City of High Point

Britt Moore, Chair
Jason, Ewing, Wesley Hudson
Victor Jones

Meeting Agenda

Thursday, November 14, 2019

4:00 PM

3rd Floor Conference Room

Finance Committee

Britt Moore, Chair
Jason, Ewing, Wesley Hudson
Victor Jones

FINANCE COMMITTEE - Council Member Britt W. Moore, Chair

2019-499 Budget Ordinance Amendment - Library Bookmobile Grant
City Council is requested to approve a budget amendment for funds from a North Carolina LSTA EZ grant for the purchase of the bookmobile from Special Grants Fund to the General Capital Projects Fund.

Attachments: 1. Bookmobile grant amendment

2019-500 Contract - Motorola Solutions Inc. - System Core 800 MhZ Radio System.
City Council is requested to award a contract to Motorola Solutions Inc. in the amount of $591,105 payable over (3) three years to purchase a System Core for the 800 MhZ Radio System.

Attachments: 2. Motorola System Core Purchase

2019-501 Budget Ordinance - Amendment - Motorola Radio System Core Purchase - Capital Lease
City Council is requested to approve a budget amendment in the amount of $550.663 to allow proper accounting of a capital lease to purchase a System Core from Motorola for the 800 MhZ Radio System.

Attachments: 3. Motorola System Core Purchase Budget Amendment

2019-502 Resolution - Donation - Surplus Radio Equipment - Newton Grove Police Department & Hasty Fire Department
City Council is requested to approve a resolution to donate surplus handheld radio equipment to Newton Grove Police Department and Hasty Fire Department and the appropriate City official and/or employee be authorized to execute all necessary documents.

Attachments: 4. Radio Donation

2019-503 Ordinance - Budget Amendment - Limited Obligation Bond Project Restatement
City Council is requested to approve a budget amendment to transfer the amount of $671,820 from the General Debt Service Fund for debt issuance costs that were expended from the General Bond Fund but budgeted in the General Debt Service Fund.

Attachments: 5. Debt Service Amendment

2019-513 Reallocate Stadium Improvement Costs - High Point Baseball
City Council is requested to approve rebating the cost of capital improvements to the multipurpose stadium in the amount of $559,705 to High Point Baseball Inc.

Attachments: Reallocate Stadium Costs

2019-514 Resolution - Condemnation - 315 N. Elm Street
City Council is requested to adopt a resolution authorizing the City Attorney to give a 30 day Notice of Condemnation to the property owner of 315 N.

Elm Street, to file the necessary proceedings under Chapter 40A of the North Carolina General Statutes, and to authorize the Finance Director to issue a draft in the amount of $1,010,000 to the Clerk of Superior Court as just compensation to the property owner.

Attachments: FINAL DOCUMENT_Condemnation 315 N. Elm Street

2019-504 Comprehensive Annual Financial Report (CAFR) 2018-2019

City Council is requested to acknowledge receipt of the City of High Point Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2019 and related required communications from the City's auditors, Cherry Bekaert LLP.

Attachments: 6. Acknowledge Receipt of CAFR-2019

PENDING ITEMS

2018-169 Amendment to License Agreement - Cingular Wireless PSC, LLC (AT&T)

City Council is requested to approve an Amendment to the License Agreement with Cingular Wireless PCS, LLC (AT&T) which allows the location of communication equipment at the City's Ward Water Plant; and authorize the City Manager to execute the agreement.

Attachments: 7. Amendment to Lease Agreement - Crown Castle

ADJOURNMENT

"AN ORDINANCE AMENDING THE 2019-2020 BUDGET ORDINANCE OF THE CITY OF HIGH POINT, NORTH CAROLINA TO APPROPRIATE FUND BALANCE FROM THE DEBT SERVICE FUND

Be it ordained by the City Council of the City of High Point, North Carolina, as follows:

Section 1. The City of High Point has debt issuance costs charged to the General Bond Fund that were budgeted in the General Debt Service Fund, and a fund balance appropriation is needed to properly budget for these charges.

Section 2. The 2019-2020 Budget Ordinance of the City of High Point, should be amended as follows:

(A) That Debt Service Fund revenues be amended as follows:
Appropriated Fund Balance $ 671,820

(B) That Debt Service Fund expenditures be amended as follows:
Transfer to General Bond Fund $671,820

(C) That General Bond Fund revenues be amended as follows:
Transfer from Debt Service Fund $671,820

(D) That the General Bond Fund expenditures be amended as follows:
Catalyst Project Phase 1 $671,820

Section 3. That all ordinances, or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict.

Section 4. That this ordinance shall be effective from and after its passage."

Adopted by Order of the High Point City Council
this the 18th day of November, 2019.

ATTEST:

Jay W. Wagner, Mayor

Lisa B. Vierling,
High Point City Clerk

City of High Point North Carolina

FISCAL YEAR ENDED
JUNE 30, 2019

COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of
HIGH POINT
NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

CITY COUNCIL

JAY WAGNER	**MAYOR**
JASON EWING	**MAYOR PRO-TEMPORE; WARD 6**
BRITT MOORE	**AT- LARGE**
DON SCARBOROUGH	**AT- LARGE**
JEFFREY GOLDEN	**WARD 1**
CHRISTOPHER WILLIAMS	**WARD 2**
MONICA PETERS	**WARD 3**
WESLEY HUDSON	**WARD 4**
VICTOR JONES	**WARD 5**

CITY MANAGER
GREG DEMKO

DEPUTY CITY MANAGER
RANDY E. McCASLIN

ASSISTANT CITY MANAGER
ERIC OLMEDO

FINANCIAL SERVICES DIRECTOR
BOBBY FITZJOHN, CPA, NCLGFO

ASSISTANT FINANCIAL SERVICES DIRECTOR
HEATHER FORREST, NCLGFO

PREPARED BY THE FINANCIAL SERVICES DEPARTMENT

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HIGH POINT

NORTH CAROLINA'S INTERNATIONAL CITY™

Financial Services

Bobby Fitzjohn, CPA

DIRECTOR

NORTH CAROLINA'S INTERNATIONAL CITY™

October 31, 2019

The Honorable Mayor Jay W. Wagner
Members of the City Council
And the Citizens of the City of High Point, North Carolina

We are pleased to present the Comprehensive Annual Financial Report ("Report") of the City of High Point, North Carolina (City) for the fiscal year ended June 30, 2019. We are extremely proud that this report has been prepared in its entirety by the City's Financial Services Department. The financial statements and supplemental schedules have been audited by the independent certified public accounting firm of Cherry Bekaert LLP, and that firm's unmodified report is included in the Financial Section of this Report. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data as presented is accurate in all material aspects and that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

General

The financial statements have been prepared in compliance with the applicable requirements of the General Statutes of North Carolina and are consistent with the standards and guidelines recognized for governmental accounting and reporting contained in both *Audits of State and Local Governments*, an audit guide prepared by the Committee of Governmental Accounting of the American Institute of Certified Public Accountants (AICPA) and *Government Auditing Standards*, issued by the Comptroller General of the United States. Among other resources used in the preparation of the Report, the Financial Services Department has given particular attention to the *Governmental Accounting, Auditing and Financial Reporting* (GAAFR), issued by the Government Finance Officers Association of the United States and Canada (GFOA), and Governmental Accounting Standards Board (GASB) pronouncements.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal, and should be read in conjunction with it.

The City is also required to undergo an annual compliance audit on federal and state financial assistance programs in conformity with the provisions of the Single Audit Act Amendments of 1996, the State Single Audit Implementation Act, and U.S. Office of Management and Budget Uniform Grant Guidance*, Audits of States, Local Governments and Nonprofit Organizations*. The auditor's reports and the Schedule of Expenditures of Federal and State awards, required as part of a single audit, are found in the ***Compliance Section*** of this report.

Accounting- Reporting	Administration	Accounting-Operations	Purchasing
336.883.3240	336.883.3123	336.883.3239	336.883.3219

City of High Point, P.O. Box 230, 211 South Hamilton Street, High Point, NC 27261 USA

Fax: 336.883.8572 Phone: 336.883.3237 TDD 336.883.8517

The City of High Point has participated in the GFOA Certificate of Excellence Program since 1980. The GFOA recognizes governmental units that issue their comprehensive annual financial reports (CAFR) substantially in conformity with the standards of the GASB. The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to City of High Point, North Carolina for its CAFR for the fiscal year ended June 30, 2018. This marked the 32nd time the City has received the Certificate of Achievement since 1980, and the 24th consecutive year in a row.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. The Report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Reporting Entity

In conformity with the standards of the GASB, this report includes all funds of the City, as well as its component units. The City of High Point (as legally defined) is considered to be a primary government. Component units are legally separate entities for which the primary government is financially accountable or for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The primary government is considered financially accountable if it appoints a voting majority of the organization's governing body; and 1) it is able to impose its will on that organization, or 2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burden on, the primary government.

Discretely presented component units are reported in a separate column in the Government-wide financial statements to emphasize that they are legally separate from the primary government and to distinguish their financial position, results of operations, and cash flows from those of the City. The High Point ABC Board is included as a discretely presented component unit. The ABC Board's governing members are appointed by the City Council. However, the City has no further accountability for its operations.

Blended component units are, in substance, part of the City's operations. The City has two blended component units, Forward High Point, Inc. and Core City CDC. These component units are reported as part of the Community Development Special Revenue Fund. Additional information on the blended and discretely presented component units can be found in Note I. A.

Description of the City

The City of High Point is centrally located in the heart of the Piedmont region of North Carolina. High Point is unique – the City is the only municipality in North Carolina whose city limits encompasses parts of four counties. Most of the City is located within the southwest quadrant of Guilford County; approximately two percent of the City's area extending into neighboring Randolph, Davidson and Forsyth counties. The City covers over 57.4 square miles and has a population exceeding 114,000.

The City is empowered by State Statute to levy an ad valorem property tax on the appraised value of all real and tangible personal property located within the City. The respective counties mentioned above are the only other governmental units levying such taxes within the City's corporate limits. The City is also empowered to extend its corporate limits by annexation.

Form of Government

The City has a Council-Manager form of government. The Council is the legislative body of the City government with the Mayor as a voting member and the presiding officer. The Mayor is elected on an at-large basis for a two-year term. The remainder of City Council is composed of two at-large members and representatives from six voting wards. Council members are elected on a non-partisan basis and serve two-year terms. Beginning with the November 2019 elections, both the Mayor and City Council will be elected to four-year terms. Elections are now held in November of odd-numbered years. The City Manager, the chief executive officer, is appointed by and serves at the pleasure of the Council. He is responsible for carrying out the policies and ordinances of the Council and administering the daily operations of the City through appointed department heads.

The City provides a wide range of services for its citizens, including law enforcement, fire protection, public safety, planning and developmental services, street maintenance, cemeteries, cultural and recreational activities, general administration, community development and library services. In addition to these general government activities, the City provides and maintains water, sewer, electrical, and storm water utilities, a refuse collection, landfill and recycling operation, a public parking system, and a mass transit system for the benefit of its citizens. This report includes all the City's fiscal activities in maintaining these services. The City also extends financial support to a variety of boards, agencies and commissions to assist their efforts in serving citizens.

Business and Economic Development

A thriving city whose population exceeds 114,000 residents, High Point is a "gig community" having internet connections that are amazingly fast, up to 1 gigabit per second – is located alongside Greensboro and Winston-Salem in the Piedmont Triad region of North Carolina, 35th largest metro area with a population exceeding 1.7 million. The City is located along the I-85/I-40 corridor and the I-74/I-73 corridor in the Piedmont crescent region of central North Carolina. High Point serves as a center for home furnishings, manufacturing, distribution/logistics, commercial photography, aerospace, high tech pharmaceuticals and service providers.

The High Point Market

A globally-connected city, High Point earns its nicknames as *North Carolina's International City*™ and *Home Furnishings Capital of the World*™. The City has been known as the "Home Furnishings Capital of the World" for nearly a century. The City hosts the High Point Market (formerly known as the International Home Furnishings Market), the world's largest international home furnishings trade show each April and October, and the international "Showtime!" fabric market each June and December. Annually, these markets attract more than 150,000 domestic and international exhibitors and buyers from more than 110 countries around the world.

More than 2,000 domestic and international manufacturers and exhibitors currently show in approximately 11.5 million square feet of permanent and temporary showroom space located in the City's downtown area. The City also features a network of home furnishings retailers attracting consumers from across the country. Tens of thousands of shoppers travel to the City annually to purchase home furnishings. In addition to furniture sales, this has been a positive impact on the City's hospitality industry.

In 2011, International Market Centers, LP, a limited partnership ("IMC"), invested approximately $1 billion to purchase three major showroom complexes in the City: the International Home Furnishings Center, Market Square, and Showplace buildings. In addition to these properties, IMC also purchased the World Market Center buildings in Las Vegas. This combined 11.5 million square feet of exhibition space created the world's largest network of home furnishings/exhibition space. In September 2017, Blackstone acquired all of IMC's market investment holdings in High Point and Las Vegas. IMC owns and operates a total of 11 showroom buildings in High Point. IMC has announced several expansions headlined by the opening of a 20,000 square foot building in collaboration with renowned furniture designer Christopher Guy. In October 2019, IMC announced a $33.5 million investment in it's High Point showrooms.

A 2018 UNC-Chapel Hill and Duke University study found that the High Point Market generates more than $6.73 billion in economic impact to the overall regional economy (the counties within a 75-mile radius from downtown High Point). UNC-Chapel Hill and Duke University's Global Value Chans Center, which conducted the study, found that the High Point Market supports 42,427 jobs in the region. North Carolina collects approximately $202 million in tax revenue each year due to the economic activity generated by the High Point Market.

A growing number of diverse companies serves the home furnishings industry, including the two of the largest still photography studios in the country, product design firms, showroom design firms, advertising and public relations agencies, printers and specialized building contractors. Professional trade associations, including the National Home Furnishings Association and the American Home Furnishings Alliance, maintain national headquarters in the City.

Business friendly

High Point's healthy business climate can be attributed to progressive city government in strong partnership with the local business community. Most cities say they are business-friendly. High Point prides itself on not just saying that catch phrase but on being a business-friendly city government, working in close partnership with its business community. The mayor, city council, and city manager set that tone and ensure it is carried out.

- High Point has a proven record of ensuring companies meet fast track construction schedules.
- The High Point Economic Development Corp. (EDC) is both a department of City government reporting to the City Manager and also a public/private partnership partnering with Business High Point and High Point Chamber of Commerce who work together regularly in support of the EDC's efforts.
- High Point EDC is a part of the Guilford County Economic Development Alliance, working to facilitate the creation of high quality jobs, new capital investment, retain and expand existing businesses in Guilford County, High Point, and Greensboro.

Diversification

High Point's economy is impressively diversified, with new industry sectors joining the City's traditional industries.

- Today's industry sectors include: distribution / logistics; aerospace; furniture and home furnishings; advanced manufacturing; customer service / financial; life sciences / pharmaceutical / biotech; healthcare; and commercial photography.
- Successful diversification was just what High Point's business and government leaders had planned more than 30 years ago when the City worked closely with a private developer who created the 1,100-acre Piedmont Centre office / industrial park.

The City has impressively diversified its industrial base from its furniture and hosiery past. In addition to furniture and home furnishings, major industry clusters today include aerospace; logistics, transportation, and distribution; innovative manufacturing; life sciences, pharmaceutical, and nutritional; healthcare; commercial photography; and specialized business services (banking, credit, financial services, etc.). While the furniture industry remains an important part of the local economy, the City has attracted a diverse mixture of local, national and international businesses and industry over the past several years. Of the top 20 major employers in the City, only one such employer is furniture related. This furniture-related firm employs 3% (or 616) of the 22,427 employed by the top 20 major employers in the City. The other 19 major employers serve the finance, customer service, logistics and distribution, health care, local government and education sectors. More than 75 companies in the City are internationally owned.

Impressive Business Parks

- ***Piedmont Centre*** -- The 1,100-acre Piedmont Centre campus is a contiguous and planned corporate park. With approximately 210 businesses in the corporate park occupying more than 6 million square feet, Piedmont Centre represents an overall capital investment of more than $400 million. More than 10,000 employees work in the park. Tenants in Piedmont Centre include several of High Point's Top 20 employers: Bank of America's customer service center, Alorica (formerly APAC) Customer Service's contact facility, XPO Logistics Supply Chain/New Breed, Aetna, Patheon's manufacturing facility, and Advanced Home Care's corporate headquarters.
- ***Premier Center*** -- Premier Center, is a high-quality, 150-acre office park. Primary tenants include the corporate headquarters of Home Meridian International and the corporate headquarters and distribution center for Samson Marketing and its subsidiaries Legacy Classic Furniture and Universal Furniture. With its recent acquisition of Bank of North Carolina, Pinnacle Bank's regional corporate offices located here. In 2018 Amada North America Inc. announced an investment of $87 million in a facility that will manufacture and assemble a line of high-precision break bending equipment for the US Market. Additional corporate residents include South University and the Moses Cone MedCenter of High Point, a free-standing emergency medical care facility.
- ***Piedmont Corporate Park*** -- Piedmont Corporate Park is a 160-acre mixed-use development perfect for office, light manufacturing and distribution facilities. Lot sizes are flexible and can be subdivided to meet a company's needs. In 2019 a new 66,000-square foot Amazon delivery station open for "last mile deliveries." Other tenants include American Premium Beverage, The Quantum Group, Alfred Williams & Company, Tenn-Tex Plastics, and Baltek.
- ***Kivett Drive Industrial Park*** -- Kivett Drive Industrial Park is a 110-acre park adjacent to the I-74 interchange. Tenants in this park include Mannington Laminate Floors, Canteen Vending Services and a primary distribution center and customer contact facility for RalphLauren.com, a division of Ralph Lauren Corporation.
- ***I-74 Corporate Center*** – In 2015, the first phase of the new I-74 Corporate Center opened with the completion of a 840,000-square foot facility for Ralph Lauren Corporation.
- ***Gallimore Industrial Center*** – A growing 82-acre industrial park in the airport submarket with 180,000-square already constructed - tenants include Handcraft Linen Services and other soon-to-be-announced tenants.

Creative Snacks, a snack manufacturer has grown and expanded into a newly constructed $10 million manufacturing and distribution facility in Piedmont Center and added 150 jobs in the process. In perhaps the region's largest single job announcement in a decade, Alorica, which acquired APAC Customer Services in June 2016, announced during fiscal year 2017 that 1400 additional jobs that were going to be created – the largest job-creation project in North Carolina during 2017. Alorica currently employees 1,450 employees in High Point. In February 2019, Aetna announced that it had added 80 new full-time jobs and is projected to hire approximately 300 new employees by the end of 2020.

In addition to the aforementioned companies, other business sectors in the City are growing and expanding. Affiliated with UNC Health Care since 2013, High Point Regional Health System completed $150+ million renovation and expansion of the hospital's operating rooms and upgrades to its building infrastructure. Wake Forest Baptist Health acquired High Point Regional System from UNC Health Care in Summer 2018.

Location/Transportation Network

High Point boasts a superb location for manufacturing/distribution/logistics. High Point is at the center of it all -- centered between Boston and Miami, centered between Washington and Atlanta, centered between Charlotte and Raleigh/Durham/Research Triangle Park.

The ground transportation network is anchored by four interstate highways (I-40, I-85, I-73 and I-74). When coupled with the area's high-speed rail corridors and Piedmont Triad International Airport (PTIA), High Point is a great place to do business.

The Piedmont Triad International Airport (the "Airport") is approximately four miles from the City. The Airport is served by five major airlines: American, Delta, United, US Airways and Spirit. For the calendar year ended December 31, 2018, approximately 60 scheduled daily departures carried 939,416 enplaned passengers. The Airport is the mid-Atlantic hub for Federal Express. The Piedmont Triad Airport Authority recently completed a major expansion project and the relocation of the main access road to the Airport. The Piedmont Triad Airport Authority owns and operates the Airport.

The North Carolina State Ports Authority operates an inland terminal just outside High Point. Containers are transported to deep water ports in Wilmington and Morehead City, NC. Ports in Charleston, SC; Savannah, GA; and Norfolk, VA also serve the area. Additionally, regional and continental rail freight services are provided by Norfolk Southern and CSX. Passenger rail service, provided by Amtrak which operates two daily passenger routes through the City along the East Coast, utilizes The Depot, a historic passenger depot that was renovated in 2003. The Depot is also used for other mixed uses and creates a unique focal point for the City's downtown activities.

The City is served by three bus lines for inter-city routes and charter trips. Local bus service is provided by a City-owned 17-unit system. The City has a 50% matching operating deficit grant from the Federal Transportation Administration.

Employment

The unemployment rate for the High Point area was 4.8% for the month of June 2019.

Quality of Life

High Point's residents enjoy a wide variety of activities on a year-round basis due largely to a mild climate and an abundance of natural recreation amenities. Of the City's two public golf courses, the Oak Hollow course has been consistently rated among the top 75 public courses in the country.

Fourteen tennis courts, four indoor tennis courts, two public lakes and a substantially completed hiking/biking and greenway trail are major attributes of the City's recreational program. The colleges and universities in the area offer residents the opportunity to attend intercollegiate contests in all sports.

Additionally, the City is a working partner with community organizations that have created a world-class soccer complex to further enhance recreational sport activities in the area.

The City remains enthusiastic about the Miracle League Field in High Point. Only the second such program in North Carolina, and the only one in the Triad region, the City partnered with civic organizations, most notably Rotary and Kiwanis, to build the specially equipped baseball field and playground to meet the recreational needs of children with intellectual and/or physical disabilities in this area and surrounding communities.

The High Point Theatre is a year-round performing arts facility meeting the cultural needs of the community. It is one of the finest stage and gallery spaces in the Southeast. The Theatre features an elegant 929-seat auditorium with continental style seating. Other facilities include three large exhibition galleries for meetings, display, or receptions. The Theatre is suited for convention use, as well as functions of the arts, and is rented year-round to both amateur and professional groups.

The school system in the City operates under a consolidated City-County arrangement merging all public educational institutions into one system in the County. The City has no financial responsibility for the consolidated school system. The school system offers several magnet schools, including International Baccalaureate, Teaching and Arts, Aviation Technology and Medical Sciences programs at the three high schools in the City, plus many other innovative programs in the numerous elementary and middle school locations in the City. Several well-established private and parochial schools also serve the community. The public library, the High Point Museum and Historical Park, Furniture Discovery Place and the Rebecca R. Smothers Piedmont Environmental Center are additional educational resources.

The educational needs of the citizens of High Point are served by a variety of quality public and private primary, secondary and post-secondary facilities. The City and the Piedmont Triad region are home to 13 major colleges and universities, including High Point University, Wake Forest University and four branches of the University of North Carolina. High Point University, a private four-year, co-educational liberal arts university affiliated with the United Methodist Church, is located in the City. The University's fall 2018 enrollment was approximately 5,400, comprised of both graduate and undergraduate students. In 2011, the University expanded its growth plan from $300 million to $2.1 billion. High Point University was again named in July 2019 as one of the top colleges and universities in the US for the twelth year in a row, and No. 1 for seven consecutive years by US News and Report. High Point University continued its rapid growth when Congdon Hall opened in October 2017. It houses the Congdon School of Health Sciences and the Fred Wilson School of Pharmacy.
this fall the school announced its new Webb School of Engineering. More than $200 million in construction activity was underway on campus at the end of 2018, including the Quebein Arena, Conference Center and Hotel, the Waneck School of Undergraduate Sciences, and the Caine Conservatory. The University employs 1,934, which is a 402% increase as compared to 2004. The University's slogan, "Choose to be Extraordinary" is not just a slogan, but a passion and vision for the institution.

Four of the State's technical institutions and community colleges are within 25 miles of the City's downtown. Guilford Technical Community College ("GTCC") has a campus in downtown High Point, which is a satellite to its main campus seven miles away in Jamestown. GTCC currently serves over 11,000 students enrolled in any one of GTCC's degree credit curriculums in the fall of 2019. The City does not have any financial responsibility for GTCC, which is supported by State, federal and County funds.

High Point is experiencing a level of excitement that many citizens cannot recall a more exciting time in the city. The City Council continues to focus on the strategic vision, including the primary goals of blight reduction, retaining and attracting young professionals, and creating a catalyst project that will transform High Point's downtown.

