020	6,946,253	7,349,892	7,364,358	7,805,624
Economic development and assistance	21,510,154	7,239,287	21,261,349	9,802,441	9,526,319	7,619,844	7,198,235	7,228,783	7,491,888	10,995,715
Education	274,154,519	282,303,468	253,356,987	275,978,578	227,558,717	223,217,110	287,534,526	251,422,951	231,624,769	235,599,627
Interest on long-term debt	26,371,175	26,392,310	28,750,330	26,275,019	23,819,755	20,181,287	20,624,742	23,860,360	22,463,821	21,595,194
Total primary government expenses	639,563,620	640,378,791	619,004,112	599,023,825	554,646,237	560,599,493	642,456,209	584,460,968	574,593,196	618,755,929
Program Revenues										
Governmental activities:										
Charges for services:										
General government	5,565,128	8,209,756	6,383,668	6,225,569	6,219,877	6,243,911	6,238,894	6,450,137	6,122,263	6,258,608
Human services	15,107,982	17,713,928	11,659,633	9,034,653	7,967,733	10,155,401	13,503,023	10,938,503	8,290,517	11,515,764
Public safety	20,229,569	20,018,789	22,715,104	23,355,125	23,211,790	25,065,405	26,212,518	26,799,597	28,630,222	29,341,119
Economic development and assistance	1,785,255	72,337	89,664	15,137	526,389	-	1,275,983	46,499	18,949	14,277
Other activities	63,185	301,158	534,000	1,013,099	943,127	1,053,028	1,105,239	1,120,910	1,161,462	839,201
Operating grants and contributions:										
Human services	90,171,609	84,760,563	75,384,567	65,324,711	71,149,616	73,068,045	78,051,911	51,360,824	51,999,561	61,287,644
Public safety	1,374,698	1,382,428	1,875,697	1,012,073	1,940,793	1,425,469	1,383,597	1,346,383	1,785,538	12,061,374
Education	2,976,116	61,328	1,491,820	27,643	(52,592)	3,194	5,813,014	173,426	-	1,526
Interest on long-term debt	9,496,397	6,257,976	7,883,817	7,470,576	7,490,888	7,496,692	7,502,495	7,455,897	7,466,053	7,476,209
Other activities	92,1022	1,365,697	1,348,201	1,379,655	1,496,283	1,291,351	1,275,306	1,353,529	960,638	7,333,920
Capital grants and contributions:										
General government	-	-	-	-	-	34,074	-	250,000	250,000	103,837
Human services	326,015	115,355	311,817	97,554	27,628	137,801	269,932	573,590	368,779	44,300
Public safety	431,312	299,356	374,780	201,543	111,945	84,236	24,500	40,010	58,497	399,170
Culture - recreation	520,844	-	124,074	160,955	-	-	-	-	-	-
Total primary government program revenues	148,969,132	140,558,671	130,176,942	115,318,293	121,033,477	126,058,607	142,656,412	107,909,305	107,112,479	136,676,949
Total primary government net expenses	(490,594,488)	(499,820,120)	(488,827,270)	(483,705,532)	(433,612,760)	(434,540,886)	(499,799,797)	(476,551,663)	(467,480,717)	(482,078,980)

**General Revenues and Other
Changes in Net Position**

Governmental activities:

Taxes:

Property taxes	339,701,250	363,239,575	372,179,237	372,062,971	375,975,863	379,543,647	387,498,373	394,794,606	403,071,398
Sales taxes	62,543,117	66,753,745	72,383,124	78,921,056	83,280,909	87,177,424	89,330,783	93,149,671	94,095,006
Occupancy taxes	4,084,391	4,441,971	4,909,445	5,371,235	5,462,046	5,724,845	5,983,575	6,533,545	5,096,688
Excise taxes	1,544,182	1,628,390	2,019,417	2,434,052	2,606,515	2,868,222	2,872,476	3,156,667	3,992,234
Local gross receipts taxes	628,422	685,671	721,066	790,938	815,038	831,792	840,943	934,145	774,140
Franchise taxes	82,213	-	-	-	-	-	-	-	-
Unrestricted grants and contributions	3,474,304	1,945,810	1,985,093	1,540,704	1,516,823	1,572,186	1,538,348	1,563,491	1,808,038
Unrestricted investment earnings	3,151,886	(2,517,060)	983,218	983,438	1,372,279	2,773,338	5,190,563	7,922,271	6,253,767
Other	6,045,727	452,404	203,773	499,868	1,541,560	295,608	338,138	2,706,594	290,217
Total primary government general revenues and other changes in net position	421,255,492	436,630,516	455,384,373	462,604,262	472,571,033	480,787,062	493,593,199	510,760,990	515,381,488
Changes in Net Position	\$(69,338,996)	\$(63,189,604)	\$(28,321,159)	28,991,502	38,030,147	(19,012,735)	17,041,536	43,280,273	33,302,508

