

County of Guilford, North Carolina
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2021



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.

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2021



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

**Michael Halford
County Manager**

**Prepared by
Guilford County Finance Department**

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Introductory Section

LETTER OF TRANSMITTAL



Guilford County

December 17, 2021

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

The Annual Comprehensive Financial Report (ACFR) of Guilford County, North Carolina, for the fiscal year ended June 30, 2021, 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 has requested an extension through December 31, 2021, due to the implementation of a new ERP system.

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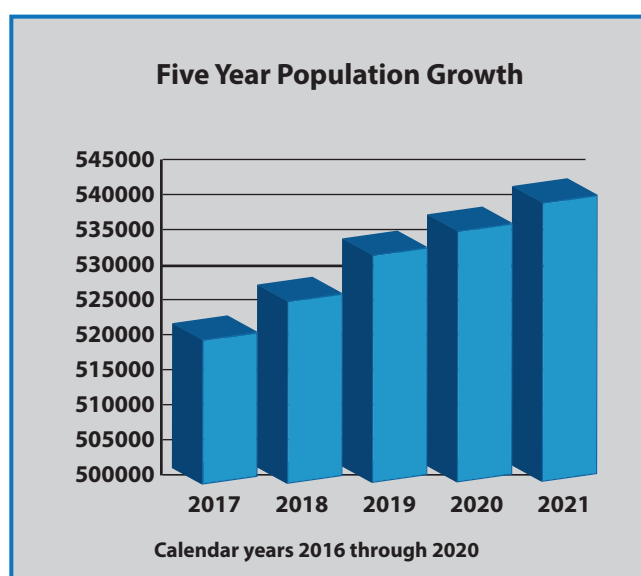
Cherry Bekaert LLP, a firm of licensed certified public accountants, has audited Guilford County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of Guilford County for the fiscal year ended June 30, 2021, are free of material 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, 2021, 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 ACFR 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 auditor.

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 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 541,299, 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.



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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.

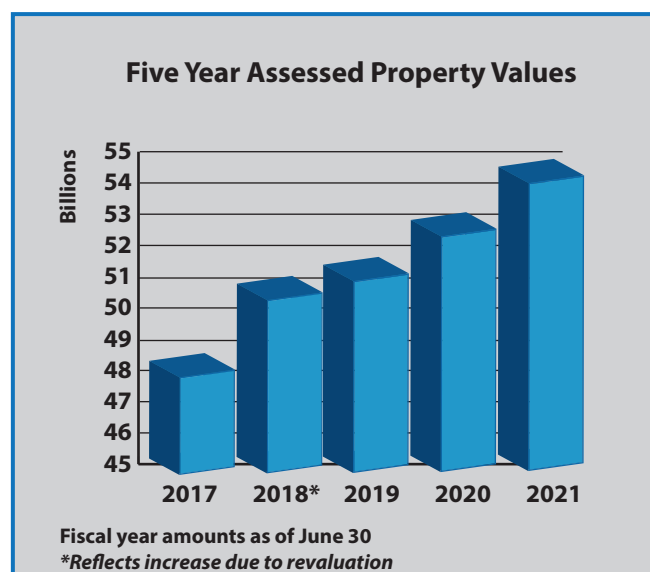
The Board of County Commissioners does not have complete authority over all the services provided within the County. Many County activities are administered by boards with varying degrees of autonomy and by elected officials who receive their instructions from laws passed by the General Assembly. Some 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 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,



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Management, and Evaluation Department. The offices of Budget, Management, and Evaluation 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.

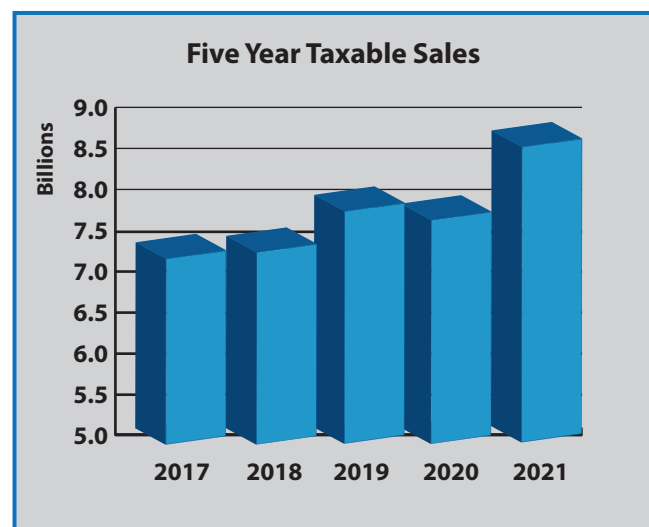
Appropriations in the various funds are formally budgeted on a departmental basis except for the Rural Fire District Fund appropriations, which are by rural fire tax or protection service district; and the Room Occupancy/Tourism Tax Fund, which is on a fund basis. The County Manager is authorized by 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 77. 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 92 presents budget-to-actual comparisons of the approved financial plan for the Internal Service Fund.

Factors Affecting Financial Condition

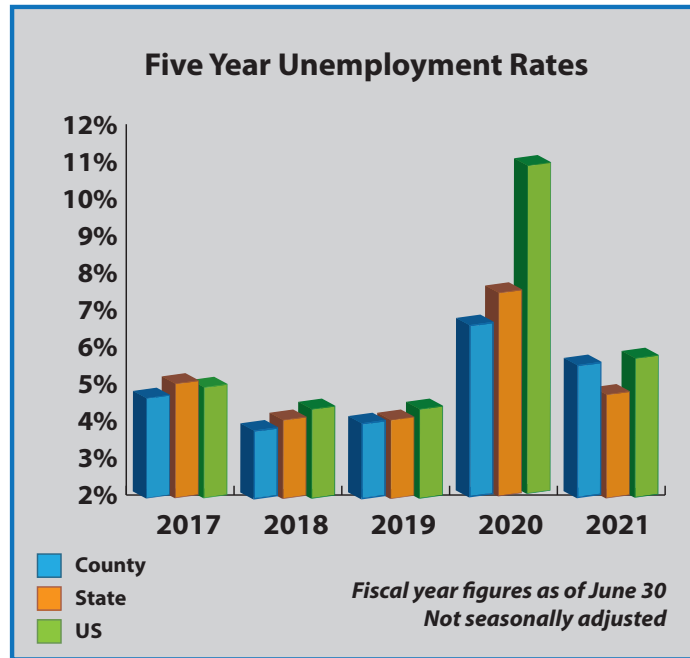
The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Guilford County operates.

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



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available to approximate retail sales growth. State taxable sales for Guilford County increased in 2021, and 2017 through 2019. Taxable sales are \$8.74 billion for fiscal year 2021 as compared to \$7.83 billion for fiscal year 2020. Guilford County has a labor force of approximately 256,573. The accompanying graph shows that Guilford County's unemployment rate spiked in 2020 due to the COVID-19 pandemic, which caused businesses to temporarily, and in some cases, permanently close; thereby, increasing the unemployment rate. However the unemployment rate has declined in 2021 to rates last seen in 2016 and is expected to continue a downward trend in 2022. The County, State, and U.S. unemployment rates as of June 30, 2021 are 5.7%, 4.9%, and 5.9%, respectively. Guilford County's economy has continued



to change and diversify. In March 2021, manufacturing accounted for 11.25% of the County's jobs compared to 2019 pre-pandemic level of 11.78% and a 28.6% percent 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 241,000 in Guilford County as of June 2021, with 16,000 more people working

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compared to the same period a year earlier.

State taxable sales for Guilford County increased an estimated 9.7% in fiscal year 2021 after a decrease of 1.4% in fiscal year 2020 due to COVID-19, preceded by 6.8% and 1.1% increases in fiscal years 2019 and 2018, respectively. Estimated taxable sales were \$8.58 billion for fiscal year 2021 compared to \$7.83 billion for fiscal year 2020. The County, State, and U.S. unemployment rates as of June 30, 2021 were 5.7%, 4.9%, and 5.9%, respectively.

From June 2020 to June 2021, Guilford County saw a 3.8% decrease in the unemployment rate, from 9.5% to 5.7%, compared to a 3.9% decrease for North Carolina as a whole during the same period. The June 2021 rate nationwide was 5.9%.

North Carolina and Guilford County Yearly Unemployment Rate Changes

	June 2021	June 2020	Change
Statewide	4.9	8.8	-3.9
Guilford County	5.7	9.5	-3.8

Source: NC Dept. of Commerce Labor & Statistics Division

Major employers with headquarters or divisions within Guilford County include logistics and transportation, semiconductor, communications, chemical, bus, truck, insurance, aircraft manufacturing and maintenance, healthcare, real estate development, clothing, tobacco and distribution services, with a recent expansion into food and manufacturing industries that rely on distribution of their products. The County is home to two state universities, four private colleges, a private school of law, and a community college. Two of the schools, Guilford College and UNC-Greensboro, are included in The Princeton Review's *"The Best 387 Colleges: 2022 Edition"*.

Forbes' 2021 list of "America's Best Employers By State" includes Guilford County based companies including Volvo Trucks North America, UNC-Greensboro, and Cone Health of Greensboro, as well as FedEx and United Parcel Services, which house significant operations in the County. 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.

Ranked as one of "USA Today's Top 10 Small Airports for 2021", the Piedmont Triad International Airport (PTIA), plays a vital role in the region's aerospace, manufacturing, and logistics industry tied to direct access to an interstate network, rail, and air. 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. March 2021, with much of the increase due to the addition of day sort operations and flights at FedEx Express. 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.

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. In 2021 it added about 350 new employees to support an expanded schedule of daytime flights, with plans to add an additional 160 workers, bringing its total employment to over one thousand. Current plans are to open a new

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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.

Specializing in aircraft seating, interiors and cabin reconfiguration, Greensboro-based HAECO Americas employs 1,800 at its PTIA campus, providing 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, enabling the company to restore and maintain aircraft built from composite materials, such as HondaJet. More recently, HAECO's volume has grown such that it may soon outgrow its five-hangar facility at PTIA, as airlines have stored aircraft for storage, maintenance and overhaul during the COVID-19 pandemic.

Honda Aircraft Company, the region's third largest aviation contractor, maintains its world headquarters at PTIA in Greensboro with about 1,000 regional employees. In 2020, its HondaJet was the most delivered aircraft in its class for the fourth consecutive year, delivering 31 aircraft to customers globally. In January 2021 HondaJet announced it had begun operations at its newly opened \$24 million, 83,000 square-foot wing production facility at its PTIA Honda Jet 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. There are currently over 170 HondaJets in service worldwide.

Since 2007, Honda Aircraft Co. has invested approximately \$160 million into its world headquarters and manufacturing campus on a 130-acre site campus near PTIA. It occupies more than 680,000 square feet, including a customer service center, a research and development center and a productions facility.

Greensboro based Jet It, a jet travel fractional ownership concierge operation which has flown only HondaJets since its 2018 launch, will be the first in North America (pending FAA certification) to operate a fleet of electric aircraft, which have operating costs about one fifth that of traditional aircraft. Also based in Greensboro, Koury Aviation, the first fixed-based operator on the East Coast to offer sustainable fuel from renewable waste and residue material such as cooking oil, provided the fuel needed to fly an experimental HondaJet to an airshow in Wisconsin.

Transportation company Old Dominion Freight Line Inc., based in Thomasville, looked to fill more than 500 jobs across the country in 2021 to meet increased demand, augmented by its network of services centers and equipment. Old Dominion is the nation's largest less-than-truck freight hauler.

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, and has more recently added another 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. Rock Creek Center also houses a FedEx Ground facility, as well as Prepac, a Canadian furniture maker, which moved into a new 260,000 square-foot factory and plans to add 200 jobs over a five-year period.

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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. In February 2020, Publix broke ground on the distribution center's first phase, a refrigerated warehouse, currently under construction. In October 2020, Publix announced it will expand its Greensboro distribution center to include a dry grocery warehouse, which will add more than 1.2 million square feet of space. The entire distribution center is expected to be completed by the fourth quarter of 2022, three years ahead of schedule. Together, the refrigerated and dry grocery warehouses will support Publix's growth in the Carolinas and Virginia with more efficient deliveries of products.

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.

Technology company DC BLOX announced in May 2021 its plans to construct the first highly secure, Tier III data center in the Triad region, investing up to \$305 million. When complete, the facility will be fully interconnected to DC BLOX's Southeastern regional network of data centers and connectivity partners.

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.

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.

High Point University plans to add up to 300 new jobs over the next four years connected to its construction of a new School of Dental Medicine building and its Conference Center and Hotel, expected to reach completion in September 2021. The proximity of High Point University and High Point Medical Center are viewed as magnets for downtown residential activity. The new High Point Children's museum located downtown between High Point University and the Truist Point baseball stadium is expected to open in the fall of 2021.

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 and parking deck. 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, which announced in March 2021 its inaugural Broadway season beginning in October 2021. A new Hampton Inn and Suites close to the city's governmental plaza has recently opened, and nearby

LETTER OF TRANSMITTAL

construction of a Westin Hotel with an adjacent parking deck is slated for completion in the first half of 2023. Work on Greensboro's "Downtown Streetscape Master Plan", designed to create safe and well-connected streetscape improvements to the downtown area is underway.

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 subsequent meeting by Guilford County Schools Board approved a revised construction, renovation and expansion of capital needs in an amount of \$2 billion, of which a \$300 million referendum was on the County ballot in November of 2020, approved by Guilford County voters, and tentatively scheduled to be issued in March of 2022. 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.

The Guilford County Board of Commissioners continued implementation of the County's FY2019-2028 Capital Investment Plan (CIP). The County continues to work on reviewing and planning for its capital needs. The County has completed work on the Emergency Services Building and the completion of the new Animal Shelter building in September 2021. Significant steps were taken to move forward with the Law Enforcement Administration Building, as well as a number of projects for Guilford Technical Community College and the Guilford County Schools.

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 14.34% 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, 2021 were \$.7 million on an average invested balance of \$274.5 million.

LETTER OF TRANSMITTAL

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, 2020 contribution rate was 10.15% of salary for general employees and 10.9% for Law Enforcement employees. Guilford County administers a public employee retirement plan, the Law Enforcement Officers' Special Separation Allowance, a single-employer defined benefit pension plan that provides benefits to the County's qualified sworn law enforcement officers. The County is required to provide these benefits by the North Carolina General Statutes (Statutes). 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, 2021, the balance of the trust was \$3.6 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.

LETTER OF TRANSMITTAL

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, 2021, the balance of the trust was \$19.9 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.

Award and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Guilford County for its comprehensive annual financial report for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report.

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

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire Finance Department staff. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report and 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





Government Finance Officers Association

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**Guilford County
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

PRINCIPAL OFFICIALS

Board of County Commissioners

**Melvin “Skip” Alston
Chairman**

**J. Carlvena Foster
Vice Chair**

Katie “Kay” S. Cashion

Carolyn Q. Coleman

Justin Conrad

Carly Cooke

Mary Beth Murphy

Alan Perdue

James Upchurch

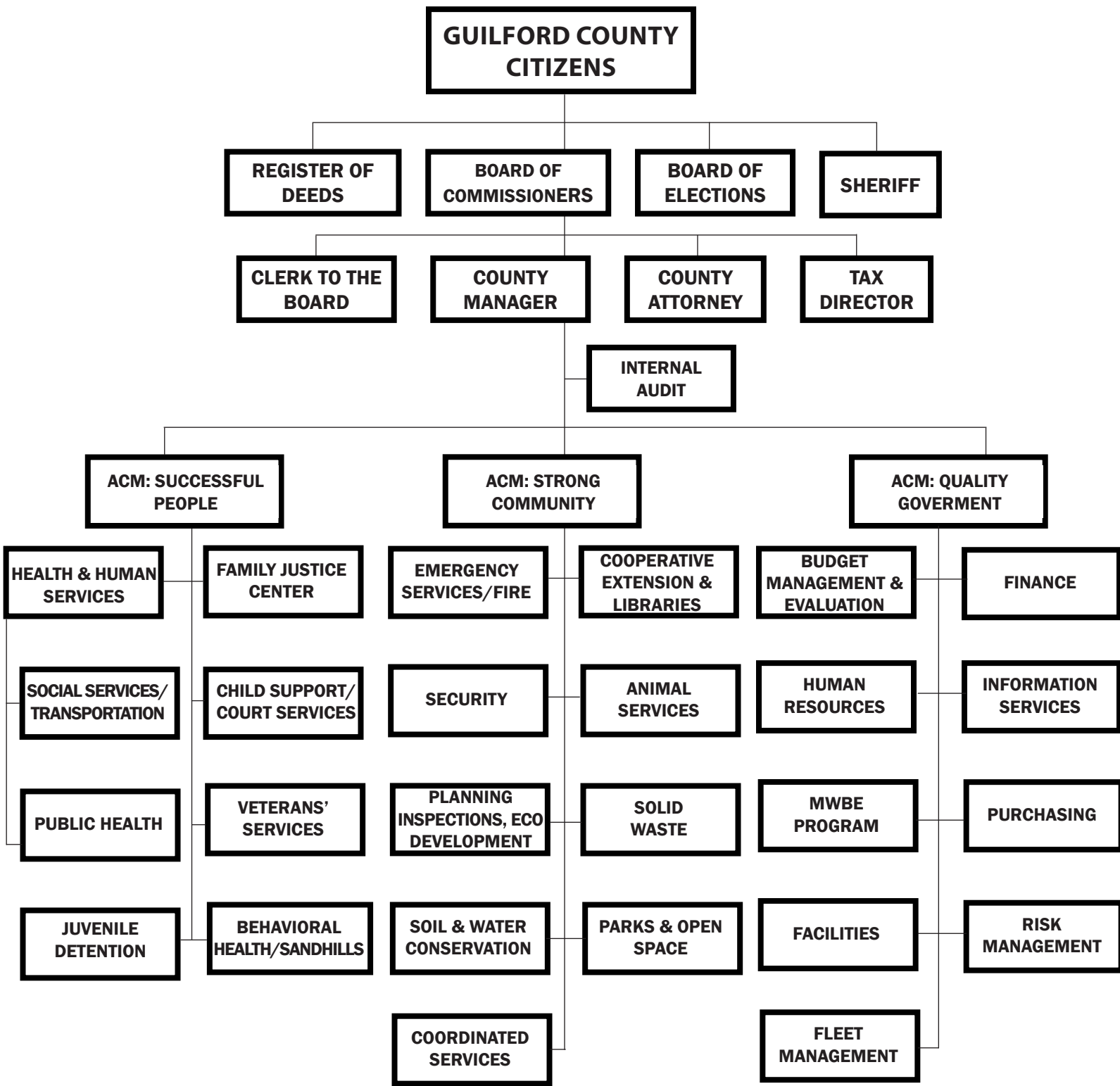
County Manager

Michael Halford

Finance Director

Derrick Bennett, CPA, CPFO, CGMA

2020-21 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, 2021, 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 entity'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 entity'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 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, 2021, and the respective changes in financial position and cash flows, thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 11 to the financial statements, effective July 1, 2020, the County adopted new accounting guidance promulgated in GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

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 County's basic financial statements. 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 December 17, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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
December 17, 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, 2021. 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 - xi.

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 \$410.3 million (net position).
- The County's total net position increased by \$77.6 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 \$10.5 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 \$88.1 million.
- The County's outstanding debt decreased by \$69.7 million to \$640.9 million during the fiscal year, while its investment in capital assets increased \$21.1 million to \$275.4 million.

The County's Funds

- At the fiscal year end, Guilford County's governmental funds reported a combined fund balance of \$270.8 million, an increase of \$1.3 million from previous fiscal year, includes a restatement of fund balance related to GASB 84. Approximately 46.6% of this combined fund balance, or \$126.3 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, Community Development Funds, and Nonmajor Governmental Funds were due mostly to increases in revenues in the General Fund.
- The fund balance of the County's General Fund increased \$30.3 million as expenditures exceeded revenues by \$36 million while net other financing sources and uses consumed another \$5.7 million.
- The unassigned fund balance for the General Fund (the County's major operating fund) increased by \$17.9 million to \$98 million at fiscal year end equaling 16.3% 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

MANAGEMENT'S DISCUSSION AND ANALYSIS

AA+ by Fitch Ratings.

Overview of the Financial Report

This section, management's discussion and analysis along with the transmittal letter, is intended to serve as an introduction to Guilford County's basic financial statements. Guilford County's basic financial statements contain three parts—two 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 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Such information may be useful in evaluating a government's near-term financing requirements.