- Over the last 3 years, the City has reduced housing code cases by nearly 80% with dozens of houses being brought into compliance with minimum housing codes, making the City more attractive, livable, and protecting neighborhood property values with this focus on reducing blight and addressing public nuisance cases.
- Attracting and retaining young professionals requires jobs, functional and flexible space, and cultural activity for evenings and weekends. Having highlighted recent job development above, additional developments along this goal include the collaboration of Business High Point, the High Point Convention & Visitors' Bureau, and High Point University to create a new project they are calling *High Point 365*. This world class, innovative center will celebrate and capitalize on the City's well-known entrepreneurial spirit and High Point's DNA of being the International Home Furnishings Capital of the World, providing the needed outlet for the City's aspiring entrepreneurs and young professionals.
- Publicly announced in April 2017, the Downtown Catalyst Project was revealed to highlight the expected revitalization of the city's current downtown area. While the Downtown Multi-Use Sports & Entertainment Facility is the immediate focus, the project is about so much more than just baseball! This is about having a facility that can be used for soccer and lacrosse, be host as a concert venue, and serve as an outlet for much needed community gathering space. The additional publicly-announced commitments and development partnership along with generosity of several benefactors in the High Point community will bring additional capital for team ownership and community facilities which will include an event center, a children's museum, and downtown public park. Construction was completed and the High Point Rockers played their opening baseball game in May of 2019.
- Plans have been announced for other economic development projects include a new hotel and residential apartments. The announced and expected additional development immediately around the stadium will generate projected 750 new jobs in the core city and new retail spaces. In October 2017, the City authorized a contract with master developer Sidewalk Properties who will lead and coordinate the development around the City's publicly owned stadium to leverage the utmost potential of the City's investment and maximize development opportunities and growth in the City's property tax base.

Accounting System and Budgetary Control

The diverse nature of governmental operations and the necessity of assuring legal compliance preclude recording and summarizing all governmental financial transactions and balances in a single accounting entity. Therefore, from an accounting and financial management viewpoint, a governmental unit is a combination of several distinctly different fiscal and accounting entities, each having a separate set of accounts and functioning independently of each other. Each accounting entity is accounted for in a separate "fund".

A fund is defined as a fiscal accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received, and the liabilities are incurred. Accounting records for the City's utilities and other enterprises are reported on the accrual basis.

The City's accounting system is organized and operated on a "fund" basis and each fund is classified in one of three categories and further identified as one of seven major types of funds:

Classification	Fund Type
Governmental Funds	General, Special Revenue, Debt Service, Capital Project
Proprietary Funds	Enterprise, Internal Service
Fiduciary Funds	Agency

Governmental Funds: These funds are, in essence, accounting segregations of financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are to be paid; and the differences between governmental fund assets and liabilities, the fund equity, is referred to as "Fund Balance".

The primary measurement focus is upon determination of financial position and changes in financial position, which is supported by the statement of revenues, expenditures, and changes in fund balances. It may be supported or supplemented by more detailed schedules of revenues, expenditures, transfers, and other changes in fund balance.

Proprietary Funds: These funds are sometimes referred to as "income determination," "nonexpendable," or "commercial type" funds and are used to account for a government's on-going organizations and activities, which are similar to those often found in the private sector.

All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business and quasi-business activities - where net income and capital maintenance are measured - are accounted for through proprietary funds.

The generally accepted accounting principles here are those applicable to similar businesses in the private sector, and the measurement focus is upon determination of net income, financial position, and changes in financial position.

Fiduciary Funds: These funds account for assets held by the City in a trustee capacity or as an agent for other governmental units and for other funds.

Internal Control: In developing and maintaining the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Control: The City's financial management software provides the information for effective fiscal management. Through utilization of budgetary accounting methods, effective budgetary control and accountability can be maintained. The Annual Budget, which is adopted for legal control at the functional level but controlled at the department level, authorizes and provides the basis for the City's financial management. The total adopted appropriations constitute the maximum expenditure authorization during the fiscal year and can only be amended by action of the City Council. Expenditures are controlled at the department level for all General, Special Revenue, Debt Service, Capital Projects and Enterprise funds.

Budgetary control is maintained at this level by the encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders, which would result in an overrun of departmental operating balances, are not released until additional appropriations are made available.

Open encumbrances at June 30, 2019, are treated as commitments, rather than expenditures, and such encumbered funds are appropriated for expenditure in fiscal year 2019-2020.

Conclusion

The City of High Point is a rapidly growing and culturally diverse community with over 114,000 residents having a wide variety of neighborhood, business, and civic priorities and expectations. The citizens of High Point have come to expect and appreciate the high level of municipal services they enjoy. The City continues to reap the benefits of the vitality and growth from its economic diversity through development and voluntary annexation. The City recognizes the vitality and importance of the High Point Market to the City, surrounding region, and State. Consequently, the City continues to actively and aggressively partner with public and private organizations to address competing interests to the Market.

The City continues to face increasingly complex and expensive service needs, desires and mandates, along with the ever present and expensive challenges for continued and needed infrastructure repair and replacement. The above challenges are tied with an environment of trying to manage, balance and finance municipal services and infrastructure investments with minimal tax and utility rates that our citizens and businesses desire. At this writing, we are excited as our local economy continues to exhibit slow and deliberate recovery evidenced by building permits, company expansions, and job announcements. Measuring those impacts of real benefit and growth will require a long-term perspective. The resolve of the community's citizen and business leaders to stop talking about doing something, and instead making something happen through the Downtown Catalyst Project has resulted in enthusiasm and vitality of an invigorated community. It's an exciting time to be in and part of the City of High Point!

The management of the City of High Point continues to accept the challenge of managing all the City's resources in the best possible manner to support the City Council's Strategic Plan points in addition to their commitments and initiatives as well as to deliver municipal services at a cost its citizens will agree to bear. The use of fund balances has been required, necessary and strategically utilized to provide our citizens the financial stability and security they expect from their local government. The challenge presented the City can be accomplished through our coordinated planning efforts using the Annual Budget, the Capital Improvement Program, and strategic business planning.

Acknowledgments

The preparation of this year's report could not have been accomplished without the year-round dedication of the members of the Financial Services Department team, contributions from numerous City operating departments and their staff, and the assistance of the independent auditors, Cherry Bekaert, LLP.

We wish to especially thank the Mayor and City Council for their support and interest in conducting the financial operations of the City in a responsible and progressive manner. We also thank them for their continued trust, patience, support and commitment they have placed in the City administration as we serve our citizens, businesses, and visitors with exceptional quality services.

Respectfully submitted,

Gregory Demko
City Manager

Bobby Fitzjohn
Financial Services Director

HIGH POINT

NORTH CAROLINA'S INTERNATIONAL CITY™

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of High Point

North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

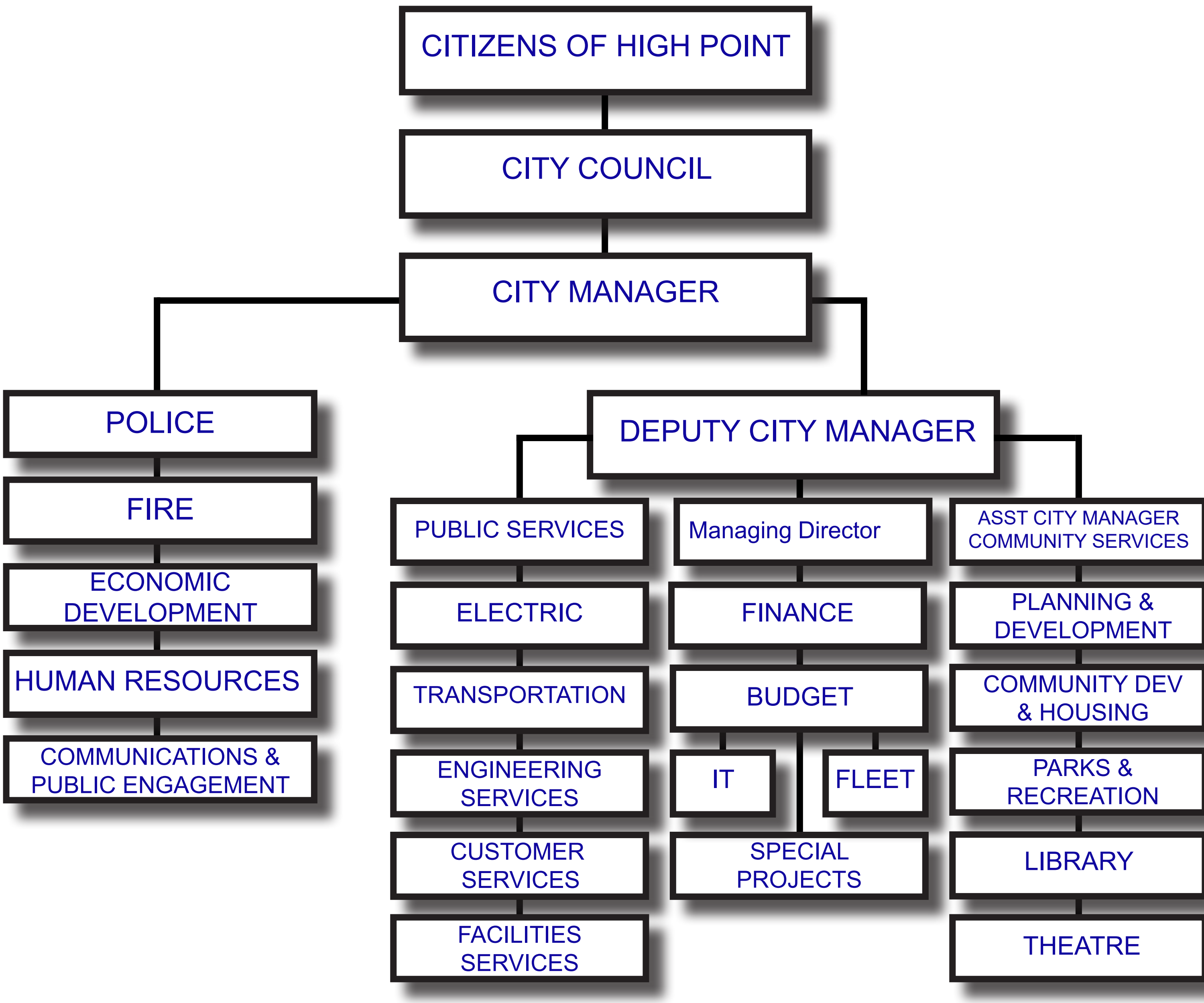
June 30, 2018

Christopher P. Morrill

Executive Director/CEO

The City of High Point Organization Chart

FY 2018-2019



Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

To the Honorable Mayor and
Members of the City Council
City of High Point, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the blended and discretely presented component units, each major fund, and the aggregate remaining fund information of the City of High Point, North Carolina (the "City") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City'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 did not audit the financial statements of Forward High Point (the "FHP"), a blended component unit, which represents .14%, .03%, and .13% of the assets, net position, and revenues, respectively, of the City's government-wide activities and 5.99%, .91%, and 3.23% of the assets, fund balance, and revenues, respectively, of the City's non-major governmental funds. We also did not audit the financial statements of the City of High Point ABC Board (the "Board") a discretely presented component unit as described in our report on the City's financial statements. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for FHP and the Board, is based solely on the reports of other auditors. 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 FHP and the Board 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 City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the blended and discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2019, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information ("RSI") 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 RSI 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 City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, statistical section, and Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. *Code of Federal Regulations,* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act, 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 the Schedule of Expenditures of Federal and State Awards 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, based on our audit and the procedures performed as described above, the combining and individual fund financial statements and schedules, and the Schedule of Expenditures of Federal and State Awards 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 October 31, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Raleigh, North Carolina
October 31, 2019

HIGH POINT

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of City of High Point's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the transmittal letter on page i and the City's financial statements, which begin on page 17.

FINANCIAL HIGHLIGHTS

The City continues to experience numerous positive results in this year's operations. Pleasingly, the City saw increases once again during the fiscal year. The City is financially sound as is evidenced in our results of operations for the fiscal year ended June 30, 2019.

- The assets and deferred outflows of resources for the City of High Point exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by more than $588 million. The net position for governmental activities decreased slightly to $189.5 million, and business-type net position improved to over $398 million, an increase of 5.9%.
- As of the close of the current fiscal year, the City of High Point's governmental funds reported combined ending fund balances of $54,302,067, a decrease of $23,069,831 in comparison with the prior year, primarily due to the construction of BB&T Point, the City's new baseball stadium. Approximately 22 percent of this total amount, or $12,361,508, is available for spending at the government's discretion in the General Fund. This amount represents nearly 11 percent of total general fund expenditures for the fiscal year completed.
- The City's coveted general obligation bond rating remains a stalwart benchmark to the City's fiscal health. A stable and slowly expanding economic engine, strong financial management and fiscal discipline have resulted in strong and consistent credit ratings. The City's rating of AAA from Standard & Poor's as well as the second highest possible ratings of Aa1 from Moody's and of AA+ from Fitch were reaffirmed in October 2018 when the City issued general obligation bonds.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 17–19) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 20. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the City as a Whole

Our analysis of the City as an entity begins on page 17. One of the most important questions asked about the City's finances is, "Is the City as a whole better or worse as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City in its entirety and about its activities in a way that helps answer this question. These statements include all assets, liabilities, and deferred inflows and outflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net financial position and changes in them. Readers are encouraged to think of the City's net position—the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources—as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. The reader must also consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's infrastructure, to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into three kinds of activities:

- Governmental activities—Most of the City's basic services are reported here, including the general administration, police, fire, public services, and parks and recreation departments. Property taxes, sales and occupancy taxes, intergovernmental revenues, along with various Federal and State grants finance most of these activities. The City's two blended component units are reported as part of governmental activities (see Notes of the Financial Statements, 1.A.).

- Business-type activities—The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's utility systems (water, sewer, electric, solid waste and storm water) and other business-type activities (mass transit and parking facilities) are reported here.

- Component units—The City includes a separate legal entity in its report—the High Point ABC Board. Although legally separate, this "component unit" is important because the City appoints the board. The City is not financially accountable for them, even though net profits are distributed to the City.

Reporting the City's Most Significant Funds

Our analysis of the City's major funds begins on page 20. The fund financial statements provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. The City's two types of funds—governmental and proprietary—use different methods of accounting.

Governmental funds—Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

Proprietary funds—When the City charges customers for the services it provides—whether to outside customers or to other units of the City—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services to the City's other programs and activities—such as the City's fleet services operations and health and wellness programs.

The City as Trustee

The City is a trustee responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

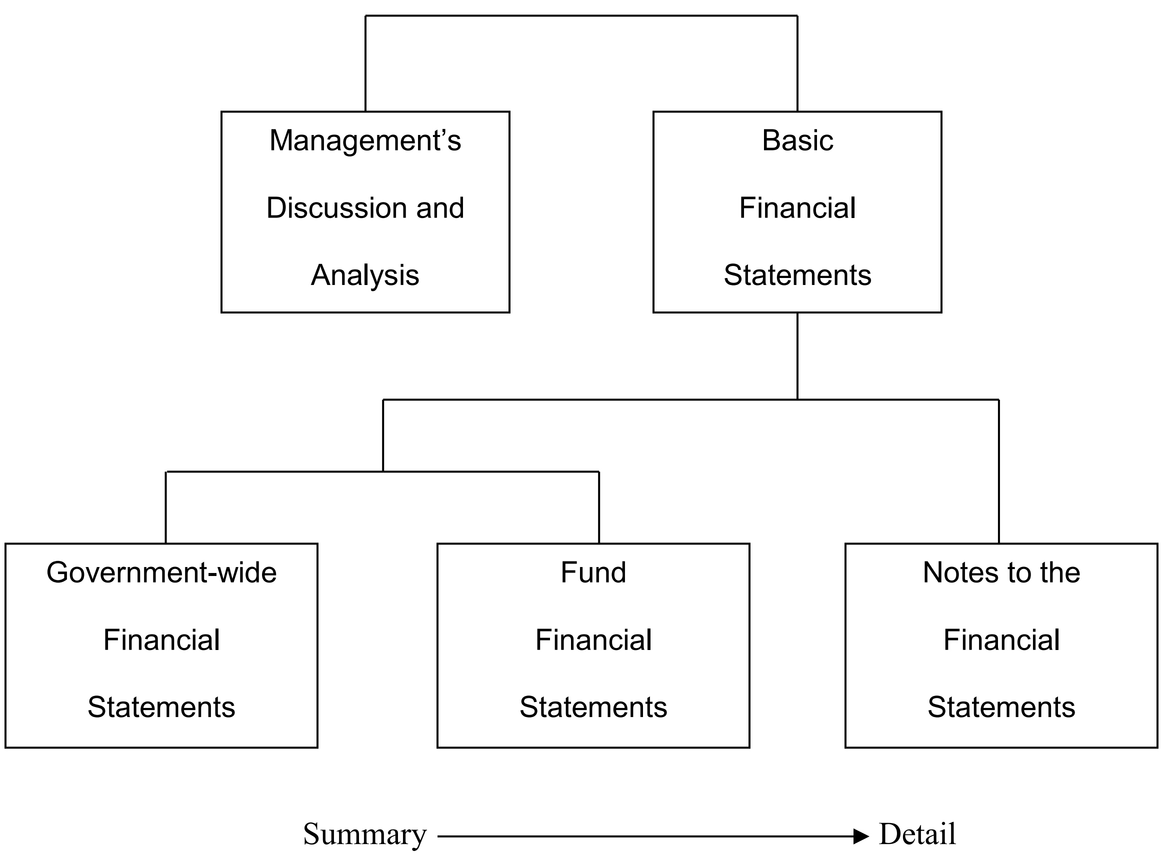
Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City's progress in funding its obligation to provide post-employment benefits through the Healthcare Benefits Plan, Law Enforcement Officers Special Separation Allowance and the City's participation in the Local Government Employee's Retirement System. Required supplementary information can be found beginning on page 79 of this report. The purpose of the remaining exhibits is to provide the information needed for financial reporting and accounting of those post-employment benefit plans.

THE CITY AS A WHOLE AND GOVERNMENT–WIDE FINANCIAL ANALYSIS

The government-wide financial statements for the fiscal year ended June 30, 2019 are presented in accordance with GASB Statement (GASBS) No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.

Required Components of Annual Financial Report ***Figure 1***



The City's combined net position increased almost $21.4 million (3.8%) this year to nearly $588 million from $567 million. The positive trends for the last seven fiscal years have combined for an overall increase of nearly $61 million (11.6%) from FY2012's total of $527 million. These results are resounding proof and testament to City Council's fiscal policies, priority-based budgeting, and prudent fiscal management during the prolonged economic recovery that the City is positioning itself as a stronger and leaner unit of local government. Our analysis below focuses on the net financial position (Table 1), and changes in net position (Table 2) of the City's governmental and business-type activities.

Net Position

Total net position for the City increased from over $567 million to nearly $588 million during FY2018-2019. As shown below, assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources by nearly $588 million at June 30, 2019. Net position for governmental activities decreased slightly as compared to the prior fiscal year. However, the City's business-type activities were responsible for the majority of the increase when compared to last fiscal year. The most significant factor was realizing revenues which exceeded expenditures for both governmental and business-type activities.

Table 1
Net Position
(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Assets						
Current and other assets	$ 69,122	$ 96,269	$233,937	$189,337	$303,059	$285,606
Capital Assets (net)	266,533	235,123	399,714	396,565	666,247	631,688
Total assets	335,655	331,392	633,651	585,902	969,306	917,294
Deferred Outflows						
Deferred Outflows of Resources	18,811	12,118	5,792	3,617	24,603	15,735
Liabilities						
Liabilities and payables	10,550	14,808	19,054	20,167	29,604	34,975
Long-term liabilities	150,477	137,168	209,193	183,142	359,670	320,310
Total liabilities	161,027	151,976	228,247	203,309	389,274	355,285
Deferred Inflows						
Deferred Inflows of Resources	3,938	1,215	12,458	9,648	16,396	10,863
Net Position						
Net investment in capital assets	169,391	150,225	224,234	229,783	393,625	380,008
Restricted	36,912	64,909	29,386	16,342	66,298	81,251
Unrestricted	(16,802)	(24,815)	145,118	130,437	128,316	105,622
Total net position	$189,501	$190,319	$398,738	$376,562	$588,239	$566,881

A large portion of the City's net position (66.9%) at June 30, 2019, represents net investment in capital assets, which are used to provide services to citizens. Net investment in capital assets is reported net of the outstanding related debt; however, resources to repay that debt must be provided in the future from current revenues. Restricted net position, 11.3% of the City's net position, represents resources that are subject to external restrictions, such as bond-related covenants. Unrestricted net position increased from $105.6 million in FY2017-2018 to $128.3 million in FY2018-2019.

The City has used and will continue to use the unrestricted net position in its business-type activities to finance the continuing operations of the enterprise operations of the City (Water and Sewer, Electric, Mass Transit, Parking, Solid Waste, and Storm Water), especially their related capital investments. Unrestricted net position in the governmental activities—the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—increased to ($16.8 million) as compared to ($24.8 million) in the prior year on the full-accrual entity-wide basis of presentation. The City has seen its healthy net unrestricted position fall the last several years as the Governmental Accounting Standards Board gives more attention to recognizing the long-term potential impact on the City's sponsored post-employment benefits (OPEB) as well as the City's participation in the State's sponsored and controlled Local Government Employees Retirement System (LGERS) and the Law Enforcement Officers' Special Separation Allowance (LEOSSA). Consequently, swings in actuarial assumptions and investment returns for those plans can produce large changes in the City's cumulative financial position. We believe citizens and bondholders will find a better measure of City's financial health by looking at governmental fund balances (net position) without those accrual changes required for those post-employment benefits. The City's intention is to continue to use the governmental unrestricted net position to address future capital budget needs and to provide a resource towards potential deficits which may arise from unfunded governmental mandates and legislative changes. These balances are also used as a tool to leverage the need for future tax increases as the demand for current and enhanced services continues to rise as the City addresses the priorities of its citizens.

Revenues and Expenses

The City's total revenues (excluding transfers and special items) increased 5% ($17.2 million) from the previous fiscal year. Charges for services experienced the greatest year-to-year increase. The increases came from the Water and Sewer Fund ($2.1 million) which was produced from the combination of a 3.0% rate increase in October 2018. Mass Transit Fund revenues showed a large increase as compared to the prior year due to a delay in timing of grant funding approval which delayed $1.2 million in revenues for FY 2017-2018 into FY 2018-2019. Though the property tax rate remained steady at 64.75 cents, property taxes exhibited an increase of $877 thousand from the prior year due to continued growth in property valuation. The City's investment earnings increased by over $3.3 (148%) million compared to the prior year.

The total cost of all programs and services increased 2.2 percent ($7.3 million) when compared to last fiscal year. The City continues to moderate increased demands for services and the resulting cost to City operations in continued response to the City Council's leadership to reduce governmental burden on our citizens and ratepayers. As in the last two years, increases were focused on programs for identified emphasis areas of livability, transparency, accountability and infrastructure. Results of operations show that public safety and community development/economic development display moderate increases and account for most of the governmental programs increases when compared to last fiscal year. Increases in business-type expenses were minimal at 1%, mainly attributable to increased operating and maintenance costs for the Water and Sewer Fund, with other services experiencing modest reductions in expenses. Purchases of electric power expenses decreased by 2.2% or $2.6 million as compared to the prior year.