Net Position by Component

Governmental activities:	(1),(2)	(Restated) (3)	(Restated) (4)	(Restated) (5)
Net investment in capital assets	129,476,162	140,904,947	146,623,320	161,980,529
Restricted	93,262,484	84,400,139	72,078,926	76,345,568
Unrestricted	(547,421,671)	(603,117,519)	(636,801,049)	(803,390,717)
Governmental activities / primary government	\$(324,683,025)	(430,588,945)	(418,098,803)	(665,064,620)
		(458,910,104)	(437,111,538)	(521,784,347)
				(488,481,839)

Notes:

- (1) 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.
- (2) 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*.
- (3) Beginning July 1, 2014 unrestricted net position has been reduced by \$15,304,861 to reflect the restatement of beginning net position required by the 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.
- (4) Beginning July 1, 2015 unrestricted net position has been reduced by \$10,905,487 to reflect the restatement of beginning net position required by the 2016 implementation of Governmental Accounting Standards Board Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*.
- (5) Beginning July 1, 2017 unrestricted net position has been reduced by \$144,994,618 to reflect the restatement of beginning net position required by the 2018 implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes:										
Property taxes	338,901,967	361,701,450	363,917,353	374,929,286	374,106,409	375,810,512	379,169,473	387,459,033	394,289,824	403,122,768
Sales taxes	62,543,117	66,763,745	69,157,461	72,383,124	78,921,056	83,280,909	87,177,424	89,330,783	93,149,671	94,095,007
Occupancy taxes	4,084,391	4,441,971	4,530,714	4,929,357	5,447,955	5,462,046	5,724,845	5,983,575	6,533,545	5,096,688
Excise taxes	1,544,182	1,628,390	1,900,114	2,019,417	2,434,052	2,606,515	2,868,222	2,872,476	3,156,667	3,992,234
Local gross receipts taxes	628,422	685,671	687,863	721,066	790,938	815,038	831,792	840,943	934,145	774,140
Franchise taxes	82,213	-	-	-	-	-	-	-	-	-
Total taxes	407,784,292	435,211,227	440,193,505	454,982,250	461,700,410	467,975,020	475,771,756	486,486,810	498,063,852	507,080,837
Licenses and permits	1,565,894	1,515,015	1,615,435	1,599,130	1,872,630	1,720,368	2,214,696	1,994,084	2,156,449	2,394,101
Intergovernmental	108,877,034	95,334,713	88,797,966	76,942,485	82,353,630	84,119,841	95,078,003	62,669,334	62,816,310	88,804,234
Charges for services	37,771,760	39,396,379	35,376,318	34,300,511	32,556,009	37,093,169	41,556,517	39,907,519	38,659,331	42,336,475
Investment earnings	1,761,870	1,084,348	913,633	628,946	547,533	1,093,684	1,908,670	4,208,440	6,894,460	5,793,172
Other	4,859,173	6,647,123	6,165,660	4,544,614	5,469,194	4,792,823	4,664,494	5,290,939	5,287,230	5,253,708
Total revenues	562,620,023	579,188,805	573,062,517	572,997,936	584,499,406	596,794,905	621,194,136	600,557,126	613,877,632	651,662,527
Expenditures										
General government	41,211,152	41,411,153	44,636,072	41,705,096	41,862,561	44,202,895	45,241,253	46,281,130	47,988,036	52,677,927
Human services	156,312,988	149,105,449	135,334,550	120,065,222	123,157,149	127,650,833	134,950,019	109,377,917	111,103,757	116,923,777
Public safety	94,936,538	101,788,522	109,199,054	108,271,215	112,511,576	117,120,545	121,601,799	125,977,700	128,522,111	131,167,721
Environmental protection	1,236,978	1,259,345	1,260,849	1,306,171	1,368,887	1,489,132	1,718,259	1,805,243	1,868,297	1,911,241
Culture - recreation	4,882,347	4,794,610	5,435,795	4,959,362	5,031,761	5,587,918	5,563,011	6,355,035	6,722,677	5,877,968
Urban redevelopment & housing	-	-	-	-	-	-	-	-	-	-
Economic development & assistance	5,764,008	6,763,125	5,665,860	6,724,093	6,885,909	7,239,747	7,197,883	7,228,783	7,491,888	10,995,715
Education (1)	186,918,211	186,918,211	187,383,088	189,528,088	192,658,088	197,710,398	203,010,398	211,010,398	218,760,398	224,060,398
Capital outlay - Education (1)	87,236,308	95,385,257	65,973,899	86,450,490	34,900,629	25,506,712	84,524,128	40,412,553	12,864,371	11,539,229
Capital outlay - Other	76,124,528	32,100,377	25,984,432	7,732,346	7,071,597	6,499,460	3,764,585	8,206,891	5,398,174	20,421,029
Debt service:										
Principal	37,545,200	45,602,892	49,495,585	51,210,585	53,270,585	56,945,585	58,135,585	62,445,585	62,395,000	61,885,000
Interest	27,018,923	27,136,589	33,104,335	30,972,615	28,839,478	26,657,964	23,974,107	32,279,923	32,657,510	31,186,066
Other fiscal charges	1,776,942	1,859,397	1,025,997	1,052,028	878,905	760,512	776,914	265,757	9,370	8,870
Bond issuance / put bond costs	-	1,499,741	-	-	-	621,582	1,384,306	969,842	340,951	-
Total expenditures	720,964,123	695,624,668	664,499,516	649,977,311	608,437,125	617,993,283	691,822,247	652,616,757	636,122,540	668,654,941
Excess (deficiency) of revenues over expenditures	(158,344,100)	(116,435,863)	(91,436,999)	(76,979,375)	(23,937,719)	(21,198,378)	(70,628,111)	(52,059,631)	(22,244,908)	(16,992,414)