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

Guilford County maintains 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 two custodial 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 16-65 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 68-73 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

MANAGEMENT'S DISCUSSION AND ANALYSIS

governmental entities upon completion. The County issues general obligation debt to fund the majority of the cost of constructing these assets. Liabilities and deferred inflows exceeded assets and deferred outflows by \$410.3 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	
	2021	2020
Current and other assets	\$ 390,711,220	400,603,789
Capital assets	275,460,376	254,300,704
Total assets	666,171,596	654,904,493
Deferred Outflows	74,815,449	90,918,974
Long-term liabilities outstanding	1,015,257,939	1,114,970,265
Other liabilities	94,049,754	107,168,872
Total liabilities	1,109,307,693	1,222,139,137
Deferred Inflows	41,996,512	12,166,169
Net position:		
Net investment in capital assets	182,282,283	170,516,251
Restricted	88,653,255	95,390,222
Unrestricted	(681,252,698)	(754,388,312)
Total net position	\$ (410,317,160)	(488,481,839)

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, 2021 include outstanding general obligation debt of \$459.8 million and limited obligation bonds of \$16.8 million related to funding these non-county assets. This represents 81.7% 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	
	2021	2020
Revenues		
Program revenues		
Charges for services	\$ 46,171,924	47,968,969
Operating grants and contributions	146,309,767	88,160,673
Capital grants and contributions	4,659,065	547,307
General revenues		
Taxes:		
Property taxes for general purposes	396,547,608	386,271,999
Property taxes for fire districts	17,511,719	16,799,399
Sales taxes for general purpose	78,031,072	69,205,562
Sales taxes for fire districts	4,272,616	3,851,362
Sales taxes for school capital/debt	24,128,421	21,038,082
Occupancy taxes for tourism development	4,189,165	5,096,688
Other taxes	5,489,761	4,766,374
Grants and contributions not restricted	7,580,598	1,808,038
Unrestricted investment earnings	343,071	6,253,767
Other	306,248	290,217
Total revenues	735,541,035	652,058,437
Expenses		
General government	55,417,806	53,316,245
Human services	141,137,385	134,486,189
Public safety	153,303,763	152,797,248
Environmental protection	2,101,911	2,160,087
Culture and recreation	7,057,923	7,805,624
Economic development/urban redevelopment	30,451,782	10,995,715
Education	248,477,570	235,599,627
Interest on long-term debt	19,998,100	21,595,194
Total expenses	657,946,240	618,755,929
Changes in net position	77,594,795	33,302,508
Net position at beginning of year	(488,481,839)	(521,784,347)
Cumulative effect of change in accounting principle	569,884	-
Net position at end of year	\$ (410,317,160)	(488,481,839)

As noted in the highlights, Guilford County's net position increased \$77.6 million during the current fiscal year primarily as a result of an increase in operating grants of \$58.2 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 COVID-19 pandemic. Additionally, the County had an increase in property tax revenue of \$10.3 million and sales taxes of \$12.3 million.

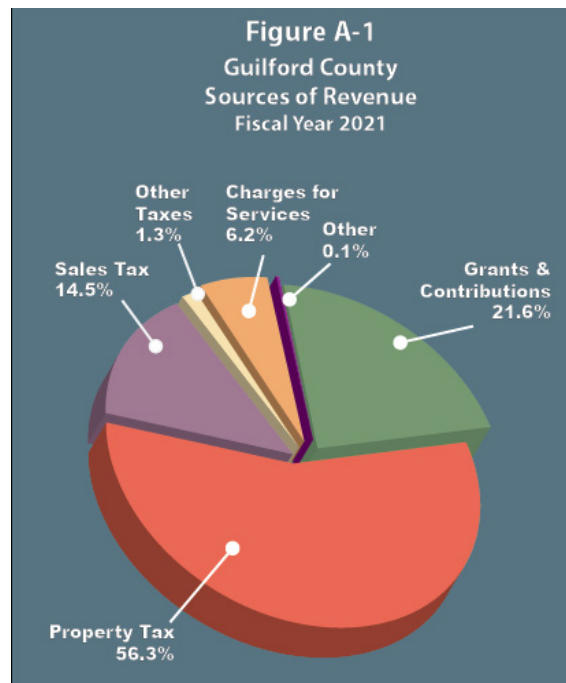
Aspects of the County's financial operations that influenced the change in the County's net position include:

- Guilford County's activities would increase net position even more if the expenses related to capital funding provided to outside entities, debt and restricted revenue supporting these expenses were eliminated.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Program revenues covered 26.8% of program expenses, increasing 4.7% from last year, with program expenses increasing 6.3% and program revenues increasing 44.2%.
- Program revenues totaled \$197.1 million increasing by \$60.4 million from the previous year. Charges for services decreased relative to the prior year \$1.8 million to \$46.2 million, operating grants from the State and Federal government increased \$58.1 million to \$146.3 million while capital grants and contributions increased \$4.1 million. Human Services reported the largest change in charges for services. Human Services was down \$1.7 million. 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 \$538.4 million increasing by \$23 million over the previous year. Property tax revenue increased \$11 million to \$414.1 million as the assessed value increased \$1.74 billion through general growth in property investment. Four 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 \$12.3 million to \$106.4 million. Investment earnings decreased \$5.9 million to \$.3 million.

- Expenses increased 6.3% or \$39.2 million to \$657.9 million. General government expenses were up \$2.1 million. The increases were across the board with the largest increases in the Economic Development & Assistance, Education, and Human Services department driven by cost associated with the ongoing COVID-19 pandemic of \$19.4 million, \$12.9 million and \$6.6 million, respectively. Public safety expenses remained elevated due to the completion of a new EMS Maintenance/Logistics facility and substantial progress on construction of a new Animal Shelter. Economic development expenses increased \$19.4 million driven by CARES Act grants of \$15.4 million to local businesses support. Education expenses were up \$12.9 million mostly from an increase in operating costs expended by the schools and community college.



- Net position increased \$77.6 million versus a \$33.3 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.

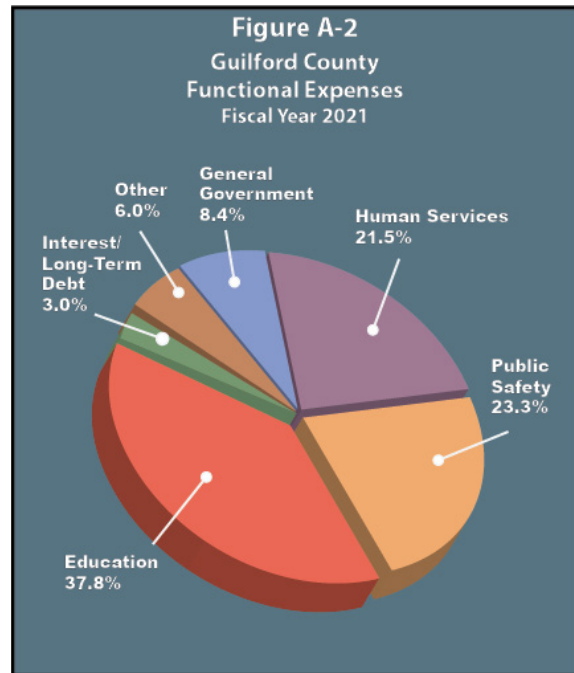
Governmental funds. The focus of Guilford County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Guilford County's financing requirements. In particular, fund balance available for appropriation 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 \$270.8 million, an increase of \$1.3 million in comparison with the prior year, which was limited by a decrease attributable to activity in the County Building Construction fund with the construction of a new Mental Health facility (\$11.4 million), EMS Maintenance/Logistics facility (\$.5 million), and the Animal Shelter (\$11 million). The fund balance available for appropriation, which is not reserved under North Carolina general statutes, makes up 74% of the total or \$198.4 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 (\$0.9 million), (2) to liquidate contracts and purchase orders of the prior period (\$21.2 million), or (3) reserved under other state statutory requirements (\$48 million).

Approximately \$56.2 million of the available fund balance is restricted for a specific purpose, mainly capital, while another \$7.5 million has been committed for a specific purpose, again mainly capital. Assigned fund balance of \$40.1 million has for the most part been appropriated in the FY2022 budget or assigned towards capital projects. The unassigned fund balance totals \$96.9 million.

The General Fund is the chief operating fund of Guilford County. At the end of the current fiscal year, fund balance available in the General Fund was \$145 million, up \$18.3 million, while total fund balance increased \$30.9 million to \$204.9 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 24.2% of total General Fund expenditures, while total fund balance represents 34.2% 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 \$96.9 million, is equal to 14.6% of the fiscal year 2021-22 General Fund budget.

The fund balance of Guilford County's General Fund increased \$30.9 million during the current fiscal year. Revenues of \$635.4 million were greater than expenditures by \$36 million and other financing sources and uses consumed another \$5.7 million. Revenue was up 5.5% overall, increasing by \$33 million compared to last fiscal year. General Fund revenue activities are as follows:



MANAGEMENT'S DISCUSSION AND ANALYSIS

- Property tax revenue increased to \$397.1 million, up \$10.8 million or 2.8% due to an increase in collections for current year property taxes and vehicle taxes. Additionally, there was an increase in home purchases and refinancing due to historically low interest rates. This increase can be attributed to the overall assessed value increase from \$52.8 billion to \$54.5 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 \$11.9 million or 13.2% to \$102.1 million as taxable retail sales increased by approximately \$910 million to \$8.74 billion, a 11.6% increase over prior year.
- Excise tax revenue saw a 16% increase to \$4.6 million, an increase of \$.63 million as the real estate market experienced increased activity.
- Intergovernmental revenue increased \$13.1 million or 19.4% to \$80.7 million. This net increase across 87 sources was largely driven by increases in the uses of Social Service and Public Health programs funded by the State and Federal governments.
- Charges for services decreased \$2.4 million to \$39.7 million, down 5.7%. The most significant increases were in Human Service programs. The continued negative effect of COVID-19 pandemic on services provided to clientele persisted through the 3rd quarter of the fiscal year. The balance of the \$0.2 million decrease in charges for service is spread among the fee codes throughout other departments.
- Investment income for the General Fund decreased by \$3.5 million to \$.2 million, down 94.5% due to interest rate decreases during the fiscal year.
- Other revenues increased \$1.9 million, up 36.2%.

General Fund expenditures were \$599.4 million, increasing \$9.7 million or 1.6% from last year. Highlights of significant areas of change include:

- General Government expenditures increased \$3.8 million. The most significant increases occurred in Elections, Human Resources, and Information Services of \$1.4 million, \$.8 million. Elections increases were mainly due to the General Election Cycle in November 2020 and increases in Human Resources are associated with adjustments to salary and operations. The Tax department budget decreased by \$.6 million and the balance of the increases and decreases netted to \$1 million and is spread among most of the departments.
- Human Services expenditures increased \$7.7 million, an increase of 6.8% from last fiscal year. Expenditures increased \$9.6 million in Social Services. Public Safety expenditures decreased \$3.1 million to \$97.2 million, a 3.1% decrease. Emergency Services had the most significant decreases of \$3.2 million. These relate to personnel costs associated with the COVID-19 pandemic being paid for by the CARES Act and recorded in the Community Development fund. Other Public Safety increases and decreases were generally spread among the remaining departments.
- Debt service costs decreased \$2.8 million to \$90.3 million due to the decrease in debt service costs of \$2.4 million and the reduction in principal payments of \$0.4 million.
- Education expenditures increased \$4 million as the Guilford Technical Community College funding increased \$0.5 million to \$17.1 million while the Guilford County Schools amount increased \$3.5 million to \$210.9 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 \$25.1 million to \$39.3 million. Revenue and other sources increased by \$.2 million from investment earnings. Transfers from the General Fund into the County Building Construction Fund were \$1.5 million. The decrease was driven by expenditures of \$26.8 million which included \$12.1 million from the Mental Health Facility Replacement projects and \$11 million for the County Animal Shelter Replacement and various County Maintenance projects expended \$1.8 million.

The School Capital Outlay Fund fund balance decreased by \$6.8 million from \$28 million to \$21.2 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 \$3.7 million transfers in from the General Fund. Expenditures of \$10.5 million consisted of \$8.2 million and \$2.3 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, of which \$21.4, was spent in the prior fiscal year. The County spent \$72.3 million of the funds during this fiscal year, with the largest portion funding personnel costs of \$26.2 million spread across Public Health, Law Enforcement, and Emergency Services for \$8.5 million, \$8.8 million, and \$8.9 million, respectively. The CARES Act funded support for local municipalities and education in an effort to combat the COVID-19 pandemic with \$4.2 million and \$10 million, respectively. Other significant projects funded by CARES were community support for 7.6 million and local business support for \$15.4 million. The remaining \$8.9 million was split across County departments for various mitigation and preparedness costs associated with responding to the COVID-19 pandemic, the biggest part of which was by Public Safety for \$4.4 million. Additionally, the Community Development fund received Emergency Rental Assistance funds from the Federal Government that was disbursed for \$2.1 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 exceeded operating expenses by \$1.8 million. The County originally anticipated using up to \$.9 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 gain was generated from Health Care and Wellness programs with a \$9.9 million gain due to unusually low claim expenses and offset by Risk Retention which was \$.3 million less than million than budgeted and total budgeted revenue which was \$6.9 million less than budgeted.

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund Budgetary Highlights

The final General Fund budget for fiscal year 2021 was \$652.3 million, an increase of \$17.7 million from the original budget of \$634.6 million which is a 2.79% increase.

	<u>Sources</u>		<u>Uses</u>
Fund Balance	\$ 7,416,462	County Administration	\$ 1,167,978
		Human Resources	(2,054,900)
Property Taxes	289,000	Elections	775,400
		Facilities	1,292,666
Intergovernmental Revenue	9,361,092	Public Health	9,274,393
		Social Services	5,926,153
Charges for Services	96,400	Transportation Service	967,459
		Law Enforcement	(1,611,230)
Other Sources	542,281	Economic Development & Assistance	1,421,036
		Emergency Services	(7,582,885)
		Education	5,000,000
		Other Uses	3,129,165
	<u>\$ 17,705,235</u>		<u>\$ 17,705,235</u>

The County amends its budget each year to carry forward outstanding encumbrances from the prior-year utilizing fund balance. The carry forward budget amendment for the fiscal year ending June 30, 2021, was \$12.7 million for all General Fund departments. This accounts for most of the \$7.4 million additional fund balance appropriation, representing 41.8% of the budget increase. Guilford County typically increases its budget appropriation as a result of additional State and Federal funding received during the fiscal year. The increase for FY2021 in the Intergovernmental Revenue budget was \$9.3 million. The most significant increases in budgeted federal funds were in Public Health for \$3.9 million and Social Services for \$1.7 million. Other significant increases occurred in Law Enforcement with a budget increase of \$1.6 million from 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 \$2.1 million in budget.

The final General Fund budget for fiscal year 2021 was \$652.3 million, increasing \$17.7 million, a 2.79% increase over the original budget. The changes were spread across multiple departments with the largest changes occurring in Public Health and Social Services of \$9.3 million and \$5.9 million, respectively. Public Health and Social Services increases were related to the continued mitigation and response to COVID-19 pandemic, which began in late FY2020 and were mostly offset by a decrease of \$7.5 million in Emergency Services. Other increases incurred during the fiscal year include Facilities in the amount of \$1.2 million, Economic Development & Assistance in the amount of \$1.4 million and an increase in funding to Guilford County Schools in the amount of \$5 million. Additional increases relate to encumbrances rolled from the previous year and remaining changes were spread across various County departments and netted to approximately \$2.4 million to include salary adjustments across the County, where funds were originally budgeted in Human Resources, before the needs across the County were known.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The resulting \$47 million variance in the actual expenditures and other uses from the final budget versus \$44 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. There is a need to allow for fluctuations in public assistance, grant programs, and of a management of the large number of service Fracts in the Human Services area and capital purchases, which may not be 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 \$25.3 million of personnel costs for Public Health, Social Services, 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, 2021, amounts to \$275.5 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, vehicles, intangibles, and construction in progress. Infrastructure capital assets at the County's park facilities and watershed facilities have been included under improvements since the amounts are relatively insignificant. Guilford County's net increase in its investment in capital assets was \$21.2 million during the current fiscal year.

Construction in progress increased \$26.9 million before transfers, mainly for major construction projects and renovations and repairs. \$11.4 million was spent constructing a new Mental health facility, \$11 million was spent on the new County Animal Shelter, and \$1 million was spent on the Langford Facility and High Point Courthouse renovations. The remaining amounts were spent on various renovation projects. Buildings increased \$19.7 million before depreciation from closing projects out of construction in progress, \$12.2 million before depreciation for the EMS Maintenance/Logistics facility, \$3 million for Old Courthouse renovations, and \$1.4 million for Public Health renovations. Improvements other than buildings increased \$0.3 million before depreciation, due to repairs of the High Point Parking Deck. Machinery and equipment increased \$1.3 million before depreciation as additions of \$3.8 million for the new Thermal Camera System, workstations in the New Courthouse, a Guardian RFID System for Law Enforcement, and other equipment outpaced disposals. Vehicles increased \$2.6 million, before depreciation as additions of \$3.8 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 33 and 34 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	Governmental Activities	
	2021	2020
Land	\$ 52,570,408	\$52,570,408
Buildings	158,147,285	143,663,871
Improvements other than buildings	9,721,893	10,424,312
Machinery and equipment	15,511,514	14,956,179
Vehicles	5,908,616	5,751,757
Construction in progress	30,982,966	25,462,975
Intangibles	2,617,694	1,471,202
Total	\$ <u>\$275,460,376</u>	<u>\$254,300,704</u>

Debt Administration. At the end of the current fiscal year, Guilford County had total bonded debt outstanding of \$641 million, \$563 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 \$62.9 million in unamortized bond issuance premiums all net of interest rate swap termination charges of \$1.7 million. Guilford County's total debt decreased \$4.2 million during the fiscal year. Additionally, the County retired \$61.5 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 \$4.3 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 36-38 of this report.

Table A-5
GUILFORD COUNTY'S Outstanding Debt

	Governmental Activities	
	2021	2020
General obligation bonds	\$ 562,955,000	624,455,000
Plus bond issuance premiums	62,876,461	71,451,721
Less swap termination fees	(1,722,724)	(2,144,082)
Limited obligation bonds	16,845,000	16,845,000
Total	\$ <u>640,953,737</u>	<u>710,607,639</u>

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 \$40.9 million from the fiscal year 2021 original budget to \$675.5 million, a 6.4% increase.
- The General Fund appropriated fund balance of \$35.97 million for the fiscal year 2021 is \$2.5 million less than last year's original General Fund budget. Unassigned fund balance at June 30, 2021 is an increase from the 13.5% on June 30, 2020. Decreases to appropriations from generally available fund balance were \$2.3 million while decreases to appropriations from restricted, committed and assigned funding sources accounted for \$.1 million. The most significant change is the increase in budgeted bond premiums by \$1.6 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 increase was offset mainly by the decrease in the planned use of Public Health Medicaid Maximization funds by \$1.4 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 COVID-19 Relief Act expenses.
- The General Fund department's budget with the most significant decrease was Human Resources, with a budget decrease of \$4.2 million or 33%. The decrease in budgeted funds were reallocated to various departments within the general government.
- The 2022 General Fund budget with the most significant increases over the 2021 amounts include Public Health for \$44 million, a \$5.3 million or 3.7% increase over prior year and Social Services for \$5.4 million, or 8.1%. Other increases that are budgeted in 2022 were Law Enforcement and Emergency Services, which increased by \$3.3 million and \$2.3 million, respectively, and Economic Development and Assistance with a revised budget of \$2.2 million, an increase of \$.9 million or 69%, of which a large percentage was related to carry-forwards from prior year. Guilford County Education-related operating support increased \$16.4 million or 7.2% to \$243.1 million with appropriations to Guilford County Schools up \$16 million to \$225.6 million and Guilford Technical Community College up \$0.4 million to \$17.5 million. Capital support for Guilford County Schools increased \$.9 million to \$4.5 million in FY2021. The County implemented the second and third phases of a salary study which increased personnel budgets in all departments. Human Resources has a net decrease of \$4.3 million or 33.8% due to decreased cost in employer contributions for the County's healthcare plan. The most significant budget increases for FY2022 in occurred the following departments: Social Services budget increase of \$5.4 million or 8.2% is attributed to an increase in salary and operational expenditures. A budget increase in Public Health for \$5.3 million or 13.7%, of which \$3.9 million were salary adjustments. The County entered a financing agreement for \$3.4 million to replace aged and high mileage vehicles through FY2026. The Emergency Services' budget increase of \$2.3 million or 6.8% is due to routine merit, personnel pay adjustments, and vehicle purchases for FY2022. The Law Enforcement budget for FY2022 is up \$3.3 million or 4.78% to \$73.8 million. The increase

MANAGEMENT'S DISCUSSION AND ANALYSIS

includes about \$300,000 in additional funding for vehicles purchases, salary adjustments and increases for county-wide. The remaining County departments have a net budget increase of \$4.2 million.