Several aspects of the City's financial operations continue to positively influence the total government net position. These are highlighted as follows:

Table 2
Changes in Net Position
(In Thousands)

	Governmental Activities 2019	Governmental Activities 2018	Business-type Activities 2019	Business-type Activities 2018	Total Primary Government 2019	Total Primary Government 2018
City Revenues						
Program revenue:						
Charges for services	$ 27,260	$ 24,206	$ 204,999	$ 202,039	$ 232,259	$ 226,245
Operating grants and contributions	17,109	15,903	5,068	1,548	22,177	17,451
Capital grants and contributions	943	1,085	606	244	1,549	1,329
General revenue:						
Property taxes	62,942	62,065	-	-	62,942	62,065
Occupancy and other local taxes	2,586	2,360	-	-	2,586	2,360
Revenues and contributions not restricted to specific programs	31,804	29,960	-	-	31,804	29,960
Other	2,253	1,474	3,960	1,410	6,213	2,884
Total City revenues	144,897	137,053	214,633	205,241	359,530	342,294
City Expenses						
General Government	19,619	19,787	-	-	19,619	19,787
Public safety	60,900	57,741	-	-	60,900	57,741
Public and Environmental Services	22,782	23,525	-	-	22,782	23,525
Planning and Community Development	15,899	16,788	-	-	15,899	16,788
Cultural and Recreation	23,704	20,675	-	-	23,704	20,675
Interest expense and related debt service	3,948	2,997	-	-	3,948	2,997
Water and Sewer	-	-	50,920	48,661	50,920	48,661
Electric	-	-	119,241	121,885	119,241	121,885
Mass Transit	-	-	4,697	3,949	4,697	3,949
Parking	-	-	606	574	606	574
Solid Waste	-	-	12,296	11,275	12,296	11,275
Storm Water	-	-	3,560	3,014	3,560	3,014
Total City expenses	146,852	141,513	191,320	189,358	338,172	330,871
Increase (decrease) in net position before transfers	(1,955)	(4,460)	23,313	15,883	21,358	11,423
Transfers in (out)	1,137	1,187	(1,137)	(1,187)	-	-
Increase (decrease) in net position	(818)	(3,273)	22,176	14,696	21,358	11,423
Net position, beginning, as previously reported	190,319	196,950	376,562	363,152	566,881	560,102
Cumulative effect of change in accounting principle		(3,358)		(1,286)	-	(4,644)
Net position, beginning, as restated	190,319	193,592	376,562	361,866	566,881	555,458
Net position, ending	$ 189,501	$ 190,319	$ 398,738	$ 376,562	$ 588,239	$ 566,881

- The City's continued high collection of property taxes billed increased to a tax collection rate of 99.0%.
- The net position for business-type operations increased this year by $22.2 million as the City increased rates for water and sewer and held electric rates steady. These revenues from utility operations are being utilized to continue efforts to improve and replace the water and sewer, and electric system infrastructure and distribution system while holding the line on operating expenses fairly constant. Additionally, the target level of unrestricted net position is being used as part of a strategic capital plan to provide long-term solutions for maintaining the capital investments for the Water and Sewer fund while ultimately moderating future required water and sewer rate increases. The City also created a strategy beginning FY2015-2016 to build additional net position in the electric fund to provide future resources to moderate expected electric rate adjustments several years from now.

Governmental Activities

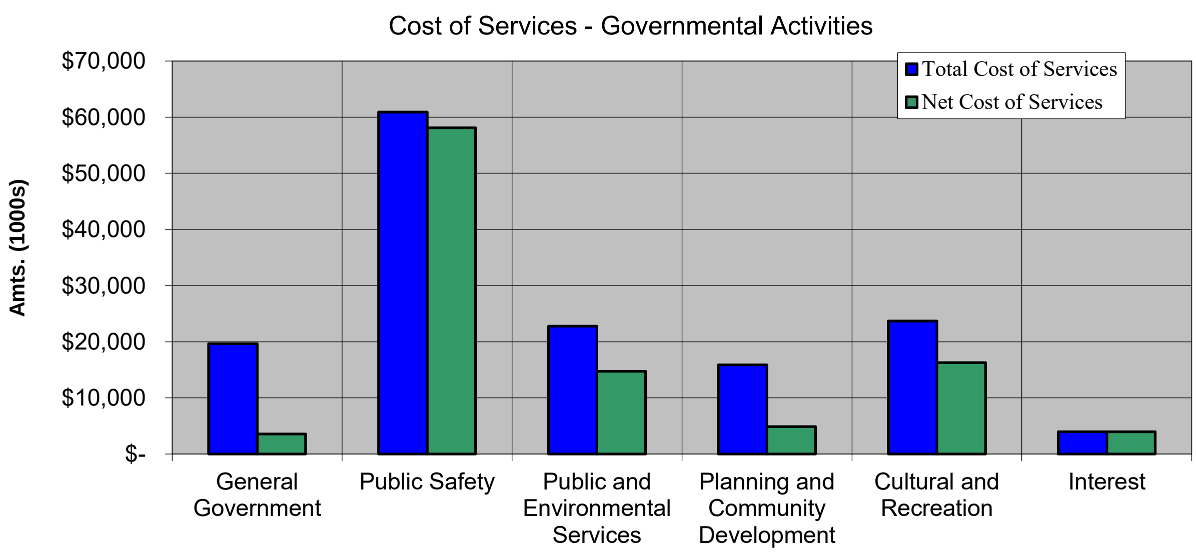
Property tax revenues increased $877 thousand compared to the prior year, primarily due to growth in valuation. Current real and personal property tax collections during fiscal year ended June 30, 2019 increased to 99.0% of the current levy. Sales and occupancy taxes increased $1.8 million as well from increasing economic activity.

Total governmental expenses increased $5.3 million as discussed above. Program revenues provided 31% of the support for governmental services.

Table 3 presents the cost of each of the City's programs—general government, public safety, public and environmental services, planning, community and economic development, cultural and recreation—as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

Table 3
Governmental Activities

	Total Cost of Services	Net Cost of Services
General Government	$ 19,618,763	$ 3,575,731
Public Safety	60,900,367	58,130,800
Public and Environmental Services	22,782,299	14,720,800
Planning, Community & Economic Development	15,898,598	4,859,392
Cultural and Recreation	23,703,990	16,305,589
Interest on long-term debt	3,947,980	3,947,980
Total	$ 146,851,997	$ 101,540,292



Business-type Activities

As highlighted earlier, charges for services of the City's business-type activities (see Table 2) increased $3 million as fees were increased for water and sewer services, in addition to increases from consumption.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

The focus of the City's governmental funds is to provide information on current inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of High Point's financing requirements. Specifically, fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the City completed the year, its governmental funds (as presented in the balance sheet) reported a combined fund balance of $54.3 million, a $23.1 million decrease over the prior fiscal year, primarily due to the construction of BB&T Point, the City's new baseball stadium. Of the total fund balances reported, $13.2 million was available to finance future expenditures, including $2 million committed formally by City Council for economic development and capital projects and $406 thousand assigned for various purposes as explained in the Notes to the Financial Statements.

The General Fund is the primary operating fund of the City of High Point. At the end of the current fiscal year, total fund balance of the General Fund was $27,541,986. The City Council has determined through formal policy that the City should maintain a minimum available fund balance (that is, total fund balance remaining after removing restrictions, commitments, and previous assignments) of 10% of the General Fund's expenditures in the event the City had an unforeseen need or opportunity, in addition to providing for cash flow needs. At June 30, 2019, total fund balance available for appropriation excluding restricted by state statute is 13.48%. The amount remaining after restrictions, commitments and assignments is 10.7% of the FY 2020 General Fund budget (exclusive of amounts included in the budget that are assigned and/or restricted for economic and market development, and expenditures budgeted to be financed with debt proceeds). The City Council may from time to time, appropriate fund balances that will reduce available fund balance below the 10% policy. The City did fall below the 10% policy as of June 30, 2018. In such circumstances, Council will adopt a plan to restore available fund balances to the policy level within 36 months, or other such appropriate time period. The City exceeded the 10% policy as of June 30, 2019, restoring the fund balance to the policy level.

The FY2019-2020 Annual Budget appropriated a total of $300,000 of the reported General Fund's spendable, unrestricted, unassigned fund balance to finance operations and capital improvements in the next fiscal year, leaving a balance of unassigned fund balance for future fiscal years of $11,955,416.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City budget several times. Generally, budget amendments fall into one of two categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; and 2) increases in appropriations that become necessary to maintain services. However, expenditures were held in check and the City was able to comply with its budgetary requirements.

General Fund Revenues on the Governmental Fund Basis

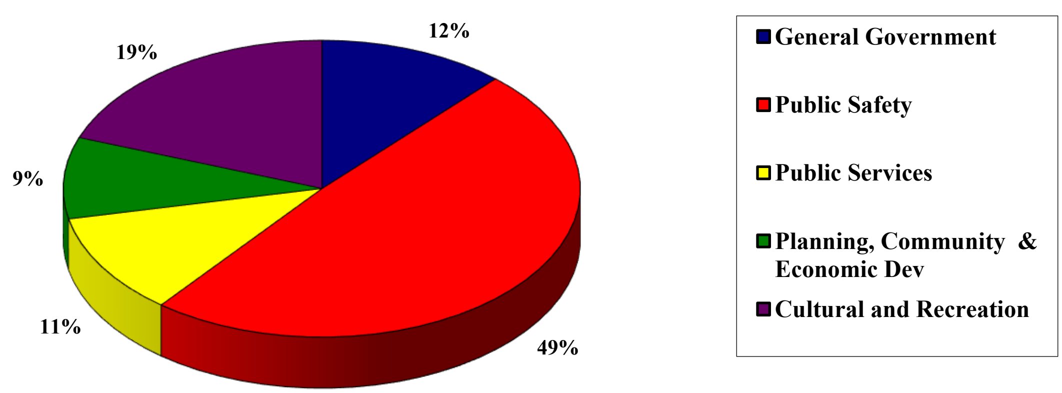
Revenue Sources	Actual Amount	Percent of Total	Increase (Decrease) from 2018
Property taxes...	$ 59,836,073	53.4%	$ 696,287
Occupancy taxes......................................	2,585,959	2.3%	209,105
Intergovernmental revenues...................	36,961,018	33.0%	1,852,681
Licenses and Permits................................	5,001,978	4.5%	332,785
Charges for services..................................	5,004,816	4.5%	156,487
Interest on investments...........................	906,441	0.8%	443,070
Miscellaneous revenues...........................	1,707,788	1.5%	1,195,754
	$ 112,004,073	100.0%	$ 4,886,169

The most significant component in General Fund revenues remains to be property taxes. All revenues have increased, including intergovernmental revenues, primarily made up of sales tax, and miscellaneous revenues, primarily made up of a one-time revenue associated with a settlement related to the lead and healthy homes grant.

General fund revenues recognized mostly positive budget variances for the fiscal year with actual results approaching $897 thousand above final budget. Departmental fiscal control in operating expenditure savings and personnel provided favorable budget savings as well. The City originally expected to draw down $3 million in fund balance for fiscal year 2018-2019; however, the city's exceptional fiscal control on spending and a one-time reduction in the debt service fund transfer resulted in an addition of $6.8 million to fund balance in fiscal year 2018-2019, returning the City to compliance with its fund balance policy.

General Fund Expenditures on the Governmental Fund Basis

Functions	Amount	Percent of Total	Increase (Decrease) from 2018
General Government...	$ 12,655,484	11.7%	$ (776,994)
Public Safety	52,739,194	49.0%	695,270
Public Services...	11,903,491	11.0%	(104,166)
Planning, Community and Economic Dev......................	9,568,879	8.9%	(1,499,623)
Cultural and Recreation..	20,930,318	19.4%	799,932
	$ 107,797,366	100.0%	$ (885,581)



The most significant changes in General Fund expenditures when compared to the previous fiscal year occurred in general government and community and economic development. General government expenditures decreased primarily due to higher than usual operating expense in the prior year including renovations and election costs. The primary reason for the reduction in community and economic development is related to the $1.5 million accrual related to the lead and healthy homes grant in the prior fiscal year.

Other Governmental Funds

The General Capital Projects Fund continues to be shown as a major fund in the current fiscal year. This presentation is required for FY 2019, due to larger than normal construction expenses. Regardless of the fund's status as a major project fund, the City presents it as such every year primarily due to the continued level of expenditures anticipated in future years that will require presentation as major.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2019, the City had over $1.5 billion invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines and electric infrastructure (See Table 4 below). This amount represents a net increase (including additions and deductions) of $66.8 million, or 4.4 percent, over last year. Most of the additions during the fiscal year continue to come from the expenditure of previously issued general obligation, limited obligation and revenue bonds. Additional information on the City's capital assets can be found in Notes to the Financial Statements (pages 47-50).

Table 4
Capital Assets
(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Land and land improvements	$ 21,059	$ 19,957	$ 12,222	$ 12,094	$ 33,281	$ 32,051
Intangibles	324	316	3,529	3,529	3,853	3,845
Construction in progress	65,166	35,532	88,832	77,579	153,998	113,111
Buildings and related improvements	74,824	73,887	108,368	108,231	183,192	182,118
Equipment	95,467	90,115	40,990	40,662	136,457	130,777
Infrastructure	559,713	551,245	516,773	507,329	1,076,486	1,058,574
Total capital assets	$ 816,553	$ 771,052	$ 770,714	$ 749,424	$ 1,587,267	$ 1,520,476

The City's FY 2019-2020 capital pay-as-you-go budget calls for spending another $36.1 million for infrastructure maintenance and capital projects as outlined below, principally for the utility system improvements and infrastructure.

These capital projects are budgeted as follows:

General Fund	$	4,310,000
Water & Sewer Fund		8,383,550
Electric		10,321,500
Solid Waste		2,266,000
Other		7,743,936
Total	$	33,024,986

Debt

At year-end, the City had approximately $288.6 million in bonds and notes outstanding versus $256.6 million last year—an increase of 12.5%—as shown in Table 5.

Table 5
Outstanding Debt
(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
General obligation bonds	$ 51,491	$ 49,446	$ 15,769	$ 19,644	$ 67,260	$ 69,090
Limited obligation bonds	35,000	35,000	-	-	35,000	35,000
Revenue bonds	-	-	165,517	136,686	165,517	136,686
Notes payable and installment contracts	18,256	12,419	2,609	3,391	20,865	15,810
Total outstanding debt	$ 104,747	$ 96,865	$ 183,895	$ 159,721	$ 288,642	$ 256,586

The City's general obligation bond rating continues to carry high and stable ratings from the three national rating agencies at June 30, 2019. Standard & Poor's rates the City's credit at AAA, the highest available. Moody's and Fitch rate the City's credit at Aa1 and AA+, respectively. The City's bond ratings are a clear indication of the sound financial management practices and solid financial condition of the City of High Point as affirmed by their most recent reports in May 2019. These high financial credit ratings are a primary factor in keeping interest costs low on the City's outstanding debt. The State limits the amount of general obligation debt that cities can issue to 8 percent of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt is significantly below this $778 million state-imposed limit.

Other obligations include accrued vacation and stipend pay, other post-employment benefits, pension liabilities for LGERS and LEOSSA, and closure/post-closure liabilities. More detailed information about the City's long-term liabilities is presented in the notes to the financial statements (pages 66-73).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the FY 2019-2020 budget and tax rates that support the governmental activities and fees that will be charged for the business-type activities. The property tax rate remains unchanged for FY 2019-2020 at 64.75 cents. Water and sewer consumption growth as well as electric load growth were projected to be largely flat for another year. A planned rate increase of 4% for Water and Sewer is budgeted to fund future debt service needs for the long-range bond financing plan for upgrades and improvements to the water and sewer system. Inflation in the City continues to be hedged slightly lower than the national Consumer Price Index (CPI) increase.

Highlighting City Manager Greg Demko's priorities originating in FY 2015-16 that addressed the enhancement of livability, transparency, accountability and infrastructure, the Annual Budget for FY 2019-2020 also continued funding for Council-adopted Strategic Goals to: (1) increase the population of active, engaged and entrepreneurial millennials living and working in the city by 25%; (2) proactively enforce 100% of housing and neighborhood codes; and (3) create a downtown catalyst project with a number of ancillary residential, commercial and job growth benefits. The adoption of the Annual Budget for FY 2019-2020 provided for all the above-mentioned factors and elements while continuing to provide the quality programs and services the City's residents have come to expect and enjoy.

The total General Fund budget appropriates $112.1 million, which is a decrease of 2.3 percent over the adopted 2019 budget of $114.7 million. As discussed above, property taxes remained at an approved rate of 64.75 cents. The City continues to review and evaluate strategic concepts employed during several prior fiscal years to hold operating costs not in strategic plans or identified priorities. The City is utilizing this strategy to maintain the high level of quality and services that our citizens, businesses, and visitors enjoy and are accustomed to receiving.

The City's business-type activities are also expected to maintain their strength or improve based on the following factors in the adoption of the Annual Budget for FY 2019-2020:

- Water and sewer rates were increased 4.0% as of October 1, 2019 consistent with the City's multiyear financial strategy for operations and capital financing. The fund is expected to maintain commitments for pay-as-you-go infrastructure and debt funded projects.
- Electric rates decreased 1.8% as of October 1,2019 due to a decrease in wholesale power costs from Electricities.
- Transit fares increased from $1.00 to $1.25 and senior/disabled fare increased from $0.50 to $0.60 as of April 1, 2019.
- There were no rate increases for the Parking Facilities, Solid Waste, nor Storm Water funds.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money received. If you have questions about this report or need additional financial information, contact the Financial Services Department, City of High Point, P.O. Box 230, High Point, NC 27261-0230.

CITY OF HIGH POINT, NORTH CAROLINA

STATEMENT OF NET POSITION

June 30, 2019

	PRIMARY GOVERNMENT			COMPONENT UNIT
	Governmental Activities	Business-type Activities	TOTAL	HIGH POINT ABC BOARD
ASSETS				
Cash and investments	$ 48,171,951	$ 170,217,203	$ 218,389,154	$ 3,306,518
Receivables:				
Taxes (net)	905,131	-	905,131	-
Accounts receivable and accrued revenue (net)	12,089,316	24,466,567	36,555,883	-
Notes (net)	5,332,513	-	5,332,513	-
Accrued interest	76,772	294,207	370,979	-
Internal balances	(6,054,718)	6,054,718	-	-
Long term interfund loan	(7,000,000)	7,000,000	-	-
Due from component unit	517,331	-	517,331	-
Inventory	381,142	7,151,727	7,532,869	1,456,311
Prepaid Items	101,903	145,917	247,820	56,804
Restricted Assets:				
Cash and investments	14,600,614	18,607,363	33,207,977	-
Capital Assets:				
Land, non-depreciable improvements, and construction in progress	86,340,886	12,221,546	98,562,432	689,656
Other capital assets, net of related depreciation	180,192,026	387,492,076	567,684,102	1,082,405
Total capital assets	266,532,912	399,713,622	666,246,534	1,772,061
TOTAL ASSETS	335,654,867	633,651,324	969,306,191	6,591,694
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources	18,811,517	5,791,791	24,603,308	213,792
TOTAL DEFERRED OUTFLOWS OF RESOURCES	18,811,517	5,791,791	24,603,308	213,792
LIABILITIES				
Accounts payable and accrued expenses	5,562,039	16,439,841	22,001,880	696,960
Accrued interest payable	858,878	1,037,344	1,896,222	-
Due to City of High Point	-	-	-	517,331
Due to other governments	-	-	-	29,818
Liabilities payable from restricted assets:				
Accounts payable and accrued expenses	3,501,068	-	3,501,068	-
Deposits and other liabilities	628,395	1,576,911	2,205,306	-
Long-term liabilities:				
Net pension liability - LGERS	20,120,305	6,721,084	26,841,389	363,205
Total pension liability - LEOSSA	12,753,352	-	12,753,352	-
Total OPEB liability	7,293,392	3,209,765	10,503,157	265,441
Due in one year	12,827,771	11,179,859	24,007,630	-
Due in more than one year	97,481,770	188,082,030	285,563,800	-
TOTAL LIABILITIES	161,026,970	228,246,834	389,273,804	1,872,755
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources	3,938,018	12,458,598	16,396,616	25,967
TOTAL DEFERRED INFLOWS OF RESOURCES	3,938,018	12,458,598	16,396,616	25,967
NET POSITION				
Net investment in capital assets	169,390,682	224,234,298	393,624,980	1,772,061
Restricted for:				
Stabilization by State Statute	17,305,700	-	17,305,700	-
Debt service	13,142,389	-	13,142,389	-
Capital projects	-	9,539,717	9,539,717	-
Rate stabilization	-	19,447,152	19,447,152	-
Community and economic development	280,816	-	280,816	-
Grant programs	5,425,478	399,117	5,824,595	-
Transportation	757,978	-	757,978	-
High Point ABC Board Working Capital	-	-	-	595,986
Unrestricted	(16,801,647)	145,117,399	128,315,752	2,538,717
TOTAL NET POSITION	$ 189,501,396	$ 398,737,683	$ 588,239,079	$ 4,906,764

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

CITY OF HIGH POINT, NORTH CAROLINA

Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General Government	$ 19,618,763	$ 15,721,430	$ 8,150	$ 313,452
Public Safety	60,900,367	782,124	1,987,443	-
Public and Environmental Services	22,782,299	1,887,212	5,623,220	551,067
Planning/Community and Economic Development	15,898,598	5,155,475	5,883,731	-
Cultural and Recreation	23,703,990	3,713,591	3,606,310	78,500
Interest and Fiscal Charges	3,947,980	-	-	-
Total governmental activities	146,851,997	27,259,832	17,108,854	943,019
Business-type activities:				
Water and Sewer	50,919,362	54,261,505	411,211	606,109
Electric	119,241,152	129,914,488	667,301	-
Mass Transit	4,697,373	839,169	3,889,594	-
Parking	605,963	271,562	-	-
Solid Waste	12,295,693	14,433,007	86,111	-
Stormwater	3,560,320	5,279,605	13,012	-
Total business-type activities	191,319,863	204,999,336	5,067,229	606,109
Total primary government	$ 338,171,860	$ 232,259,168	$ 22,176,083	$ 1,549,128
Component unit:				
High Point ABC Board	$ -	$ -	$ -	$ -
Total component unit	$ -	$ -	$ -	$ -

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

CITY OF HIGH POINT, NORTH CAROLINA

Statement of Activities
For the Year Ended June 30, 2019

	Net Revenue (Expense) and Change in Net Position			Component Unit
	Primary Government			
Functions/Programs	Governmental Activities	Business-type Activities	Total	ABC Board
Primary Government:				
Governmental activities:				
General Government	$ (3,575,731)	$ -	$ (3,575,731)	$ -
Public Safety	(58,130,800)	-	(58,130,800)	-
Public and Environmental Services	(14,720,800)	-	(14,720,800)	-
Planning/Community and Economic Development	(4,859,392)	-	(4,859,392)	-
Cultural and Recreation	(16,305,589)	-	(16,305,589)	-
Interest and Fiscal Charges	(3,947,980)	-	(3,947,980)	-
Total governmental activities	(101,540,292)	-	(101,540,292)	-
Business-type activities:				
Water and Sewer	-	4,359,463	4,359,463	-
Electric	-	11,340,637	11,340,637	-
Mass Transit	-	31,390	31,390	-
Parking	-	(334,401)	(334,401)	-
Solid Waste	-	2,223,425	2,223,425	-
Stormwater	-	1,732,297	1,732,297	-
Total business-type activities	-	19,352,811	19,352,811	-
Total primary government	$ (101,540,292)	$ 19,352,811	$ (82,187,481)	$ -
Component unit:				
High Point ABC Board	$ -	$ -	$ -	$ 54,162
Total component unit	$ -	$ -	$ -	$ 54,162
General revenues:				
Property taxes	$ 62,942,486	$ -	$ 62,942,486	$ -
Occupancy and other local taxes	2,585,959	-	2,585,959	-
Revenues and contributions not restricted to specific programs	31,804,685	-	31,804,685	2,602
Gain on the disposal of capital assets	623,304	-	623,304	-
Investment earnings	1,629,298	3,959,723	5,589,021	9,351
Total general revenues not including transfers	99,585,732	3,959,723	103,545,455	11,953
Transfers	1,136,945	(1,136,945)	-	-
Total general revenues and transfers	100,722,677	2,822,778	103,545,455	11,953
Change in net position	(817,615)	22,175,589	21,357,974	66,115
Net position - beginning	190,319,011	376,562,094	566,881,105	4,840,649
Net position - ending	$ 189,501,396	$ 398,737,683	$ 588,239,079	$ 4,906,764