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

Refunding bonds issued	-	-	-	-	92,930,000	-	179,785,000	-	-	-
General obligation bonds issued	46,135,000	-	-	-	-	187,265,000	-	-	40,000,000	-
Bond anticipation notes issued	150,890,000	-	-	-	-	-	-	-	-	-
Refunding capital-related debt issued	-	50,000	-	-	2,300,000	-	-	-	-	-
Capital-related debt issued	3,316,300	-	-	-	-	-	-	-	-	-
Payment to bond refunding escrow agent	21,820,000	-	-	-	-	-	-	-	-	-
Premiums on bonds/put bonds/refunding bonds issued	(53,364,279)	-	-	-	(111,191,212)	-	(208,024,114)	-	-	-
Payment to terminate interest rate swaps	29,039,009	-	-	-	18,891,592	24,564,701	29,635,953	5,813,243	-	-
Payment to refinance capital-related debt	(4,660,034)	-	-	-	-	-	(420,000)	-	-	-
Transfers in	6,794,162	5,141,210	6,752,898	8,355,029	8,355,029	8,250,000	8,712,149	9,500,000	10,983,415	-
Transfers out	(6,794,162)	(5,141,210)	(6,752,898)	(8,355,029)	(8,355,029)	(8,250,000)	(8,712,149)	(9,500,000)	(10,983,415)	-
Sale of capital assets	7,822,165	288,165	437,320	1,898,186	1,898,186	85,893	245,998	5,823,678	267,554	-
Total other financing sources (uses) and other changes in fund balances	7,822,165	288,165	177,435	2,737,320	24,528,566	187,565,594	1,222,837	51,636,921	267,554	-
Changes in Fund Balances										
Governmental funds	<u>\$ (150,521,935)</u>	<u>(91,148,834)</u>	<u>(76,801,940)</u>	<u>(21,200,399)</u>	<u>3,330,188</u>	<u>116,937,483</u>	<u>(50,836,794)</u>	<u>29,392,013</u>	<u>(16,724,860)</u>	
Debt service as a percentage of noncapital expenditures (2)	9.39%	12.70%	12.81%	13.65%	13.74%	12.03%	14.84%	15.28%	14.22%	
Fund Balances										
General fund:										
Non spendable	499,646	1,441,612	1,233,053	1,268,584	1,172,718	1,209,173	1,097,850	968,077	821,835	
Restricted	51,084,382	53,372,359	46,166,524	49,782,226	51,937,573	78,012,866	74,331,512	69,711,905	59,208,111	
Committed	27,692	20,575	16,630	16,630	16,630	16,630	2,539	2,539	-	
Assigned	25,447,565	24,751,319	24,180,984	27,036,247	26,979,256	24,827,400	21,202,603	21,514,258	33,877,584	
Unassigned	55,209,633	58,714,232	79,472,632	84,929,054	85,287,999	87,378,403	82,892,048	78,240,395	80,141,120	
Total general fund	<u>132,268,918</u>	<u>138,300,097</u>	<u>151,129,823</u>	<u>163,032,741</u>	<u>165,394,176</u>	<u>191,444,472</u>	<u>179,526,552</u>	<u>170,437,174</u>	<u>174,048,650</u>	
All other governmental funds:										
Non spendable	-	-	-	-	-	16,980	-	30,000	-	
Restricted	148,181,022	127,209,068	36,393,081	18,048,999	12,662,980	97,634,341	56,637,188	86,729,308	82,760,471	
Committed	18,629,202	11,369,186	20,985,641	17,145,558	18,241,070	13,704,347	13,186,880	12,935,599	7,766,040	
Assigned	5,587,932	14,066,459	4,651,608	5,540,252	7,613,894	7,008,885	9,099,718	17,214,336	8,631,880	
Unassigned	(1,690,772)	(5,589,131)	(4,606,414)	(16,414,210)	(13,228,592)	(2,188,014)	(1,666,121)	(1,170,187)	(3,955,671)	
Total all other governmental funds	<u>170,707,384</u>	<u>147,055,582</u>	<u>57,423,916</u>	<u>24,320,599</u>	<u>25,289,352</u>	<u>116,176,539</u>	<u>77,257,665</u>	<u>115,739,056</u>	<u>95,402,720</u>	
Total fund balances	<u>302,976,302</u>	<u>285,355,679</u>	<u>208,553,739</u>	<u>187,353,340</u>	<u>190,683,528</u>	<u>307,621,011</u>	<u>256,784,217</u>	<u>286,176,230</u>	<u>269,451,370</u>	