Requests for Information

This financial report is designed to provide a general overview of Guilford County's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to 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, 2021, 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, 2021

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	\$ 333,454,046	4,728,491
Receivables:		
Property taxes (net)	5,119,814	-
Accrued interest on property taxes (net)	1,155,378	-
Other taxes	690,320	-
Due from governmental units and agencies	40,051,732	103,750
Due from primary government	-	408,725
Service fees (net)	7,854,465	-
Special assessments	381,168	-
Accrued interest on investments	84,926	3,760
Other	-	6,800
Total receivables	<u>55,337,803</u>	<u>523,035</u>
Deposits and other assets	991,275	-
Net pension asset - restricted	928,096	-
Total non-capital assets	<u>390,711,220</u>	<u>5,251,526</u>
Non-depreciable capital assets	83,942,374	-
Depreciable capital assets (net)	191,518,002	56,123
Total capital assets	<u>275,460,376</u>	<u>56,123</u>
Total assets	<u>666,171,596</u>	<u>5,307,649</u>
Deferred Outflows of Resources		
Unamortized bond refunding charges	2,414,770	-
Related to pension plans and other benefits	72,400,679	-
Total deferred outflows of resources	<u>74,815,449</u>	<u>-</u>
Liabilities		
Accounts payable and accrued liabilities	92,732,891	52,408
Due to component unit	408,726	-
Deposits	908,137	-
Current portion of long-term liabilities	70,246,665	-
Noncurrent portion of long-term liabilities	945,011,274	-
Total liabilities	<u>1,109,307,693</u>	<u>52,408</u>
Deferred Inflows of Resources		
Deferred revenue	1,837,209	-
Related to pension plans and other benefits	40,159,303	-
Total deferred inflows of resources	<u>41,996,512</u>	<u>-</u>
Net Position		
Net investment in capital assets	182,282,283	56,123
Restricted for:		
Stabilization by State statute	70,112,895	658,934
Public Health programs	10,062,273	-
Guilford County Schools capital outlay	1,261,556	-
Other purposes	7,216,531	-
Unrestricted (deficit)	<u>(681,252,698)</u>	<u>4,540,184</u>
Total net position	\$ <u>(410,317,160)</u>	<u>5,255,241</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, 2021

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	Greensboro/Guilford County Tourism Development Authority
Primary Government:						
Governmental activities:						
General government	\$ 55,417,806	6,447,471	3,657,094	1,103,005	(44,210,236)	-
Human services	141,137,385	9,753,831	79,680,472	767,752	(50,935,330)	-
Public safety	153,303,763	29,225,255	11,280,302	2,788,308	(110,009,898)	-
Environmental protection	2,101,911	38,091	909,406	-	(1,154,414)	-
Culture - recreation	7,057,923	696,421	8,633	-	(6,352,869)	-
Economic development and assistance	30,451,782	10,855	31,307,961	-	867,034	-
Education	248,477,570	-	11,982,435	-	(236,495,135)	-
Interest on long-term debt	19,998,100	-	7,483,464	-	(12,514,636)	-
Total primary government	\$ 657,946,240	46,171,924	146,309,767	4,659,065	(460,805,484)	-
Component Unit:						
Greensboro/Guilford Co Tourism Dev Authority:						
Tourism promotion and development	\$ 3,486,214	18,022	3,656,687	-	-	188,495
General revenues:						
Taxes:						
Property taxes, levied for general purposes					396,547,608	-
Property taxes, levied for fire districts					17,511,719	-
Sales taxes, levied for general purposes					78,031,072	-
Sales taxes, levied for fire districts					4,272,616	-
Sales taxes, levied for school capital and/or debt					24,128,421	-
Occupancy taxes, levied for tourism development					4,189,165	-
Excise tax					4,635,701	-
Local gross receipts taxes					854,060	-
Grants and contributions not restricted to specific programs					7,580,598	-
Unrestricted investment earnings net of fair value increase of investment derivatives					343,071	5,023
Other					306,248	-
Total general revenues					538,400,279	5,023
Change in net position					77,594,795	193,518
Net position at beginning of year:						
As previously reported					(488,481,839)	5,061,723
Restatement					569,884	-
As restated					(487,911,955)	5,061,723
Net position at end of year					\$ (410,317,160)	5,255,241

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

GUILFORD COUNTY, NORTH CAROLINA
Balance Sheet
Governmental Funds
June 30, 2021

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	\$ 174,867,802	41,089,413	22,320,144	60,795,433	3,426,287	302,499,079
Receivables:						
Property taxes (net)	5,005,012	-	-	-	114,802	5,119,814
Accrued interest on property taxes (net)	1,155,378	-	-	-	-	1,155,378
Other taxes	106,426	-	-	-	583,894	690,320
Due from governmental units and agencies	38,707,565	-	287,360	-	1,056,807	40,051,732
Service fees (net)	7,220,654	-	-	-	-	7,220,654
Special assessments (net)	-	381,168	-	-	-	381,168
Accrued interest on investments	68,737	7,239	-	-	539	76,515
Total receivables	<u>52,263,772</u>	<u>388,407</u>	<u>287,360</u>	<u>-</u>	<u>1,756,042</u>	<u>54,695,581</u>
Deposits and other assets	865,653	-	-	-	-	865,653
Total assets	<u>\$ 227,997,227</u>	<u>41,477,820</u>	<u>22,607,504</u>	<u>60,795,433</u>	<u>5,182,329</u>	<u>358,060,313</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	\$ 14,544,013	1,765,082	1,383,913	60,010,499	175,168	77,878,675
Due to component unit	-	-	-	-	408,726	408,726
Deposits	908,137	-	-	-	-	908,137
Total liabilities	<u>15,452,150</u>	<u>1,765,082</u>	<u>1,383,913</u>	<u>60,010,499</u>	<u>583,894</u>	<u>79,195,538</u>
Deferred Inflows of Resources	<u>7,584,738</u>	<u>381,168</u>	<u>-</u>	<u>-</u>	<u>135,655</u>	<u>8,101,561</u>
Fund balances:						
Non spendable	865,653	-	-	-	-	865,653
Restricted	72,791,045	29,468,031	17,869,088	297,383	5,046,674	125,472,221
Committed	-	3,054,149	3,641,861	784,934	-	7,480,944
Assigned	33,262,763	6,809,390	-	-	-	40,072,153
Unassigned	98,040,878	-	(287,358)	(297,383)	(583,894)	96,872,243
Total fund balances	<u>204,960,339</u>	<u>39,331,570</u>	<u>21,223,591</u>	<u>784,934</u>	<u>4,462,780</u>	<u>270,763,214</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 227,997,227</u>	<u>41,477,820</u>	<u>22,607,504</u>	<u>60,795,433</u>	<u>5,182,329</u>	<u>358,060,313</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, 2021

Exhibit 4

Total fund balances - total governmental funds (Exhibit 3)	\$	270,763,214
<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.		275,460,376
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows of resources in the funds. (Note II.A.1.)		6,656,360
Net pension asset - NC Register of Deeds' Supplemental Pension		928,096
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.)		74,764,750
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)		24,366,978
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.)		(1,023,098,089)
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>(40,158,845)</u>
Total net position of governmental activities (Exhibit 1)	\$	<u>(410,317,160)</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, 2021

Exhibit 5

	General	County Building Construction	School Capital Outlay	Community Development	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes:						
Property taxes	\$ 397,131,082	-	-	-	17,540,049	414,671,131
Sales tax	102,159,494	-	-	-	4,272,616	106,432,110
Occupancy taxes	-	-	-	-	4,189,165	4,189,165
Excise tax	4,635,701	-	-	-	-	4,635,701
Local gross receipts tax	854,060	-	-	-	-	854,060
Licenses and permits	2,901,979	-	-	-	-	2,901,979
Intergovernmental	80,658,651	-	-	74,412,436	-	155,071,087
Charges for services	39,702,554	136,033	-	-	-	39,838,587
Investment earnings	252,345	65,161	-	9,916	772	328,194
Other	7,136,699	18,506	-	-	-	7,155,205
Total revenues	<u>635,432,565</u>	<u>219,700</u>	<u>-</u>	<u>74,422,352</u>	<u>26,002,602</u>	<u>736,077,219</u>
Expenditures						
Current:						
General government	55,192,056	-	-	3,566,590	-	58,758,646
Human services	119,835,468	-	-	11,743,616	-	131,579,084
Public safety	97,214,609	-	-	23,863,011	20,283,180	141,360,800
Environmental protection	2,058,581	-	-	-	-	2,058,581
Culture - recreation	5,801,936	-	-	243	-	5,802,179
Economic development and assistance	1,023,419	-	-	25,239,198	4,189,165	30,451,782
Intergovernmental:						
Education	228,017,833	-	10,459,959	9,999,778	-	248,477,570
Capital outlay	-	26,813,566	-	-	-	26,813,566
Debt service:						
Principal retirement	61,500,000	-	-	-	-	61,500,000
Interest and fiscal charges	28,740,562	-	-	-	-	28,740,562
Total expenditures	<u>599,384,464</u>	<u>26,813,566</u>	<u>10,459,959</u>	<u>74,412,436</u>	<u>24,472,345</u>	<u>735,542,770</u>
Excess (deficiency) of revenues over expenditures	<u>36,048,101</u>	<u>(26,593,866)</u>	<u>(10,459,959)</u>	<u>9,916</u>	<u>1,530,257</u>	<u>534,449</u>
Other Financing Sources (Uses)						
Transfers in	-	1,500,000	3,666,528	747,279	-	5,913,807
Transfers out	(5,913,807)	-	-	-	-	(5,913,807)
Sale of capital assets	207,511	-	-	-	-	207,511
Total other financing sources (uses)	<u>(5,706,296)</u>	<u>1,500,000</u>	<u>3,666,528</u>	<u>747,279</u>	<u>-</u>	<u>207,511</u>
Net changes in fund balances	30,341,805	(25,093,866)	(6,793,431)	757,195	1,530,257	741,960
Fund balances at beginning of year:						
As previously reported	174,048,650	64,425,436	28,017,022	27,739	2,932,523	269,451,370
Restatement	569,884	-	-	-	-	569,884
As restated	<u>174,618,534</u>	<u>64,425,436</u>	<u>28,017,022</u>	<u>27,739</u>	<u>2,932,523</u>	<u>270,021,254</u>
Fund balances at end of year	<u>\$ 204,960,339</u>	<u>39,331,570</u>	<u>21,223,591</u>	<u>784,934</u>	<u>4,462,780</u>	<u>270,763,214</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, 2021

Exhibit 6

Net changes in fund balances - total governmental funds (Exhibit 5)	\$	741,960
<p>Amounts reported for governmental activities in the statement of activities are different because (see also Note II.B.):</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.)		21,187,934
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.)		(28,262)
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.)		(755,490)
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.)		61,500,000
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.)		(6,833,456)
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)		<u>1,782,109</u>
Total net position	\$	<u>77,594,795</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary and GAAP Basis	Final Budget Positive (Negative)
Revenues				
Taxes:				
Property taxes	\$ 389,415,000	389,704,000	395,742,110	6,038,110
Interest on delinquent property taxes	1,246,400	1,246,400	1,388,972	142,572
Total property taxes	390,661,400	390,950,400	397,131,082	6,180,682
Sales tax	80,000,000	80,000,000	102,159,494	22,159,494
Excise tax	3,250,000	3,250,000	4,635,701	1,385,701
Local gross receipts tax	792,500	792,500	854,060	61,560
Licenses and permits	1,934,151	1,934,151	2,901,979	967,828
Intergovernmental	71,661,472	81,022,564	80,658,651	(363,913)
Charges for services	40,947,463	41,043,863	39,702,554	(1,341,309)
Investment earnings	1,771,550	1,771,550	252,345	(1,519,205)
Other	5,305,882	5,848,163	7,136,699	1,288,536
Total revenues	596,324,418	606,613,191	635,432,565	28,819,374
Expenditures				
Current:				
General government	60,894,431	62,686,342	55,192,056	7,494,286
Human services	125,620,569	141,659,623	119,835,468	21,824,155
Public safety	116,535,746	107,468,006	97,214,609	10,253,397
Environmental protection	2,425,975	2,496,027	2,058,581	437,446
Culture - recreation	6,657,359	6,859,702	5,801,936	1,057,766
Economic development and assistance	1,333,302	2,754,338	1,023,419	1,730,919
Intergovernmental:				
Education	226,710,398	231,710,398	228,017,833	3,692,565
Debt service:				
Principal retirement	61,600,000	61,600,000	61,500,000	100,000
Interest and fiscal charges	29,190,986	29,192,286	28,740,562	451,724
Total expenditures	630,968,766	646,426,722	599,384,464	47,042,258
Excess (deficiency) of revenues over expenditures	(34,644,348)	(39,813,531)	36,048,101	75,861,632
Other Financing Sources (Uses)				
Transfers out	(3,666,528)	(5,913,807)	(5,913,807)	-
Sale of capital assets	190,400	190,400	207,511	17,111
Total other financing sources (uses)	(3,476,128)	(5,723,407)	(5,706,296)	17,111
Net change in fund balances	(38,120,476)	(45,536,938)	30,341,805	75,878,743
Fund balances at beginning of year:				
As previously reported	174,048,650	174,048,650	174,048,650	-
Restatement	569,884	569,884	569,884	-
As restated	174,618,534	174,618,534	174,618,534	-
Fund balances at end of year	\$ 136,498,058	129,081,596	204,960,339	75,878,743

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, 2021

Exhibit 8

	Governmental Activities
Assets	
Current assets:	
Cash and cash equivalents/investments	\$ 30,954,967
Receivables:	
Service fees (net)	633,811
Accrued interest on investments	8,411
Total receivables	642,222
Deposits and other assets	956,556
Total assets	32,553,745
 Deferred Outflows of Resources	
Related to pension plans	50,699
 Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	6,905,974
Compensated absences	12,692
Total current liabilities	6,918,666
Noncurrent liabilities:	
Compensated absences	5,451
Net Pension liability	89,948
Total noncurrent liabilities	95,399
Total liabilities	7,014,065
 Deferred Inflows of Resources	
Deferred revenues	1,222,943
Related to pension plans	458
Total deferred inflows of resources	1,223,401
 Net Position	
Restricted for self-funded insurance deposits	955,295
Unrestricted	23,411,683
Total net position	\$ 24,366,978

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, 2021

Exhibit 9

	Governmental Activities
Operating revenues:	
Charges for services	\$ 47,664,899
Other	16,384
Total operating revenues	47,681,283
Operating expenses:	
Personal services	316,403
Other direct service costs	68,578
Professional services	1,369,431
Claims, premiums and bonding	44,157,354
Total operating expenses	45,911,766
Operating gain	1,769,517
Nonoperating revenues:	
Net investment gain	12,592
Change in net position	1,782,109
Net position at beginning of year	22,584,869
Net position at end of year	\$ 24,366,978

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, 2021

Exhibit 10

	Governmental Activities
Increase (decrease) in cash and cash equivalents:	
Cash flows from operating activities:	
Cash received from user departments and participants	\$ 47,898,667
Cash paid to employees for services	(296,544)
Cash paid to suppliers, participants and others	<u>(45,866,077)</u>
Net cash provided by operating activities	<u>1,736,046</u>
Cash flows from investing activities:	
Interest and dividends on investments	<u>47,272</u>
Net increase in cash and cash equivalents	1,783,318
Cash and cash equivalents at beginning of year	<u>29,171,649</u>
Cash and cash equivalents at end of year	<u>\$ 30,954,967</u>
 Reconciliation of operating gain to net cash provided by operating activities:	
Operating gain	\$ <u>1,769,517</u>
Adjustments to reconcile operating gain to net cash used by operating activities:	
Change in assets, deferred outflows, liabilities and deferred inflows:	
Decrease in accounts receivable	195,643
Increase in deposits and other assets	(112,536)
Increase in deferred outflows of resources - related to pension plans	(11,368)
Decrease in accounts payable	(176,145)
Increase in accrued salaries and benefits payable	1,673
Increase in accrued vacation and compensatory benefits	5,698
Increase in net pension liability	23,806
Increase in deferred inflows of resources - unearned revenues	39,708
Increase in deferred inflows of resources - related to pension plans	<u>50</u>
Total fund balances	<u>(33,471)</u>
Net cash provided by operating activities	<u>\$ 1,736,046</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, 2021

Exhibit 11

	Pension / OPEB Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents/investments	\$ -	418,418
Guilford County Law Enforcement Officers' Special Separation Allowance (LEOSSA) Accounts:		
Demand deposits	40,406	-
N.C. Capital Management Trust Cash Portfolio	1,530,288	-
State Treasurer's Local Government Law Enforcement Officers' Special Separation Allowance (LEOSSA) Fund:		
Short-Term LEOSSA Fund	1,314,408	-
LEOSSA Equity Fund	718,030	-
State Treasurer's Local Government Other Post Employment Benefits (OPEB) Fund:		
Short-Term OPEB Fund	3,520,710	-
Long-Term OPEB Fund	1,155,423	-
OPEB Equity Fund	15,254,144	-
Total assets	23,533,409	418,418
Liabilities		
Accounts payable and accrued liabilities	33,054	-
Total liabilities	33,054	-
Net Position		
Restricted for:		
Pension	3,570,078	-
Other post employment benefits	19,930,277	-
Individuals and other governments	-	418,418
Total net position	\$ 23,500,355	418,418

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, 2021

Exhibit 12

	<u>Pension / OPEB Trust Funds</u>	<u>Custodial Funds</u>
Additions		
Employer contributions	\$ 9,569,421	-
Retiree contributions	2,779,110	-
Investment income	4,544,906	-
Investment expenses	(2,550)	-
Tax collections	-	281,564,170
Deposits from inmates	-	<u>1,594,227</u>
Total additions	<u>16,890,887</u>	<u>283,158,397</u>
Deductions		
Benefits	11,622,460	-
Administrative expenses	441,672	-
Payments to taxing units	-	281,532,523
Withdrawals by inmates	-	<u>1,532,262</u>
Total deductions	<u>12,064,132</u>	<u>283,064,785</u>
Change in net position	4,826,755	93,612
Net position at beginning of year:		
As previously reported	18,673,600	-
Restatement	-	<u>324,806</u>
As restated	<u>18,673,600</u>	<u>324,806</u>
Net position at end of year	\$ <u><u>23,500,355</u></u>	<u><u>418,418</u></u>

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

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

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 \$4,189,165 County levied occupancy taxes earned and included as an economic development and assistance expense of the County, \$2,932,416 is reported as part of the Authority's operating grants and contributions program revenue along with \$724,271 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 Covid-19 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.

Custodial Funds are used to account for assets held by the County on behalf of others. The County maintains the following custodial 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; 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 custodial 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. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amount will be reimbursed to the County; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier

GUILFORD COUNTY, NORTH CAROLINA
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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 Custodial 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 custodial funds. The Greensboro/Guilford County Tourism Development Authority (Authority) uses the County's pool for its investment purposes. Interest earned is distributed quarterly to the various funds based on each fund's proportionate equity in the cash and investments pool. For purposes of the statement of cash flows, all cash and investments of the proprietary fund are considered to be cash equivalents, since they are available on demand from the cash and investments pool.

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

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. 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.

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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, 2021, 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 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.

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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 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.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

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 proprietary 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 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.

GUILFORD COUNTY, NORTH CAROLINA
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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 nonspendable. 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.

10. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

11. Change in Accounting Principles

The County implemented Governmental Accounting Standards Board (GASB) No. Statement 84, Fiduciary Activities, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

The implementation of the statement resulted in moving the former agency funds Representative Payee and Fines and Forfeitures into the General Fund, requiring a restatement of the beginning fund balance in the General Fund and the beginning net position on the statement of activities to reflect an increase of \$569,884 related to Representative Payee funds. The implementation also led to a restatement on the statement of changes in fiduciary net position related to the tax collection and inmate trust funds that were formerly presented as agency funds. The tax collection and inmate trust fund have restatements to net position of \$143,533 and \$181,273 respectively, for a total of \$324,806 compared to the presentation prior to the implementation of GASB 84.