CITY OF HIGH POINT, NORTH CAROLINA

Balance Sheet
Governmental Funds
June 30, 2019

	Major Funds			
	General Fund	**General Capital Projects Fund**	**Non-Major Governmental Funds**	**Total Governmental Funds**
ASSETS				
Cash and investments	$ 21,991,058	$ 6,250,542	$ 13,240,140	$ 41,481,740
Receivables (net):				
Taxes	905,131	-	-	905,131
Accounts receivable and accrued revenue	9,305,531	1,002,406	1,645,968	11,953,905
Notes and loans, net	-	-	5,332,513	5,332,513
Accrued interest	49,127	-	25,907	75,034
Due from other funds	144,772	-	-	144,772
Due from component unit	517,331	-	-	517,331
Prepaid items	101,903	-	-	101,903
Restricted assets:				
Cash and investments	1,646,090	11,611,165	1,343,359	14,600,614
TOTAL ASSETS	34,660,943	18,864,113	21,587,887	75,112,943
LIABILITIES				
Accounts payable and accrued expenses	$ 4,705,577	$ 166,783	$ 199,547	$ 5,071,907
Due to other funds	-	7,600,000	144,772	7,744,772
Liabilities payable from restricted assets:				
Accounts payable and accrued expenses	-	3,390,927	254,913	3,645,840
Deposits and other liabilities	628,395	-	-	628,395
TOTAL LIABILITIES	5,333,972	11,157,710	599,232	17,090,914
DEFERRED INFLOWS OF RESOURCES				
Unavailable taxes	905,129	-	-	905,129
Deferred taxes and licenses	10,346	-	-	10,346
Unavailable grant receivables	869,510	992,117	894,309	2,755,936
Deferred grants receivables	-	-	48,551	48,551
TOTAL DEFERRED INFLOWS OF RESOURCES	1,784,985	992,117	942,860	3,719,962
FUND BALANCES				
Non Spendable:				
Prepaid items	101,903	-	-	101,903
Restricted:				
Stabilization by state statute	12,294,000	2,591,220	2,420,480	17,305,700
Community and economic development	-	-	195,718	195,718
Grant programs	-	-	5,425,478	5,425,478
Transportation	757,978	-	-	757,978
Debt service	-	-	13,142,389	13,142,389
Capital projects	-	4,123,066	-	4,123,066
Committed:				
Public safety	692,212	-	-	692,212
Economic development	1,332,343	-	-	1,332,343
Market development	2,042	-	-	2,042
Assigned:				
Subsequent year's expenditures	300,000	-	-	300,000
General government	20,000	-	-	20,000
Public safety	8,193	-	-	8,193
Culture & recreation	10,491	-	-	10,491
Public services and transportation	67,408	-	-	67,408
Unassigned	11,955,416	-	(1,138,270)	10,817,146
TOTAL FUND BALANCES	27,541,986	6,714,286	20,045,795	54,302,067
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 34,660,943	$ 18,864,113	$ 21,587,887	$ 75,112,943

Fund balances as reported above	$ 54,302,067
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	242,057,041
Internal service funds used to allocate costs among the funds are included in the statement of net position.	26,080,551
Internal service funds profit/loss is allocated to the business-type funds in the statement of net position.	(6,054,718)
Some liabilities are not payable in the current period and are therefore not reported in the funds.	(145,176,670)
Pension related deferred outlfows	18,433,834
Pension related deferred inflows	(3,801,774)
Receivables that are not available to pay for current-period expenditures are reported as deferred inflows in the funds.	3,661,065
Net position of governmental activities	$ 189,501,396

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

CITY OF HIGH POINT, NORTH CAROLINA

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	Major Funds			
	General Fund	General Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 59,836,073	$ -	$ 3,273,191	$ 63,109,264
Occupancy and other local taxes	2,585,959	-	-	2,585,959
Intergovernmental	36,961,018	2,091,652	5,874,766	44,927,436
Licenses and permits	5,001,978	-	-	5,001,978
Charges for services	5,004,816	-	-	5,004,816
Interest on investments	906,441	61,277	591,064	1,558,782
Sale of capital assets	189,000	-	963,832	1,152,832
Administrative reimbursements	-	-	-	-
Miscellaneous	1,518,788	1,572,855	2,802,100	5,893,743
Total revenues	112,004,073	3,725,784	13,504,953	129,234,810
Expenditures:				
General government	12,651,323	-	-	12,651,323
Public safety	52,334,257	3,051,239	1,369,822	56,755,318
Public services - transportation	11,653,914	2,729,733	1,848,507	16,232,154
Public services - environmental services	249,577	-	-	249,577
Community and economic development	9,568,879	30,000	6,879,630	16,478,509
Cultural and recreation	20,930,318	32,117,297	338,984	53,386,599
Debt service:				
Principal retirement	355,960	-	5,263,356	5,619,316
Interest and fiscal charges	53,138	43,323	3,942,182	4,038,643
Total expenditures	107,797,366	37,971,592	19,642,481	165,411,439
Excess (deficiency) of revenue over (under) expenditures	4,206,707	(34,245,808)	(6,137,528)	(36,176,629)
Other financing sources (uses):				
Bond issuance premium	-	214,853	-	214,853
General obligation bonds refunded	-	6,600,000	-	6,600,000
Installment purchases issuance	5,155,000	-	-	5,155,000
Transfers in	1,160,000	2,330,323	1,582,374	5,072,697
Transfers in related to payments in lieu of taxes	897,139	-	-	897,139
Transfers out	(4,584,571)	(248,320)	-	(4,832,891)
Total other financing sources (uses)	2,627,568	8,896,856	1,582,374	13,106,798
Net change in fund balances	6,834,275	(25,348,952)	(4,555,154)	(23,069,831)
Fund balances, beginning	20,707,711	32,063,238	24,510,025	77,280,974
Fund balances, beginning, blended component unit	-	-	90,924	90,924
Fund balances, ending	$ 27,541,986	$ 6,714,286	$ 20,045,795	$ 54,302,067

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

CITY OF HIGH POINT, NORTH CAROLINA

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2019

Net change in fund balances - total governmental funds	$	(23,069,831)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds; Revenues received in FY 18-19 in the funds but recorded / accrued in FY 17-18 on the Statement of Activities		497,619
Principal payments are reported as decreases in liabilities in the Statement of Net Position, but reported as expenditures in the funds		5,619,316
Capital outlays are reported as increases in assets in the Statement of Net Position, but reported as an expenditure in the funds		40,339,360
Depreciation is recognized as an expense in the Statement of Activities, but is not reported in the funds		(11,994,047)
Infrastructure contributed by developers is considered capital contribution for the Statement of Activities, but is not reported in the funds		629,567
Capital outlays and the sale of capital assets for blended component units are treated as revenues and expenditures in the funds		58,055
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 governmental funds; current year contributions to the pension plan are not included in the Statement of Activities		(1,178,817)
Proceeds from bond, federal loan, and installment purchase issuances is reported as increases in liabilities in the Statement of Activities, but reported as revenue in the funds		(11,969,853)
Gain (loss) on the disposal of capital assets is recorded in the Statement of Activities (excludes internal service fund gain/loss)		17,992
Proceeds from the sale of capital assets are included in the Gain/Loss on disposal in the Statement of Activities, but reported as revenues in the funds		(185,000)
Internal service funds are used by management to charge the costs of certain activities, such as facilities maintenance, fleet services and telecommunications to individual funds. The net revenue (expense) of the internal service funds is allocated and reported with governmental activities in the Statement of Activities.		1,032,229
Internal service funds current year profit/loss is allocated to the business-type funds in the Statement of Activities		(614,205)
Change in net position of governmental activities	$	(817,615)

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

CITY OF HIGH POINT, NORTH CAROLINA

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

	Budget Original	Budget Final	Actual	Variance From Final Budget Positive (Negative)
Revenues:				
Property taxes	$ 61,112,628	$ 61,112,628	$ 59,836,073	$ (1,276,555)
Occupancy and other local taxes	2,340,000	2,355,000	2,585,959	230,959
Intergovernmental	37,106,834	37,142,006	36,961,018	(180,988)
Licenses and permits	4,421,150	4,518,150	5,001,978	483,828
Charges for services	4,988,064	5,048,064	5,004,816	(43,248)
Interest on investments	380,000	380,000	906,441	526,441
Sale of capital assets	-	185,000	189,000	4,000
Miscellaneous	365,875	365,875	1,518,788	1,152,913
Total revenues	110,714,551	111,106,723	112,004,073	897,350
Expenditures:				
General government	14,235,128	14,379,553	12,655,484	1,724,069
Public safety	53,032,782	54,526,222	52,739,194	1,787,028
Public services - transportation	12,121,303	13,429,371	11,653,914	1,775,457
Public services - environmental services	268,041	273,698	249,577	24,121
Community and economic development	9,475,037	9,691,864	9,568,879	122,985
Cultural and recreation	20,683,097	21,349,028	20,930,318	418,710
Total expenditures	109,815,388	113,649,736	107,797,366	5,852,370
Excess (deficiency) of revenues over (under) expenditures	899,163	(2,543,013)	4,206,707	6,749,720
Other financing sources (uses):				
Proceeds from installment purchases	2,100,000	2,100,000	5,155,000	3,055,000
Transfers in	1,160,000	1,160,000	1,160,000	-
Transfers in related to payment in lieu of taxes	897,139	897,139	897,139	-
Transfers out	(8,099,314)	(8,657,784)	(4,584,571)	4,073,213
Appropriated fund balance	3,043,012	7,043,658	-	(7,043,658)
Total other financing sources (uses)	(899,163)	2,543,013	2,627,568	84,555
Net change in fund balance	$ -	$ -	6,834,275	$ 6,834,275
Fund balances, beginning			20,707,711	
Fund balances, ending			$ 27,541,986	

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

CITY OF HIGH POINT, NORTH CAROLINA

Statement of Net Position
Proprietary Funds
June 30, 2019

	Major Funds Business-type Activities -Enterprise Funds	
	WATER AND SEWER	ELECTRIC
ASSETS		
Current assets		
Cash and investments	$ 58,084,669	67,370,699
Receivables:		
Accounts and grants (net)	5,678,071	15,643,796
Accrued interest	100,526	117,862
Inventory	-	7,077,071
Prepaid expenses	-	-
Total current assets	63,863,266	90,209,428
Noncurrent assets		
Restricted assets:		
Cash and investments	17,370,476	1,184,921
Interfund loan receivable	-	2,000,000
Capital assets:		
Land	7,717,480	895,605
Buildings and other improvements	74,337,191	154,965
Equipment	13,726,361	15,086,680
Infrastructure	380,320,090	119,299,709
Intangibles	-	3,529,311
Construction in progress	73,659,574	6,349,856
Less accumulated depreciation	(238,093,367)	(95,956,593)
Total capital assets (net of accumulated depreciation)	311,667,329	49,359,533
Total noncurrent assets	329,037,805	52,544,454
Total Assets	392,901,071	142,753,882
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources	1,800,490	2,089,045
Total Deferred Outflows of Resources	1,800,490	2,089,045
LIABILITIES		
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	3,770,181	11,090,060
Current maturities of long-term debt	8,734,657	-
Current maturities of compensated absences	343,427	413,165
Current maturities of stipends	35,475	31,350
Accrued interest payable	944,180	-
Deposits	387,115	1,184,921
Total current liabilities	14,215,035	12,719,496
Noncurrent liabilities		
Accrued closure/postclosure costs	-	-
Net pension liability	2,085,576	2,466,724
Loans payable	1,826,092	-
Total other post employment benefits liability	1,018,806	923,228
General obligation bonds payable	5,146,949	-
Revenue bonds payable	159,682,192	-
Obligation under installment purchases	-	-
Stipends payable	54,450	45,787
Compensated absences	169,637	176,526
Total Noncurrent liabilities	169,983,702	3,612,265
Total Liabilities	184,198,737	16,331,761
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources	8,645,040	422,622
Total Deferred Inflows of Resources	8,645,040	422,622
NET POSITION		
Net Position		
Net investment in capital assets	145,075,877	49,359,533
Restricted for capital projects	9,539,717	-
Restricted for rate stabilization	-	19,447,152
Restricted for grant programs		-
Unrestricted	47,242,190	59,281,859
Total Net Position	$ 201,857,784	$ 128,088,544

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

CITY OF HIGH POINT, NORTH CAROLINA

Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-type Activities -Enterprise Funds		Governmental Activities
	NONMAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE	INTERNAL SERVICE FUND
ASSETS			
Current assets			
Cash and investments	$ 44,761,835	$ 170,217,203	$ 6,690,211
Receivables:			
Accounts and grants (net)	3,144,700	24,466,567	135,411
Accrued interest	75,819	294,207	1,738
Inventory	74,656	7,151,727	381,142
Prepaid expenses	145,917	145,917	-
Total current assets	48,202,927	202,275,621	7,208,502
Noncurrent assets			
Restricted assets:			
Cash and investments	51,966	18,607,363	-
Interfund loan receivable	5,000,000	7,000,000	600,000
Capital assets:			
Land	3,608,461	12,221,546	37,740
Buildings and other improvements	33,875,370	108,367,526	1,216,529
Equipment	12,177,160	40,990,201	54,990,690
Infrastructure	17,152,917	516,772,716	-
Intangibles	-	3,529,311	-
Construction in progress	8,823,012	88,832,442	-
Less accumulated depreciation	(36,950,160)	(371,000,120)	(31,769,088)
Total capital assets (net of accumulated depreciation)	38,686,760	399,713,622	24,475,871
Total noncurrent assets	43,738,726	425,320,985	25,075,871
Total Assets	91,941,653	627,596,606	32,284,373
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources	1,902,256	5,791,791	377,683
Total Deferred Outflows of Resources	1,902,256	5,791,791	377,683
LIABILITIES			
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	1,579,600	16,439,841	345,360
Current maturities of long-term debt	983,366	9,718,023	1,256,082
Current maturities of compensated absences	279,592	1,036,184	81,425
Current maturities of stipends	70,951	137,776	2,475
Accrued interest payable	93,164	1,037,344	-
Deposits	4,875	1,576,911	-
Total current liabilities	3,011,548	29,946,079	1,685,342
Noncurrent liabilities			
Accrued closure/postclosure costs	13,420,687	13,420,687	-
Net pension liability	2,168,784	6,721,084	445,567
Loans payable	-	1,826,092	-
Total other post employment benefits liability	1,267,731	3,209,765	169,101
General obligation bonds payable	7,521,926	12,668,875	-
Revenue bonds payable	-	159,682,192	-
Obligation under installment purchases	-	-	4,154,668
Stipends payable	143,963	244,200	14,025
Compensated absences	181,697	527,860	35,455
Total Noncurrent liabilities	24,704,788	198,300,755	4,818,816
Total Liabilities	27,716,336	228,246,834	6,504,158
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources	3,390,936	12,458,598	77,347
Total Deferred Inflows of Resources	3,390,936	12,458,598	77,347
NET POSITION			
Net Position			
Net investment in capital assets	29,798,888	224,234,298	19,065,121
Restricted for capital projects	-	9,539,717	-
Restricted for rate stabilization	-	19,447,152	-
Restricted for grant programs	399,117	399,117	-
Unrestricted	32,538,632	139,062,681	7,015,430
Total Net Position	$ 62,736,637	$ 392,682,965	$ 26,080,551

Reconciliation to the Statement of Net Position:	
Net position of enterprise funds	$ 392,682,965
Adjustment to reflect the profit/loss distribution of internal service fund activities	6,054,718
Net position of business-type activities	$ 398,737,683

CITY OF HIGH POINT, NORTH CAROLINA

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Major Funds	
	Business-type - Enterprise Funds	
	WATER AND SEWER	ELECTRIC
Operating revenues		
Charges for services	$ 52,420,739	$ 129,807,472
Licenses and permits	-	-
Intergovernmental	411,211	644,889
Miscellaneous	145,461	107,016
Total operating revenues	52,977,411	130,559,377
Operating expenses		
Management and administration	6,804,033	4,894,858
Maintenance and distribution	10,461,293	16,677,447
Power purchases	-	91,410,683
Treatment plants	10,012,654	-
Other services and charges	2,534,232	3,160,681
Depreciation and amortization	12,617,583	3,215,765
Total operating expenses	42,429,795	119,359,434
Operating income (loss)	10,547,616	11,199,943
Nonoperating revenues (expenses)		
Interest on investments	1,204,598	1,653,096
Other intergovernmental reimbursements	-	22,412
Miscellaneous and other nonoperating	804,419	-
Interest expense and fiscal charges	(6,981,028)	-
Amortization of gain on refunding	890,886	-
Gain (loss) on disposal of capital assets	(1,650,167)	-
Total nonoperating revenues (expenses)	(5,731,292)	1,675,508
Income (loss) before capital contributions and transfers	4,816,324	12,875,451
Capital contributions	606,109	-
Transfers in	-	-
Transfers out	(150,000)	(2,107,139)
Change in net position	5,272,433	10,768,312
Total net position - beginning	196,585,351	117,320,232
Total net position - ending	$ 201,857,784	$ 128,088,544

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

CITY OF HIGH POINT, NORTH CAROLINA

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Business-type - Enterprise Funds		Governmental Activities
	NON MAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUND
Operating revenues			
Charges for services	$ 20,390,694	$ 202,618,905	$ 30,571,490
Licenses and permits	393,607	393,607	-
Intergovernmental	3,988,717	5,044,817	-
Miscellaneous and other	-	252,477	105,285
Total operating revenues	24,773,018	208,309,806	30,676,775
Operating expenses			
Management and administration	18,422,165	30,121,056	26,186,945
Maintenance and distribution	-	27,138,740	-
Power purchases	-	91,410,683	-
Treatment plants	-	10,012,654	-
Other services and charges	-	5,694,913	-
Depreciation and amortization	2,719,148	18,552,496	4,496,830
Total operating expenses	21,141,313	182,930,542	30,683,775
Operating income (loss)	3,631,705	25,379,264	(7,000)
Nonoperating revenues (expenses)			
Interest on investments	1,102,029	3,959,723	70,516
Other intergovernmental reimbursements	-	22,412	-
Miscellaneous and other nonoperating	39,042	843,461	133,390
Interest expense and fiscal charges	(371,648)	(7,352,676)	(83,441)
Amortization of gain on refunding	-	890,886	-
Gain (loss) on disposal of capital assets	(683)	(1,650,850)	549,641
Total nonoperating revenues (expenses)	768,740	(3,287,044)	670,106
Income (loss) before capital contributions and transfers	4,400,445	22,092,220	663,106
Capital contributions	-	606,109	369,123
Transfers in	1,120,194	1,120,194	-
Transfers out	-	(2,257,139)	-
Change in net position	5,520,639	21,561,384	1,032,229
Total net position - beginning	57,215,998	371,121,581	25,048,322
Total net position - ending	$ 62,736,637	$ 392,682,965	$ 26,080,551

Reconciliation to the Statement of Activities:

Change in net position of enterprise funds	$ 21,561,384
Adjustment to reflect the profit/loss distribution of internal service fund activities	614,205
Change in net position - business-type activities	$ 22,175,589

CITY OF HIGH POINT, NORTH CAROLINA

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Major Funds	
	Business-Type - Enterprise Funds	
	WATER AND SEWER	ELECTRIC
Cash Flows From Operating Activities		
Receipts from customers and users	$ 52,662,802	$ 130,594,958
Receipts from interfund services provided	-	-
Payments to employees and related fringe benefits	(9,020,343)	(10,006,574)
Payments to suppliers and operating costs	(20,279,145)	(108,567,598)
Net Cash provided (used) by Operating Activities	23,363,314	12,020,786
Cash Flows From Non Capital Financing Activities		
Transfers in	-	-
Transfers out	(150,000)	(2,107,139)
Advances from/(to) other funds	-	-
Nonoperating grant and miscellaneous	804,419	22,412
Net Cash provided (used) by Non-Capital Financing Activities	654,419	(2,084,727)
Cash Flows From Capital and Related Financing Activities		
Proceeds from issuance of long-term debt	54,548,453	-
Payment to trustee for refunded bonds	(17,512,493)	-
Principal payments on long-term debt	(9,520,828)	-
Interest payments and fiscal charges on long-term debt	(7,139,365)	-
Interest payments capitalized	-	-
Proceeds collected on the sale of capital assets	-	-
Acquisition and construction of capital assets	(14,973,028)	(3,865,559)
Net Cash provided by (used in) Capital and Related Financing Activities	5,402,739	(3,865,559)
Cash Flows From Investing Activities		
Interest earned on investments	1,163,584	1,616,027
Net Cash provided by Investing Activities	1,163,584	1,616,027
Net increase (decrease) in cash and investments	30,584,056	7,686,527
Cash and investments at the beginning of the year	44,871,089	60,869,093
Cash and investments at the end of the year	$ 75,455,145	$ 68,555,620
Operating income (loss)	$ 10,547,616	$ 11,199,943
Adjustments to reconcile Operating Income (Loss) to		
Net Cash Provided by Operating Activities:		
Depreciation and amortization	12,617,583	3,215,765
Prior Period Adjustment for GASB 75	-	-
Change in net position		
(Increase) decrease in Accounts Receivable	(335,789)	(12,971)
(Increase) decrease in Inventories	-	(561,945)
(Increase) decrease in Prepaid Expenses	-	-
(Increase) decrease in Deferred Outflows of Resources-Pensions	(531,218)	(727,526)
(Increase) decrease in Deferred Outflows of Resources-OPEB	(73,657)	(66,228)
Increase (decrease) in Payables and Accrued Expenses	382,873	(2,004,313)
Increase (decrease) in Deposits	21,180	48,552
Increase (decrease) in Stipends Liability	5,775	5,775
Increase (decrease) in Vacation Leave Accrual	41,464	10,725
Increase (decrease) in Net Pension Liability	647,545	892,965
Increase (decrease) in Total OPEB Liability	(290,666)	(272,730)
Increase (decrease) in Deferred Inflows of Resources-Pensions	(43,373)	(45,655)
Increase (decrease) in Deferred Inflows of Resources-OPEB	373,981	338,429
Increase (decrease) in Unearned Revenue	-	-
Total adjustments	12,815,698	820,843
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 23,363,314	$ 12,020,786
NONCASH FINANCING ACTIVITIES		
Capital assets contributed by developers and other funds	$ 606,109	$ -

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

CITY OF HIGH POINT, NORTH CAROLINA

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Business-Type - Enterprise Funds		Governmental Activities
	NONMAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUND
Cash Flows From Operating Activities			
Receipts from customers and users	$ 23,475,147	$ 206,732,907	$ 5,047,941
Receipts from interfund services provided	-	-	25,628,084
Payments to employees and related fringe benefits	(9,235,553)	(28,262,470)	(1,706,016)
Payments to suppliers and operating costs	(7,884,089)	(136,730,832)	(24,748,465)
Net Cash provided (used) by Operating Activities	6,355,505	41,739,605	4,221,544
Cash Flows From Non Capital Financing Activities			
Transfers in	1,120,194	1,120,194	-
Transfers out	-	(2,257,139)	-
Advances from/(to) other funds	-	-	400,000
Nonoperating grant and miscellaneous	56,821	883,652	133,390
Net Cash provided (used) by Non-Capital Financing Activities	1,177,015	(253,293)	533,390
Cash Flows From Capital and Related Financing Activities			
Proceeds from issuance of long-term debt	-	54,548,453	1,845,000
Payment to trustee for refunded bonds	-	(17,512,493)	-
Principal payments on long-term debt	(891,410)	(10,412,238)	(1,061,019)
Interest payments and fiscal charges on long-term debt	(430,931)	(7,570,296)	(83,441)
Interest payments capitalized	-	-	
Proceeds collected on the sale of capital assets	6,591	6,591	662,687
Acquisition and construction of capital assets	(3,931,659)	(22,770,246)	(6,025,470)
Net Cash provided by (used in) Capital and Related Financing Activities	(5,247,409)	(3,710,229)	(4,662,243)
Cash Flows From Investing Activities			
Interest earned on investments	1,080,281	3,859,892	70,327
Net Cash provided by Investing Activities	1,080,281	3,859,892	70,327
Net increase (decrease) in cash and investments	3,365,392	41,635,975	163,018
Cash and investments at the beginning of the year	41,448,409	147,188,591	6,527,193
Cash and investments at the end of the year	$ 44,813,801	$ 188,824,566	$ 6,690,211
Operating income (loss)	$ 3,631,705	$ 25,379,264	$ (7,000)
Adjustments to reconcile Operating Income (Loss) to			
Net Cash Provided by Operating Activities:			
Depreciation and amortization	2,719,148	18,552,496	4,496,830
Prior Period Adjustment for GASB 75	-	-	-
Change in net position			
(Increase) decrease in Accounts Receivable	(1,298,123)	(1,646,883)	(750)
(Increase) decrease in Inventories	(27,632)	(589,577)	(19,510)
(Increase) decrease in Prepaid Expenses	(14,288)	(14,288)	-
(Increase) decrease in Deferred Outflows of Resources-Pensions	(684,411)	(1,943,155)	(142,761)
(Increase) decrease in Deferred Outflows of Resources-OPEB	(92,009)	(231,894)	(12,213)
Increase (decrease) in Payables and Accrued Expenses	898,306	(723,134)	(284,339)
Increase (decrease) in Deposits	250	69,982	-
Increase (decrease) in Stipends Liability	41,251	52,801	16,500
Increase (decrease) in Vacation Leave Accrual	18,352	70,541	(7,033)
Increase (decrease) in Net Pension Liability	842,429	2,382,939	175,829
Increase (decrease) in OPEB Liability	(355,258)	(918,654)	(48,469)
Increase (decrease) in Deferred Inflows of Resources-Pensions	(37,593)	(126,621)	(7,602)
Increase (decrease) in Deferred Inflows of Resources-OPEB	465,678	1,178,088	62,062
Increase (decrease) in Unearned Revenue	247,700	247,700	-
Total adjustments	2,723,800	16,360,341	4,228,544
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 6,355,505	$ 41,739,605	$ 4,221,544
NONCASH FINANCING ACTIVITIES			
Capital assets contributed by developers and other funds	$ -	$ 606,109	$ -

CITY OF HIGH POINT, NORTH CAROLINA

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

ASSETS		GENERAL AGENCY FUND
Cash and cash equivalents	$	348,469
Accounts receivable		390
Total assets	$	348,859
LIABILITIES		
Accounts payable	$	348,859
Total liabilities	$	348,859

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

Note 1. Summary of Significant Accounting Policies

The accounting policies of the City of High Point, North Carolina, and its discretely presented component unit conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments.