Notes:

- (1) For year 2010, annual capital appropriations to Guilford Technical Community College and Guilford County Board of Education from the General Fund are included in Capital outlay - Education as in the future years when these appropriations were reported in the School Capital Outlay Fund.
- (2) Debt service as a percentage of noncapital expenditures reflects principal and interest only divided by the sum of total expenditures less capital expenditures in all functional categories but only to the extent capitalized as an asset by the County. Water and sewer and school capital expenditures in the Capital Projects Funds which are assets of the municipalities, Guilford County Schools and Guilford Technical Community College are included in noncapital expenditures for the purposes of this calculation.

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

Fiscal Year	Total Real Property (1)		Personal Property (2)		Public Service Companies' Property (2)		Total		Ratio of Total Assessed To Total Estimated Actual Taxable Value	
	Assessed Taxable Value	Estimated Actual Taxable Value	Assessed Taxable Value	Assessed Taxable Value	Assessed Taxable Value	Assessed Taxable Value	Estimated Taxable Value	Estimated Actual Taxable Value	Estimated Actual Taxable Value	Total Direct Tax Rate (4)
2011	\$ 36,814,403,214	38,743,846,784	7,017,828,595	1,034,274,005	44,866,505,814	46,795,949,384	95.9 %	\$	0.7592	
2012	37,039,761,422	35,711,301,024	7,304,372,150	1,013,624,243	45,357,757,815	44,029,297,417	103.0		0.8040	
2013 ⁽³⁾	36,867,575,947	37,030,510,192	7,610,406,089	1,067,428,654	45,545,410,690	45,708,344,935	99.6		0.8042	
2014	36,986,215,133	37,224,451,623	8,246,115,049	1,065,598,325	46,297,928,507	46,536,164,997	99.5		0.7938	
2015	37,288,572,740	38,185,942,386	8,207,816,947	1,103,440,544	46,599,830,231	47,497,199,877	98.1		0.7981	
2016	37,661,151,234	39,365,685,412	8,497,141,229	1,226,988,869	47,385,281,332	49,089,815,510	96.5		0.7896	
2017	38,131,768,965	39,001,502,470	8,823,734,260	1,251,027,428	48,206,530,653	49,076,264,158	98.2		0.7847	
2018 ⁽³⁾	40,538,463,183	40,640,063,341	8,873,395,357	1,318,902,194	50,730,760,734	50,832,360,892	99.8		0.7608	
2019	40,883,802,365	43,153,686,262	9,135,848,611	1,325,606,744	51,345,257,720	53,615,141,617	95.8		0.7620	
2020	41,848,205,664	44,171,633,591	9,572,297,856	1,387,279,848	52,807,783,368	55,131,211,295	95.8		0.7622	