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)	\$ 5,119,814
Accrued interest on property taxes receivable (net)	1,155,378
Special assessments receivable (net)	<u>381,168</u>
Net adjustment to increase total fund balances - total governmental funds to arrive at net position of governmental activities	<u>\$ 6,656,360</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	\$ 710,828
Contributions to NCLGERS pension plan in current fiscal year	13,691,926
Contributions to NCROD pension plan in current fiscal year	47,641
LEOSSA other pension plan related resources	2,700,710
NCLGERS other pension plan related resources	21,078,567
NCROD other pension plan related resources	21,304
OPEB related resource deferrals	34,149,703
Unamortized bond refunding charges	<u>2,414,770</u>
Subtotal	74,815,449
Less: NCLGERS plan contributions and other resources of the Internal Service Fund	<u>(50,699)</u>
Net adjustment to increase total fund balances - total governmental funds to arrive at net position of governmental activities	<u>\$ 74,764,750</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	\$ 562,955,000
Less: Interest rate swap termination payment (to be amortized as interest expense)	(1,722,724)
Plus: Issuance premiums (to be amortized against interest expense)	62,876,461
Accrued interest payable	7,948,242
Limited obligation bonds payable	16,845,000
Accrued compensated absences payable	12,483,632
Net pension liability - Law Enforcement Officers' Special Separation Allowance	10,718,076
Net pension liability - NC Local Government Employees' Retirement System	61,687,696
Net other postemployment benefits liability - Health Care Benefits Plan	<u>289,414,798</u>
Subtotal	1,023,206,182
Less: accrued compensated absences payable of the Internal Service Fund	(18,144)
Less: NCLGERS net pension liability of the Internal Service Fund	<u>(89,948)</u>
Net adjustment to decrease total fund balances - total governmental funds to arrive at net position of governmental activities	<u>\$ 1,023,098,089</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	\$ 192,496
NCLGERS pension related resource deferrals	314,435
NCROD pension related resource deferrals	98,325
OPEB related resource deferrals	<u>39,554,047</u>
Subtotal	40,159,303
Less: NCLGERS pension resource deferrals of the Internal Service Fund	<u>(458)</u>
Net adjustment to decrease total fund balances - total governmental funds to arrive at net position of governmental activities	<u>\$ 40,158,845</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-)	\$ 34,772,905
	Less: depreciation expense (net of Internal Service Fund amount of \$-0-)	<u>(13,584,971)</u>
	Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ 21,187,934</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>(28,262)</u>
	Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ (28,262)</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)	\$ (640,021)
	Accrued interest on property taxes receivable (net)	28,216
	Special assessments receivable (net)	<u>(143,685)</u>
	Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ (755,490)</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>61,500,000</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	\$ <u>61,500,000</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	\$ 1,023,717
Compensated absences	(2,925,970)
Amortization of deferred charge on refunding	(503,484)
Amortization of interest rate swap termination payment	(421,358)
Amortization of bond premiums	8,575,260
Net other postemployment benefits obligation - Health Care Benefits Plan	(5,463,549)
Law Enforcement Officers' Special Separation Allowance pension expense	103,783
NC Local Government Employees' Retirement System pension expense	(7,270,428)
NC Register of Deeds' Supplemental pension expense	<u>48,573</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	\$ <u>(6,833,456)</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, 2021, the cash and investments included the following:

Account Balances	Ownership of Funds
	Primary Government - Guilford County
Petty cash/cash on hand	Governmental Funds
\$ 97,102	\$ 302,499,079
Demand deposits	Internal Service Fund
6,014,405	30,954,967
Pooled investments	Total Governmental Activities
332,529,854	333,454,046
Pooled Funds	
338,641,361	
Pension Trust Fund investments:	Pension Trust Funds
	23,533,409
LEOSSA Trust:	Custodial Funds
	418,418
N.C. Capital Management Trust	
Government Portfolio	1,530,288
State Treasurer's Local Government	
LEOSSA Trust Fund	2,032,438
OPEB Trust - State Treasurer's	Primary Government - Guilford County
Local Government OPEB Trust Fund	357,405,873
19,930,277	Component Unit – Authority
\$ 362,134,364	4,728,491
	\$ 362,134,364

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 under collateralization, 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 \$5,987,110 and a bank balance of \$9,221,589. Of the bank balance, \$250,860 was covered by Federal depository insurance, and \$8,970,729 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 \$27,295 and a bank balance of \$102,843 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, 2021, 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	\$ <u>77,241,686</u>	42.36
N.C. Municipal Bonds	Fair Value - Level 2	<u>2,282,680</u>	29.76
Commercial Paper and Bankers' Acceptances	Amortized Cost	<u>69,153,675</u> 148,678,041	3.36 24.03
N.C. Capital Management Trust Government Portfolio	Fair Value - Level 1	<u>183,851,813</u>	Demand
Total Pooled Investments		\$ <u>332,529,854</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, 2021, 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, 2021. 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, 2021, the following investment categories account for more than 5% of the County's investments as reported herein: Federal National Mortgage Corporation 5.3% and Federal Home Loan Bank, 11.5%.

LEOSSA Trust Funds

At June 30, 2021, the Guilford County Law Enforcement Officers' Separation Allowance (LEOSSA) Fund had \$40,406 in pooled demand deposits (checking), \$1,530,288 invested in the N.C. Capital Management Trust (NCCMT) Government Portfolio, and \$2,032,438 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, 64.67% of the LEOSSA funds in the State Treasurer's (LEOSSA) Fund were invested in the State Treasurer's Short-Term Investment Fund (STIF) and 35.33% were invested in the BlackRock MSCI All Country World Index (ACWI) Equity Index Non-Lendable Class B Fund (the equities were split with 58.82% in domestic securities and 41.18% 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 \$32.25 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, 2021. 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, 2021, the Guilford County Health Care Plan (the HC Plan) Fund had \$19,930,277 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, 17.67% of the HC Plan funds were invested in the State Treasurer's STIF, 5.80% were invested in the State Treasurer's Bond Index Fund (BIF), and 76.54% were invested in the BlackRock MSCI All Country World Index (ACWI) Equity Index Non-Lendable Class B Fund (the equities were split with 58.82% in domestic securities and 41.18% 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 8.34 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 \$32.25 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, 2021. The BIF is unrated and had a weighted average maturity of 8.34 years at June 30, 2021.

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, 2021 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	\$ 3,524,330	-	77,336	3,601,666	-
Accrued interest on property taxes	2,312,190	-	-	2,312,190	-
Service fees	34,694,821	-	-	34,694,821	1,162
Special assessments	-	376,722	-	376,722	-
	<u>\$ 40,531,341</u>	<u>376,722</u>	<u>77,336</u>	<u>40,985,399</u>	<u>1,162</u>

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021 follows:

Primary Government – Governmental Activities

A summary of changes in capital assets, net of accumulated depreciation, for the fiscal year ended June 30, 2021 follows:

	Balance July 1, 2020	Increases	Decreases	Transfers	Balance June 30, 2021
Non-depreciable capital assets:					
Land	\$ 52,570,408	-	-	-	52,570,408
Construction in progress	25,462,975	26,945,094	-	(21,425,103)	30,982,966
Intangibles - non-depreciable	224,000	165,000	-	-	389,000
Total non-depreciable capital assets	<u>78,257,383</u>	<u>27,110,094</u>	<u>-</u>	<u>(21,425,103)</u>	<u>83,942,374</u>
Depreciable capital assets:					
Buildings	236,892,816	-	(26)	19,655,815	256,548,605
Improvements other than buildings	28,055,093	-	(1,941)	336,246	28,389,398
Machinery and equipment	49,413,318	3,799,441	(2,465,315)	-	50,747,444
Vehicles	35,429,595	3,863,370	(1,235,984)	-	38,056,981
Intangibles - depreciable	10,018,106	-	(30)	1,433,042	11,451,118
Total depreciable capital assets	<u>359,808,928</u>	<u>7,662,811</u>	<u>(3,703,296)</u>	<u>21,425,103</u>	<u>385,193,546</u>
Less accumulated depreciation for:					
Buildings	(93,228,945)	(5,173,190)	815	-	(98,401,320)
Improvements other than buildings	(17,630,781)	(1,038,275)	1,551	-	(18,667,505)
Machinery and equipment	(34,457,139)	(3,227,516)	2,448,725	-	(35,235,930)
Vehicles	(29,677,838)	(3,694,440)	1,223,913	-	(32,148,365)
Intangibles	(8,770,904)	(451,550)	30	-	(9,222,424)
Total accumulated depreciation	<u>(183,765,607)</u>	<u>(13,584,971)</u>	<u>3,675,034</u>	<u>-</u>	<u>(193,675,544)</u>
Total depreciable capital assets (net)	<u>176,043,321</u>	<u>(5,922,160)</u>	<u>(28,262)</u>	<u>21,425,103</u>	<u>191,518,002</u>
Governmental activities capital assets (net)	<u>\$ 254,300,704</u>	<u>21,187,934</u>	<u>(28,262)</u>	<u>-</u>	<u>275,460,376</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	\$ 2,664,539
Human services	1,332,713
Public safety	8,344,004
Environmental protection	55,510
Culture - recreation	<u>1,188,205</u>
Total governmental activities depreciation expense	<u>\$ 13,584,971</u>

Guilford County's construction in progress at June 30, 2021 is composed of the following:

Project Name	Project Authorization ⁽¹⁾	Expended to June 30, 2021	Placed in Service to June 30, 2021	Remaining CIP Balance June 30, 2021	Estimated Costs to Complete
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	12,284,970	12,284,970	-	1,131,493
Law Enforcement Special Op Bld	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 I	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	13,296,292	-	13,296,292	1,376,425
High Point Parking Deck Repairs	2,542,000	2,087,956	2,087,956	-	454,044
HP Justice Complex HVAC System	1,350,000	1,123,250	1,123,250	-	226,750
Mental Health Facility	18,955,000	16,404,875	-	16,404,875	2,550,125
Old Courthouse Renovations	3,500,000	3,099,212	3,099,212	-	400,788
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 Reno	1,736,000	723,478	-	723,478	1,012,522
HP Public Health HVAC Renovation ⁽²⁾	1,405,113 ⁽²⁾	1,405,113	1,405,113	-	-
Munis System ⁽²⁾	1,442,312 ⁽²⁾	1,439,342	1,433,042	6,300	2,970
Clinical MedMax ⁽²⁾	519,837 ⁽²⁾	401,622	401,622	-	118,215
Independence 5 th Floor UpFit ⁽²⁾	16,000 ⁽²⁾	16,000	-	16,000	-
HP Mental Health HVAC Renovation ⁽²⁾	826,839 ⁽²⁾	497,697	-	497,697	329,142
GC Jail Sanitary Sewer Service - HP ⁽²⁾	125,600 ⁽²⁾	10,320	-	10,320	115,280
BB&T Fitness & Wellness Center Phase 2 ⁽²⁾	72,000 ⁽²⁾	58,271	58,271	-	13,729
Building Envelope Repair HP Courthouse ⁽²⁾	1,029,159 ⁽²⁾	988,321	968,555	19,766	40,838
Independence 5th Floor Renovation ⁽²⁾	202,145 ⁽²⁾	172,996	164,758	8,238	29,149
Gso & HP Health Dept Covid Renovations ⁽²⁾	531,989 ⁽²⁾	503,130	503,130	-	28,859
Vehicle Decontamination System ⁽²⁾	852,816 ⁽²⁾	658,974	658,974	-	193,842
	<u>\$ 77,069,305</u>	<u>68,503,751</u>	<u>37,520,785</u>	<u>30,982,966</u>	<u>8,565,554</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, 2021 follows:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Depreciable capital assets:				
Furniture, fixtures and equipment	\$ 265,591	-	-	265,591
Vehicles	114,712	-	-	114,712
Less accumulated depreciation	(300,913)	(23,267)	-	(324,180)
Tourism Authority capital assets, net	<u>\$ 79,390</u>	<u>(23,267)</u>	<u>-</u>	<u>56,123</u>

D. Accounts Payable and Accrued Liabilities

Primary Government – Governmental Activities

Accounts payable and accrued liabilities at June 30, 2021 includes the following balances:

	Vendors	Salaries, Benefits Accrued & Withheld	Accrued Interest	Due to Gov. Units, Districts & Agencies	Other	Total
Major Governmental Funds:						
General	\$ 6,226,119	6,544,023	-	1,499,041	274,830	14,544,013
County Building Construction	1,765,082	-	-	-	-	1,765,082
School Capital Outlay (1)	-	-	-	1,383,913	-	1,383,913
Community Development	117,597	-	-	59,892,902	-	60,010,499
Nonmajor Governmental Funds	-	-	-	175,168	-	175,168
Internal Service Fund (2)	416,945	8,673	-	-	6,480,356	6,905,974
Reconciliation of balances in fund financial statements to government-wide financial statements						
	-	-	7,948,242	-	-	7,948,242
Total - Governmental Activities	<u>\$ 8,525,743</u>	<u>6,552,696</u>	<u>7,948,242</u>	<u>62,951,024</u>	<u>6,755,186</u>	<u>92,732,891</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 \$6,480,356. 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, 2021 follows:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Current Portion of Balance</u>
Bonds payable:					
General obligation bonds	\$ 624,455,000	-	(61,500,000)	562,955,000	67,085,000
Plus bond issuance premiums	71,451,721	-	(8,575,260)	62,876,461	-
Less swap termination fees	<u>(2,144,082)</u>	-	<u>421,358</u>	<u>(1,722,724)</u>	-
Total bonds payable	693,762,639	-	(69,653,902)	624,108,737	67,085,000
Limited obligation bonds	16,845,000	-	-	16,845,000	-
Compensated absences	9,551,963	7,092,363	(4,160,694)	12,483,632	3,161,665
Net pension liability - LGERS	48,475,777	13,211,919	-	61,687,696	-
Net pension liability - LEOSSA	8,901,912	3,254,425	(1,438,261)	10,718,076	-
Net other postemployment benefits liability	<u>337,432,974</u>	<u>15,557,696</u>	<u>(63,575,872)</u>	<u>289,414,798</u>	-
Total	<u>\$ 1,114,970,265</u>	<u>39,116,403</u>	<u>(138,828,728)</u>	<u>1,015,257,939</u>	<u>70,246,665</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 \$18,145 of the compensated absences balance and \$89,948 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.

Total government activities debt at June 30, 2021 is \$ \$638,538,967, of which the County holds title to an amount of \$115,120,628. The unexpended debt proceeds related to the County's held assets is \$21,942,535.

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, 2021, such statutory limit for the County was about \$4.3 billion providing a debt margin of approximately \$3.7 billion.

Bonds authorized and unissued at June 30, 2021 are as follows for additions and/or improvements to Public Schools for \$300 million.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

Long-term liabilities outstanding as of June 30, 2021 include the following:

General Obligation Bonds:

April 2010 \$82,500,000 taxable Build America Bonds (Public Improvement) due in annual installments of \$8,250,000 from August 2022 through 2030; interest at 4.541% to 5.461%.	\$ 82,250,000
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%.	20,620,000
April 2012 \$133,745,000 Public Improvement serial bonds due in annual installments of \$2,000,000 to \$8,920,000 through March 2024; interest at 2.00% to 5.00%.	15,995,000
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 2016 \$92,930,000 General Obligation Refunding Bonds due in annual installments of \$7,490,000 to \$13,345,000 through 2028; interest at 3.00% to 5.00%.	71,840,000
April 2017 \$27,195,000 Public Building serial bonds due in annual installments of \$1,455,000 through 2037; interest at 3.00% to 5.00%.	22,330,000
April 2017 \$160,070,000 Public Improvement serial bonds due in annual installments of \$6,150,000 to \$11,650,000 through 2037; interest at 3.00% to 5.00%.	142,085,000
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%..	150,440,000
June 2019 \$40,000,000 General Obligation Serial Bonds due in annual installments of \$2,220,000 to \$2,225,000 through 2039; interest at 3.00% to 5.00%.	40,000,000
Total general obligation bonds	\$ <u>562,955,000</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, 2021, aggregate debt service requirements on the County's debt are as follows, including interest payments of \$144,983,480.

Year Ending June 30	General Obligation Bonds		Limited Obligation Bonds, Capital Leases, and Installment Financings		Total
	Principal	Interest	Principal	Interest	
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	49,280,000	12,536,571	-	768,806	62,585,377
2027-2031	152,030,000	32,868,265	-	3,844,029	188,742,294
2032-2036	74,995,000	8,882,547	16,845,000	768,805	101,491,352
2037-2040	16,010,000	703,475	-	-	16,713,475
	<u>\$ 562,955,000</u>	<u>136,526,616</u>	<u>16,845,000</u>	<u>8,456,864</u>	<u>724,783,480</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 \$2,836,206 in fiscal year 2022 and would provide a total rebate of \$23,429,891 over the remaining life of the bonds. Historically, some amounts received through fiscal 2021 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, 2021. 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, 2021, 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	\$ 7,790,074	806,174	-	-	8,596,248
Changes of assumptions	4,590,775	1,749,204	-	34,149,703	40,489,682
Net difference between projected and actual earnings on plan investments	8,680,890	145,332	-	-	8,826,222
Changes in proportion and differences between County contributions and proportionate share of contributions	16,828	-	21,304	-	38,132
County contributions subsequent to the measurement date	<u>13,691,926</u>	<u>710,828</u>	<u>47,641</u>	<u>-</u>	<u>14,450,395</u>
Total	<u>\$ 34,770,493</u>	<u>3,411,538</u>	<u>68,945</u>	<u>34,149,703</u>	<u>72,400,679</u>

Deferred Inflows of Resources

Differences between expected and actual experience	\$ -	-	18,912	25,445,611	25,464,523
Changes of assumptions	-	192,496	-	11,616,894	11,809,390
Net difference between projected and actual earnings on plan investments	-	-	79,413	2,491,542	2,570,955
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>314,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>314,435</u>
Total	<u>\$ 314,435</u>	<u>192,496</u>	<u>98,325</u>	<u>39,554,047</u>	<u>40,159,303</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, 2021 is composed of the following unearned and unavailable revenues:

	Major Governmental			
	General Fund	County Building Construc- tion Fund	Nonmajor Governmental and Other Funds	Total
Governmental Funds:				
Unearned revenues:				
Property tax collections not yet earned	\$ 1,105,786	-	20,853	1,126,639
Federal, State and private foundation grants received in advance	<u>318,562</u>	-	-	<u>318,562</u>
Total unearned revenues	<u>1,424,348</u>	-	<u>20,853</u>	<u>1,445,201</u>
Unavailable revenues:				
Property taxes receivable (net)	5,005,012	-	114,802	5,119,814
Accrued interest on property taxes receivable (net)	1,155,378	-	-	1,155,378
Special assessments receivable (net)	-	<u>381,168</u>	-	<u>381,168</u>
Total unavailable revenues	<u>6,160,390</u>	<u>381,168</u>	<u>114,802</u>	<u>6,656,360</u>
Total deferred inflows of resources - Governmental Funds	<u>\$ 7,584,738</u>	<u>381,168</u>	<u>135,655</u>	<u>8,101,561</u>
Internal Service Fund:				
Unearned revenues:				
Service fees collected in advance from external sources			<u>\$ 392,008</u>	<u>392,008</u>
Service fees collected in advance from internal sources ⁽¹⁾			<u>830,935</u>	<u>830,935</u>
Total unearned revenues - Internal Service Fund			<u>\$ 1,222,943</u>	<u>1,222,943</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				\$ 1,445,201
Internal Service Fund (from external sources) per above				<u>392,008</u>
Total unearned revenues - Governmental Activities				<u>\$ 1,837,209</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, 2021:

<u>Net position restricted for stabilization by State statute</u>	<u>Amount</u>
Reserved for encumbrances	\$ 21,208,021
Reserved by State statute	<u>48,039,221</u>
Net position restricted for stabilization by State statute	<u>\$ 69,247,242</u>
<u>Net position restricted for other purposes</u>	<u>Amount</u>
Rural Fire Districts	\$ 3,520,236
Net pension asset - Register of Deeds Supplemental Pension Fund	928,096
Law Enforcement	512,956
Register of Deeds automation enhancement	541,145
Self-funded insurance deposits	955,295
Other	<u>758,803</u>
Net position restricted for other purposes	<u>\$ 7,216,531</u>
<u>Unrestricted net position (liabilities)</u>	<u>Amount</u>
Water and sewer	\$ (504,897)
Guilford County Schools	(428,930,383)
Guilford Technical Community College	(73,803,089)
Other	<u>(178,014,329)</u>
Unrestricted net position	<u>\$ (681,252,698)</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, 2021:

	General	County Building Construction	School Capital Outlay	Community Development Fund	Nonmajor Governmental Funds	Total Governmental Funds
Non spendable:						
Prepays reserve ⁽¹⁾	\$ 837,150	-	-	-	-	837,150
Inventories reserve ⁽¹⁾	<u>28,503</u>	-	-	-	-	<u>28,503</u>
Total non spendable ⁽¹⁾	865,653	-	-	-	-	865,653
Restricted:						
State statute reserve ⁽¹⁾	46,103,382	7,239	287,360	-	1,641,240	48,039,221
Encumbrance reserve ⁽¹⁾	<u>12,934,744</u>	<u>7,975,894</u>	-	297,383	-	<u>21,208,021</u>
Total stabilization by State statute ⁽¹⁾	59,038,126	7,983,133	287,360	297,383	1,641,240	69,247,242
Public Health programs	10,062,723	-	-	-	-	10,062,723
Representative Payee	688,872	-	-	-	-	688,872
Law Enforcement	527,959	-	-	-	-	527,959
Register of Deeds automation enhancement	541,145	-	-	-	-	541,145
Debt service	1,667,000	-	-	-	-	1,667,000
Public building projects	-	20,151,102	-	-	-	20,151,102
Law Enforcement projects	-	350,449	-	-	-	350,449
Park projects	-	983,347	-	-	-	983,347
Guilford County Schools projects	-	-	17,444,690	-	-	17,444,690
Guilford Technical Community College projects	-	-	137,038	-	-	137,038
Rural fire districts	-	-	-	-	3,405,434	3,405,434
Other	<u>265,220</u>	-	-	-	-	<u>265,220</u>
Total restricted	<u>72,791,045</u>	<u>29,468,031</u>	<u>17,869,088</u>	<u>297,383</u>	<u>5,046,674</u>	<u>125,472,221</u>
Committed:						
County building projects	-	3,054,149	-	-	-	3,054,149
Guilford County Schools projects	-	-	2,819,328	-	-	2,819,328
Guilford Technical Community College projects	-	-	822,533	-	-	822,533
Rental Assistance	-	-	-	784,934	-	784,934
Total committed	<u>-</u>	<u>3,054,149</u>	<u>3,641,861</u>	<u>784,934</u>	<u>-</u>	<u>7,480,944</u>
Assigned:						
Animal Shelter - Have a Heart Fund	82,839	-	-	-	-	82,839
Social Services - Team HOPE	57,755	-	-	-	-	57,755
Law Enforcement	7,947	-	-	-	-	7,947
Family Justice Center	96,675	-	-	-	-	96,675
Cooperative Extension	82,496	-	-	-	-	82,496
Other	54,051	-	-	-	-	54,051
Appropriated in subsequent year's budget ⁽²⁾	32,881,000	-	-	-	-	32,881,000
Remaining positive balance	<u>-</u>	<u>6,809,390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,809,390</u>
Total assigned	<u>33,262,763</u>	<u>6,809,390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,072,153</u>
Unassigned	<u>98,040,878</u>	<u>-</u>	<u>(287,358)</u>	<u>(297,383)</u>	<u>(583,894)</u>	<u>96,872,243</u>
Total fund balance	<u>\$ 204,960,339</u>	<u>39,331,570</u>	<u>21,223,591</u>	<u>784,934</u>	<u>4,462,780</u>	<u>270,763,214</u>

(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 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, 2021 under North Carolina General Statute 159.8(a):

	General
Total fund balance	\$ 204,960,339
Less reserves by State statute:	
Non spendable	(865,653)
Restricted	(59,038,126)
Fund balance available for appropriation	145,056,560
Available for restricted purposes:	
Total restricted sources	13,752,919
Appropriated in subsequent year's budget	(3,029,673)
Available for restricted purposes	10,723,246
Available for assigned purposes:	
Total assigned	33,262,763
Appropriated in subsequent year's budget:	
From assigned sources	(62,643)
From unassigned sources	(32,881,000)
Available for assigned purposes	319,120
Available for unassigned purposes:	
Total unassigned	98,040,878
Board minimum - 8% of subsequent year's budget	(54,041,600)
Available for unassigned purposes	43,999,278
Fund balance available for appropriation	145,056,560
Appropriated in subsequent year's budget	(35,973,316)
Board minimum - 8% of subsequent year's budget	(54,041,600)
Total available for restricted, committed, assigned and unassigned purposes	\$ 55,041,644

H. Interfund Transfers

The following is a summary of interfund transfers for Guilford County for the fiscal year ended June 30, 2021:

		Transfers Out
		Major Governmental Funds
		General
Transfers In		
Major Governmental Funds:		
County Building Construction	\$	1,500,000
School Capital Outlay		3,666,528
Community Development		747,279
Total	\$	\$5,913,807

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 FY2021 project totaling \$6.1 million and the Guilford Technical Community College Capital Maintenance FY2021 project in the amount of \$1 million.

There were no interfund receivables or payables at June 30, 2021.

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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report 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, 2021 was 10.70% of compensation for law enforcement officers and 10.15% 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, 2021, \$13,691,926. 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, 2021, the County reported a liability of \$61,687,696 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020, 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, 2021, the County's proportion was 1.726% (measured as of June 30, 2020), which was a decrease of 0.049% from its proportion as of June 30, 2020 (measured as of June 30, 2019).

For the year ended June 30, 2021, the County recognized pension expense of \$20,974,843. At June 30, 2021, 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	\$ 7,790,074	-
Changes of assumptions	4,590,775	-
Net difference between projected and actual earnings on pension plan investments	8,680,890	-
Changes in proportion and differences between County contributions and proportionate share of contributions	16,828	314,435
County contributions subsequent to the measurement date	13,691,926	-
Total	<u>\$ 34,770,493</u>	<u>314,435</u>

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

The \$13,691,926 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, 2022. 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:	
2022	\$ 5,839,285
2023	7,814,114
2024	4,541,634
2025	2,569,099
Total	<u>\$ 20,764,132</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 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
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, 2019 valuation were based on the results of an actuarial experience study as of 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, 2021 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 2016 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% 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)	\$ 125,157,613	\$ 61,687,696	\$ 8,939,731

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report 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 Annual Comprehensive 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, 2019 the LEOSSA's membership consisted of:

Inactive members/beneficiaries receiving benefits	56
Active plan members	<u>242</u>
Total	<u><u>298</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 \$1,392,245 or 8.76% 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, 2019 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 2.50%. 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, 2019 was 11 years.

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

At June 30, 2021, the County reported a net pension liability of \$10,718,076. The net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$1,288,462. At June 30, 2021, 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	\$ 806,174	-
Changes of assumptions	1,749,204	192,496
Net difference between projected and actual earnings on pension plan investments	145,332	-
County contributions subsequent to the measurement date	<u>710,828</u>	<u>-</u>
Total	<u><u>\$ 3,411,538</u></u>	<u><u>192,496</u></u>

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

The \$710,828 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, 2022. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2022	\$	661,050
2023		755,201
2024		601,992
2025		487,182
Thereafter		2,789
	\$	<u>2,508,214</u>

Actuarial Assumptions. The entry age normal cost method was used. The total pension liability in the December 31, 2019 actuarial valuation. The total pension liability was determined on December 31, 2020 using the following actuarial assumptions, applied to all periods included in the measurement

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

The rates of mortality for the period after service retirement are according to the Pub-2010 amount-weighted Safety Mortality Table for Retirees, projected from 2010 using generational improvement with Scale MP-2019. Rates for all members are multiplied by 97% and Set Forward by 1 year.

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 2058. 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	\$ 11,740,931	\$ 10,718,076	\$ 9,782,213

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, 2019	\$ 11,895,026	2,993,114	8,901,912
Changes for the year:			
Service Cost	274,839	-	274,839
Interest	652,640	-	652,640
Difference between expected and actual experience	196,758	-	196,758
Changes of assumptions or other inputs	2,125,934	-	2,125,934
Contributions employer	-	1,332,969	(1,332,969)
Net investment income	-	105,292	(105,292)
Benefit payments	(1,089,535)	(1,089,535)	-
Plan administrative expenses	-	(4,254)	4,254
Net changes	2,160,636	344,472	1,816,164
Balance as of December 31, 2020	\$ 14,055,662	3,337,586	10,718,076

As of December 31, 2019, the most recent actuarial valuation date, the plan was 23.75% funded. As of the December 31, 2020 measurement date, the actuarial accrued liability for benefits was \$14,055,662 and the actuarial value of assets was \$3,337,586, resulting in an unfunded actuarial accrued liability (UAAL) of \$10,718,076. The covered payroll (annual payroll of active employees covered by the plan) was \$15,442,593, and the ratio of the UAAL to the covered payroll was 69.41%.

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, 2021:

Statement of Plan Net Position
June 30, 2021

	<u>Law Enforcement Officers' Special Separation Allowance</u>
Assets	
Current assets:	
Demand deposits	\$ 40,415
N.C. Capital Management Trust Cash Portfolio	1,530,288
State Treasurer's Local Government Law Enforcement Officers' Special Separation Allowance (LEOSSA) Fund:	
Short-Term LEOSSA Fund	<u>1,314,399</u>
LEOSSA Equity Fund	<u>718,030</u>
Cash and cash equivalents/investments	<u>3,603,132</u>
Liabilities	
Accounts payable and accrued liabilities	<u>33,054</u>
Net Position	
Held in trust for pension benefits	<u>\$ 3,570,078</u>

Statement of Changes in Plan Net Position
For the fiscal year ended June 30, 2021

	<u>Law Enforcement Officers' Special Separation Allowance</u>
Additions	
Employer contributions	\$ 1,392,245
Net investment income	210,514
Investment expenses	<u>(104)</u>
Total additions	<u>1,602,655</u>
Deductions	
Benefits	1,103,668
Administrative expenses	<u>4,178</u>
Total deductions	<u>1,107,846</u>
Change in net position	494,809
Net position at beginning of year	<u>3,075,269</u>
Net position at end of year	<u>\$ 3,570,078</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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that

GUILFORD COUNTY, NORTH CAROLINA
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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, 2021, 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, 2021, to law enforcement officers' accounts and other employees' accounts were \$784,867 and \$3,847,348, respectively. Voluntary contributions to the Plan were \$4,732,771.

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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report 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, 2021, the County's required and actual contributions to the RODSPF were \$47,641.

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

At June 30, 2021, the County reported an asset of \$928,096 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2020, the County's proportion was 4.05%, which was a decrease of 0.07% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension income of \$931. At June 30, 2021, 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	\$ -	18,912
Net difference between projected and actual earnings on pension plan investments	-	79,413
Changes in proportion and differences between County contributions and proportionate share of contributions	21,304	-
County contributions subsequent to the measurement date	47,641	-
Total	\$ 68,945	98,325

The \$47,641 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, 2022. 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:	
2022	\$ (3,157)
2023	(18,020)
2024	(35,839)
2025	<u>(20,005)</u>
Total	<u>\$ (77,021)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 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
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The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study as of 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, 2021 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)	\$ (788,303)	\$ (928,096)	\$ (1,046,386)

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

GUILFORD COUNTY, NORTH CAROLINA
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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, 2021 was \$369.

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, 2021 were \$50,695 and \$74,303, 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
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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, 2021 were \$2,060,865 and \$886,363. 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, 2020, the date of the latest actuarial valuation:

	Total
Inactive Employees or Beneficiaries Currently Receiving Benefits	1,211
Active Employees*	857
Total Membership	2,068

* Excludes 1,593 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 \$8,177,175 (retiree claims paid, insurance, and other costs less premiums received) or 16.50% of annual covered payroll. The contribution for fiscal year 2021 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 57.8% and 13.3% of covered payroll, respectively. Contributions (premiums) made by employees and retirees were 11.6% and 5.6% 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, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 27.77 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, 2021, the measurement date, is presented in the table below:

Total OPEB liability	\$ 309,345,075
Plan fiduciary net position	19,930,277
Net OPEB liability	\$ 289,414,798
Ratio of fiduciary net position to total OPEB liability	6.44%

Actuarial Methods and Assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions and other inputs:

Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation	
General Employees	3.25% - 8.415%
Law Enforcement Officers	3.25% - 7.90%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including price inflation	5.75%
Municipal Bond Index Rate	
Prior Measurement Date	2.21%
Measurement Date	2.16%
Year FNP is projected to be depleted	
Prior Measurement Date	2022
Measurement Date	2026
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior Measurement Date	2.25%
Measurement Date	2.24%
Health Care Cost Trends	
Pre-Medicare	7.00% for 2020 decreasing to an ultimate rate of 4.30% by 2030
Medicare	5.25% for 2020 decreasing to an ultimate rate of 4.75% by 2024
Dental	4.00%

GUILFORD COUNTY, NORTH CAROLINA
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The total OPEB liability was rolled forward to June 30, 2021, 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 Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 - December 31, 2019, adopted by the LGERS Board.

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 2.24%. The projection of cash flows used to determine the discount rate was based on an actuarial valuation performed as of June 30, 2020. 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, 2020 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 using payroll growth assumptions, (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 2026 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 2026 and the Municipal Bond Index Rate at the Measurement Date (2.16%) was applied to periods on and after 2026, resulting in a Single Equivalent Interest Rate at the Measurement Date (2.24%). As a result of the change to the Municipal Bond Index Rate, there was a change in the discount rate from 2.25% at the Prior Measurement Date to 2.24% 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	\$ 240,756,814	\$ 289,414,798	\$ 351,999,839

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 2.24%, 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 (1.24%)	Current Discount Rate (2.24%)	1% Increase (3.24%)
Net OPEB Liability	\$ 346,308,488	\$ 289,414,798	\$ 244,938,638

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

At June 30, 2021, the County reported a net OPEB liability of \$289,414,798. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. Actuarial gains and losses arising from the change in the SEIR from 2.25% on the Prior Measurement Date to 2.24% on the Measurement Date are accounted for as changes of assumptions or other inputs.

At June 30, 2021, the components of the net OPEB liability of the County, measured as of June 30, 2021, were as follows:

	Total OPEB Liability		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance as of June 30, 2020	\$ 353,031,305	15,598,331	337,432,974
Changes for the year:			
Service Cost at the end of the year*	7,703,720	-	7,703,720
Interest on TOL and Cash Flows	7,851,768	-	7,851,768
Difference between expected and actual experience	(36,040,695)	-	(36,040,695)
Changes of assumptions or other inputs	(15,027,895)	-	(15,027,895)
Contributions - employer	-	8,173,128	(8,173,128)
Net investment income	-	4,334,154	(4,334,154)
Benefit payments	(8,173,128)	(8,173,128)	-
Plan administrative expenses	-	(2,208)	2,208
Net changes	(43,686,230)	4,331,946	(48,018,176)
Balance as of June 30, 2021	\$ 309,345,075	19,930,277	289,414,798

*Service cost includes interest for the year.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2021, the County recognized OPEB expense of \$13,654,335. At June 30, 2021, 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	\$ -	\$25,445,611
Changes of assumptions or other inputs	34,149,703	11,616,894
Net difference between projected and actual earnings on plan investments	-	2,491,542
Total	\$ 34,149,703	39,554,047

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:

2022	\$ (301,290)
2023	(3,819,530)
2024	(596,063)
2025	\$ (687,461)
	(5,404,344)

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, 2021:

Statement of Plan Net Position
June 30, 2021

	Other Post Employment Benefits
Assets	
Current assets:	
State Treasurer's Local Government Other Post Employment Benefits (OPEB) Fund:	
Short-Term OPEB Fund	\$ 3,520,710
Long-Term OPEB Fund	1,155,423
OPEB Equity Fund	15,254,144
Cash and cash equivalents/investments	\$ 19,930,277
Net Position	
Held in trust for OPEB benefits	\$ 19,930,277

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

Statement of Changes in Plan Net Position
For the fiscal year ended June 30, 2021

	<u>Other Post Employment Benefits</u>
Additions	
Employer contributions	\$ 8,177,176
Retiree contributions	2,779,110
Net investment income	4,334,392
Investment expenses	<u>(2,446)</u>
Total additions	<u>\$ 15,288,232</u>
Deductions	
Benefits	\$ 10,518,792
Administrative expenses	<u>437,494</u>
Total deductions	<u>10,956,286</u>
Change in net position	4,331,946
Net position at beginning of year	<u>15,598,331</u>
Net position at end of year	<u>\$ 19,930,277</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, 2021, three 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, 2021, the County paid \$716 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, 2021, the County made contributions to the State for death benefits of \$81,321. 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, automobile, 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.

The property insurance program is financed using a combination of self-funding and purchased insurance, subject to limitations in the policy. A purchased insurance policy provides excess coverage above \$50,000 up to 100% replacement cost, only of the building is being replaced or if not replaced face value of the property will be paid limited to \$400 million per occurrence. The County covers all claims up to \$50,000 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 \$300,000 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 employers' liability, and Workers Compensation under the NC Statutory Benefit Limits.

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 2020-2021					Fiscal Year
	Liability	Property	Workers' Compensation	Employee Healthcare	Total	2019-20 Total
Balance Beginning of Year	\$ 560,210	189,458	2,253,743	4,053,871	7,057,282	7,743,108
Incurred Claims (Including IBNRs) and Changes in Estimates	839,303	839,120	786,318	36,420,385	38,885,126	40,767,608
Less Claims Payments	623,635	977,317	524,302	37,002,890	39,128,144	41,453,434
Balance End of Year	<u>\$ 775,878</u>	<u>51,261</u>	<u>2,515,759</u>	<u>3,471,366</u>	<u>6,814,264</u>	<u>7,057,282</u>

F. Commitments and Contingencies

The County leases certain equipment under long-term lease agreements. At June 30, 2021, 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
2022	\$ 486,835
2023	486,936
2024	487,040
2025	487,147
Total minimum payments	<u>\$ 1,947,957</u>

There were no contingent rentals or sublease rentals associated with leases in effect at June 30, 2021. The total rental expense amounted to \$619,616 for the fiscal year ended June 30, 2021.

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 \$11.2 million at June 30, 2021, 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, 2021, these programs were subject to audit in accordance with generally accepted auditing standards, Government Auditing Standards, the provisions of the Office of Management and Budget 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.

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, 2021, there were four series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$23,331,132.

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, \$68,568,274 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 \$17,100,000 for operating purposes during the fiscal year ended June 30, 2021. In addition, the County made debt service payments of \$8,709,950 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, 2021. 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.

GUILFORD COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

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, 2021. During the fiscal year ended June 30, 2021, 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 \$112,213 to the PTRC during the fiscal year ended June 30, 2021.

J. Subsequent Event

The County has evaluated subsequent events through December 17, 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	92.00
2021	1.72629	61,887,696	126,533,167	48.91	88.61

⁽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
2021	13,691,926	13,691,926	-	134,034,660	10.22

⁽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
2021	4.04964	(928,096)	128,993	(719.49)	173.62

⁽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
2021	47,641	47,641	-	132,921	35.84

⁽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						
	2020	2019	2018	2017	2016	2015	2014
Total pension liability:							
Service cost	\$ 274,839	283,018	278,928	278,631	420,359	410,014	
Interest	652,640	629,806	601,487	577,272	422,913	431,513	
Difference between expected and actual experience	196,758	519,507	584,658	473,989	-	-	
Changes of assumptions & other inputs	2,125,934	-	-	-	(1,823,831)	119,089	
Benefit payments	(1,089,535)	(980,902)	(964,241)	(853,275)	(799,210)	(754,406)	
Net change in total pension liability	2,160,636	451,429	500,832	476,617	(1,779,769)	206,210	
Total pension liability - beginning	11,895,026	11,443,597	10,942,765	10,466,148	12,245,917	12,039,707	
Total pension liability - ending	\$ 14,055,662	11,895,026	11,443,597	10,942,765	10,466,148	12,245,917	12,039,707
Plan net position:							
Contributions - County	\$ 1,332,969	1,218,487	1,433,864	1,409,832	1,185,121	954,345	
Net investment income	105,292	113,946	32,977	16,615	6,899	3,665	
Benefit payments	(1,089,535)	(980,902)	(964,241)	(853,275)	(799,210)	(754,406)	
Administrative expense	(4,254)	(3,216)	(2,115)	(2,082)	(1,381)	(696)	
Net change in plan net position	344,472	348,315	500,485	571,090	391,429	202,908	
Plan net position - beginning	2,993,114	2,644,799	2,144,314	1,573,224	1,181,795	978,887	
Plan net position - ending	\$ 3,337,586	2,993,114	2,644,799	2,144,314	1,573,224	1,181,795	978,887
Net pension liability - ending	\$ 10,718,076	8,901,912	8,798,798	8,798,451	8,892,924	11,064,122	11,060,820
Ratio of plan net position to total pension liability	23.75%	25.16%	23.11%	19.60%	15.03%	9.65%	8.13%
Covered payroll	\$ 15,442,593	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	69.41%	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)
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
2021	1,392,245	1,392,245	-	15,892,655	8.76

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	12/31/2019
Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Remaining amortization period	11 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					
	2021	2020	2019	2018	2017	2016
Total OPEB liability:						
Service cost	\$ 7,703,720	5,075,513	5,396,338	5,778,816	6,570,738	-
Interest	7,851,768	9,765,513	10,110,618	9,482,747	8,544,228	-
Changes of benefit terms	-	-	-	-	-	-
Difference between expected & actual experience	(36,040,695)	(216,370)	(8,199,833)	(713,685)	-	-
Changes of assumptions	(15,027,895)	65,255,455	19,844,455	(14,740,056)	(25,530,915)	-
Benefit payments	(8,173,128)	(8,482,956)	(8,124,130)	(7,078,957)	(7,135,245)	-
Net change in total OPEB liability	(43,686,230)	71,397,155	19,027,448	(7,271,135)	(17,551,194)	-
Total OPEB liability - beginning	353,031,305	281,634,150	262,606,702	269,877,837	287,429,031	-
Total OPEB liability - ending	\$ 309,345,075	353,031,305	281,634,150	262,606,702	269,877,837	287,429,031
Plan fiduciary net position:						
Contributions - County	\$ 8,173,128	8,482,956	8,141,413	7,093,802	7,135,245	-
Net investment income	4,334,154	416,013	742,403	1,026,993	1,497,947	-
Benefit payments	(8,173,128)	(8,482,956)	(8,124,130)	(7,078,957)	(7,135,245)	-
Administrative expense	(2,208)	(1,323)	(18,796)	(17,511)	-	-
Net change in plan fiduciary net position	4,331,946	414,690	740,890	1,024,327	1,497,947	-
Plan fiduciary net position - beginning	15,598,331	15,183,641	14,442,751	13,418,424	11,920,477	-
Plan fiduciary net position - ending	\$ 19,930,277	15,598,331	15,183,641	14,442,751	13,418,424	11,920,477
Net OPEB liability - ending	\$ 289,414,798	337,432,974	266,450,509	248,163,951	256,459,413	275,508,554
Ratio of plan fiduciary net position to total OPEB liability	6.44%	4.42%	5.39%	5.50%	4.97%	4.15%
Covered employee payroll	\$ 49,519,580	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	584.45%	576.97%	455.60%	376.12%	388.70%	417.57%
Annual money-weighted rate of return, net of investment expenses	27.77%	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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 15,216,749	15,216,749	14,672,141	14,686,986	15,296,839	13,040,988
Contributions in relation to the actuarially determined contribution	<u>8,173,128</u>	<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>\$ 7,043,621</u>	<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⁾	\$ 49,519,580	58,483,119	58,483,119	65,979,137	65,979,137	65,979,137
Actual contributions as a percentage of covered employee payroll	16.50%	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, 2020 actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2021:

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	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation	
General employees & firefighters	3.25% - 8.41%
Law enforcement officers	3.25% - 7.90%
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	5.75%
Discount rate	2.24% (reduced from 2.25% in prior year)
Health care cost trends:	
Pre-Medicare	7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030
Medicare	5.25% for 2020 decreasing to an ultimate rate of 4.50% by 2024
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, 2021

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary and GAAP Basis	Final Budget Positive (Negative)
Current:				
General government:				
County commissioners & Clerk	\$ 1,131,729	1,696,630	1,296,341	400,289
County administration	1,762,867	2,930,845	1,329,245	1,601,600
County attorney	2,622,522	3,030,638	2,721,106	309,532
Human resources	12,692,299	10,637,399	8,603,125	2,034,274
Budget and management	882,029	574,356	397,194	177,162
Internal audit	657,468	681,587	584,909	96,678
Finance	2,812,223	2,928,005	2,627,572	300,433
Purchasing	399,797	404,906	391,130	13,776
Information services	11,776,804	12,162,571	12,009,038	153,533
Tax	7,376,756	7,705,170	7,046,829	658,341
Register of deeds	2,294,633	2,454,152	2,294,031	160,121
Elections	3,064,272	3,839,672	3,787,470	52,202
Planning and development	883,994	928,295	867,468	60,827
Facilities	9,208,812	9,001,478	7,942,145	1,059,333
Security	2,537,557	2,532,861	2,367,085	165,776
Fleet operation	790,669	1,177,777	927,368	250,409
Total general government	<u>60,894,431</u>	<u>62,686,342</u>	<u>55,192,056</u>	<u>7,494,286</u>
Human services:				
Health and Human Services:				
Public health	38,682,400	47,956,793	30,370,249	17,586,544
Social services	66,020,152	71,199,026	69,484,487	1,714,539
Mental health	10,331,409	10,556,409	9,698,853	857,556
Child support enforcement	7,039,530	7,060,245	6,591,288	468,957
Cooperative extension service	711,260	724,416	647,767	76,649
Coordinated services	1,271,447	1,635,899	1,563,231	72,668
Veteran services	291,791	286,796	265,976	20,820
Transportation	1,272,580	2,240,039	1,213,617	1,026,422
Total human services	<u>125,620,569</u>	<u>141,659,623</u>	<u>119,835,468</u>	<u>21,824,155</u>
Public safety:				
Law enforcement	70,512,834	68,901,604	63,393,113	5,508,491
Emergency services	34,009,504	26,426,619	22,940,561	3,486,058
Inspections	2,574,937	2,585,039	2,453,948	131,091
Court alternatives	3,122,484	2,905,246	2,423,605	481,641
Family Justice Center	955,434	1,186,524	898,431	288,093
Animal services	4,252,636	4,359,944	4,102,671	257,273
Other protection	1,107,917	1,103,030	1,002,280	100,750
Total public safety	<u>116,535,746</u>	<u>107,468,006</u>	<u>97,214,609</u>	<u>10,253,397</u>
Environmental protection:				
Sanitation	2,079,072	2,151,623	1,741,213	410,410
Soil and water conservation	346,903	344,404	317,368	27,036
Total environmental protection	<u>2,425,975</u>	<u>2,496,027</u>	<u>2,058,581</u>	<u>437,446</u>
Culture - recreation:				
Culture & libraries	1,834,277	1,834,277	1,827,807	6,470
Recreation - parks	4,823,082	5,025,425	3,974,129	1,051,296
Total culture - recreation	<u>6,657,359</u>	<u>6,859,702</u>	<u>5,801,936</u>	<u>1,057,766</u>
Economic development and assistance	<u>1,333,302</u>	<u>2,754,338</u>	<u>1,023,419</u>	<u>1,730,919</u>
Intergovernmental:				
Education - current appropriation:				
Guilford Technical Community College	17,100,000	17,100,000	17,100,000	-
Guilford County Board of Education	209,610,398	214,610,398	210,917,833	3,692,565
Total education	<u>226,710,398</u>	<u>231,710,398</u>	<u>228,017,833</u>	<u>3,692,565</u>
Debt service:				
Principal retirement	61,600,000	61,600,000	61,500,000	100,000
Interest and fiscal charges	29,190,986	29,192,286	28,740,562	451,724
Total debt service	<u>90,790,986</u>	<u>90,792,286</u>	<u>90,240,562</u>	<u>551,724</u>
Total expenditures	<u>\$ 630,968,766</u>	<u>646,426,722</u>	<u>599,384,464</u>	<u>47,042,258</u>

GUILFORD COUNTY, NORTH CAROLINA
County Building Construction Capital Projects Fund
Combining Schedule of Revenues and Expenditures
For the fiscal year ended June 30, 2021

A-2

	<u>Annually Budgeted Projects</u>	<u>Project- Length Budgets</u>	<u>Total</u>
Revenues			
Intergovernmental	\$ -	-	-
Charges for services	136,033	-	136,033
Investment earnings	45,200	19,961	65,161
Other	<u>18,506</u>	<u>-</u>	<u>18,506</u>
Total revenues	199,739	19,961	219,700
Expenditures			
Capital outlay	<u>-</u>	<u>26,813,566</u>	<u>26,813,566</u>
Excess (deficiency) of revenues over expenditures	<u>199,739</u>	<u>(26,793,605)</u>	<u>(26,593,866)</u>
Other Financing Sources (Uses)			
Transfers in	<u>-</u>	<u>1,500,000</u>	<u>1,500,000</u>
Total other financing sources	<u>-</u>	<u>1,500,000</u>	<u>1,500,000</u>
Excess (deficiency) of revenues and other sources over expenditures	\$ <u><u>199,739</u></u>	<u><u>(25,293,605)</u></u>	<u><u>(25,093,866)</u></u>

GUILFORD COUNTY, NORTH CAROLINA
County Building Construction Capital Projects Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Budgetary Basis - Annually Budgeted Projects)
For the fiscal year ended June 30, 2021

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	\$ -	-	136,033	136,033
Investment earnings	-	-	45,200	45,200
Other	-	-	18,506	18,506
Total revenues	<u>-</u>	<u>-</u>	<u>199,739</u>	<u>199,739</u>
Expenditures				
Capital outlay:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>199,739</u>	<u>199,739</u>
Excess of revenues and other sources over expenditures	<u>\$ -</u>	<u>-</u>	<u>199,739</u>	<u>199,739</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, 2021

A-2b

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Intergovernmental	\$ 1,681,074	1,656,073	-	1,656,073
Investment earnings	-	1,566,194	19,961	1,586,155
Other	920,443	920,443	-	920,443
Total revenues	<u>2,601,517</u>	<u>4,142,710</u>	<u>19,961</u>	<u>4,162,671</u>
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	3,040,116	144,106	3,184,222
HP Justice Complex HVAC System	1,350,000	1,237,560	-	1,237,560
High Point Parking Deck Repairs	2,667,000	1,803,989	283,967	2,087,956
Independence Center Parking Deck Repairs	600,000	465,570	-	465,570
Greensboro Courthouse HVAC	1,150,000	1,122,473	-	1,122,473
Voting Machines Replacement	2,000,000	1,746,108	33,561	1,779,669
FY 2020 County Maintenance	2,275,887	-	1,751,312	1,751,312
FY 2021 County Maintenance	1,500,000	-	-	-
Human Services Projects:				
Mental Health Facility Replacement	20,800,000	6,371,315	12,043,869	18,415,184
Public Safety Projects:				
Law Enforcement Admin Building Renovation	1,883,500	502,698	220,780	723,478
800 MHz Infrastructure Upgrade	11,964,274	9,493,959	417,803	9,911,762
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	12,983,211	676,706	13,659,917
County Animal Shelter Replacement	15,350,717	2,838,732	11,076,462	13,915,194
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	165,000	9,948,826
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	<u>114,873,204</u>	<u>70,965,636</u>	<u>26,813,566</u>	<u>97,779,202</u>
Deficiency of revenues over expenditures	<u>(112,271,687)</u>	<u>(66,822,926)</u>	<u>(26,793,605)</u>	<u>(93,616,531)</u>
Other Financing Sources				
General obligation bonds issued	62,204,154	77,860,940	-	77,860,940
Premiums on general obligation bonds issued	4,123,271	4,126,271	-	4,126,271
Transfers in	5,775,887	4,275,887	1,500,000	5,775,887
Sale of capital assets	1,800,000	-	-	-
Appropriated fund balance	38,368,375	-	-	-
Total other financing sources	<u>112,271,687</u>	<u>86,263,098</u>	<u>1,500,000</u>	<u>87,763,098</u>
Excess (deficiency) of revenues and other sources over expenditures	\$ <u>-</u>	<u>19,440,172</u>	<u>(25,293,605)</u>	<u>(5,853,433)</u>

GUILFORD COUNTY, NORTH CAROLINA
School Capital Outlay Capital Projects Fund
Schedule of Revenues and Expenditures -
Budget and Actual (Budgetary Basis - Project-Length Budgets)
From inception and for the fiscal year ended June 30, 2021

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	6,363,031	-	6,363,031
Guilford County Schools	10,055,805	10,114,858	-	10,114,858
Total revenues	<u>18,090,310</u>	<u>18,125,108</u>	<u>-</u>	<u>18,125,108</u>
Expenditures				
Intergovernmental:				
Education:				
Guilford Technical				
Community College	44,310,504	41,050,605	2,300,330	43,350,935
Guilford County Board of Education	632,923,459	308,929,383	8,159,629	317,089,012
Total expenditures	<u>677,233,963</u>	<u>349,979,988</u>	<u>10,459,959</u>	<u>360,439,947</u>
Deficiency of revenues over expenditures	<u>(659,143,653)</u>	<u>(331,854,880)</u>	<u>(10,459,959)</u>	<u>(342,314,839)</u>
Other Financing Sources				
General obligation bonds issued	641,984,640	327,251,676	-	327,251,676
Bond anticipation notes issued	-	19,135,000	-	19,135,000
Transfers in	15,009,343	11,335,554	3,666,528	15,002,082
Appropriated fund balance	2,149,670	2,149,672	-	2,149,672
Total other financing sources	<u>659,143,653</u>	<u>359,871,902</u>	<u>3,666,528</u>	<u>363,538,430</u>
Excess (deficiency) of revenues and other sources over expenditures	\$ <u>-</u>	<u>28,017,022</u>	<u>(6,793,431)</u>	<u>21,223,591</u>

GUILFORD COUNTY, NORTH CAROLINA
School Capital Outlay Capital Projects Fund
Schedule of Expenditures - Guilford Technical Community College
Budget and Actual (Budgetary Basis - Project-Length Budgets)
From inception and for the fiscal year ended June 30, 2021

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 Center for Advanced Manufacturing	\$ 7,826,356	7,689,320	-	7,689,320
Capital Maintenance FY2019	33,434,148	32,779,679	654,469	33,434,148
Capital Maintenance FY2020	1,500,000	581,606	918,394	1,500,000
Capital Maintenance FY2021	1,000,000	-	727,467	727,467
	550,000	-	-	-
Total expenditures	\$ <u>44,310,504</u>	<u>41,050,605</u>	<u>2,300,330</u>	<u>43,350,935</u>

GUILFORD COUNTY, NORTH CAROLINA
School Capital Outlay Capital Projects Fund
Schedule of Expenditures - Guilford County Board of Education
Budget and Actual (Budgetary Basis - Project-Length Budgets)
From inception and for the fiscal year ended June 30, 2021

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	32,023,226	-	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	19,786,722	63,268	19,849,990
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	4,457,799	54,191	4,511,990
Roofing System-Wide	6,039,748	5,532,156	274,387	5,806,543
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	33,201,314	-	33,201,314
High Point Central - Add/Renovation	17,986,007	16,580,435	43,093	16,623,528
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	8,307,250	-	8,307,250
Southern HS - Stadium Improvements	634,480	566,779	-	566,779
System-Wide Safety & Security	1,491,703	1,417,211	-	1,417,211
Career & Technical Edu Cap Improvements	5,223,803	895,145	1,798,713	2,693,858
School Safety & Security Improvements	600,000	63,250	-	63,250
Schools Capital Maint & Reopen	5,000,000	-	976,201	976,201
Allen Jay Elementary	5,207,070	-	86,924	86,924
Brooks Global Studies	22,174,130	-	84,155	84,155
Claxton Elementary	31,333,459	-	95,319	95,319
Erwin Montessori - Former Arch	8,372,058	-	25,468	25,468
Foust Elementary	31,333,469	-	95,319	95,319
Hampton/Peeler K-5 VPA	33,505,256	-	101,925	101,925
Kiser Middle	55,478,632	-	173,770	173,770
Land Acquisition	10,660,500	-	-	-
Peck K-8 Expeditionary Learning	41,323,632	-	125,709	125,709
Southwest Area K-8 School	56,792,945	-	172,768	172,768
Sternberger Elementary	3,818,849	-	72,995	72,995
Capital Maintenance FY2020	6,116,528	1,694,777	3,915,424	5,610,201
Capital Maintenance FY2021	3,116,528	-	-	-
Total expenditures	\$ 632,923,459	308,929,383	8,159,629	317,089,012

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, 2021

A-4

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Intergovernmental:				
CARES Act - Federal Grant	\$ 93,732,721	21,145,905	72,282,678	93,428,583
US Department of Treasury	7,252,721	-	2,129,758	2,129,758
Investment earnings	37,316	27,739	9,916	37,655
Total revenues	<u>101,022,758</u>	<u>21,173,644</u>	<u>74,422,352</u>	<u>95,595,996</u>
Expenditures				
Current:				
General Government Projects:				
County Expense Reimbursement	410,610	112,466	297,899	410,365
County Mitigation & Preparedness	4,743,809	1,142,472	3,268,691	4,411,163
Human Services Projects:				
County Expense Reimbursement	13,264,317	4,771,576	8,492,741	13,264,317
County Mitigation & Preparedness	772,325	-	767,606	767,606
Emergency Rental Assistance 1	8,000,000	-	2,129,758	2,129,758
Extended Learning	353,511	-	353,511	353,511
Public Safety Projects:				
County Expense Reimbursement	27,508,294	9,789,709	17,718,585	27,508,294
Community Lifeline Support	2,000,000	-	2,000,000	2,000,000
County Mitigation & Preparedness	4,442,527	294,259	4,144,426	4,438,685
Culture-Recreation Projects:				
County Expense Reimbursement	1,610	1,367	243	1,610
Economic Development and Assistance Projects:				
Community Lifeline Support	6,067,256	488,895	5,578,361	6,067,256
Local Business Support	19,980,056	4,545,161	15,434,895	19,980,056
Other Governments Mitigation & Preparedness	4,225,943	-	4,225,942	4,225,942
Education Projects:				
Other Governments Mitigation & Preparedness	9,999,779	-	9,999,778	9,999,778
Total expenditures	<u>101,770,037</u>	<u>21,145,905</u>	<u>74,412,436</u>	<u>95,558,341</u>
Deficiency of revenues over expenditures	<u>(747,279)</u>	<u>27,739</u>	<u>9,916</u>	<u>37,655</u>
Other Financing Sources (Uses)				
Transfers in	\$ 747,279	-	747,279	747,279
Total other sources (uses)	<u>747,279</u>	<u>-</u>	<u>747,279</u>	<u>747,279</u>
Net change in fund balance	\$ -	<u>27,739</u>	757,195	<u>784,934</u>
Fund balance at beginning of year			<u>27,739</u>	
Fund balance at end of year			\$ <u>784,934</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, 2021

B-1

	Rural Fire Districts	Room Occupancy/ Tourism Development Tax	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents/ investments	\$ 3,426,287	-	3,426,287
Receivables:			
Property taxes (net of allowance for estimated uncollectible delinquent taxes of \$77,336)	114,802	-	114,802
Other taxes	-	583,894	583,894
Due from governmental units and agencies	1,056,807	-	1,056,807
Accrued interest on investments	539	-	539
Total receivables	1,172,148	583,894	1,756,042
Total assets	\$ 4,598,435	583,894	5,182,329
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	175,168	175,168
Due to component unit	-	408,726	408,726
Total liabilities	-	583,894	583,894
Deferred inflows of resources	135,655	-	135,655
Fund balances:			
Restricted	4,462,780	583,894	5,046,674
Unassigned	-	(583,894)	(583,894)
Total fund balances	4,462,780	-	4,462,780
Total liabilities, deferred inflows of resources and fund balances	\$ 4,598,435	583,894	5,182,329

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, 2021

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	<u>Rural Fire Districts</u>	<u>Room Occupancy/ Tourism Development Tax</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues			
Taxes:			
Property taxes	\$ 17,540,049	-	17,540,049
Sales tax	4,272,616	-	4,272,616
Occupancy taxes	-	4,189,165	4,189,165
Investment earnings	<u>772</u>	<u>-</u>	<u>772</u>
Total revenues	<u>21,813,437</u>	<u>4,189,165</u>	<u>26,002,602</u>
Expenditures			
Current:			
Public safety	20,283,180	-	20,283,180
Economic development and assistance	<u>-</u>	<u>4,189,165</u>	<u>4,189,165</u>
Total expenditures	<u>20,283,180</u>	<u>4,189,165</u>	<u>24,472,345</u>
Excess of revenues over expenditures	<u>1,530,257</u>	<u>-</u>	<u>1,530,257</u>
Fund balances at beginning of year	<u>2,932,523</u>	<u>-</u>	<u>2,932,523</u>
Fund balances at end of year	<u>\$ 4,462,780</u>	<u>-</u>	<u>4,462,780</u>

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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary and GAAP Basis	Final Budget Positive (Negative)
Revenues				
Taxes:				
Property taxes	\$ 16,601,637	16,601,637	17,489,249	887,612
Interest on delinquent taxes	-	-	50,800	50,800
Total property taxes	16,601,637	16,601,637	17,540,049	938,412
Sales tax	2,907,285	2,907,285	4,272,616	1,365,331
Investment earnings	-	-	772	772
Total revenues	19,508,922	19,508,922	21,813,437	2,304,515
Expenditures				
Current - Public safety:				
Alamance Community Fire District	1,215,924	1,215,924	1,215,924	-
Alamance Community FPSD	232,265	232,265	232,265	-
Climax Fire District (FD)	111,574	111,574	111,574	-
Climax Fire Protection Service District	55,019	55,019	55,019	-
Colfax FD	653,784	653,784	653,784	-
Colfax Fire Protection Service District	234,262	234,262	234,262	-
Deep River FD	231,487	231,487	231,487	-
Friedens Community FD	189,776	189,776	189,776	-
Friedens Community FPSD	72,983	72,983	72,983	-
Gibsonville FD	14,412	14,412	14,412	-
Guilford College Community FD	614,325	614,325	614,325	-
Guilford College Community FPSD	36,802	36,802	36,802	-
Guil-Rand FD	148,622	148,622	148,622	-
Guil-Rand FPSD	71,017	71,017	71,017	-
Fire Protection Service District No. 1	45,774	45,774	45,774	-
Julian FD	98,359	98,359	98,359	-
Kimesville FD	120,611	120,611	120,611	-
McLeansville FD	945,690	945,690	945,690	-
McLeansville FPSD	387,070	387,070	387,070	-
Mount Hope Community FD	759,819	759,819	759,819	-
Northeast FD	1,061,316	1,061,316	1,061,316	-
Northeast FPSD	417,291	417,291	417,291	-
Oak Ridge FD	1,798,427	1,798,427	1,798,427	-
Pinecroft-Sedgefield FD	2,001,761	2,001,761	2,001,761	-
Pinecroft-Sedgefield FPSD	663,786	663,786	663,786	-
Pleasant Garden FD	738,138	738,138	738,138	-
Pleasant Garden FPSD	100,657	100,657	100,657	-
PTIA Fire Protection Service District	268,232	268,232	268,232	-
Rankin FD (No. 13)	1,146,794	1,146,794	1,146,794	-
Rankin FPSD (No. 13)	345,546	345,546	345,546	-
Southeast FD	252,855	252,855	252,855	-
Stokesdale FD	910,914	910,914	910,914	-
Summerfield FD	2,444,001	2,444,001	2,444,001	-
Summerfield FPSD	755,398	755,398	755,398	-
Whitsett FD	691,792	691,792	691,792	-
Whitsett FPSD	201,915	201,915	201,915	-
No. 14 FD	192,191	192,191	192,191	-
Fire Protection Service District No. 14	52,591	52,591	52,591	-
Total expenditures	20,283,180	20,283,180	20,283,180	-
Net change in fund balance	(774,258)	(774,258)	1,530,257	2,304,515
Fund balance at beginning of year	2,932,523	2,932,523	2,932,523	-
Fund balance at end of year	\$ 2,158,265	2,158,265	4,462,780	2,304,515

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, 2021

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	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary and</u> <u>GAAP Basis</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues				
Taxes:				
Occupancy	\$ 6,000,000	6,000,000	4,189,165	(1,810,835)
Expenditures				
Current:				
Economic development and assistance	<u>6,000,000</u>	<u>6,000,000</u>	<u>4,189,165</u>	<u>1,810,835</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, 2021

	<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	\$ 54,337,165	54,337,165	47,664,899	(6,672,266)
Other	189,828	189,828	16,384	(173,444)
Total operating revenues	54,526,993	54,526,993	47,681,283	(6,845,710)
Nonoperating revenues:				
Net investment gain	60,000	60,000	12,592	(47,408)
Total revenues	54,586,993	54,586,993	47,693,875	(6,893,118)
Expenditures				
Risk Retention-Liability/Property/WC:				
Personnel services	-	-	270,587	-
Other direct service costs	-	-	19,657	-
Professional services	-	-	117,346	-
Claims, premiums and bonding	-	-	3,527,786	-
Total Risk Retention	3,696,182	3,665,216	3,935,376	(270,160)
Health Care & Wellness:				
Other direct service costs			112,923	
Professional services	-	-	1,252,085	-
Claims, premiums and bonding	-	-	40,629,568	-
Total Health Care & Wellness	51,791,675	51,874,173	41,994,576	9,879,597
Total expenditures	55,487,857	55,539,389	45,929,952	9,609,437
Excess (deficiency) of revenues over expenditures	(900,864)	(952,396)	1,763,923	2,716,319
Other financing sources:				
Appropriated fund balance	900,864	952,396	-	(952,396)
Excess of revenues and other sources over expenditures	\$ -	-	1,763,923	1,763,923
Reconciliation from financial plan basis (modified accrual) to full accrual:				
Increase in deferred outflows of resources - related to pension plans			(11,368)	
Increase in accrued vacation pay			5,698	
Increase in net pension liability			23,806	
Decrease in deferred inflows of resources - related to pension plans			50	
Total			18,186	
Change in net position			\$ 1,782,109	

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.