The City's financial statements are prepared in accordance with GAAP. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The following is a summary of the more significant accounting policies established in GAAP and used by the City:

A. Reporting Entity

The City of High Point is located in the Piedmont area of the State and has a population of 114,183. The City is a municipal corporation which is governed by an elected mayor and an eight-member council and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services. As required by GAAP, these financial statements present the City and its component units, which are legally separate entities. Criteria used to establish financial accountability include appointment of a voting majority of the component unit's governing board and imposition of will or a financial benefit/burden relationship, fiscal dependency or other significant operational and financial relationships.

1. Blended Component Units

Blended component units, although legally separate entities are, in substance, part of the City's operation. Each of these units has a June 30 year-end and the financial amounts from these units are combined with amounts of the primary government.

The Core City CDC assists the City by acquiring properties to stabilize, develop and build affordable housing and assist with development that will strengthen the core and surrounding neighborhoods in High Point. The Core City CDC partners with existing not-for-profit and for-profit entities that are creating affordable housing, jobs and redevelopment within the City limits but specifically within the core city area of High Point. The City appoints 4 of the 8 board members, 3 of the board members are appointed by other organizations, and 1 board member is appointed by the board. A financial burden exists, as the City is required to transfer funds to the CDC in an amount sufficient to sustain operations. The assets and liabilities are combined with assets and liabilities of the Special Revenue Funds for financial statement purposes. Financial information for the Core City CDC may be obtained by from the City of High Point.

Forward High Point, Inc. (FHP) assists the City in purchasing strategic property in the City for development and other economic development projects in the downtown area. The mission of FHP is to transform downtown High Point into an extraordinary and vibrant destination to live, work, study, and play. A financial burden exists, as the City is required to transfer funds to FHP in an amount sufficient to sustain operations. The assets and liabilities are combined with assets and liabilities of the Special Revenue Funds for financial statement purposes. FHP reports under the Financial Accounting Standards Board (FASB). As such, certain revenue recognition, debt payments, and presentation features are different from GASB revenue recognition, debt payments, and presentation features. The City modified certain portions of FHP's financial information to include FHP in the Special Revenue Funds at the modified accrual level. No modifications have been made to FHP's financial information at the City's government-wide level. Complete financial statements and related information for FHP may be obtained from the entity's administrative offices at 164 S. Main Street, Suite 606, High Point, NC 27260.

2. Discretely Presented Component Unit

City of High Point ABC Board

The City appoints the members of the ABC Board's governing board. In addition, the ABC Board is required by State statute to distribute its surpluses to the General Fund of the City. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements and related information for the ABC Board may be obtained from the entity's administrative offices at City of High Point ABC Board, 201 W. Fairfield Road, High Point, NC 27263.

B. Basic Financial Statements—Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's general administrative, public services, police and fire, parks and recreation, and library are classified as governmental activities. The City's water, sewer, electric, mass transit, parking, solid waste and storm water services are classified as business-type activities.

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government and its component unit. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts—net investment in capital assets; restricted; and unrestricted.
The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (police, fire, public works, etc.). The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, fire, public services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

C. Basic Financial Statements—Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred outflows and inflows, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

The City uses the following fund types:

a. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

1. General Fund. The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State-shared revenues, and various other taxes and licenses. The primary expenditures are for public safety (police and fire), public works and cultural and recreation.
2. Special Revenue Fund. The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments) that are legally restricted to expenditures for specified purposes. The City maintains two special revenue funds: The Special Grants Fund and The Community Development Fund. The City's blended component units are reported as part of the Community Development Fund.
3. General Debt Service Fund. The General Debt Service Fund is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.
4. General Capital Projects Fund. The General Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).

   The General Fund and the General Capital Projects Fund are the major governmental funds.

b. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

The City maintains six enterprise funds: The Water and Sewer Fund, the Electric Fund, the Mass Transit Fund, the Parking Facilities Fund, the Solid Waste Facilities Fund and the Storm Water Fund. For financial reporting purposes, the Water & Sewer Capital Projects Ordinance Fund, the Water Capital Reserve Fund, the Sewer Capital Reserve Fund, the Mass Transit Capital Projects Ordinance Fund, the Solid Waste Capital Projects Ordinance Fund, the Landfill Closure and Post-Closure Reserve Fund, and the Storm Water Facilities Capital Projects Ordinance Fund have been consolidated with their respective Enterprise Fund.

The Water and Sewer Fund and the Electric Fund are the only major enterprise funds of the City.

c. The City reports the following additional fund types:

1. Internal Service Funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the City on a cost-reimbursement basis. The City has two Internal Service Funds reported as one combined fund. The components of the Internal Service Fund are Fleet Services, Radio Repair, Computer Replacement, and Health and Wellness.

2. Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The City has one fiduciary fund: The General Agency Fund.

The General Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of the results of operations. The Agency Fund is used to account for the receipts and disbursements of those funds the City holds on behalf of other organizations and specialized purposes not inconsistent with the City's general governmental purposes, including the Police Property Crimes escrow and Historic Preservation Commission.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows, liabilities, deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a single column in the fund financial statements. The City may elect to report funds as major even if the minimum criteria set forth by GASB No. 34 is not met due to the public interest of the funds.

The City's internal service fund is presented in the proprietary funds financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (police, fire, public works, etc.).

The City's fiduciary fund is presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party (other local governments and private parties) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

D. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the City 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. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. 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 City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the primary activities of the proprietary funds. For the City of High Point, these operating revenues are charges to customers for sales and services for the Water and Sewer Fund, Electric Fund, Mass Transit Fund, Parking Facilities Fund, the Solid Waste Facilities Fund and the Storm Water Fund. Operating expenses for these enterprise funds include the costs of sales and providing services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. 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 installment financing contracts are reported as other financing sources.

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes and sales taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, 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 districts.

Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City of High Point because the tax is levied by our respective counties and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes, are reported as general revenues rather than program revenues. Grant revenues that are unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

E. Budgetary Data

The City's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Special Revenue Funds, General Debt Service Fund, Enterprise Funds, and Internal Service Funds. All annual appropriations lapse at the fiscal-year end.

Capital Project Funds, including the Enterprise Capital Projects Funds, are budgeted on a project or an annual basis depending on the estimated life of the project. The enterprise fund projects are consolidated with their respective operating fund for reporting purposes. A financial plan was adopted by City Council as part of the Annual Budget ordinance approval for the Internal Service Funds operation as required by the General Statutes. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the functional level for the multi-year funds. The City Manager is authorized by the budget ordinance to make unlimited transfers within a fund; however, the governing board must approve any revisions that alter the total expenditures of any fund.

A budget calendar is included in the North Carolina General Statutes, which prescribes the last day on which certain steps of that budget procedure are to be performed.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.

3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. The City monitors budget performance through the Budget and Evaluation Office. The office monitors revenues and reviews expenditures against the departmental budget and prepares budget amendments as necessary.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Equity

1. Deposits and Investments

All deposits of the City and of the ABC Board are made in board-designated official depositories and are secured as required by state law (G.S. 159-31). The City and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the City and the ABC Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law (G.S. 159-30 (c)) authorizes the City and the ABC Board 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 non-guaranteed federal agencies; certain high quality issues of commercial paper and banker's acceptances; and the North Carolina Capital Management Trust (NCCMT).

The City's and the ABC Board's investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at fair value, which is the NCCMT's share price. The NCCMT- Term Portfolio is bond fund, has no rating and is measured at fair value. As of June 30, 2019, The Term portfolio has a duration of .11 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

As allowed by State law, the City has invested in securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value as determined by quoted market prices.

2. Cash and Cash Equivalents

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board considers all highly liquid with an original maturity of three months or less to be cash equivalents.

3. Restricted Assets

The financial statements of the enterprise funds have been consolidated to include applicable reserve funds and capital project funds. The assets of these funds are classified as restricted because their use is restricted. The unexpended bond proceeds of Combined Enterprise System Revenue Bonds, Limited Obligation Bonds, and General Obligation Bonds issued by the City are classified as restricted assets for the enterprise funds and capital project fund because their use is completely restricted to the purposes for which the bonds were issued. In addition, customer utility deposits in the enterprise funds and surety deposits on erosion control and subdivision requirements in the General Fund are restricted to the service for which the deposit was collected.

City of High Point Restricted Cash and Investments	
Governmental activities	June 30, 2019
General Fund	
Customer deposits	$ 628,395
Unexpended installment financing proceeds	1,017,695
General Capital Projects Fund	
Unexpended bond proceeds	11,611,165
Non-major governmental funds	
Unexpended grant receipts	1,231,522
Blended component unit deposits	111,837
Total governmental activities	14,600,614
Business-type activities	
Water & Sewer Fund	
Customer deposits	387,115
Unexpended bond proceeds	16,983,361
Electric Fund	
Customer deposits	1,184,921
Non-major enterprise funds	
Customer deposits	4,875
Unexpended grant receipts	47,091
Total business-type activities	18,607,363
Total Restricted Cash and Investments	$ 33,207,977

4. Ad Valorem Tax Receivable

In accordance with state law (G.S. 105-347 and G.S. 159-13 (a)), the City levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The levy is based on the assessed valuation of property located in the City as of January 1, 2018. Value of personal property is established annually, and by state law, real property must be appraised at least once every eight years. The last revaluation of real property became effective with the 2017 tax levy. The City's current combined tax rate is $.6475. Property taxes are levied July 1, the beginning of the fiscal year, and are due on September 1 (lien date) and payable without penalty or interest until the sixth of January.

On and after January 6, taxes become delinquent; a lien attaches to the property, and a penalty of 2 percent is assessed. On February 1, interest accrues at the rate of .75 percent per month until paid. As allowed by State law, the City has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the City's General Fund, ad valorem tax revenues are reported net of such discounts.

The City has arrangements with Guilford, Randolph, Davidson and Forsyth counties for the billing and collecting of the City's property taxes.

The City is permitted by the general statutes of the State to levy taxes up to $1.50 per $100 of assessed valuation for general governmental services other than the payment of principal and interest on long-term debt, and in unlimited amounts for the payment of principal and interest on long-term debt.

The tax rate to finance general governmental services other than the payment of principal and interest on long-term debt for the year ended June 30, 2019, was $.6135 per $100, which means that the City has a tax margin of $.8865 per $100.

5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

6. Notes Receivable

Notes receivable for the Community Development Fund represent loans made through grant programs that are collectible in future fiscal years and shown net of an allowance for estimated uncollectible accounts.

7. Inventory and Prepaid Items

Inventories of the City are valued at cost (first-in, first-out), which approximates market. Inventories in the internal service and enterprise funds and those of the ABC Board consist of expendable supplies held for consumption. The costs of these inventories are recorded as an expense as the inventories are consumed. The City of High Point ABC Board values its inventory at replacement cost.

Certain payments to vendors reflect costs applicable to future accounting periods, are recorded as prepaid items in both government–wide and fund financial statements and are expensed as the items are used.

8. Capital Assets

Capital assets of the City are defined as assets with an initial cost of more than a certain amount and estimated useful life of more than three years. The minimum capitalization cost for all capital assets excluding infrastructure and land is $5,000. Infrastructure has a capitalization threshold of $50,000. All land is capitalized, regardless of cost. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of the road network (roads, curbs and gutters, sidewalks, and bridges) that were acquired, contributed by contractors, or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value or materially extend the assets' lives are not capitalized.

Depreciation of capital assets is provided on the straight-line method over their estimated useful lives:

Buildings	25-50 years
Infrastructure	10-40 years
Improvements	5-20 years
Equipment	3-20 years
Computer software	5-10 years

Capital assets of the ABC Board are recorded at original cost at the time of acquisition. Property, plant, and equipment donated to the ABC Board received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Capital assets of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

Buildings	20 years
Equipment	10 years
Furniture and fixtures	5 years
Automobiles	7 years

Forward High Point, a blended component unit presented in governmental activities, has property held for resale that is reported as a capital asset.

The City evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. Impaired capital assets that will no longer be used by the City are reported at the lower of carrying value or fair value. Impairment losses on capital assets that will continue to be used by the City are measured using the method that best reflects the diminished service utility of the capital asset. Any insurance recoveries received as a result of impairment events or changes in circumstances resulting in the impairment of a capital asset are netted against the impairment loss.

9. 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. This separate financial statement element, *Deferred Outflows of Resources*, 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 City has several items that meet this criterion for this category – prepaid taxes and OPEB pension deferrals.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has several items that meet the criterion for this category – prepaid taxes, property taxes receivable, unearned-deferred grant revenues, unearned revenues for pond maintenance, OPEB and pension deferrals, and unamortized gains on general obligation refunding and revenue refunding bonds.

10. 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, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for any prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs, as applicable, are expensed over the life of the debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. Compensated Absences

The vacation policy of the City provides for the accumulation of up to thirty-seven and one-half (37.5) days earned vacation leave with such leave being fully vested when earned. For the City's government-wide and proprietary funds, an expense and liability for compensated absences are recorded as the leave is earned. Compensated absences are reported in the governmental funds only if they have matured. The current portion of the accumulated vacation pay has been estimated based on historical trends.

Both the City's and the ABC Board's sick leave policies provide 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 neither the City nor the ABC Board has any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

12. 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.

- Net investment in capital assets represents the portion of net position associated with nonliquid-capital assets less the outstanding capital asset related debt.
- Restricted 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.
- Unrestricted net position represents resources with no externally imposed restrictions on use. While the City has allocated portions of unrestricted net position for various purposes, the City has the unrestricted authority to revisit or alter the allocation with managerial or City Council decision.

Fund Balance

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 - This classification includes amounts that cannot be spent because they are (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Prepaid items – represents that portion of fund balance in the governmental funds for prepaid items, such as postage and other prepaid expenses.

Restricted Fund Balance - This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

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 were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *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, as shown in Note 4.B.6 RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Restricted for grant programs – portion of fund balance restricted by various granting agencies for expenditures for public safety, planning and community development, transportation, and culture and recreation.

Restricted for community and economic development – portion of fund balance restricted as to control by the City's blended component units (the Core City CDC and FHP).

Restricted for transportation – portion of fund balance restricted by revenue source for sidewalk and turn lane construction improvements. This amount does not include any balance of unexpended Powell Bill funds which would be disclosed with its own fund balance component.

Restricted for debt service – portion of fund balance of the General Debt Service Fund restricted by revenue source to service the debt service payments of general government debt.

Restricted for capital projects – portion of fund balance restricted by revenue source for certain capital project purposes as defined by applicable bond and other debt instruments.

Committed Fund Balance - This classification of fund balance can only be used for specific purposes as authorized in a formal action prior to the end of the fiscal year utilizing an ordinance or ordinance amendment as approved and imposed by a majority vote by quorum of the City of High Point's City Council (the highest level of decision-making authority). Once adopted, the limitation imposed by the ordinance is binding with the force of local law and remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Committed for economic development – portion of fund balance available for appropriation that has been committed by City Council for economic development incentives and reimbursements.

Committed for market development – portion of fund balance available for appropriation that has been committed by City Council for Market Authority development.

Committed for public safety – portion of fund balance available for appropriation that has been committed by City Council for public safety in order to service future law enforcement officer's special separation allowance pension obligations.

Assigned Fund Balance - This classification of fund balance has been designated to be used for specific purposes. Fiscal policies formally adopted by the City Council allow the governing body to take informal action through resolution to assign a portion of fund balance for a particular purpose or program and extends similar authority to the City Manager. Assigned fund balances lapse at the end of the fiscal year unless these assignments are extended.

Assigned for subsequent year's expenditures - portion of fund balance that is appropriated in the adopted 2019-2020 budget ordinance that is not already classified in restricted or committed.

Assigned for general government – portion of fund balance that has been budgeted for city hall and redevelopment projects.

Assigned for public safety – portion of fund balance that has been budgeted for High Point Police Community Day activities.

Assigned for culture and recreation - portion of fund balance that has been budgeted for lighting system improvements at the High Point Theatre.

Assigned for public services and transportation – portion of fund balance that has been budgeted by the City Council for various future transportation and public services capital projects.

Assigned fund balances		June 30, 2019
Subsequent year's expenditures	$	300,000
General government (Economic Development Alliance)		20,000
Public safety (Police Community Day)		8,193
Culture and recreation (Theatre)		10,491
Public services and transportation (Transportation)		51,245
Public services and transportation (Public Services)		16,163
Total assigned fund balances	$	406,092

Unassigned Fund Balance - This is the portion of fund balance which has not been restricted, committed or assigned to specific purposes or other funds. The General Fund is the only fund that reports a positive unassigned fund balance.

The City of High Point has a revenue spending policy for programs and activities with multiple revenue sources. The Financial Services Director will use resources in the following hierarchy: federal funds, state funds, bond and/or installment contract proceeds, local non-City funds, City funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly unassigned fund balance. The Financial Services Director and City Manager have the authority to deviate from this policy where it is in the best interest of the City.

The City of High Point has also adopted a minimum fund balance policy for the General Fund which provides that the City will maintain an available fund balance at least equal to or greater than 10% of budgeted expenditures. The City may from time to time fall below this amount. In such circumstances, Council will adopt a plan to restore available fund balances to the policy level within 36 months, or other such appropriate time period.

13. Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Government Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The City of High Point's employer contributions are recognized when due and the City of High Point has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

For purposes of measuring the net pension expense, information about the fiduciary net position of the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF) and additions to/deductions from FRSWPF's fiduciary net position have been determined on the same basis as they are reported by FRSWPF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

G. Revenues, Expenditures and Expenses

1. Grant Revenue

The City recognizes revenues (net of estimated uncollectible amount, if any), when all applicable eligibility requirements, including time requirements, are met. Resources transmitted to the City before meeting the eligibility requirements are recorded and reported as deferred revenues.

2. Investment income

The City recognizes investment income from pooled cash and investments as revenues in the individual funds based on the percentage of a fund’s average monthly investment in pooled cash and investments to the total average monthly-pooled equity in pooled cash and investments. All investment earnings are allocated and recorded monthly in each individual fund.

3. Interfund Transactions

Interfund transactions are either services provided, reimbursements or transfers. Services that are deemed to be reasonably equivalent in value are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs the cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement, if material. All other interfund transactions are presented as transfers. Transfers within governmental activities and business-type activities are eliminated upon consolidation.

The City also transfers capital assets between funds as needed. These types of transfers are reflected as loss on disposal in the fund making the transfer and capital contributions in the fund receiving the assets.

Also, the ABC Board makes quarterly transfers to the City's General Fund. These transfers represent the City's portion of the Board's surpluses that the ABC Board is required by State statute to distribute to the City. These transactions are considered external transactions – that is, revenues and expenses. The City makes periodic payments to the Core City CDC and FHP for operational purposes.

H. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows and the 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.

I. Reconciliation of Governmental Funds to Government Wide Activities

The preparation of financial statements requires summarizing certain details reconciling the modified accrual basis of accounting for the governmental funds to the full accrual basis presented for governmental activities. The following liabilities in governmental funds are summarized to the reconciliation on page 20 of the financial statements.

Accrued interest payable	$858,878
Compensated absences	4,733,063
Stipends payable	696,300
Installment contracts payable	8,002,476
LEOSSA pension liability	12,753,352
LGERS pension liability	19,674,738
OPEB liability	7,124,291
Loans payable	4,423,000
Limited obligation bonds payable	35,000,000
General obligation bonds payable	51,275,719
Premium on general obligation bonds	214,853
Component unit line of credit	420,000
Total liabilities not payable in certain period	$145,176,670

Note 2. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the City and the ABC Board are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the City's or the ABC Board's agents in these units' names. 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 City and the ABC Board, these deposits are considered to be held by the City's and the ABC Board's agents in their names. 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 City, the ABC Board or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the City or the ABC Board under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City and the ABC Board have no formal policy regarding custodial credit risk for deposits, but rely on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance.

The City and the ABC Board comply with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2019, the City's deposits had a carrying amount of $37,023,850 and a bank balance of $37,939,548. The carrying amount of deposits for the ABC Board was $3,289,868 and the bank balance was $3,601,727. Of the bank balances, the City and the ABC Board had $439,344 and $709,463 respectively, covered by federal depository insurance and the remainder of $37,500,204 and $2,892,264, respectively, was covered by collateral held under the pooling method. At June 30, 2019, the City and the ABC Board held petty cash funds of $47,875 and $16,650, respectively.

At June 30, 2019 the Core City CDC and FHP had deposits with a carrying amount of $97,705 and $14,132 respectively and covered by federal depository insurance.

2. Investments

At June 30, 2019, the City's investment balances were as follows:

	Valuation Measurement Method	Book Value at 6/30/2019	Maturity	Rating
Government Agencies	Fair Value Level 2	$ 77,214,634	1 to 5 Years	AAA/Aaa
Commercial Paper	Fair Value Level 1	2,000,340	10/9/2019	A1P1
NC Capital Management Trust - Cash Portfolio	Fair Value Level 1	75,740,945	N/A	AAAm
NC Capital Management Trust - Term Portfolio	Fair Value Level 1	59,806,119	0.11 Years	Unrated
		$ 214,762,038		

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2: Debt Securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' benchmark quoted prices.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits at least half of the City's investment portfolio to maturities of less than 12 months. Also, the City's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than five years.

Credit risk. The City's investment policy limits the City's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. At June 30, 2019, the investments in the U.S. Government Agencies were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The City's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2019. The City's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments permitted under NC General Statutes 159-30 as amended.

Custodial credit risk. For an investment, the custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires all book-entry investment securities to be in the City's name and delivered versus payment to a City-named third-party custodian. Certificated securities are held in the custody of the Financial Services Director.

Concentration of Credit Risk. The City's investment policy places limits on the amount that the City may invest in any one type of security and also any one issuer. There is no limit for direct obligations of the U.S. Treasury or investments in mutual funds certified by the Department of State Treasurer (NCCMT). Securities issued by agencies of the U.S. government are limited to a maximum of 75% of the portfolio and individually limited to 30% concentration to any one government agency. Commercial paper and bankers acceptances may not exceed 30% and 20%, respectively, of the portfolio. Policy also limits investments to 2% of the portfolio for any individual non-governmental issuers. More than 35% of the City's investments are in U.S. Government Agencies which are primarily Federal Home Loan Mortgage Corporation (11.87%), Federal Farm Credit Bank (3.73%), Federal National Mortgage Association (10.95%) securities, and Federal Home Loan Bank (9.41%) securities.