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 Guilford County Board of Commissioners has adopted a policy to revalue property every five years. The most recent revaluation in 2018 is reflected in the increased real property values. The previous revaluation is reflected in the decreased real property values in fiscal year 2013 from a down market.
- (4) Per \$100 of assessed value. See Table 4 for details of the County's total direct rate, a weighted average rate.

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

	Fiscal Year Taxes Are Payable									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
County Direct Rates:										
General Levy (1):										
Property taxed at current year's rate	\$ 0.7182	0.7609	0.7580	0.7471	0.7700	0.7600	0.7550	0.7305	0.7305	0.7305
Registered motor vehicles at prior rate	0.0192	0.0203	0.0225	0.0229	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total general direct rate	0.7374	0.7812	0.7805	0.7700	0.7700	0.7600	0.7550	0.7305	0.7305	0.7305
Fire Protection Districts (2)	0.0218	0.0228	0.0237	0.0238	0.0281	0.0296	0.0297	0.0303	0.0315	0.0317
Total direct rate	\$ 0.7592	0.8040	0.8042	0.7938	0.7981	0.7896	0.7847	0.7608	0.7620	0.7622
City Rates:										
Burlington (3)	\$ 0.5900	0.5801	0.5800	0.5800	0.5800	0.5800	0.5800	0.5973	0.5973	0.5973
Greensboro	0.6352	0.6349	0.6351	0.6350	0.6350	0.6350	0.6352	0.6353	0.6352	0.6654
High Point	0.6330	0.6613	0.6746	0.6750	0.6646	0.6500	0.6475	0.6475	0.6475	0.6475
Kemersville (3)	0.4975	0.4975	0.4975	0.5273	0.5424	0.5425	0.5700	0.5545	0.5700	0.5700
Town Rates:										
Archdale (4)	\$ 0.2900	0.2900	0.2900	0.2900	0.2900	0.2900	0.2900	0.2900	0.2900	0.2900
Gibsonville (4)	0.5100	0.5100	0.5100	0.5100	0.5100	0.5100	0.5100	0.5300	0.5300	0.5300
Jamestown	0.3895	0.3900	0.3948	0.4434	0.4544	0.4550	0.4550	0.4680	0.4680	0.4680
Oak Ridge	0.0863	0.0863	0.0863	0.0863	0.0863	0.0863	0.0863	0.0800	0.0800	0.0800
Pleasant Garden	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0500	0.0500	0.0500
Sedalia	0.2729	0.2750	0.2750	0.2750	0.2750	0.2750	0.2750	0.2750	0.2750	0.2750
Summerfield (5)	0.0350	0.0350	0.0350	0.0350	0.0279	0.0275	0.0275	0.0275	0.0275	0.0275
Whitsett	0.0500	0.0500	0.0500	0.0500	0.1438	0.1500	0.1500	0.1500	0.1500	0.1500
Sedgefield Sanitary District	\$ 0.0300	0.0300	0.0358	0.0360	0.0360	0.0360	0.0360	0.0360	0.0360	0.0360

Notes:

- (1) All taxable property is subject to a county-wide tax. The general County direct rate differs from the county-wide rate approved by the Board of Commissioners each fiscal year because direct rates are a weighted average rate. The most significant differences are from certain registered motor vehicles levied at prior year tax rates in accordance with North Carolina General Statutes.
- (2) Most property in unincorporated areas is subject to one of thirty-six 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 Kemersville'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 2020			Fiscal Year 2011		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Duke Energy Carolinas LLC	\$ 526,539,756	1	1.00	\$ 342,955,400	1	0.76
Koury Corporation	315,239,445	2	0.60	276,394,628	3	0.62
Procter & Gamble Manufacturing Company	284,895,137	3	0.54	173,352,050	7	0.39
Lincoln National Life Insurance (formerly Jefferson-Pilot)	280,644,575	4	0.53			
ITG Brands LLC (formerly Lorillard Tobacco Company)	265,206,296	5	0.50	280,789,617	2	0.63
American Express Travel Related Services Inc.	254,027,276	6	0.48			
International Home Furnishings Center	170,893,942	7	0.32	182,538,600	6	0.41
CBL LLC	169,481,400	8	0.32	214,340,937	4	0.48
VF Corporation	160,724,932	9	0.30			
Time Warner Cable Southeast LLC	156,217,432	10	0.30			
TYCO Electronics				190,001,464	5	0.42
Liberty Property LP				141,769,338	8	0.32
AT&T (formerly BellSouth)				140,531,448	9	0.31
RF Micro Devices, Inc.				135,203,960	10	0.30
Total Top Ten Principal Taxpayers	\$ 2,583,870,191		4.89	\$ 2,077,877,442		4.64