Custodial Funds are used to account for assets held by the County on behalf of individuals, private organizations, other governments and/or other funds.

Individual Fund Descriptions:

Custodial 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.
- *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 Plan Net Position
June 30, 2021

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	\$ 40,406	-	40,406
N.C. Capital Management Trust Cash Portfolio	1,530,288	-	1,530,288
State Treasurer's Local Government Law Enforcement Officers' Special Separation Allowance (LEOSSA) Fund:			
Short-Term LEOSSA Fund	1,314,408	-	1,314,408
LEOSSA Equity Fund	718,030	-	718,030
State Treasurer's Local Government Other Post Employment Benefits (OPEB) Fund:			
Short-Term OPEB Fund	-	3,520,710	3,520,710
Long-Term OPEB Fund	-	1,155,423	1,155,423
OPEB Equity Fund	-	15,254,144	15,254,144
Cash and cash equivalents/investments	3,603,132	19,930,277	23,533,409
Liabilities			
Accounts payable and accrued liabilities	33,054	-	33,054
Net Position			
Held in trust for pension / OPEB benefits	\$ 3,570,078	19,930,277	23,500,355

GUILFORD COUNTY, NORTH CAROLINA
Pension / OPEB Trust Funds
Combining Statement of Changes in Plan Net Position
For the fiscal year ended June 30, 2021

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	<u>Pension / OPEB Trust Funds</u>		
	<u>Law Enforcement Officers' Special Separation Allowance</u>	<u>Other Post Employment Benefits</u>	<u>Total</u>
Additions			
Employer contributions	\$ 1,392,245	8,177,176	9,569,421
Retiree contributions	-	2,779,110	2,779,110
Investment income (loss)	210,514	4,334,392	4,544,906
Investment expenses	(104)	(2,446)	(2,550)
Total additions	<u>1,602,655</u>	<u>15,288,232</u>	<u>16,890,887</u>
Deductions			
Benefits	1,103,668	10,518,792	11,622,460
Administrative expenses	4,178	437,494	441,672
Total deductions	<u>1,107,846</u>	<u>10,956,286</u>	<u>12,064,132</u>
Change in net position	494,809	4,331,946	4,826,755
Net position at beginning of year	<u>3,075,269</u>	<u>15,598,331</u>	<u>18,673,600</u>
Net position at end of year	<u>\$ 3,570,078</u>	<u>19,930,277</u>	<u>23,500,355</u>

GUILFORD COUNTY, NORTH CAROLINA
Custodial Funds
Combining Statement of Fiduciary Net Position
June 30, 2021

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	Custodial Funds		
	Tax Collection	Inmate Trust	Total
Assets			
Cash and cash equivalents/investments	\$ <u>175,180</u>	<u>243,238</u>	<u>418,418</u>
Total assets	<u>175,180</u>	<u>243,238</u>	<u>418,418</u>
Net Position			
Total net position restricted for individuals and other governments	\$ <u>175,180</u>	<u>243,238</u>	<u>418,418</u>

GUILFORD COUNTY, NORTH CAROLINA
Custodial Funds
Combining Statement of Changes in Fiduciary Net Position
For the fiscal year ended June 30, 2021

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	Custodial Funds		
	<u>Tax Collection</u>	<u>Inmate Trust</u>	<u>Total</u>
Additions			
Tax collections	\$ 281,564,170	-	281,564,170
Collections from inmates	-	1,594,227	1,594,227
Total additions	<u>281,564,170</u>	<u>1,594,227</u>	<u>283,158,397</u>
Deductions			
Payments to taxing units	281,532,523	-	281,532,523
Return of inmate funds	-	1,532,262	1,532,262
Total deductions	<u>281,532,523</u>	<u>1,532,262</u>	<u>283,064,785</u>
Net increase in fiduciary net position	31,647	61,965	93,612
Net position at beginning of year:			
As previously reported	-	-	-
Restatement	143,533	181,273	324,806
As restated	<u>143,533</u>	<u>181,273</u>	<u>324,806</u>
Net position at end of year	<u>\$ 175,180</u>	<u>243,238</u>	<u>418,418</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

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**Analysis of Current Tax Levy
For the fiscal year ended June 30, 2021**

	<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, 2021</u>
County-wide	\$ 54,547,490,482	0.7305	\$ 395,069,976	393,088,131	1,981,845
Rural fire / service districts:					
Alamance Community FD	1,058,617,898	0.1000	1,047,639	1,040,036	7,603
Alamance Community FPSD	1,058,617,898	0.0201	209,401	207,973	1,428
Climax FD	99,643,131	0.1000	98,771	98,027	744
Climax FPSD	99,643,131	0.0500	49,388	49,016	372
Colfax FD	566,546,828	0.1000	563,964	562,671	1,293
Colfax FPSD	566,546,828	0.0359	202,463	201,999	464
Deep River FD	206,746,927	0.0941	193,863	192,227	1,636
Friedens Community FD	163,570,404	0.1000	164,306	163,117	1,189
Friedens Community FPSD	163,459,398	0.0390	64,037	63,573	464
Gibsonville FD	12,855,471	0.0945	12,066	12,055	11
Guilford College Community FD	510,356,674	0.1000	511,922	511,612	310
Guilford College FPSD	62,057,561	0.0500	30,844	30,765	79
Guil-Rand FD	130,343,243	0.1000	128,465	126,804	1,661
Guil-Rand FPSD	130,343,243	0.0466	59,863	59,089	774
Julian FD	61,059,942	0.1454	87,748	86,693	1,055
Kimesville FD	96,773,575	0.1097	104,961	103,528	1,433
McLeansville FD	815,985,945	0.1000	805,832	799,064	6,768
McLeansville FPSD	815,985,945	0.0425	341,282	338,405	2,877
Mount Hope Community FD	856,777,365	0.0800	678,928	676,438	2,490
Northeast FD	914,042,994	0.1000	903,134	897,172	5,962
Northeast FPSD	913,999,092	0.0399	360,268	357,890	2,378
Oak Ridge FD	1,592,454,912	0.0977	1,539,996	1,534,521	5,475
Pinecroft-Sedgefield FD	1,726,704,712	0.1000	1,708,561	1,698,411	10,150
Pinecroft-Sedgefield FPSD	1,722,289,901	0.0372	625,792	622,025	3,767
Pleasant Garden FD	642,879,527	0.1000	637,841	632,078	5,763
Pleasant Garden FPSD	642,879,527	0.0145	91,764	90,928	836
Rankin FD	1,031,399,873	0.0963	980,206	972,854	7,352
Rankin FPSD	1,031,399,873	0.0289	294,164	291,958	2,206
Southeast FD	160,921,919	0.1375	219,304	218,018	1,286
Stokesdale FD	802,703,090	0.1000	797,152	793,363	3,789
Summerfield FD	2,111,533,295	0.1000	2,087,344	2,082,672	4,672
Summerfield FPSD	2,111,533,295	0.0310	647,080	645,631	1,449
Whitsett FD	596,352,894	0.1000	590,225	588,070	2,155
Whitsett FPSD	596,352,894	0.0296	174,688	174,050	638
No. 14 FD (Franklin Blvd.)	165,928,469	0.1000	164,456	162,212	2,244
No. 14 FPSD	165,928,469	0.0275	45,194	44,577	617
FPSD No. 1 (Hornetown)	26,230,346	0.1500	38,949	38,820	129
PTIA FPSD	448,300,464	0.0495	222,868	222,793	75
Total rural fire districts			<u>17,484,729</u>	<u>17,391,135</u>	<u>93,594</u>
Total entity-wide			\$ <u>412,554,705</u>	<u>410,479,266</u>	<u>2,075,439</u>

Percent of current year adjusted tax levy collected:

County-wide	<u>99.50</u> %
Rural fire districts	<u>99.46</u>
Entity-wide	<u>99.50</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, 2021

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<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2020</u>	<u>Total Adjusted Tax Levy</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2021</u>
2020-2021	\$ -	412,554,705	410,479,266	2,075,439
2019-2020	2,896,273	-	1,751,282	1,144,991
2018-2019	1,390,709	-	453,842	936,867
2017-2018	818,650	-	239,572	579,078
2016-2017	640,841	-	150,304	490,537
2015-2016	559,021	-	116,567	442,454
2014-2015	496,879	-	88,173	408,706
2013-2014	847,360	-	82,532	764,828
2012-2013	1,132,424	-	70,487	1,061,937
2011-2012	872,675	-	56,032	816,643
2010-2011	659,722	-	659,722	-
	<u>\$ 10,314,554</u>	<u>412,554,705</u>	<u>414,147,779</u>	<u>8,721,480</u>
Less allowance for estimated uncollectible delinquent taxes:				
General Fund			\$ (3,524,330)	
Rural Fire Districts Fund			<u>(77,336)</u>	<u>(3,601,666)</u>
Property taxes receivable (net)				\$ <u>5,119,814</u>
Reconcilement with revenues:				
General Fund:				
Ad valorem taxes			\$ 395,742,110	
Interest on delinquent taxes			<u>1,388,972</u>	\$ 397,131,082
Rural Fire Districts Fund:				
Ad valorem taxes			17,489,249	
Interest on delinquent taxes			<u>50,800</u>	17,540,049
Plus collections and credits not included in revenues:				
Releases net of refunds on prior fiscal years			222,380	
Penalties on delinquent taxes			358,991	
Amounts written off for year 2008 - 2009 per statute of limitations			<u>659,722</u>	<u>1,241,093</u>
Subtotal				415,912,224
Less revenues not included in collections and credits:				
Collections on years prior to 2010 - 2011			(75,819)	
Payments in lieu of taxes			(248,856)	
Interest collected			<u>(1,439,772)</u>	<u>(1,764,447)</u>
Total collections and credits				\$ <u>414,147,777</u>

GUILFORD COUNTY, NORTH CAROLINA
Analysis of Current Tax Levy
County-Wide Levy
For the fiscal year ended June 30, 2021

	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)	\$ 54,547,490,482	0.7305	394,702,591	360,989,752	33,712,839
Penalties			<u>367,385</u>	<u>367,385</u>	<u>-</u>
Total adjusted tax levy			395,069,976	361,357,137	33,712,839
Uncollected taxes at June 30, 2021			<u>(1,981,845)</u>	<u>(1,981,845)</u>	<u>-</u>
Current year's taxes collected			\$ <u>393,088,131</u>	<u>359,375,292</u>	<u>33,712,839</u>
Current adjusted tax levy collection percentage			<u>99.50%</u>	<u>99.45%</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, 2021

Secondary Market Disclosures:

Assessed Valuation:	
Assessment Ratio (1)	100%
Real Property (2)	\$ 42,661,267,250
Personal Property	10,414,087,347
Public Service Companies (3)	<u>1,472,135,885</u>
Total Assessed Valuation	\$ <u>54,547,490,482</u>
Tax Rate per \$100 (4)	<u>0.7305</u>
Adjusted Levy (5)	\$ <u>412,554,705</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	\$ 395,069,976
Special Fire Districts	<u>17,484,729</u>
Total Levy	\$ <u>412,554,705</u>

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

GUILFORD COUNTY, NORTH CAROLINA
Bonded Debt Service Requirements
and Maturity Schedule
As of June 30, 2021

	<u>UTILITY</u>		<u>OTHER</u>		<u>TOTAL</u>	
	Existing Debt		Existing Debt		Existing Debt	
General Obligation						
Fiscal Year	Principal	Principal & Interest	Principal	Principal & Interest	Principal	Principal & Interest
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
	<u>\$ 566,544</u>	<u>666,745</u>	<u>562,388,456</u>	<u>698,814,871</u>	<u>562,955,000</u>	<u>699,481,616</u>

Limited Obligation

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			<u>16,845,000</u>	<u>17,613,806</u>	<u>16,845,000</u>
	\$		<u>16,845,000</u>	<u>25,301,863</u>	<u>16,845,000</u>

Statistical Section

Statistical Section

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

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

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

Table 1

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

	<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>	<u>2021</u>
Expenses										
Governmental activities:										
General government	\$ 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	55,417,806
Human services	158,946,804	144,195,031	124,275,553	126,324,488	132,372,286	142,424,262	113,292,511	119,369,932	134,486,189	141,137,385
Public safety	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	153,303,763
Environmental protection	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	2,101,911
Culture - recreation	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	7,057,923
Economic development and assistance	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	30,451,782
Education	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	248,477,570
Interest on long-term debt	26,392,310	28,750,330	26,275,019	23,819,755	20,181,287	20,624,742	23,866,360	22,463,821	21,595,194	19,998,100
Total primary government expenses	<u>640,378,791</u>	<u>619,004,112</u>	<u>599,023,825</u>	<u>554,646,237</u>	<u>560,599,493</u>	<u>642,456,209</u>	<u>584,460,968</u>	<u>574,593,196</u>	<u>618,755,929</u>	<u>657,946,240</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	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	6,447,471
Human services	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	9,753,831
Public safety	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	29,225,255
Economic development and assistance	72,337	89,664	15,137	526,389	-	1,275,983	46,499	18,949	14,277	10,855
Other activities	301,158	534,000	1,013,099	943,127	1,053,028	1,105,239	1,120,910	1,161,462	839,201	734,512
Operating grants and contributions:										
Human services	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	79,680,472
Public safety	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	11,280,302
Education	61,328	1,491,820	27,643	(52,592)	3,194	5,813,014	173,426	-	1,526	11,982,435
Interest on long-term debt	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	7,483,464
Other activities	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	35,883,094
Capital grants and contributions:										
General government	-	-	-	-	34,074	-	250,000	250,000	103,837	1,103,005
Human services	115,355	311,817	97,554	27,628	137,801	269,932	573,590	368,779	44,300	767,752
Public safety	299,356	374,780	201,543	111,945	84,236	24,500	40,010	58,497	399,170	2,788,308
Culture - recreation	-	124,074	160,955	-	-	-	-	-	-	-
Total primary government program revenues	<u>140,558,671</u>	<u>130,176,842</u>	<u>115,318,293</u>	<u>121,033,477</u>	<u>126,058,607</u>	<u>142,656,412</u>	<u>107,909,305</u>	<u>107,112,479</u>	<u>136,676,949</u>	<u>197,140,756</u>
Total primary government net expenses	<u>(499,820,120)</u>	<u>(488,827,270)</u>	<u>(483,705,532)</u>	<u>(433,612,760)</u>	<u>(434,540,886)</u>	<u>(499,799,797)</u>	<u>(476,551,663)</u>	<u>(467,480,717)</u>	<u>(482,078,980)</u>	<u>(460,805,484)</u>

General Revenues and Other

Changes in Net Position

Governmental activities:

Taxes:

Property taxes	363,239,575	365,639,259	372,179,237	372,062,971	375,975,863	379,543,647	387,498,373	394,794,606	403,071,398	414,059,327
Sales taxes	66,753,745	69,157,461	72,383,124	78,921,056	83,280,909	87,177,424	89,330,783	93,149,671	94,095,006	106,432,109
Occupancy taxes	4,441,971	4,627,346	4,909,445	5,371,235	5,462,046	5,724,845	5,983,575	6,533,545	5,096,688	4,189,165
Excise taxes	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	4,635,701
Local gross receipts taxes	685,671	687,863	721,066	790,938	815,038	831,792	840,943	934,145	774,140	854,060
Unrestricted grants and contributions	1,945,810	1,466,619	1,985,093	1,540,704	1,516,823	1,572,186	1,538,348	1,563,491	1,808,038	7,580,598
Unrestricted investment earnings	(2,517,050)	2,279,877	983,218	983,438	1,372,279	2,773,338	5,190,563	7,922,271	6,253,767	343,071
Other	452,404	352,415	203,773	499,868	1,541,560	295,608	338,138	2,706,594	290,217	306,248

Total primary government general revenues and other changes in net position	<u>436,630,516</u>	<u>446,110,954</u>	<u>455,384,373</u>	<u>462,604,262</u>	<u>472,571,033</u>	<u>480,787,062</u>	<u>493,593,199</u>	<u>510,760,990</u>	<u>515,381,488</u>	<u>538,400,279</u>
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Changes in Net Position

Governmental activities / primary government	<u>\$ (63,189,604)</u>	<u>(42,716,316)</u>	<u>(28,321,159)</u>	<u>28,991,502</u>	<u>38,030,147</u>	<u>(19,012,735)</u>	<u>17,041,536</u>	<u>43,280,273</u>	<u>33,302,508</u>	<u>77,594,795</u>
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Net Position by Component

Governmental activities:

				(Restated) (1)	(Restated) (2)		(Restated) (3)			(Restated) (4)
Net investment in capital assets	\$ 133,301,449	138,096,814	140,904,947	142,750,411	146,623,320	153,117,332	161,980,529	163,905,230	170,516,251	182,282,283
Restricted	81,943,441	84,400,139	68,114,126	74,322,854	72,078,926	83,218,317	76,345,568	81,021,480	95,390,222	88,653,255
Unrestricted	<u>(603,117,519)</u>	<u>(653,085,898)</u>	<u>(667,929,177)</u>	<u>(662,296,728)</u>	<u>(636,801,049)</u>	<u>(673,447,187)</u>	<u>(803,390,717)</u>	<u>(766,711,057)</u>	<u>(754,388,312)</u>	<u>(681,252,698)</u>
Governmental activities / primary government	<u>\$ (387,872,629)</u>	<u>(430,588,945)</u>	<u>(458,910,104)</u>	<u>(445,223,463)</u>	<u>(418,098,803)</u>	<u>(437,111,538)</u>	<u>(565,064,620)</u>	<u>(521,784,347)</u>	<u>(488,481,839)</u>	<u>(410,317,160)</u>

Notes:

- (1) 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*.
- (2) 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*.
- (3) 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*.
- (4) Beginning July 1, 2020 restricted net position has been increased by \$569,884 to reflect the restatement of beginning net position required by the 2021 implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes:										
Property taxes	\$ 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	414,671,131
Sales taxes	66,753,745	69,157,461	72,383,124	78,921,056	83,280,909	87,177,424	89,330,783	93,149,671	94,095,007	106,432,110
Occupancy taxes	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	4,189,165
Excise taxes	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	4,635,701
Local gross receipts taxes	685,671	687,863	721,066	790,938	815,038	831,792	840,943	934,145	774,140	854,060
Total taxes	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	530,782,167
Licenses and permits	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	2,901,979
Intergovernmental	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	155,071,087
Charges for services	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	39,838,587
Investment earnings	1,084,348	913,633	628,946	547,533	1,093,684	1,908,670	4,208,440	6,894,460	5,793,172	328,194
Other	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	7,155,205
Total revenues	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	736,077,219
Expenditures										
General government	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	58,758,646
Human services	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	131,579,084
Public safety	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	141,360,800
Environmental protection	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	2,058,581
Culture - recreation	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	5,802,179
Economic development & assistance	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	30,451,782
Education	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	238,017,611
Capital outlay - Education	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	10,459,959
Capital outlay - Other	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	26,813,566
Debt service:										
Principal	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	61,500,000
Interest	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	28,670,985
Other fiscal charges	1,859,397	1,025,997	1,052,028	878,905	760,512	776,914	265,757	9,370	8,870	69,577
Bond issuance / put bond costs	1,499,741	-	-	-	621,582	1,364,306	969,842	340,951	-	-
Total expenditures	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	735,542,770
Excess (deficiency) of revenues over expenditures	(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)	534,449

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

Refunding bonds issued	46,135,000	-	-	-	92,930,000	-	179,785,000	-	-	-
General obligation bonds issued	150,890,000	-	-	-	-	187,265,000	-	40,000,000	-	-
Bond anticipation notes issued	-	-	50,000	2,300,000	22,000,000	-	-	-	-	-
Refunding capital-related debt issued	3,316,300	-	-	-	-	-	-	-	-	-
Capital-related debt issued	21,820,000	-	-	-	-	-	-	-	-	-
Payment to bond refunding escrow agent	(53,364,279)	-	-	-	(111,191,212)	(24,350,000)	(208,024,114)	-	-	-
Premiums on bonds/put bonds/refunding bonds issued	29,039,009	-	-	-	18,891,592	24,564,701	29,635,953	5,813,243	-	-
Payment to terminate interest rate swaps	(4,660,034)	-	-	-	-	-	(420,000)	-	-	-
Payment to refinance capital-related debt	(3,316,300)	-	-	-	-	-	-	-	-	-
Transfers in	1,500,000	5,141,210	5,500,000	6,752,898	8,355,029	8,250,000	8,712,149	9,500,000	10,983,415	5,913,807
Transfers out	(1,500,000)	(5,141,210)	(5,500,000)	(6,752,898)	(8,355,029)	(8,250,000)	(8,712,149)	(9,500,000)	(10,983,415)	(5,913,807)
Sale of capital assets	104,378	288,165	127,435	437,320	1,898,186	85,893	245,998	5,823,678	267,554	207,511
Total other financing sources (uses) and other changes in fund balances	189,964,074	288,165	177,435	2,737,320	24,528,566	187,565,594	1,222,837	51,636,921	267,554	207,511
Changes in Fund Balances										
Governmental funds	\$ 73,528,211	(91,148,834)	(76,801,940)	(21,200,399)	3,330,188	116,937,483	(50,836,794)	29,392,013	(16,724,860)	741,960
Debt service as a percentage of noncapital expenditures (1)	10.98%	12.70%	12.81%	13.65%	13.74%	12.03%	14.84%	15.28%	14.22%	12.26%
Fund Balances										
General fund:										
Non spendable	\$ 1,358,046	1,441,612	1,293,053	1,268,584	1,172,718	1,209,173	1,097,850	968,077	821,835	865,653
Restricted	57,971,070	53,372,359	46,166,524	49,782,226	51,937,573	78,012,866	74,331,512	69,711,905	59,208,111	72,791,045
Committed	24,472	20,575	16,630	16,630	16,630	16,630	2,539	2,539	-	-
Assigned	27,107,976	24,751,319	24,180,984	27,036,247	26,979,256	24,827,400	21,202,603	21,514,258	33,877,584	33,262,763
Unassigned	53,990,425	58,714,232	79,472,632	84,929,054	85,287,999	87,378,403	82,892,048	78,240,395	80,141,120	98,040,878
Total general fund	140,451,989	138,300,097	151,129,823	163,032,741	165,394,176	191,444,472	179,526,552	170,437,174	174,048,650	204,960,339
All other governmental funds:										(Restated) (2)
Non spendable	-	-	-	-	-	16,980	-	30,000	-	-
Restricted	195,194,337	127,209,068	36,393,081	18,048,999	12,662,980	97,634,341	56,637,188	86,729,308	82,760,471	52,681,176
Committed	29,582,739	11,369,186	20,985,641	17,145,558	18,241,070	13,704,347	13,186,880	12,935,599	7,766,040	7,480,944
Assigned	15,656,754	14,066,459	4,651,608	5,540,252	7,613,894	7,008,885	9,099,718	17,214,336	8,831,880	6,809,390
Unassigned	(4,381,306)	(5,589,131)	(4,606,414)	(16,414,210)	(13,228,592)	(2,188,014)	(1,666,121)	(1,170,187)	(3,955,671)	(1,168,635)
Total all other governmental funds	236,052,524	147,055,582	57,423,916	24,320,599	25,289,352	116,176,539	77,257,665	115,739,056	95,402,720	65,802,875
Total fund balances	\$ 376,504,513	285,355,679	208,553,739	187,353,340	190,683,528	307,621,011	256,784,217	286,176,230	269,451,370	270,763,214

Note:

- (1) 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.
- (2) Beginning July 1, 2020 restricted fund balance has been increased by \$569,884 to reflect the restatement of beginning fund balance required by the 2021 implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*.

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

Fiscal Year	Total Real Property (1)		Personal Property (2)	Public Service Companies' Property (2)	Total		Ratio of Total Assessed To Total Estimated Actual Taxable Value	Total Direct Tax Rate (4)
	Assessed Taxable Value	Estimated Actual Taxable Value	Assessed Taxable Value	Assessed Taxable Value	Assessed Taxable Value	Estimated Actual Taxable Value		
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	45,780,774,165	9,572,297,856	1,387,279,848	52,807,783,368	56,740,351,869	93.1	0.7622
2021	42,661,267,250	48,996,516,883	10,414,087,347	1,472,135,885	54,547,490,482	60,882,740,115	89.6	0.7629

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>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>	<u>2021</u>
County Direct Rates:										
General Levy (1):										
Property taxed at current year's rate	\$ 0.7609	0.7580	0.7471	0.7700	0.7600	0.7550	0.7305	0.7305	0.7305	0.7305
Registered motor vehicles at prior rate	<u>0.0203</u>	<u>0.0225</u>	<u>0.0229</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
Total general direct rate	0.7812	0.7805	0.7700	0.7700	0.7600	0.7550	0.7305	0.7305	0.7305	0.7305
Fire Protection Districts (2)	<u>0.0228</u>	<u>0.0237</u>	<u>0.0238</u>	<u>0.0281</u>	<u>0.0296</u>	<u>0.0297</u>	<u>0.0303</u>	<u>0.0315</u>	<u>0.0317</u>	<u>0.0324</u>
Total direct rate	\$ <u>0.8040</u>	<u>0.8042</u>	<u>0.7938</u>	<u>0.7981</u>	<u>0.7896</u>	<u>0.7847</u>	<u>0.7608</u>	<u>0.7620</u>	<u>0.7622</u>	<u>0.7629</u>
City Rates:										
Burlington (3)	\$ 0.5801	0.5800	0.5800	0.5800	0.5800	0.5800	0.5973	0.5973	0.5973	0.5973
Greensboro	0.6349	0.6351	0.6350	0.6350	0.6350	0.6352	0.6353	0.6352	0.6654	0.6654
High Point	0.6613	0.6746	0.6750	0.6646	0.6500	0.6475	0.6475	0.6475	0.6475	0.6475
Kernersville (3)	0.4975	0.4975	0.5273	0.5424	0.5425	0.5700	0.5545	0.5700	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	0.5300	0.5300	0.5300	0.5300
Jamestown	0.3900	0.3948	0.4434	0.4544	0.4550	0.4550	0.4680	0.4680	0.4680	0.4850
Oak Ridge	0.0863	0.0863	0.0863	0.0863	0.0863	0.0863	0.0800	0.0800	0.0800	0.0800
Pleasant Garden	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0500	0.0500	0.0500	0.0800
Sedalia	0.2750	0.2750	0.2750	0.2750	0.2750	0.2750	0.2750	0.2750	0.2750	0.2750
Summerfield	0.0350	0.0350	0.0350	0.0279	0.0275	0.0275	0.0275	0.0275	0.0275	0.0275
Whitsett	0.0500	0.0500	0.0500	0.1438	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500
Sedgefield Sanitary District	\$ 0.0300	0.0358	0.0360	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 Kernersville's total direct rates are computed only with regard to assessed taxable value in Guilford County.
- (4) The difference between the Archdale and Gibsonville total direct rates and the reported city-wide rates is considered insignificant.

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

Taxpayer	Fiscal Year 2021			Fiscal Year 2012		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Duke Energy Carolinas LLC	\$ 567,602,397	1	1.04	\$ 339,045,497	1	0.75
Koury Corporation	329,859,446	2	0.60	276,115,980	3	0.61
ITG Brands LLC (formerly Lorillard Tobacco Company)	291,395,643	3	0.53	295,688,595	2	0.65
Procter & Gamble Manufacturing Company	288,685,813	4	0.53	186,832,916	5	0.41
American Express Travel Related Services Inc.	275,623,851	5	0.51	-	-	-
Lincoln National Life Insurance (formerly Jefferson-Pilot)	182,636,731	6	0.33	-	-	-
CBL-Friendly Center CMBS LLC	171,492,800	7	0.31	214,400,937	4	0.47
QORVO US Inc. (formerly RF Micro Devices, Inc.)	163,870,884	8	0.30	-	-	-
Piedmont Natural Gas Company, Inc.	162,606,344	9	0.30	136,118,762	10	0.30
Highwoods/Forsyth Limited Partnership	149,905,657	10	0.27	156,522,794	8	0.35
International Home Furnishings Center	-	-	-	184,827,835	6	0.41
TYCO Electronics	-	-	-	181,577,789	7	0.40
Liberty Property LP	-	-	-	145,151,972	9	0.32
Total Top Ten Principal Taxpayers	\$ <u>2,583,679,566</u>		<u>4.72</u>	\$ <u>2,116,283,077</u>		<u>4.67</u>

Source: Guilford County Tax Department.

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

Fiscal Year	(1)	Subsequent Years' Adjustments	Total Adjusted Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Taxes Levied for the Fiscal Year			Amount	Percent of Original Levy		Amount	Percent of Adjusted Tax Levy
2012	\$ 363,248,000	(429,054)	362,818,946	355,095,355	97.76	6,906,948	362,002,303	99.77
2013 ⁽²⁾	365,428,942	(1,369,275)	364,059,667	356,582,243	97.58	6,415,487	362,997,730	99.71
2014	372,017,706	(908,458)	371,109,248	366,529,630	98.52	3,814,790	370,344,420	99.79
2015	371,794,827	(736,774)	371,058,053	368,321,489	99.07	2,327,858	370,649,347	99.89
2016	373,904,683	(144,094)	373,760,589	370,755,116	99.16	2,563,019	373,318,135	99.88
2017	377,874,202	(186,766)	377,687,436	374,837,826	99.20	2,359,073	377,196,899	99.87
2018 ⁽²⁾	386,072,554	(476,826)	385,595,728	383,244,006	99.27	1,772,645	385,016,651	99.85
2019	393,496,631	(219,086)	393,277,545	390,470,048	99.23	1,870,629	392,340,677	99.76
2020	402,575,842	(162,086)	402,413,756	399,679,565	99.28	1,589,200	401,268,765	99.72
2021	412,554,705	-	412,554,705	410,479,267	99.50	-	410,479,267	99.50

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	<u>General Bonded Debt Outstanding</u>		Per Capita	<u>Other Governmental Activities Debt</u>		Total Primary Government (1)	Percentage of Personal Income (3)	Per Capita (3)
	General Obligation Bonds (1)	Percentage of Estimated Actual Taxable Value of Property (2)		Limited Obligation Bonds, Capital Leases and Installment Financings (1)				
2012	\$ 932,027,810	2.12	1,882.39	3,571,400	935,599,210	5.06	1,889.61	
2013	879,076,323	1.92	1,755.20	24,498,508	903,574,831	4.61	1,804.12	
2014	824,376,111	1.77	1,626.65	23,222,923	847,599,034	4.32	1,672.47	
2015	769,783,196	1.62	1,501.83	21,947,338	791,730,534	3.81	1,544.65	
2016	736,321,847	1.50	1,422.71	20,671,754	756,993,601	3.42	1,462.65	
2017	861,133,538	1.75	1,651.80	19,396,169	880,529,707	3.75	1,689.01	
2018	791,334,576	1.56	1,501.72	16,845,000	808,179,576	3.34	1,533.68	
2019	764,997,176	1.43	1,433.46	16,845,000	781,842,176	3.10	1,465.03	
2020	693,762,639	1.22	1,291.50	16,845,000	710,607,639	2.72	1,322.86	
2021	624,108,737	1.03	1,152.98	16,845,000	640,953,737	2.38	1,184.10	

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.
- (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, 2021

<u>Jurisdiction</u>	<u>Debt Outstanding (1),(3)</u>	<u>Estimated Percentage Applicable (1),(2)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Guilford County	\$ 642,676,461	100.00	\$ <u>642,676,461</u>
City of Greensboro	355,341,735	100.00	355,341,735
City of High Point	51,175,008	93.80	48,002,158
Town of Kernersville	20,805,838	8.14	1,693,595
Town of Gibsonville	1,751,830	49.00	858,397
Town of Jamestown	704,606	100.00	704,606
City of Burlington	11,841,135	3.08	<u>364,707</u>
Total overlapping debt			<u>406,965,198</u>
Total direct and overlapping debt			\$ <u><u>1,049,641,659</u></u>

Notes:

- (1) Debt and assessed valuation information were obtained from each municipality.
- (2) The percentage of overlap is based on assessed property values.
- (3) Debt Outstanding includes all bonded debt and installment purchase obligations for governmental activities. Limited Obligation Bonds and Swap Termination Fees are included in Debt Outstanding.

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

	<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>	<u>2021</u>
Debt limit	\$ 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	4,363,799
Total net debt applicable to limit	<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>	<u>579,567</u>
Legal debt margin	\$ <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>	<u>3,784,232</u>
Total net debt applicable to limit as a percentage of debt limit	32.18%	30.71%	28.85%	26.27%	24.17%	21.04%	17.87%	17.11%	15.17%	13.28%

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed value of taxable property	\$ <u>54,547,490,482</u>
Debt limit (8% of total assessed value)	\$ <u>4,363,799,239</u>
Debt applicable to limit:	
General obligation bonded debt	562,955,000
Limited obligation bonds and obligations under purchase money installment contracts	<u>16,845,000</u>
Gross debt	579,800,000
Less statutory deductions:	
Bonds issued and outstanding for water purposes	<u>233,093</u>
Net amount of debt applicable to debt limit	<u>579,566,907</u>
Legal debt margin	\$ <u>3,784,232,332</u>

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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (2) (in thousands)</u>	<u>Per Capita Income (3)</u>	<u>Median Age (4)</u>	<u>Public School Enrollment (5)</u>	<u>Unemployment Rate (6)</u>
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
2021	541,299	26,898,771	49,693	37.84	66,420	5.8

Sources:

- (1) Calendar years 2012 through 2018
Calendar years 2019 through 2021
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 2012 through 2018
Calendar years 2019 through 2021
Bureau of Economic Analysis, U.S. Department of Commerce.
Piedmont Triad Council of Governments estimate.
- (4) Fiscal years 2012 through 2021
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 2021 which is the average adjusted monthly rate for January through June.

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

Employer	2021			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Cone Health	13,000	1	5.53	8,600	2	3.79
Guilford County School System	10,033	2	4.27	10,391	1	4.81
United States Postal Service	4,700	3	2.00	2,716	4	1.20
City of Greensboro	2,934	4	1.25	2,985	3	1.32
University of North Carolina at Greensboro	2,748	5	1.17	2,535	5	1.12
Guilford County Government	2,697	6	1.15	2,401	6	-
Ralph Lauren Corporation	2,691	7	1.15	1,400		0.62
The Volvo Group	2,433	8	1.04	1,414		-
Unifi Inc.	1,957	9	0.83	-		-
HAECO Americas	1,800	10	0.77	-		-
North Carolina A&T State University	-		-	1,975	10	1.11
High Point Regional Health System(1)	-		-	2,400	7	1.11
Bank of America	-		-	2,000	8	0.88
United Parcel Service	-		-	2,000	9	0.88
Total County Employment	234,933			226,738		

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 2011 and 2020 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>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>	<u>2021</u>
General government (1)	320	315	312	306	325	314	323	333	339	346
Human services	1,051	987	973	995	1,077	1,087	1,078	1,068	1,112	1,116
Public safety	1,021	1,034	1,031	1,031	1,086	1,089	1,122	1,079	1,101	1,109
Environmental protection	7	7	7	8	8	7	9	9	9	9
Culture-recreation (2)	<u>2</u>	<u>101</u>	<u>95</u>	<u>103</u>	<u>107</u>	<u>111</u>	<u>120</u>	<u>120</u>	<u>80</u>	<u>117</u>
Total	<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>	<u>2,697</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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government:										
Real estate documents processed (8)	351,377	423,053	337,840	329,352	349,976	374,744	351,856	327,833	400,122	542,733
Vital records recorded and issued (8)	72,477	70,806	73,434	77,532	76,100	75,083	78,770	71,875	67,120	62,013
Building permits issued (2)	2,870	2,870	3,804	4,091	4,040	4,248	4,315	4,992	5,660	5,846
Bldg,plumb,mech & elec insp completed (2)	22,014	22,014	27,000	32,351	34,548	34,179	34,398	35,498	39,530	42,604
Human Services:										
Laboratory tests performed (10)	200,364	194,378	187,677	188,086	200,096	196,604	212,292	198,155	163,357	126,203
Number of prescriptions filled (10)	59,703	42,284	44,346	43,637	48,444	59,113	62,518	61,755	49,158	42,681
Adoption assistance cases (4)	1,011	993	950	902	928	959	945	956	956	962
Children in Social Services custody (4)	341	345	386	552	449	539	539	469	452	437
Public Safety:										
911 calls received (1),(3)	131,072	143,930	150,968	153,459	157,564	164,177	166,270	172,191	163,793	169,122
Emergency HazMat responses (11)	22	111	105	12	17	23	22	18	10	12
Average daily population juvenile detention (13)	30	18	24	28	38	35	31	30	29	23
Average daily population adult jail (6)	875	883	932	932	811	881	906	926	964	696
Number of animals received (2),(12)	16,000	16,000	13,933	11,487	12,176	10,129	9,458	6,968	6,066	4,569
Number of spay/neuter surgeries performed (2),(12)	4,000	4,000	5,525	1,460	2,040	3,621	2,790	3,099	1,181	1,603
Environmental protection: (9)										
Number of scrap tires processed	550,000	520,000	540,000	465,000	517,000	577,500	585,000	611,600	615,388	625,474
Number of white goods disposed of (tons)	97	85	85	125	150	205	197	208	263	244
Culture - recreation: (2)										
Number of park and rec participants (14)	2,788,440	3,025,000	3,136,000	3,160,600	3,160,600	-	-	1,000,000	1,100,000	1,140,000
Education:										
Average daily membership (5)	71,587	71,885	71,787	71,502	71,429	71,396	71,304	71,029	70,903	66,420
County appropriation per pupil (7)	\$ 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	\$ 3,155.83

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	-	-	-	-	-	-	-	-	-
Social services occupied square footage	155,860	155,860	155,860	155,860	164,320	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)	406	425	438	405	398	442	394	421	414	430
Number of law enforcement centers (5)	2	2	2	2	2	2	2	2	2	2
Number of emergency medical vehicles (4),(6)	84	82	82	89	87	97	106	101	109	115
Number of emergency medical stations (6)	15	15	15	16	16	16	16	17	17	17
Number of fire marshal vehicles (4),(6)	24	25	24	22	22	26	24	24	24	25
Number of volunteer fire stations (3),(6)	36	38	38	39	39	39	40	40	37	37
Number of volunteer firefighters (6)	682	620	621	621	603	571	542	482	488	441
Number of animal control vehicles (4),(5)	13	16	19	20	21	22	20	17	18	19
Culture-recreation:										
Parks (9)	275	275	275	275	275	294	294	294	294	294
Libraries (7)	10	10	11	11	11	11	11	11	11	11
Education: (1)										
Number of schools (8)	124	126	126	126	126	126	126	125	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.