3. Receivables - Allowances for Doubtful Accounts

The amounts presented in the Statements of Net Position, Governmental Funds Balance Sheet and Proprietary Fund Statement of Net Position, are net of the following allowances for doubtful accounts:

General Fund:	
Taxes receivable	$ 3,059,224
Accounts receivable	1,641,760
Total General Fund	4,700,984
Special Revenue Fund:	
Notes receivable	921,989
Water and Sewer Fund:	
Accounts receivable	979,569
Electric Fund:	
Accounts receivable	2,770,925
Mass Transit Fund	
Taxes receivable	223,737
Solid Waste Fund:	
Accounts receivable	171,919
Storm Water Fund:	
Accounts receivable	58,776
Total Allowances	$ 9,827,899

4. Capital Assets

A summary of changes in capital assets for the year ended June 30, 2019, follows:

	Primary Government			
	Beginning Balance	Increases & Reclassifications	Decreases & Reclassifications	Ending Balance
Governmental activities:				
Capital assets not being depreciated				
Land and other nondepreciable capital assets..	$ 19,956,970	$ 1,104,490	$ 2,850	$ 21,058,610
Intangibles..	115,889	-	-	115,889
Construction in progress............................	35,532,003	35,351,438	5,717,080	65,166,361
Total capital assets not being depreciated	55,604,862	36,455,928	5,719,930	86,340,860
Capital assets being depreciated				
Buildings and other improvements................	73,887,298	937,265	-	74,824,563
Intangibles..	200,608	7,500	-	208,108
Equipment..	90,114,526	8,036,930	2,684,306	95,467,150
Infrastructure..	551,244,503	8,468,133	-	559,712,636
Total capital assets being depreciated	715,446,935	17,449,828	2,684,306	730,212,457
Less accumulated depreciation for:				
Buildings and other improvements..............	47,178,454	1,969,617	-	49,148,071
Intangibles..	200,609	-	-	200,609
Equipment..	53,242,739	6,335,085	2,407,102	57,170,722
Infrastructure..	435,306,727	8,194,276	-	443,501,003
Total accumulated depreciation	535,928,529	16,498,978	2,407,102	550,020,405
Total capital assets being depreciated (net).....	179,518,406			180,192,052
Governmental activities capital assets, net........	$ 235,123,268			$ 266,532,912
Business-type activities:				
Water & Sewer Fund				
Capital assets not being depreciated				
Land and other nondepreciable capital assets..	$ 7,593,819	$ 123,661	$ -	$ 7,717,480
Construction in progress............................	65,638,671	12,990,741	4,969,838	73,659,574
Total capital assets not being depreciated.....	73,232,490	13,114,402	4,969,838	81,377,054
Capital assets being depreciated				
Buildings and other improvements................	74,337,191	-	-	74,337,191
Equipment..	13,527,599	400,676	201,914	13,726,361
Infrastructure..	374,734,446	5,585,644	-	380,320,090
Capital assets being depreciated.................	462,599,236	5,986,320	201,914	468,383,642
Less accumulated depreciation for:				
Buildings and other improvements..............	45,314,797	1,503,541	-	46,818,338
Equipment..	9,079,759	434,746		9,514,505
Infrastructure..	171,081,228	10,679,296	-	181,760,524
Total accumulated depreciation................	225,475,784	12,617,583	-	238,093,367
Total capital assets being depreciated(net)......	237,123,452			230,290,275
Water & Sewer fund capital assets, net............	$ 310,355,942			$ 311,667,329

	Primary Government			
	Beginning Balance	Increases & Reclassifications	Decreases & Reclassifications	Ending Balance
Electric Fund				
Capital assets not being depreciated				
Land and other nondepreciable capital assets..	$ 895,579	$ 26	$ -	$ 895,605
Construction in progress.............................	6,348,624	3,359,324	3,358,091	6,349,857
Total capital assets not being depreciated.....	7,244,203	3,359,350	3,358,091	7,245,462
Capital assets being depreciated				
Buildings and other improvements................	154,965	-	-	154,965
Intangibles..	3,529,311	-	-	3,529,311
Equipment..	15,080,841	5,839	-	15,086,680
Infrastructure...	115,441,249	3,858,461	-	119,299,710
Capital assets being depreciated.................	134,206,366	3,864,300	-	138,070,666
Less accumulated depreciation for:				
Buildings and other improvements................	154,965	-	-	154,965
Intangibles..	3,529,314	-	-	3,529,314
Equipment..	14,822,579	35,035	-	14,857,614
Infrastructure...	74,233,972	3,180,730	-	77,414,702
Total accumulated depreciation..................	92,740,830	3,215,765	-	95,956,595
Total capital assets being depreciated(net)......	41,465,536			42,114,071
Electric fund capital assets, net......................	$ 48,709,739			$ 49,359,533
Mass Transit Fund				
Capital assets not being depreciated				
Land and other nondepreciable capital assets..	$ 581,396	$ -	$ -	$ 581,396
Total capital assets not being depreciated.....	581,396	266,887	-	848,283
Capital assets being depreciated				
Buildings and other improvements................	2,952,650	-	-	2,952,650
Equipment..	7,932,046	544,667	341,691	8,135,022
Infrastructure...	157,863	-	-	157,863
Capital assets being depreciated.................	11,042,559	544,667	341,691	11,245,535
Less accumulated depreciation for:				
Buildings and other improvements..............	1,145,208	116,445	-	1,261,653
Equipment..	2,066,856	749,800	319,688	2,496,968
Infrastructure...	31,572	7,893	-	39,465
Total accumulated depreciation................	3,243,636	874,138	319,688	3,798,086
Total capital assets being depreciated(net)......	7,798,923			7,447,449
Mass Transit fund capital assets, net...............	$ 8,380,319			$ 8,295,732

	Primary Government			
	Beginning Balance	Increases & Reclassifications	Decreases & Reclassifications	Ending Balance
Parking Fund				
Capital assets not being depreciated				
Land and other nondepreciable capital assets.....	898,720	-	-	898,720
Capital assets being depreciated				
Buildings and other improvements..................	8,690,140	-	-	8,690,140
Equipment..	416,962	-	-	416,962
Capital assets being depreciated.....................	9,107,102	-	-	9,107,102
Less accumulated depreciation for:				
Buildings and other improvements.................	7,946,514	207,864	-	8,154,378
Equipment..	416,962	-	-	416,962
Total accumulated depreciation..................	8,363,476	207,864	-	8,571,340
Total capital assets being depreciated(net)........	743,626			535,762
Parking fund capital assets, net.........................	$ 1,705,494			$ 1,720,922
Solid Waste Fund				
Capital assets not being depreciated				
Land and other nondepreciable capital assets.....	$ 1,676,601	$ -	$ -	$ 1,676,601
Construction in progress..............................	4,675,973	1,075,102	135,833	5,615,242
Total capital assets not being depreciated.......	6,352,574	1,075,102	135,833	7,291,843
Capital assets being depreciated				
Buildings and other improvements..................	22,096,051	136,529	-	22,232,580
Infrastructure..	-	-	-	-
Capital assets being depreciated....................	25,689,770	139,579	94,958	25,734,391
Less accumulated depreciation for:				
Buildings and other improvements.................	17,014,050	941,324	-	17,955,374
Infrastructure..	-	-	-	-
Total accumulated depreciation..................	19,330,741	1,078,582	91,908	20,317,415
Total capital assets being depreciated(net)........	6,359,029			5,416,976
Solid waste fund capital assets, net...................	$ 12,711,603			$ 12,708,819
Storm Water Fund				
Capital assets not being depreciated				
Land and other nondepreciable capital assets...	$ 448,147	$ 3,597	$ -	$ 451,744
Construction in progress..............................	852,550	1,801,892	-	2,654,442
Total capital assets not being depreciated......	1,300,697	1,805,489	-	3,106,186
Capital assets being depreciated				
Equipment..	110,886	12,479	-	123,365
Infrastructure...	16,995,054	-	-	16,995,054
Capital assets being depreciated..................	17,105,940	12,479	-	17,118,419
Less accumulated depreciation for:				
Equipment..	41,772	16,587	-	58,359
Infrastructure..	3,662,982	541,977	-	4,204,959
Total accumulated depreciation...................	3,704,754	558,564	-	4,263,318
Total capital assets being depreciated(net).......	13,401,186			12,855,100
Storm water fund capital assets, net................	14,701,883			15,961,286
Business-type activities capital assets, net...	$ 396,564,980			$ 399,713,622

During the fiscal year, assets were transferred between governmental activities in the amount of $172,258 (with accumulated depreciation of $8,100). There were transfers from business-type activities to governmental activities in the amount of $204,964 (with no accumulated depreciation). Assets were transferred from the Water & Sewer Fund to governmental activities in the amount of $201,914 (with no accumulated depreciation). Assets were transferred from the Solid Waste Fund to governmental activities in the amount of $3,050 (with no accumulated depreciation). There were also assets transferred from the Storm Water Fund to governmental activities in the amount of $22,361 (with no accumulated depreciation).

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:		current year
General Government	$	5,473,796
Public Safety		1,331,390
Public Services and Transportation		8,348,787
Planning and Community Development		2,173
Culture and Recreation		1,334,731
Total governmental activities depreciation expense	$	16,490,878

Business-type activities:		
Water and Sewer	$	12,617,583
Electric		3,215,765
Mass Transit		874,138
Parking Facilities		207,864
Landfill Facilities		1,078,582
Storm Water Facilities		558,564
Total business-type activities depreciation expense	$	18,552,496

A summary of capital assets for the ABC Board and FHP at June 30, 2019 follows:

Assets	ABC Board	FHP
Land, deposits, and buildings	$ 3,697,894	$ -
Land and buildings, held for resale	-	1,256,598
Intangibles	-	7,500
Equipment and vehicles	1,197,329	-
Leasehold improvements	42,847	-
Accumulated depreciation	(3,166,009)	-
Total ABC Board	$ 1,772,061	$ 1,264,098

B. Liabilities

1. Accounts payable and accrued expenses as of June 30, 2019, consisted of the following:

	Accounts Payable	Accrued Payroll and expenses	Total
Governmental Activities			
General	$ 2,574,226	$ 2,131,351	$ 4,705,577
General Capital Projects	3,557,710	-	3,557,710
Other non-major governmental funds	562,531	36,701	599,232
Internal Service Fund	196,307	4,281	200,588
Total governmental	6,890,774	2,172,333	9,063,107
Business-Type Activities			
Water and Sewer	3,541,073	229,108	3,770,181
Electric	10,828,002	262,058	11,090,060
Other non-major enterprise funds	1,355,695	223,905	1,579,600
Total enterprise funds	15,724,770	715,071	16,439,841
Total Primary Government	$ 22,615,544	$ 2,887,404	$ 25,502,948

2. Pension Plan and Postemployment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The City of High Point 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 G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. 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 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. 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.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City of High Point employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of High Point's contractually required contribution rate for the year ended June 30, 2019, was 9.7% of compensation for law enforcement officers and 9.01% 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 ABC Board's contractually required contribution rate for the year ended June 30, 2019, was 7.85%. Contributions to the pension plan from the City of High Point and ABC Board were $6,161,088 and $79,963 respectively for the year ended June 30, 2019.

Refunds of Contributions – City 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.

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

At June 30, 2019, the City reported a liability of $26,841,389 for its proportionate share of the net pension liability and the ABC Board reported a liability of $363,205. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City'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, 2018, the City's proportion was 1.13143%, which was an increase of 0.00683% from its proportion measured as of June 30, 2017. The ABC Board's proportion was 0.017%.

For the year ended June 30, 2019, the City recognized pension expense of $7,449,712 and the ABC Board recognized pension expense of $23,175. At June 30, 2019, the City 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	$ 4,140,989	$ 138,951
Changes of assumptions	7,122,669	-
Net difference between projected and actual earnings on pension plan investments	3,684,524	-
Changes in proportion and differences between City contributions and proportionate share of contributions	178,797	124,923
City contributions subsequent to the measurement date	6,161,088	-
Total	$ 21,288,067	$ 263,874

$6,161,088 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	$ 7,142,778
2021	4,651,552
2022	895,048
2023	2,173,727
Total	$ 14,863,105

The ABC Board reported deferred outflows of resource 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	$ 56,034	$ 1,880
Changes of assumptions	96,381	-
Net difference between projected and actual earnings on pension plan investments	49,857	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	5,878	12,665
Board contributions subsequent to the measurement date	79,963	-
Total	$ 288,113	$ 14,545

Amounts totaling $79,963 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date, will be recognized as a decrease of the net pension asset in the year ended June 30, 2020. Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	$ 62,135
2021	9,922
2022	25,825
	$ 97,882

Actuarial Assumptions. The total pension liability in the December 31, 2017 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 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 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 based on 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, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons.

Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 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%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2017 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 City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability (asset)	$ 64,475,342	$ 26,841,389	$ (4,606,131)

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

b. Law Enforcement Officers' Special Separation Allowance

1. Plan Description.

   The City of High Point administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to .85 percent 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 G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

   The Separation Allowance covers all full-time law enforcement officers of the City. At December 31, 2017, the Separation Allowance's membership consisted of:

Retirees currently receiving benefits............	38
Active plan members.................................	240
Total...	278

2. Summary of Significant Accounting Policies.

   Basis of Accounting. The City has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with terms of the plan.

   The Separation Allowance has no assets accumulated in a trust that meets the criteria which are outlined in GASB Statement 73.

3. Actuarial Assumptions

   The entry age actuarial cost method was used in the December 31, 2017 valuation. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.64 percent

   The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2017. Mortality rates are based on the RP-2014 Mortality tables, projected forward generationally from the valuation date using MP-2015.

4. Contributions.

   The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The City has chosen to set aside additional funds for future costs within the fund balance in the General Fund. During the fiscal year ended June 30, 2019, the City committed an additional $50,000 toward the reduction of the accrued actuarial liability. Administration costs of the Separation Allowance are financed through investment earnings. The City paid $742,226 as benefits came due for the reporting period.

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

At June 30, 2019, the City reported a total pension liability of $12,753,352. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the City recognized pension expense of $1,091,499.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 953,555	$ -
Changes of assumptions	463,646	534,228
Benefit payments and administrative expenses subsequent to the measurement date	388,688	-
Total	$ 1,805,889	$ 534,228

$388,688 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Amount recognized as an increase to Pension Expense
2020	$ 346,840	$ 129,209	$ 217,631
2021	346,840	129,209	217,631
2022	346,840	121,162	225,678
2023	298,775	84,507	214,268
2024	77,906	70,141	7,765
	$ 1,417,201	$ 534,228	$ 882,973

Sensitivity of the City's total pension liability to changes in the discount rate. The following presents the City's total pension liability calculated using the discount rate of 3.64 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64 percent) or 1-percentage-point higher (4.64 percent) than the current rate:

	1% Decrease (2.64%)	**Discount Rate (3.64%)**	**1% Increase (4.64%)**
Total pension liability	$ 13,804,027	$ 12,753,352	$ 11,793,436

Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance

	2019
Beginnng balance of total pension liability	$ 12,538,999
Changes for the year:	
Service Cost	487,663
Interest on the total pension liability	384,970
Differences between expected and actual experience	547,211
Changes of assumptions or other inputs	(492,676)
Benefit payments	(712,815)
Ending balance of the total pension liability	$ 12,753,352

The plan currently uses mortality tables that vary by age, and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on 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, 2017 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2014.

Total Expense, Liabilities, and Deferred Outflows and Inflows of Resources of Related to Pensions

Following is information related to the proportionate share and pension expense for all pension plans:

	LGERS	LEOSSA	Total
Pension Expense	$ 7,449,712	$ 1,091,499	$ 8,541,211
Pension Liability	26,841,839	12,753,352	39,595,191
Proportionate share of the net pension liability	1.1314%	n/a	
Deferred of Outflows of Resources			
Differences between expected and actual experience	4,140,989	953,555	5,094,544
Changes of assumptions	7,122,669	463,646	7,586,315
Net difference between projected and actual earnings on plan investments	3,684,524	-	3,684,524
Changes in proportion and differences between contributions and proportionate share of contributions	178,797	-	178,797
Benefit payments and administrative costs paid subsequent to the measurement date	6,161,088	388,688	6,549,776
Deferred of Inflows of Resources			
Differences between expected and actual experience	138,951	-	138,951
Changes of assumptions	-	534,228	534,228
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	124,923	-	124,923

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The City contributes to the Supplemental Retirement Income Plan for Law Enforcement Officers (Plan), a defined contribution pension plan administered by the Department of officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Plan is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the 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 G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each law enforcement officer's salary, and all amounts contributed are vested immediately. In addition, the law enforcement officers may make voluntary contributions to the plan.

Contributions made by the City for the year ended June 30, 2019 were $755,920. No amounts were forfeited.

d. Firefighter's and Rescue Squad Workers' Pension Fund

Plan Description. The State of North Carolina contributes, on behalf of the City of High Point, to the Firefighter's and Rescue Squad Workers' Pension Fund (FRSWPF), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North

Carolina. FRSWPF provides pension benefits for eligible fire and rescue squad workers that have elected to become members of the fund. Article 86 of G.S. Chapter 58 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 Firefighter's and Rescue Squad Workers' Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Firefighter's and Rescue Squad Workers' Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. FRSWPF provides retirement and survivor benefits. The present retirement benefit is $170 per month. Plan members are eligible to receive the monthly benefit at age 55 with 20 years of creditable service as a firefighter or rescue squad worker and have terminated duties as a firefighter or rescue squad worker. Eligible beneficiaries of members who die before beginning to receive the benefit will receive the amount paid by the member and contributions paid on the member's behalf into the plan. Eligible beneficiaries of members who die after beginning to receive benefits will be paid the amount the member contributed minus the benefits collected.

Contributions. Plan members are required to contribute $10 per month to the plan. The State, a non-employer contributor, funds the plan through appropriations. The City does not contribute to the plan. Contribution provisions are established by General Statute 58-86 and may be amended only by the North Carolina General Assembly. For the fiscal year ending June 30, 2018 the State contributed $17,952,000 to the plan. The City of High Point's proportionate share of the State's contribution is $84,116.

Refunds of Contributions – Plan members who are no longer eligible or choose not to participate in the plan may file an application for a refund of their contributions. Refunds include the member's contributions and contributions paid by others on the member's behalf. No interest will be paid on the amount of the refund. The acceptance of a refund payment cancels the individual's right to employer contributions, or any other benefit provided by FRSWPF.

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

At June 30, 2019, the City reported no liability for its proportionate share of the net pension liability, as the State provides 100% pension support to the City through its appropriations to the FRSWPF. The total portion of the net pension liability that was associated with the City and supported by the State was $228,846. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. As the City is not projected to make any future contributions to the plan, its proportionate share at June 30, 2018 and at June 30, 2017 was 0%.

For the year ended June 30, 2019, the City recognized pension expense of $66,533 and revenue of $66,533 for support provided by the State. At June 30, 2019, the City reported no deferred outflows of resources and no deferred inflows of resources related to pensions.

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Not applicable
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

For more information regarding actuarial assumptions, including mortality tables, the actuarial experience study, the consideration of future ad hoc COLA amounts, the development of the projected long-term investment returns, and the asset allocation policy, refer to the discussion of actuarial assumptions for the LGERS plan in Section a. of this note.

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.

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

e. Other Post-employment Benefits-Health Care Benefit Plan

Plan Description. Under the terms of a City resolution, the City administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). The City Council has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided. The City provides continuation of medical insurance coverage to employees who retire under the North Carolina Local Governmental Employees' Retirement System (NCLGERS) eligibility terms at the same time they end their continuous service to the City. The retiree and his or her spouse may elect to receive health and dental coverage until the participant becomes Medicare-eligible. The retiree assumes the full blended premium of the healthcare coverage plan as may be renegotiated and adjusted periodically. The City Council may amend the HCB Plan in its discretion. A separate report was not issued for the plan.

The ABC Board administers its own single employer defined benefit healthcare plan (the Retiree Health Plan) which provides its retirees who have a minimum 25 completed years of service to the ABC Board and who are not eligible for Medicare benefits the opportunity to remain enrolled in its group health insurance plan. The ABC Board pays the full cost of coverage for those benefits through private insurance. A separate report was not issued for the ABC Board's Plan.

Membership of the HCB Plan at June 30, 2018, the date of the latest actuarial valuation consisted of the following:

	Members	ABC Board
Active	1,355	26
Retired	82	1
Total	1,437	27

Total OPEB Liability

The City's total OPEB liability of $10,503,157 was measured as of June 30, 2018 and was determined by an actuarial valuation date of June 30, 2018. The ABC Board's total OPEB liability is $265,441.

Actuarial assumptions and other inputs.

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 percent
Salary increases, including inflation	
Law Enforcement	3.5% - 7.35%
General Employees and Firefighters	3.5% - 7.75%
Discount rate	3.86 percent
Heathcare cost trend Trends (pre-medicare)	7.25% for 2018 decreasing to an ultimate rate of 4.75% by 2028

The discount rate is based on the June average of the Bond Buyer General Obligation 20-Year Municipal Bond Index published weekly by The Bond Buyer.

Changes in the Total OPEB Liability

	City of High Point	ABC Board
Balance at July 1, 2017 (July 1, 2018 for ABC Board)	$ 13,513,650	$ 266,267
Changes for the year		
Service Cost	619,522	21,235
Interest	470,077	9,225
Differences between expected and actual experience	(4,460,117)	(6,274)
Changes in assumptions or other inputs	983,937	(10,612)
Benefit payments	(623,912)	(14,400)
Net Changes	(3,010,493)	(826)
Balance at June 30, 2018 (June 30, 2018 for ABC Board)	$ 10,503,157	$ 265,441

Changes in assumptions and other inputs reflect a change in the discount rate from 3.56% to 3.89% due to a change in the Municipal Bond Rate.

Mortality rates were based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.89 percent) or 1-percentage-point higher (4.89 percent) than the current discount rate:

	1% Decrease (2.89%)	Discount Rate (3.89%)	1% Increase (4.89%)
Total OPEB liability	$ 11,672,157	$ 10,503,157	$ 9,470,524

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

	6.75% - 1% Decrease	7.75% Discount Rate	8.75% - 1% Increase
Total OPEB liability	$ 9,277,781	$ 10,503,157	$ 11,960,914

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019 the City recognized OPEB Expense of $615,957. At June 30, 2019, the City 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	$ 117,583	$ 3,943,900
Changes of assumptions	870,055	588,204
Benefit payments and administratvie costs made subsequent to the measurement date	521,713	-
Total	$ 1,509,351	$ 4,532,104

$521,713 reported as deferred outflows of resources related to pensions resulting from OPEB payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2020.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to other post-employment benefits will be recognized in OPEB expense as follows.

For the Measurement Period Ended Ended June 30:

	City of High Point	ABC Board
2019	$ (473,642)	$ -
2020	(473,642)	3,995
2021	(473,642)	3,995
2022	(473,642)	3,995
2023	(473,642)	3,995
Thereafter	(1,176,256)	4,198
	$ (3,544,466)	$ 20,178

3. Other Employment Benefits

The City 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. The 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 are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months before the employee's death, but the benefit may not exceed $50,000 or be less than $25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the City, the City does not determine the number of eligible participants.

The City has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other employment benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The City considers these contributions to be immaterial.

The City also provides employees with additional group term life insurance equal to the employee's annual salary as measured on January 1 of each year. The City has no liability beyond the payment of monthly contributions.

4. Deferred Outflows and Inflows of Resources

The City has several deferred outflows of resources comprised of the following:

Source		Amount
LEOSSA benefit payments in current fiscal year	$	388,688
Benefit payments and administrative expenses for LGERS made subsequent to measurement date		6,161,088
Benefit payments and administrative expenses for OPEB made subsequent to measurement date		521,713
Differences between expected and actual experience		5,212,128
Changes of assumptions		8,456,370
Net difference between projected and actual		3,684,524
Changes in proportion and differences betweeen employer contributions and proporitionate share of contributions		178,797
Total	$	24,603,308

Deferred inflows of resources at year-end is comprised of the following:

Source	Statement of Net Position	Governmental Funds Balance Sheet
Prepaid taxes (General Fund)	$ 10,346	$ 10,346
Taxes Receivable, less penalties (General Fund)	-	905,129
Grant and Miscellaneous receivable (General Fund)	-	869,510
Grant and Miscellaneous receivable (General Capital Projects Fund)	-	992,117
Grant and Miscellaneous receivable (Non-major governmental funds)	48,551	942,860
Developer pond maintenance funds	2,392,918	-
Changes in assumptions	1,122,432	-
Differences between expected and actual experience	4,082,851	-
Changes in proportion and differences betweeen employer contributions and proporitionate share of contributions	124,923	-
Deferred gain on refunding	8,614,595	-
Total	$ 16,396,616	$ 3,719,962

5. Closure and Postclosure Care Costs - Kersey Valley Landfill Facilities

State and federal laws and regulations require the City to place a final cover on its Kersey Valley Landfill Facilities when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $13,420,687 reported as landfill closure and postclosure care liability at June 30, 2019 represents a cumulative amount reported to-date based on the two existing lined municipal solid waste landfill units – Area 1 (Phases 1, 2, 3 and 3A) and Area 2 (Phases 4, 5A, and 5B). The Area 1 landfill unit is currently near capacity and a partial closure has recently been completed. Phases 4 and 5A of the Area 2 landfill unit are currently active and Phase 5B is currently under construction and is projected to be operational in the near future. The City will recognize the remaining estimated costs of closure and postclosure as new phases are developed. These amounts are based on what it would cost to perform all closure and postclosure care in 2019. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City has met the requirements of a local government financial test that is one option under State and federal laws and regulations that helps determine if a unit is financially able to meet closure and postclosure care requirements.

At June 30, 2019, the City has accumulated $13,420,687 for future payment of closure and postclosure care costs. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users.