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
2011	\$ 339,943,072	(298,978)	339,644,094	333,063,607	97.98	5,920,765	338,984,372	99.81
2012	363,248,000	(428,700)	362,819,300	355,095,355	97.76	6,851,271	361,946,626	99.76
2013 ⁽²⁾	365,428,942	(1,368,567)	364,060,375	356,582,243	97.58	6,345,707	362,927,950	99.69
2014	372,017,706	(907,523)	371,110,183	366,529,630	98.52	3,733,194	370,262,824	99.77
2015	371,794,827	(735,764)	371,059,063	368,321,489	99.07	2,240,667	370,562,156	99.87
2016	373,904,683	(140,955)	373,763,728	370,755,116	99.16	2,449,497	373,204,613	99.85
2017	377,874,202	(184,163)	377,690,039	374,837,826	99.20	2,211,371	377,049,197	99.83
2018 ⁽²⁾	386,072,554	(454,555)	385,617,999	383,244,006	99.27	1,555,395	384,799,401	99.79
2019	393,496,631	(189,779)	393,306,852	390,470,048	99.23	1,446,096	391,916,144	99.65
2020	402,575,842	-	402,575,842	399,679,565	99.28	-	399,679,565	99.28

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 Guilford County Board of Commissioners has adopted a policy to revalue property every five years. The most recent revaluation in 2018 is reflected in the increased real property values. The previous revaluation is reflected in the decreased real property values in fiscal year 2013 from a down market, as well as increased appeals of 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)	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)				
2011	\$ 806,334,450		1.72	4,147,088		810,481,538	4.57	1,655.54
2012	932,027,810		2.12	3,571,400		935,599,210	5.06	1,889.61
2013	879,076,323		1.92	24,498,508		903,574,831	4.61	1,804.12
2014	824,376,111		1.77	23,222,923		847,599,034	4.32	1,672.47
2015	769,783,196		1.62	21,947,338		791,730,534	3.81	1,544.65
2016	736,321,847		1.50	20,671,754		756,993,601	3.42	1,462.65
2017	861,133,538		1.75	19,396,169		880,529,707	3.75	1,689.01
2018	791,334,576		1.56	16,845,000		808,179,576	3.34	1,533.68
2019	764,997,176		1.43	16,845,000		781,842,176	3.10	1,465.03
2020	693,762,639		1.26	16,845,000		710,607,639	2.72	1,322.86

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, 2020

Jurisdiction	Debt Outstanding (1)	Estimated Percentage Applicable (1),(2)	Estimated Share of Direct and Overlapping Debt
Guilford County	\$ 712,751,721	100.00	\$ 712,751,721
City of Greensboro	386,254,250	100.00	386,254,250
City of High Point	59,128,007	93.72	55,414,768
Town of Kernersville	23,991,287	4.96	1,189,968
Town of Gibsonville	2,861,552	49.00	1,402,160
Town of Jamestown	857,846	100.00	857,846
City of Burlington	4,879,113	2.55	124,417
Total overlapping debt			445,243,409
Total direct and overlapping debt			\$ 1,157,995,130

Notes:

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

Table 9

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt limit	\$ 3,589,320	3,628,621	3,643,633	3,703,834	3,727,986	3,790,823	3,856,522	4,058,461	4,107,621	4,224,623
Total net debt applicable to limit	<u>1,185,811</u>	<u>1,167,675</u>	<u>1,118,988</u>	<u>1,068,470</u>	<u>979,518</u>	<u>916,159</u>	<u>811,332</u>	<u>725,055</u>	<u>702,774</u>	<u>641,024</u>
Legal debt margin	\$ <u>2,403,509</u>	<u>2,460,946</u>	<u>2,524,645</u>	<u>2,635,364</u>	<u>2,748,468</u>	<u>2,874,664</u>	<u>3,045,190</u>	<u>3,333,406</u>	<u>3,404,847</u>	<u>3,583,599</u>
Total net debt applicable to limit as a percentage of debt limit	33.04%	32.18%	30.71%	28.85%	26.27%	24.17%	21.04%	17.87%	17.11%	15.17%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value of taxable property	\$ 52,807,783,368
Debt limit (8% of total assessed value)	\$ 4,224,622,669
Debt applicable to limit:	
General obligation bonded debt	624,455,000
Limited obligation bonds and obligations under purchase money installment contracts	16,845,000
Gross debt	641,300,000
Less statutory deductions:	
Bonds issued and outstanding for water purposes	276,312
Net amount of debt applicable to debt limit	641,023,688
Legal debt margin	\$ 3,583,598,981

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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u> <i>(in thousands)</i>	<u>Per Capita Income (3)</u>	<u>Median Age (4)</u>	<u>Public School Enrollment (5)</u>	<u>Unemployment Rate (6)</u>
2011	489,557	\$ 17,740,567	36,238	36.51	71,227	10.3
2012	495,129	18,505,446	37,375	36.54	71,587	9.3
2013	500,841	19,609,929	39,154	36.63	71,885	8.0
2014	506,794	19,630,159	38,734	36.75	71,787	6.6
2015	512,562	20,799,766	40,580	36.86	71,502	5.9
2016	517,548	22,146,914	42,792	36.89	71,429	5.2
2017	521,330	23,477,575	45,034	37.07	71,396	4.8
2018	526,953	24,173,969	45,875	37.19	71,304	3.9
2019	533,670	25,198,296	47,217	37.30	71,029	4.1
2020	537,174	26,120,086	48,625	37.37	70,903	8.6

Sources:

- (1) Calendar years 2011 through 2018
 Calendar years 2019 through 2020
 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 2011 through 2018
 Calendar years 2019 through 2020
 Bureau of Economic Analysis, U.S. Department of Commerce.
 Piedmont Triad Council of Governments estimate.
- (4) Fiscal years 2011 through 2020
 State Demographer's Office at the NC Office of Budget & Management
- (5) Average daily membership of Guilford County Schools as compiled by North Carolina Department of Public Instruction.
- (6) North Carolina Employment Security Commission - Calendar year annual average except for 2020 which is the average adjusted monthly rate for January through June.

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

Employer	2020			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Cone Health	13,085	1	5.14	7,776	2	3.54
Guilford County School System	10,033	2	3.94	10,132	1	4.81
United States Postal Service	3,500	3	1.38	2,800	4	1.27
City of Greensboro	2,949	4	1.16	2,985	3	1.36
Guilford County Government	2,641	5	1.04	2,437	6	1.11
The Volvo Group	2,600	6	1.02	-	-	-
University of North Carolina at Greensboro	2,430	7	0.95	2,552	5	1.16
HAECO Americas	2,200	8	0.86	-	-	-
Ralph Lauren Corporation	2,097	9	0.82	-	-	-
Unifi Inc.	2,064	10	0.81	-	-	-
North Carolina A&T State University	-	-	-	2,049	7	1.11
High Point Regional Health System(1)	-	-	-	2,036	8	1.11
Bank of America	-	-	-	2,000	9	0.91
United Parcel Service	-	-	-	2,000	10	0.91
Total County Employment	254,504			219,781		

Notes:

(1) High Point Regional Health System was acquired by Wake Forest Baptist Health.

Sources:

Principal employer data is from the Triad Business Journal and the individual employers. Total County employment is for calendar years 2010 and 2019 from the North Carolina Department of Commerce.