6. Commitments

Commitments for the purchase of goods and services and for the construction and acquisition of assets are as follows at June 30, 2019:

General Fund	$ 3,146,748
Special Revenue	1,741,156
General Capital Projects	2,580,931
Proprietary Funds	30,174,765
	$ 37,643,600

Amounts shown above for the General, Special Revenue, and General Capital Project funds represent encumbrances and are components of restricted fund balances as described in Note 1.F.12.

7. Risk Management

The City 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 City protects itself from potential loss through a combination of risk-sharing participation, purchase of commercial insurance for primary and/or excess liability coverage and self-insured risk retention. Self-insured risks are primarily for general, professional, flood, law enforcement, vehicle and underground storage tank liabilities.

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 amounts for material claims that have been incurred but are not reported (IBNRs), based on actuarial computations. At June 30, 2019, the City did not have any material IBNRs reported in liabilities. Settled claims have not exceeded self-retained or purchased insurance coverage in any of the past three fiscal years and there have been no significant reductions in insurance coverage in the prior year.

The City has several properties located in various "at risk" categories as identified by the Federal Emergency Management Agency. Consequently, the City carries commercial flood insurance for aggregate coverage limits of $250 million and for several specific properties at $2 million per structure. Deductibles for specific loss range from $100,000 to $500,000 per location and can be covered under the general self-insured arrangements as discussed above.

In accordance with G.S. 159-29, the City's employees that have access to $100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The Financial Services Director is individually bonded for $100,000. All other employees that have access to funds are bonded under a blanket bond for $100,000.

8. Claims and Judgments

At June 30, 2019, the City was a defendant to various lawsuits. In the opinion of the City's management and the City attorney, the ultimate effect of these legal matters will not have a material adverse effect on the City's financial position.

The City has partial responsibility for the costs of investigation and remediation of contaminated soil and groundwater at its former Riverdale Road landfill site, which was closed in 1994. During the 1980s, a private company had used a site adjacent to the landfill for recycling chemicals, and its operations resulted in soil and groundwater contamination. Groundwater from the adjacent site has commingled with groundwater from the landfill site. In 2008, the City and the Potentially Responsible Parties (PRPs) for the adjacent site entered into a Remedial Action Settlement Agreement with NC Department of Environmental Quality to conduct a joint cleanup of both sites. The City and the other PRPs reached agreement among themselves to share the cleanup costs, with the City responsible for 25% of those costs. The City is unable to estimate the duration or cost of the remediation at this time. Estimated annual operating and maintenance costs are budgeted in the City's Solid Waste Fund.

9. Long-Term Obligations

The General Government long-term debt will be liquidated with the use of funds from the General and Debt Service Funds. All Business-type activities long-term debt will be liquidated with the use of funds from their respective funds. There are limitations and restrictions contained in the various bond indentures.

a. Installment Purchase Contracts

The City has entered into direct placement installment purchase agreements to acquire certain equipment. These contracts are typically five or ten-year term with quarterly or semi-annual payments. The principal sources of funding for these installment financing contracts are the General Fund and Internal Service Fund. The equipment (Fleet vehicles, public safety vehicles, real property, and public safety equipment) are pledged as collateral for the debt.

Future annual debt service payments on installment purchase contracts as of June 30, 2019, including interest of $1,382,155 is as follows:

Year Ending June 30,	Governmental Activities Principal	Governmental Activities Interest
2020	2,229,722	297,080
2021	1,835,156	252,806
2022	1,534,775	214,309
2023	1,437,858	180,342
2024	1,444,669	146,644
2025-2029	4,931,046	290,974
TOTAL	$ 13,413,226	$ 1,382,155

b. General Obligation Indebtedness

General Obligation Bonds

The City's general obligation bonds serviced by the governmental funds were issued for a variety of eligible purposes as permitted by North Carolina general statutes, including transportation, public safety, recreation, libraries and public buildings. Those general obligation bonds issued to finance the construction of facilities utilized in the operations of the enterprise funds and which its resources are retiring is reported as long-term debt in the respective enterprise fund. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the City. In the event of a default, the City agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the City under the related agreements. Principal is payable annually in varying amounts through 2039. Principal and interest requirements will be provided by appropriation in the year in which they become due. At June 30, 2019, the City of High Point had no authorized but unissued bonds and a legal debt margin of $725,389,770.

Serviced by the governmental funds:	
$13,315,000 Series 2010B Public Improvement (Taxable-Build America) bonds for transportation, public buildings, recreation, library and firefighting facilities maturing serially on June 1, 2018 through 2030 with interest semiannually December 1 and June 1 at rates varying between 3.798% - 5.675%	$ 11,391,633
$5,785,000 Series 2012 Public Improvement bonds for streets and sidewalks maturing serially on March 1 through 2032 with interest semiannually September 1 and March 1 at rates varying between 2.0% - 5.0%	3,755,000
$6,217,425 Series 2012 Refunding bonds for transportation, public buildings, recreation, library and firefighting facilities maturing serially on March 1 through 2026 with interest semiannually September 1 and March 1 at rates varying between 2.0% - 5.0%	3,511,396
$8,866,942 Series 2014 Refunding bonds for transportation, public buildings, recreation, library and firefighting facilities maturing serially on March 1 through 2027 with interest semiannually September 1 and March 1 at rates varying between 2.5% - 5.0%	6,487,792
$6,115,000 Series 2014 Public Improvement bonds for transportation, recreation, and firefighting facilities maturing serially on March 1 through 2034 with interest semiannually September 1 and March 1 at rates varying between 2.0% - 4.0%	4,575,000
$16,956,919 Series 2016 Public Improvement bonds for transportation, recreation, library, and public buildings maturing serially on March 1 through 2029 with interest semiannually September 1 and March 1 at rates varying between 2.75% - 5.0%	14,954,898
$6,600,000 Series 2018 Public Improvement bonds for public buildings maturing serially on March 1 through 2039 with interest semiannually September 1 and March 1 at rates varying between 3.0% - 4.0%	6,600,000
Total serviced by governmental funds	51,275,719

Serviced by Enterprise Funds:

Water & Sewer Fund

$14,595,000 Series 2010C Refunding bonds for water and sewer maturing serially on June 1, 2013 through 2022 with interest semiannually December 1 and June 1 at rates varying between 3.0% - 5.0%	$	3,855,000
$6,036,114 Series 2012 Refunding bonds for water and sewer maturing serially on March 1, 2013 through 2026 with interest semiannually September 1 and March 1 at rates varying between 2.0% - 5.0%		3,408,997
Total serviced by Water & Sewer Fund		7,263,997

Storm Water Fund

$3,265,000 Series 2010B Public Improvement (Taxable-Build America) bonds for storm water facilities maturing serially on June 1, 2018 through 2030 with interest semiannually December 1 and June 1 at rates varying between 3.798% - 5.675%		2,793,367
$3,186,461 Series 2012 Refunding bonds for storm water facilities maturing serially on March 1, 2013 through 2026 with interest semiannually September 1 and March 1 at rates varying between 2.0% - 5.0%		1,799,607
$1,233,058 Series 2014 Refunding bonds for storm water facilities maturing serially on March 1 through 2027 with interest semiannually September 1 and March 1 at rates varying between 2.5% - 5.0%		902,208
$3,413,081 Series 2016 Refunding bonds for storm water facilities maturing serially on March 1 through 2029 with interest semiannually September 1 and March 1 at rates varying between 2.25% - 5.0%		3,010,109
Total serviced by Storm Water Fund		8,505,291
Premium on general obligation bonds		214,853
Total general obligation bonds, net of discounts	$	67,259,860

Annual Debt Service Requirements:

Annual debt service requirements to maturity for the General Obligation bonds are as follows:

	Governmental Activities - Bonds		Business - Type Activities Bonds			
Year Ending	General Obligation		Water and Sewer		Storm Water	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2020	$ 4,934,587	$ 2,137,539	$ 2,117,048	$ 330,610	$ 983,366	$ 387,963
2021	4,937,253	1,917,946	1,972,047	224,758	985,700	340,262
2022	4,874,265	1,690,903	1,574,002	126,156	976,733	262,012
2023	4,824,722	1,473,717	607,912	57,155	972,367	244,946
2024	4,658,044	1,247,264	387,030	26,760	864,925	197,553
2025-2029	20,017,681	3,475,351	605,957	21,697	3,391,368	479,094
2030-2034	5,379,168	733,113	-	-	330,832	18,775
2035-2039	1,650,000	180,015	-	-	-	-
Total	$ 51,275,719	$ 12,855,848	$ 7,263,997	$ 787,136	$ 8,505,291	$ 1,930,605

c. Limited Obligation Bonds:

The City's limited obligation bonds serviced by the governmental funds were issued for a multi-use facility catalyst project including a new stadium. The stadium property serves as collateral for the bonds. Principal is payable annually in varying amounts through 2039. Principal and interest requirements will be provided by appropriation in the year in which they become due.

Annual debt service requirements to maturity for the Limited Obligation bonds are as follows:

Annual Debt Service Requirements:

Serviced by the governmental funds:

$35,000,000 Series 2018 Limited Obligation bonds for Stadium Facility on February 1, 2018 through 2039 with interest semiannually October 1 and April 1 at rates varying between 2.31% - 3.78%	$ 35,000,000

Year Ending June 30,	Principal	Interest
2020	$ 1,485,000	$ 1,158,108
2021	1,500,000	1,122,056
2022	1,520,000	1,083,016
2023	1,545,000	1,041,246
2024	1,565,000	996,767
2025-2029	8,215,000	4,237,121
2030-2034	9,050,000	2,758,940
2035-2039	10,120,000	973,820
Total	$ 35,000,000	$ 13,371,074

d. Revenue Bonds

Serviced by Enterprise Funds:		
Water & Sewer Fund		
$20,475,000 Series 2010B Enterprise System Revenue (Taxable-Build America/RZED) Bonds for water and sewer maturing serially beginning November 1, 2016 through 2020 and term bonds maturing on November 1 beginning 2021 through 2035. The bonds pay interest semiannually November 1 and May 1 at rates varying 3.554% to 5.921%. The term bonds have been legally defeased with the issuance of Series 2019 Enterprise System Revenue Refunding Bonds	$	1,635,000
$32,125,000 Series 2012A Enterprise System Revenue Refunding Bonds for water and sewer maturing serially beginning November 1, 2015 through 2030 and term bonds maturing on November 1, 2029 and 2031. The bonds pay interest semiannually November 1 and May 1 at rates varying 2.00% - 5.00%		26,160,000
$37,640,000 Series 2014 Enterprise System Revenue Refunding Bonds for water and sewer maturing serially beginning November 1, 2016 through 2036 and term bonds maturing on November 1, 2037, 2038, and 2039. The bonds pay interest semiannually November 1 and May 1 at rates varying 3.00% - 5.00%		34,785,000
$50,575,000 Series 2016 Enterprise System Revenue Refunding Bonds for water and sewer maturing serially beginning November 1, 2017 through 2033 and term bonds maturing on November 1, 2037. The bonds pay interest semiannually November 1 and May 1 at rates varying 3.00% - 5.00%		48,695,000
$47,610,000 Series 2019 Enterprise System Revenue Bonds for water and sewer maturing serially beginning November 1, 2020 through 2040 and term bonds maturing on November 1, 2043. The bonds pay interest semiannually November 1 and May 1 at rates varying 3.00% - 5.00%		47,610,000
Total serviced by Water & Sewer Fund		158,885,000
Premiums on revenue bonds		6,632,192
Total revenue bonds, net of premiums	$	165,517,192

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay the aforementioned revenue bonds. The bonds are payable solely from these net water and sewer customer revenues and are payable through fiscal year 2043. Annual principal and interest payments on the bonds are expected to require less than 34.5% of net revenues. Principal and interest requirements will be provided by appropriation in the year in which they become due.

Annual Debt Service Requirements:

Annual debt service requirements to maturity for the revenue bonds are as follows:

	Business - Type	
Year Ending	Water and Sewer	
June 30,	Principal	Interest
2020	$ 5,835,000	$ 6,464,118
2021	6,840,000	6,451,557
2022	6,985,000	5,121,643
2023	7,330,000	5,772,493
2024	7,690,000	5,405,719
2025-2029	44,525,000	20,907,139
2030-2034	46,090,000	10,542,220
2035-2039	21,540,000	4,072,700
2040-2043	12,050,000	797,450
Total	$ 158,885,000	$ 65,535,039

The City has been in compliance with the covenants as to rates, fees and charges in Section 7.04 of the Enterprise System Trust Agreement since its adoption in 2004 and the related Supplemental Trust Agreements and bond orders authorizing the Enterprise System Revenue Bonds, Series 2008, 2010, 2014 and 2019 and Enterprise System Refunding Revenue Bonds Series 2012 and 2016 since their respective adoption. The Trust Agreement requires that the City maintain parity debt service coverage ratio to be no less than 120% or total debt service coverage ratio to be no less than 100% under one of two pronged tests. The debt service coverage ratio calculation for the year ended June 30, 2019 is as follows:

Prior Year Unrestricted Net Position	$ 39,021,515
Operating revenue	52,977,411
Operating expenses, excluding depreciation, accrued stipends, pension, and OPEB	29,682,361
Income available for debt service	23,295,050
Parity debt service requirement	11,671,602
Total debt service requirement	16,584,889
Coverage on parity debt including 15% prior year unrestricted net position	250%
Coverage on total debt excluding 15% prior year unrestricted net position	140%

e. State and Federal Revolving and Bond Loans

Serviced by Enterprise Funds:

A federal revolving loan was executed April 6, 2001 for a sewer project in the amount of $15,000,000, at an interest rate of 2.550%, principal to be repaid in 20 annual payments, the first principal payment being due 6 months after completion of the project. As of June 30, 2019, $15,000,000 had been drawn-down and principal payments of $12,750,000 have been made, leaving an outstanding balance of $2,250,000. Interest expense was $76,500 for the year ended June 30, 2019. The loan is secured by a pledge of revenues.

A federal revolving loan was executed October 17, 2011 for sewer projects under the stimulus provisions of the American Recovery and Reinvestment Act of 2009. The loan provided for 50% of the loan balance to be forgiven at the time of the loan closing and the balance of principal to be repaid in 20 annual payments at an interest rate of 0.0%. As of June 30, 2019, $1,307,509 had been drawn-down and principal forgiveness of $653,755 granted. In addition, principal payments of $295,052 have been made, leaving an outstanding balance of $358,702. The loan is secured by a pledge of revenues.

Annual Debt Service Requirements:

Annual debt service requirements to maturity for the Loans Payable are as follows:

Business Activities-Loans and Notes Payable
Water and Sewer

Year Ending June 30,	Federal Revolving Loans Principal	Federal Revolving Loans Interest
2020	$ 782,609	$ 57,375
2021	782,609	38,250
2022	782,609	19,125
2023	32,609	-
2024	32,609	-
2025-29	163,048	-
2030	32,609	-
Total	$ 2,608,702	$ 114,750

f. HUD Section 108 Federal Loans

The City executed preliminary promissory notes in the amount of $1,350,000 and $2,000,000, respectively during 2016, and $694,000 during 2018. The promissory notes are with the US Department of Housing and Urban Development (HUD) for redevelopment projects authorized under the CDBG Section 108 loan program. The City has related developer notes receivable in these amounts respectively as the principal component is deferred. The City's notes payable is secured by the property as well as future CDBG appropriations. In March 2019, the amortization schedules for both notes were finalized by HUD.

Annual Debt Service Requirements:

Annual debt service requirements to maturity for the Loans Payable are as follows:

Governmental Activities-Loans and Notes Payable

Year Ending June 30,	Section 108 HUD Loans Principal	Section 108 HUD Loans Interest
2020	$ 132,000	$ 98,683
2021	122,000	114,331
2022	113,000	111,324
2023	106,000	108,522
2024	97,000	105,902
2025-29	409,000	494,309
2030-34	377,000	434,657
2035-38	2,308,000	141,575
Total	$ 3,664,000	$ 1,609,303

g. Component Unit Loan Payable

Forward High Point, Inc., a blended component unit reported as part of governmental activities has a loan payable related to the purchase of a property. As part of a property purchased in April 2019, the seller financed $759,000 of the purchase price. Monthly interest payments will be made through March 2024 with the remaining interest and principal due April 2024. The interest rate is 7% and begins to increase in 2021 by 1% annually until maturity. The Outstanding balance of $759,000 at June 30, 2019 is due during the year ending June 30, 2024.

h. Lines of Credit

Forward High Point, Inc., a blended component unit reported as part of governmental activities has a line of credit of $3,000,000 to acquire property located in the City, which is used as collateral against the line of credit. The line of credit bears interest at Libor plus 2.25% (4.625% at June 30, 2019). Accrued interest on outstanding principal is due monthly and the principal balance of $420,000 is due at maturity on August 3, 2019; however, the line of credit agreement is currently in the process of a one-year renewal and the principal remains outstanding.

i. Changes in Long-Term Liabilities

	Beginning Balance, as restated	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental Activities:					
Bonds and notes payable:					
General obligation bonds	$ 49,446,091	$ 6,600,000	$ 4,770,372	$ 51,275,719	$ 4,934,587
Premium on general obligation bonds	-	214,853	-	214,853	10,742
Limited obligation bonds	35,000,000	-	-	35,000,000	1,485,000
Notes and loans payable	3,803,000	759,000	139,000	4,423,000	132,000
Line of credit payable	420,000	-	-	420,000	
Direct placement installment purchase agreements	8,195,534	6,988,655	1,770,963	13,413,226	2,229,722
Total bonds and notes payable	96,864,625	14,562,508	6,680,335	104,746,798	8,792,051
Other liabilities:					
Compensated absences	4,840,117	3,766,284	3,756,458	4,849,943	3,756,457
Retirement incentive stipends liability	696,713	291,018	274,931	712,800	279,263
Total OPEB liability	9,385,231		2,091,839	7,293,392	-
Net pension liability (LGERS)	12,842,628	7,277,677	-	20,120,305	-
Total pension liability (LEO)	12,538,999	214,353	-	12,753,352	-
Total other liabilities:	40,303,688	11,549,332	6,123,228	45,729,792	4,035,720
Governmental activities long-term liabilities	$ 137,168,313	$ 26,111,840	$ 12,803,563	$ 150,476,590	$ 12,827,771
Business-type Activities:					
Bonds and notes payable					
Water and Sewer General Obligation Bonds	$ 10,247,215	$ -	$ 2,983,218	$ 7,263,997	$ 2,117,048
Water and Sewer Revenue Bonds	133,580,000	47,610,000	22,305,000	158,885,000	5,835,000
Premium on Water and Sewer Revenue Bonds	3,106,019	3,814,050	287,877	6,632,192	287,877
Total Water and Sewer Revenue Bonds	136,686,019	51,424,050	22,592,877	165,517,192	6,122,877
Storm Water General Obligation Bonds	9,396,701	-	891,410	8,505,291	983,366
Notes and loans payable	3,391,311	-	782,609	2,608,702	782,609
Total bonds and notes payable	159,721,246	51,424,050	27,250,114	183,895,182	10,005,900
Other liabilities					
Landfill closure and post-closure	13,131,788	288,899		13,420,687	-
Total OPEB liability	4,128,419		918,654	3,209,765	-
Net pension liability (LGERS)	4,338,145	2,382,939		6,721,084	-
Retirement incentive stipends liability	329,175	177,789	124,988	381,976	137,775
Compensated absences	1,493,503	1,115,524	1,044,983	1,564,044	1,036,184
Total other liabilities	23,421,030	3,965,151	2,088,625	25,297,556	1,173,959
Business-type activities long-term liabilities	$ 183,142,276	$ 55,389,201	$ 29,338,739	$ 209,192,738	$ 11,179,859

Other liabilities, including compensated absences, retirement stipends, OPEB, and pension obligations for governmental activities have typically been liquidated in the General Fund, Special Revenue Fund, and Internal Service Fund as appropriate.

Note 3. Interfund Balances and Activity

A schedule of interfund transfers for the year ended June 30, 2019 is as follows:

	Transfers from				
Transfers to	General	General Capital Project	Water and Sewer	Electric	Total
General Fund................................	$ -	$ -	$ 50,000	$ 2,007,139	$ 2,057,139
General Capital Projects Fund.....	2,130,323	-	100,000	100,000	2,330,323
Non-major governmental funds..	1,334,054	248,320	-	-	1,582,374
Non-major enterprise funds........	1,120,194	-	-	-	1,120,194
Total.......................................	$ 4,584,571	$ 248,320	$ 150,000	$ 2,107,139	$ 7,090,030

Transfers are used to move revenues from the appropriate funds for the payment of debt service principal and interest, move restricted borrowings to establish mandatory reserve accounts, and to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies of matching funds for various grant programs.

The transfers from the Electric Fund to the General Fund represent the amounts designated for Economic Development and the International Home Furnishings Market as well as the payment in lieu of taxes.

During the fiscal year the City transferred capital assets between funds. In the internal service fund financial statements, capital assets transferred in are shown as capital contributions. The loss on disposal and capital contributions are eliminated in the government-wide statement presentation.

The City Council authorized internal borrowings as part of its Downtown Catalyst Economic Development Project in April 2017. The funds were used in combination with other funding sources to provide for the purchases of property for the Downtown Multi-Use Stadium and related properties for redevelopment. In lieu of external financing options, the General Capital Projects Fund borrowed $2,000,000 from the Electric Fund, $5,000,000 from the Landfill Closure/Post-closure Fund, and $1,000,000 from the Internal Service Fund in June 2017. In the formal action of resolution, the City Council and management is to repay the transfer semi-annually on a twenty-year amortized schedule at an interest rate of 1.00% which approximated the City's blended internal rate of return for investments at that time. The repayment schedule provides for the return of funds first to the Internal Service Fund, then to the Electric Fund, and then to the Solid Waste Fund. The interfund loan between the Internal Service Fund and the General Capital Projects Fund is eliminated in the government-wide statement presentation.

The interfund transactions are presented as long-term interfund receivables for the enterprise funds and as a long-term interfund payable in the governmental fund statements.

	Interfund Balances Receivable			
Interfund Balances Payable	Electric	Nonmajor Enterprise	Internal Service	Total
General Capital Projects Fund......	$ 2,000,000	$ 5,000,000	$ 600,000	$ 7,600,000

The repayment plan related to the Downtown Catalyst Economic Development Project is below. During fiscal year ended June 30, 2019, a $400,000 principal payment has been made to the Internal Service Fund and the current principal balance is $7,600,000.

	Electric	Landfill Reserve	Internal Service	Total
FY 2020	-	-	443,323	443,323
FY 2021	221,663	-	221,660	443,323
FY 2022	443,323	-	-	443,323
FY 2023	443,323	-	-	443,323
FY 2024	443,323	-	-	443,323
FY 2025	443,323	-	-	443,323
FY 2026	221,658	221,665	-	443,323
FY 2027	-	443,323	-	443,323
FY 2028	-	443,323	-	443,323
FY 2029	-	443,323	-	443,323
FY 2030	-	443,323	-	443,323
FY 2031	-	443,323	-	443,323
FY 2032	-	443,323	-	443,323
FY 2033	-	443,323	-	443,323
FY 2034	-	443,323	-	443,323
FY 2035	-	443,323	-	443,323
FY 2036	-	443,323	-	443,323
FY 2037	-	443,323	-	443,323
FY 2038	-	443,323	-	443,323
	$ 2,216,613	$ 5,541,541	$ 664,983	$ 8,423,137

Note 4. Joint Ventures

A. The North Carolina Municipal Power Agency Number 1 (Agency) is a joint venture organized and existing pursuant to Chapter 159B of the General Statutes of North Carolina to enable municipalities owning electric distributions systems, through the organization of the Agency, to finance, construct, own, operate and maintain electric generation and transmission facilities. The Agency has nineteen members (participants), which receive power from the Agency. The Agency has entered into a Project Power Sales Agreement and a Supplemental Power Sales Agreement with each participant. These agreements provide for each participant to purchase from the Agency its all-requirements bulk power supply, in excess of power allotments from the Southeastern Power Administration (SEPA), which includes its total share of project output (as defined by the Project Power Sales Agreement). The Agency is obligated to provide all electric power required by each participant at the respective delivery points. Each participant is obligated to pay its share of the operating and debt service costs of the project.

The City began purchase of power from the Agency under the power sales agreement dated July 1, 1983.

Each municipality may appoint one commissioner to serve on the Agency's board. The board elects its own officers and is responsible for the selection of management to run the daily operations of the Agency. The Agency is responsible for budgeting and receiving its financing.