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

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General government (1)	323	320	315	312	306	325	314	323	333	339
Human services	1,176	1,051	987	973	995	1,077	1,087	1,078	1,068	1,112
Public safety	932	1,021	1,034	1,031	1,031	1,086	1,089	1,122	1,079	1,101
Environmental protection	4	7	7	7	8	8	7	9	9	9
Culture-recreation (2)	2	2	101	95	103	107	111	120	120	80
Total	<u>2,437</u>	<u>2,401</u>	<u>2,444</u>	<u>2,418</u>	<u>2,443</u>	<u>2,603</u>	<u>2,608</u>	<u>2,652</u>	<u>2,609</u>	<u>2,641</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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government:										
Real estate documents processed (8)	357,284	351,377	423,053	337,840	329,352	349,976	374,744	351,856	327,833	400,122
Vital records recorded and issued (8)	69,484	72,477	70,806	73,434	77,532	76,100	75,083	78,770	71,875	67,120
Building permits issued (2)	2,200	2,870	2,870	3,804	4,091	4,040	4,248	4,315	4,992	5,660
Bldg,plumb, mech & elec insp completed (2)	29,700	22,014	22,014	27,000	32,351	34,548	34,179	34,398	35,498	39,530
Human Services:										
Laboratory tests performed (10)	209,096	200,364	194,378	187,677	188,086	200,096	196,604	212,292	198,155	163,357
Number of prescriptions filled (10)	98,741	59,703	42,284	44,346	43,637	48,444	59,113	62,518	61,755	49,158
Adoption assistance cases (4)	1,027	1,011	993	950	902	928	959	945	956	956
Children in Social Services custody (4)	374	341	345	386	552	449	539	539	469	452
Public Safety:										
911 calls received (1),(3)	130,947	131,072	143,930	150,968	153,459	157,564	164,177	166,270	172,191	163,793
Emergency HazMat responses (11)	42	22	111	105	12	17	23	22	18	10
Average daily population juvenile detention (13)	35	30	18	24	28	38	35	31	30	29
Average daily population adult jail (6)	920	875	883	932	932	811	881	906	926	964
Number of animals received (2),(12)	17,000	16,000	16,000	13,933	11,487	12,176	10,129	9,458	6,968	6,066
Number of spay/neuter surgeries performed (2),(12)	7,200	4,000	4,000	5,525	1,460	2,040	3,621	2,790	3,099	1,181
Environmental protection: (9)										
Number of scrap tires processed	610,000	550,000	520,000	540,000	465,000	517,000	577,500	585,000	611,600	615,388
Number of white goods disposed of (tons)	169	97	85	85	125	150	205	197	208	263
Culture - recreation: (2)										
Number of park and rec participants (14)	2,788,440	2,788,440	3,025,000	3,136,000	3,160,600	3,160,600	-	-	1,000,000	1,100,000
Education:										
Average daily membership (5)	71,227	71,587	71,885	71,787	71,502	71,429	71,396	71,304	71,029	70,903
County appropriation per pupil (7)	\$ 2,459.26	\$ 2,446.89	\$ 2,443.21	\$ 2,467.44	\$ 2,508.47	\$ 2,567.03	\$ 2,638.25	\$ 2,746.84	\$ 2,852.50	\$ 2,925.27

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
- (5) North Carolina Department of Public Instruction
- (6) Guilford County Law Enforcement
- (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
- (11) Guilford County Emergency Services
- (12) Guilford County Animal Shelter 2014-2020
- (13) Guilford County Juvenile Detention
- (14) Data is not available 2017 - 2018

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Human Services: (2),(5)										
Public health occupied square footage	101,098	101,098	101,098	101,098	101,098	101,098	101,098	101,098	101,098	101,098
Mental health occupied square footage (10)	119,750	119,750	-	-	-	-	-	-	-	-
Social services occupied square footage	155,738	155,860	155,860	155,860	155,860	164,320	164,320	164,320	164,320	164,320
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	15,101	15,101	15,101	15,101	15,101	15,101	15,101	15,101	15,101	15,101
Public Safety:										
Number of law enforcement vehicles (4),(5)	419	406	425	438	405	398	442	394	421	414
Number of law enforcement centers (5)	2	2	2	2	2	2	2	2	2	2
Number of emergency medical vehicles (4),(6)	83	84	82	82	89	87	97	106	101	109
Number of emergency medical stations (6)	15	15	15	15	16	16	16	16	17	17
Number of fire marshall vehicles (4),(6)	21	24	25	24	22	22	26	24	24	24
Number of volunteer fire stations (3),(6)	36	36	38	38	39	39	39	40	40	37
Number of volunteer firefighters (6)	682	682	620	621	621	603	571	542	482	488
Number of animal control vehicles (4),(5)	14	13	16	19	20	21	22	20	17	18
Culture-recreation:										
Parks (9)	275	275	275	275	275	275	294	294	294	294
Libraries (7)	10	10	10	11	11	11	11	11	11	11
Education: (1)										
Number of schools (8)	122	124	126	126	126	126	126	126	125	125

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.

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 - Years 2013-2018 were changed to the number of actual physical schools versus the number of programs.
- (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.