Summary financial information for the Agency for the year ended December 31, 2018 is presented below (in thousands of dollars):

		Total
Current and other assets	$	1,160,578
Capital assets		1,157,655
Deferred outflow of resources		55,894
Total assets and deferred outflows of resources		2,374,127
Current liabilities		132,248
Long term debt & other non-current liabilities		1,412,317
Deferred inflows of resources		531,324
Total liabilities and deferred inflow of resources		2,075,889
Total net position	$	298,238
Total revenues	$	536,827
Total expenses		459,904
Net increase in net position	$	76,923

As of December 31, 2018, the Agency had outstanding $974,125,000 of bonds.

The following is a summary of debt service requirements for bonds outstanding at December 31, 2018 (in thousands of dollars):

Year	Principal	Interest	Total
2019	112,915	43,617	156,532
2020	55,970	41,619	97,589
2021	57,955	38,897	96,852
2022	60,340	36,871	97,211
2023	62,845	34,004	96,849
2024 to 2028	361,940	122,271	484,211
2029 to 2031	262,160	27,528	289,688
	$ 974,125	$ 344,807	$ 1,318,932

The City has made no investment in this joint venture. The City's only financial involvement with the agency relates to the power sales agreement for power purchases. The City's purchases of power for the fiscal year ended June 30, 2019 totaled $91,410,683. Complete financial statements for the Power Agency can be obtained from the Agency's administrative offices at P.O. Box 29513, Raleigh, NC 27626-0513.

B. The Piedmont Triad Regional Water Authority is a consortium formed by the City, the City of Archdale, the City of Greensboro, the Town of Jamestown, the City of Randleman, and Randolph County for the purpose of construction of the Randleman Dam and to provide a regional water resource. Each participating government appoints members to the board: Greensboro (3), High Point (2), Randolph County (2), Jamestown (2), and Randleman (1) for a total of 10 members. The dam is a joint venture for the purchase of land, construction of a dam, and a wastewater bypass. The Randleman Dam was completed in January 2003 and the impoundment of water is complete. The Authority has also completed the construction for a water treatment plant and a raw water pump station, transmission lines, and a finished water pump station. The Piedmont Triad Regional Water Authority is operating and maintaining these facilities under an interlocal agreement among the members. The City's allocable portion of capacity and distributable water is 19% or approximately 9 MGD at full operational limits. The City's financial involvement includes membership dues for the allocated administrative costs of the authority and the water purchases under a water sales agreement. The City paid $328,823 for member dues and $884,928 for water purchases during the fiscal year ended June 30, 2019. Complete financial statements for the Piedmont Triad Regional Water Authority may be obtained from Piedmont Triad Regional Water Authority, P.O. Box 1326, Randleman, NC 27317.

C. The governing boards of the cities of Winston-Salem, Burlington, Greensboro, and High Point established the Piedmont Authority of Regional Transportation under the Regional Public Transportation Authority Act, North Carolina General Statutes Chapter 160A, Article 27. The purpose of the Authority is to promote the development of sound transportation systems that provide transportation choices for citizens in its territorial jurisdiction. The participating governments do not have an equity interest in the joint venture. The City of High Point does not have financial responsibility for the Authority and is not responsible for its debts. Audited financial statements for the Piedmont Authority of Regional Transportation are available through the Office of the Executive Director, Piedmont Authority of Regional Transportation, 107 Arrow Rd., Greensboro, NC 27409.

D. The City and the members of the City's fire department each appoint two members to the five-member local board of trustees for the Firefighters' Relief Fund. The State Insurance Commissioner appoints one additional member to the local board of trustees. The Firefighters' Relief Fund is funded by a portion of the fire and lightning insurance premiums that insurers remit to the State. The State passes these moneys to the local board of the Firefighters' Relief Fund. The funds are used to assist fire fighters in various ways. The City obtains an ongoing financial benefit from the Fund for the on-behalf of payments for salaries and fringe benefits made to members of the City's fire department by the board of trustees. During the fiscal year ended June 30, 2019, the City had no revenues to report nor expenditures for payments made through the Firefighters' Relief Fund. The participating governments do not have any equity interest in the joint venture, so no equity has been reflected in the financial statements at June 30, 2019. The Firefighters' Relief Fund does not issue separate audited financial statements. Instead, the local board of trustees files an annual financial report with the State Firemen's Association. This report can be obtained from the Association at 323 West Jones Street, Suite 401, Raleigh, North Carolina 27603.

Note 5. Jointly Governed Organizations

A. The City in conjunction with 6 counties and 25 other municipalities established the Piedmont Triad Regional Council (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The City paid membership fees of $23,149 to the Council during the fiscal year ended June 30, 2019.

B. The City has an agreement with the Piedmont Triad Airport Authority in which it appoints one member to the board. The City has no financial obligation or investment in the operation of the Airport Authority. Complete financial statements for the Piedmont Triad Airport Authority may be obtained through the Airport Authority, 1000A Ted Johnson Parkway, Greensboro, NC 27409.

C. The City created a High Point Convention and Visitors Bureau (the Bureau) to promote tourism and to solicit and encourage convention business in High Point. The City appoints one of the eleven voting members of the Bureau. Revenues from the county-wide occupancy tax pass through the City to the Bureau. The City paid $1,726,700 to the Bureau during the fiscal year ended June 30, 2019. The City has no other financial obligation or investment in the operation of the Bureau.

Note 6. Related Organization

The eight-member board of the City of High Point Housing Authority includes seven members appointed by the Mayor of the City of High Point and one Council member liaison. The City is accountable for the Housing Authority because it appoints the governing board; however, the City is not financially accountable for the Housing Authority. The City of High Point is also disclosed as a related organization in the notes to the financial statements for the City of High Point Housing Authority. Complete financial statements for the Housing Authority can be obtained from the Authority's offices at 500 East Russell Avenue, High Point, NC 27260.

Note 7. Summary Disclosure of Significant Contingencies

A. Federal and State-Assisted Programs

The City has received proceeds from several federal and state grants, principal of which are the Community Development Block Grant and Federal Transit Administration programs. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies.

B. Company Incentive Program

In August 2018, the City executed a commitment agreement with a company to provide reimbursements for documented construction costs if the company meets certain documented benchmarks for jobs creation and capital investment by December 31, 2027. The maximum amount of reimbursements available to the company over the term of the program (between 2020 and 2028) is $1,171,000.

Note 8. Comparative Data and Reclassifications

Comparative data for the prior year has been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. In addition, certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

Note 9. Subsequent Events

The City has evaluated subsequent events through October 31, 2019 in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

Required
Supplemental Information

This section contains additional information required by accounting principles generally accepted in the United States of America.

- Schedule of Funding Progress for the Healthcare Benefits Plan
- Schedule of Employer Contributions for the Healthcare Benefits Plan
- Notes to the Required Schedules for the Healthcare Benefits Plan
- Schedule of Proportionate Share of Net Pension Liability/(Asset) for Local Government Employees' Retirement System
- Schedule of Contributions to Local Government Employees' Retirement System
- Schedule of Proportionate Share of Net Pension Liability for Firefighters' and Rescue Squad Workers' Pension Plan
- Schedule of Changes in Total Pension Liability for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Total Pension Liability as a Percentage of Covered Payroll for the Law Enforcement Officers' Special Separation Allowance
- Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance

HIGH POINT

NORTH CAROLINA'S INTERNATIONAL CITY™

CITY OF HIGH POINT, NORTH CAROLINA

City of High Point's Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Six Fiscal Years*

Local Government Employees' Retirement System

	2019	2018	2017	2016	2015	2014
High Point's proportion of the net pension liability (asset) (%)	1.13143%	1.12460%	1.12823%	1.20112%	-1.16855%	1.20630%
High Point's proportion of the net pension liability (asset) ($)	$ 26,841,389	$ 17,180,773	$ 23,944,820	$ 5,390,568	$ (6,891,482)	$ 14,540,547
High Point's covered payroll	$ 74,196,162	$ 71,215,315	$ 71,515,004	$ 65,799,563	$ 65,267,208	$ 64,822,108
High Point's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	36.18%	24.13%	33.48%	8.19%	-10.56%	22.43%
Plan fiduciary net position as a percentage of the total pension liability**	92.00%	94.18%	91.47%	98.09%	102.64%	94.35%

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

** This will be the same percentage for all participant employers in the LGERS plan.

CITY OF HIGH POINT, NORTH CAROLINA

City of High Point's Contributions
Required Supplementary Information
Last Six Fiscal Years

Local Government Employees' Retirement System

	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 6,161,088	$ 5,734,865	$ 5,346,388	$ 4,810,510	$ 4,737,246	$ 4,638,851
Contributions in relation to the contractually required contribution	6,161,088	5,734,865	5,346,388	4,810,510	4,737,246	4,638,851
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
High Point's covered payroll	$ 78,708,495	$ 74,196,162	$ 71,215,315	$ 71,515,004	$ 65,799,563	$ 65,267,208
Contributions as a percentage of covered payroll	7.83%	7.73%	7.51%	6.73%	7.20%	7.11%

CITY OF HIGH POINT, NORTH CAROLINA

City of High Point's Proportionate Share of Net Pension Liability
Required Supplementary Information
Last Five Fiscal Years*

Firefighters' and Rescue Squad Workers' Pension

	2019	2018	2017	2016	2015
High Point's proportionate share of the net pension liability (%)	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%
High Point's proportionate share of the net pension liability ($)	$ -	$ -	$ -	$ -	$ -
State's proportionate share of the net pension liability associated with City of High Point	228,846	202,300	150,289	148,356	111,628
Total	$ 228,846	$ 202,300	$ 150,289	$ 148,356	$ 111,628
High Point's covered payroll	$ 10,669,996	$ 9,768,965	$ 8,975,917	$ 8,584,438	$ 9,121,507
High Point's proportionate share of the net pension liability as a percentage of its covered-employee payroll	2.14%	2.07%	1.67%	1.73%	1.22%
Plan fiduciary net position as a percentage of the total pension liability	89.69%	89.35%	84.94%	91.40%	93.42%

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

CITY OF HIGH POINT, NORTH CAROLINA

Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
June 30, 2019

	2019	2018	2017
Beginning balance	$ 12,538,999	$ 11,019,740	$ 11,287,501
Service Cost	487,663	392,091	408,588
Interest on the total pension liability	384,970	410,820	388,598
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	547,211	762,779	-
Changes of assumptions or other inputs	(492,676)	707,030	(260,165)
Benefit payments	(712,815)	(753,461)	(804,782)
Other changes	-	-	-
Ending balance of the total pension liability	$ 12,753,352	$ 12,538,999	$ 11,019,740

The amounts presented for each fiscal year were determined as of the prior year ending December 31

CITY OF HIGH POINT, NORTH CAROLINA

Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
June 30, 2019

	2019	2018	2017
Total pension liability	$ 12,753,352	$ 12,538,999	$ 11,019,740
Covered payroll	15,033,051	13,952,615	13,985,105
Total pension liability as a percentage of covered payroll	84.84%	89.87%	78.80%

Notes to the schedules:
The City of High Point has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

CITY OF HIGH POINT, NORTH CAROLINA

Schedule of Changes in Total OPEB Liability and Related Ratios
Required Supplementary Information
June 30, 2019

	2019	2018
Service cost	$ 619,522	$ 668,246
Interest	470,077	402,310
Changes of benefit terms	-	-
Differences between expected and actual experience	(4,460,117)	153,213
Changes of assumptions	983,937	(766,448)
Benefit payments	(623,912)	(614,336)
Net change in Total OPEB liability	(3,010,493)	(157,015)
Total OPEB liability - beginning	13,513,650	13,670,665
Total OPEB liability - ending	$ 10,503,157	$ 13,513,650
Covered payroll	73,391,487	71,003,150
Total OPEB liability as a percentage of covered payroll	14.31%	19.03%

Notes to Schedule

Note: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

Fiscal year	Rate
2019	3.89%
2018	3.56%

General Fund

The General Fund accounts for all financial resources except those required to be accounted for in another fund. The general operations of the City, such as administration, police, fire, public services, parks and recreation, library, etc. are found in the General Fund. The primary sources of the revenues are property tax collections, licenses and permits, intergovernmental revenues, charges for services and interest on investments.

General Fund
Schedule of Revenue and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Revenues:				
Taxes				
Property taxes	$ 60,822,628	$ 59,590,811	$ (1,231,817)	$ 58,883,863
Tax interest	290,000	245,262	(44,738)	255,923
Total taxes	61,112,628	59,836,073	(1,276,555)	59,139,786
Sales and use taxes				
Room occupancy tax	2,175,000	2,370,883	195,883	2,199,402
Rental vehicle tax	180,000	215,076	35,076	177,452
Total sales and use taxes	2,355,000	2,585,959	230,959	2,376,854
Intergovernmental revenues				
Sales tax	19,938,000	20,521,700	583,700	19,202,141
Utilities sales tax	7,205,000	6,344,193	(860,807)	6,003,155
Piped natural gas sales tax	495,000	490,426	(4,574)	513,191
Telecommunications sales tax	710,000	584,301	(125,699)	639,749
Powell bill	2,944,473	2,897,350	(47,123)	2,914,607
Video Programming	987,028	902,509	(84,519)	955,416
Guilford County	1,224,960	1,352,634	127,674	1,338,735
ABC Board revenues	1,920,000	2,067,499	147,499	1,921,458
DOT sign, signal and misc. reimbursement	346,200	309,956	(36,244)	378,477
Housing authority	209,000	208,671	(329)	208,671
Highway maintenance	220,000	165,000	(55,000)	344,930
Beer and wine tax	530,000	481,651	(48,349)	477,497
Other intergovernmental revenues	412,345	635,128	222,783	210,310
Total intergovernmental revenues	37,142,006	36,961,018	(180,988)	35,108,337
Licenses and permits				
Showroom license fees	1,727,000	1,707,841	(19,159)	1,648,360
Business registration fees	125,000	75,064	(49,936)	80,874
Vehicle user fees	1,250,000	1,174,056	(75,944)	1,172,272
Fines and forfeitures	52,500	60,509	8,009	59,877
Inspection and development fees and permits	1,363,500	1,984,412	620,912	1,707,744
Other licenses and fees	150	96	(54)	66
Total licenses and permits	4,518,150	5,001,978	483,828	4,669,193
Charges for services				
Recreation programs	2,489,750	2,278,943	(210,807)	2,336,126
Sales and rentals	2,365,314	2,536,518	171,204	2,289,232
Other charges and services	193,000	189,355	(3,645)	222,971
Total charges for services	5,048,064	5,004,816	(43,248)	4,848,329
Interest income and miscellaneous revenues				
Interest income	380,000	906,441	526,441	463,371
Miscellaneous	365,875	1,518,788	1,152,913	471,005
Sale of capital assets	185,000	189,000	4,000	41,029
Total interest income and miscellaneous revenues	930,875	2,614,229	1,683,354	975,405
Total revenues	111,106,723	112,004,073	897,350	107,117,904

(Continued)

(Continued)

General Fund
Schedule of Revenue and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Expenditures:				
General government				
Governing body	$ 302,055	$ 284,427	$ 17,628	$ 658,596
Administration and general	4,691,731	4,417,157	274,574	4,324,254
Human resources	740,394	535,095	205,299	816,221
Financial services	1,277,920	1,175,112	102,808	1,233,416
Engineering services	1,612,413	1,603,802	8,611	1,490,330
Communications	2,527,150	2,522,471	4,679	2,496,126
Information services	2,433,159	1,940,876	492,283	2,198,366
Public services administration	159,731	176,544	(16,813)	215,169
Contingency	635,000	-	635,000	-
Total general government	14,379,553	12,655,484	1,724,069	13,432,478
Public safety				
Police	28,648,198	28,590,060	58,138	27,537,905
Fire	25,878,024	24,149,134	1,728,890	24,506,019
Total public safety	54,526,222	52,739,194	1,787,028	52,043,924
Transportation				
Administration	1,069,500	801,543	267,957	841,930
Signs and signals	4,289,185	4,087,309	201,876	4,064,506
Streets maintenance	8,070,686	6,765,062	1,305,624	6,865,472
Total transportation	13,429,371	11,653,914	1,775,457	11,771,908
Environmental services				
Cemeteries	273,698	249,577	24,121	235,749
Total environmental services	273,698	249,577	24,121	235,749
Total public services	13,703,069	11,903,491	1,799,578	12,007,657
Community and economic development				
Planning	1,303,783	1,215,554	88,229	1,265,974
Housing	1,867,715	1,961,473	(93,758)	3,467,011
Building inspections	2,171,380	2,104,481	66,899	1,847,491
Furniture market authority	3,152,000	3,112,923	39,077	3,055,699
Economic development	1,196,986	1,174,448	22,538	1,432,327
Total community and economic development	9,691,864	9,568,879	122,985	11,068,502
Cultural and recreation and special appropriations				
Parks and recreation	12,851,255	12,294,241	557,014	11,733,778
Library	4,445,357	4,357,625	87,732	4,152,934
Museum	870,628	779,149	91,479	897,735
Theatre	1,492,365	1,561,603	(69,238)	1,357,876
Special appropriations - agencies	1,689,423	1,937,700	(248,277)	1,988,063
Total cultural and recreation and spec appropriations	21,349,028	20,930,318	418,710	20,130,386
Total expenditures	113,649,736	107,797,366	5,852,370	108,682,947
Excess (deficiency) of revenues over (under) expenditures	(2,543,013)	4,206,707	6,749,720	(1,565,043)

(Continued)

CITY OF HIGH POINT, NORTH CAROLINA

(Concluded)

General Fund
Schedule of Revenue and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Other financing sources (uses):				
Proceeds from issuance of installment purchases	$ 2,100,000	$ 5,155,000	$ 3,055,000	$ -
Transfers from (to) other funds:				
General Debt Service Fund	(4,793,550)	(793,000)	4,000,550	(4,743,550)
Special Grants Fund	(443,717)	(421,054)	22,663	(284,429)
Community Development Fund	(120,000)	(120,000)	-	(120,000)
General Capital Projects Fund	(2,130,323)	(2,130,323)	-	(3,263,343)
Water/Sewer Fund	50,000	50,000	-	50,000
Electric Fund	1,110,000	1,110,000	-	1,110,000
Mass Transit Fund	(887,194)	(887,194)	-	(812,664)
Mass Transit Capital Projects Ordinance Fund	(83,000)	(83,000)	-	-
Parking Facilities Fund	(150,000)	(150,000)	-	(50,000)
LEO Pension Trust Fund	(50,000)	-	50,000	-
Transfers in related to payment in lieu of taxes	897,139	897,139	-	889,492
Fund balance appropriated	7,043,658	-	(7,043,658)	-
Total other financing sources (uses)	2,543,013	2,627,568	84,555	(7,224,494)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	$ -	6,834,275	$ 6,834,275	(8,789,537)
Fund balance, beginning		20,707,711		29,497,248
Fund balance, end of year		$ 27,541,986		$ 20,707,711

Capital Projects Fund

General Capital Projects Fund

To account and provide for inception to date budgeting and accounting for the acquisition and/or construction of major capital improvements acquired through annual transfers from governmental funds and through bond referenda and other public debt issuances.

HIGH POINT

NORTH CAROLINA'S INTERNATIONAL CITY™

CITY OF HIGH POINT, NORTH CAROLINA

General Capital Projects Fund
Schedule of Revenues and Expenditures
Compared With Project Authorizations (Non - GAAP)
From Project Inception and for the Fiscal Year Ended June 30, 2019

	PROJECT AUTHORIZATION	PRIOR YEAR	ACTUAL CURRENT YEAR	TOTAL TO DATE
Revenues:				
Restricted intergovernmental	$ 5,698,480	$ 3,344,067	$ 2,091,652	$ 5,435,719
Interest on investments	-	-	61,277	61,277
Miscellaneous	2,117,973	553,267	1,572,855	2,126,122
Administrative reimbursements	180,000	360,000	-	360,000
Total revenues	7,996,453	4,257,334	3,725,784	7,983,118
Expenditures:				
General government	650,000	-	-	-
Public safety	7,350,000	37,572	3,051,239	3,088,811
Public services-transportation	19,060,555	9,327,253	2,729,733	12,056,986
Planning and community development	70,000	-	30,000	30,000
Cultural and recreation	65,968,291	30,782,084	32,117,297	62,899,381
Interest expense	48,168	15,745	43,323	59,068
Total expenditures	93,147,014	40,162,654	37,971,592	78,134,246
Other financing sources (uses):				
General obligation bonds	21,884,645	15,284,645	6,600,000	21,884,645
Premium - general obligation bonds	-	-	214,853	214,853
Limited obligation bond issuance	35,000,000	35,000,000	-	35,000,000
Proceeds from issuance of installment purchases	500,000	-	-	-
Transfer from General Fund	15,730,724	13,500,401	2,130,323	15,630,724
Transfer from Special Grants Fund	50,192	50,192	-	50,192
Transfer from Internal Service Fund	1,000,000	-	-	-
Transfer from Water & Sewer Fund	100,000	-	100,000	100,000
Transfer from Water & Sewer Capital Projects Fund	47,850	47,850	-	47,850
Transfer from Electric Fund	6,000,000	4,000,000	100,000	4,100,000
Transfer from Solid Waste Fund	5,000,000	-	-	-
Transfer from Storm Water Capital Projects Fund	85,470	85,470	-	85,470
Transfer to Special Grants Fund	(248,320)	-	(248,320)	(248,320)
Appropriated fund balance	-	-	-	-
Total other financing sources (uses)	85,150,561	67,968,558	8,896,856	76,865,414
Excess of revenues and financing sources over (under) expenditures	$ -	$ 32,063,238	(25,348,952)	$ 6,714,286
Fund Balance, beginning of year			32,063,238	
Fund Balance, end of year			$ 6,714,286	

HIGH POINT

NORTH CAROLINA'S INTERNATIONAL CITY™

CITY OF HIGH POINT, NORTH CAROLINA

Combining Statements – All Non-Major Governmental Funds

Combining Balance Sheet. Displays the current financial position of all nonmajor governmental funds of the City.

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances. Displays the results of operations for all nonmajor governmental funds of the City.

HIGH POINT

NORTH CAROLINA'S INTERNATIONAL CITY™

CITY OF HIGH POINT, NORTH CAROLINA

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	SPECIAL REVENUE	GENERAL DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS			
Cash and investments	$ -	$ 13,240,140	$ 13,240,140
Receivables:			
Accounts and grants	1,621,224	24,744	1,645,968
Notes and loans, net of allowance	5,332,513	-	5,332,513
Accrued interest	-	25,907	25,907
Restricted Assets:			
Cash and investments	1,343,359	-	1,343,359
TOTAL ASSETS	$ 8,297,096	$ 13,290,791	$ 21,587,887
LIABILITIES			
Accounts payable and accrued expenses	$ 101,796	$ 97,751	$ 199,547
Due to other funds	144,772	-	144,772
Liabilities payable from restricted assets:			
Accounts payable and accrued expenses	254,913	-	254,913
TOTAL LIABILITIES	501,481	97,751	599,232
DEFERRED INFLOWS OF RESOURCES			
Unavailable receivables	894,309	-	894,309
Unearned grants	48,551	-	48,551
TOTAL DEFERRED INFLOWS OF RESOURCES	942,860	-	942,860
Fund balances:			
Restricted:			
Stabilization by state statute	2,369,829	50,651	2,420,480
Community and economic development	195,718	-	195,718
Grant programs	5,425,478	-	5,425,478
Debt service	-	13,142,389	13,142,389
Unassigned	(1,138,270)	-	(1,138,270)
TOTAL FUND BALANCES	6,852,755	13,193,040	20,045,795
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 8,297,096	$ 13,290,791	$ 21,587,887

CITY OF HIGH POINT, NORTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2019

	SPECIAL REVENUE	GENERAL DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Revenues:			
Property taxes	$ -	$ 3,273,191	$ 3,273,191
Restricted intergovernmental	5,618,519	-	5,618,519
Unrestricted intergovernmental	-	256,247	256,247
Interest on investments	4,991	586,069	591,060
Miscellaneous	2,044,942	200,755	2,245,697
Sale of capital assets	1,815	-	1,815
Total revenues	7,670,267	4,316,262	11,986,529
Expenditures:			
Public safety	1,369,822	-	1,369,822
Public services-transportation	1,848,507	-	1,848,507
Community and economic development	5,466,000	-	5,466,000
Cultural and recreation	338,984	-	338,984
Debt service:			
Principal retirement	139,000	5,124,356	5,263,356
Interest and fiscal charges	91,752	3,850,430	3,942,182
Total expenditures	9,254,065	8,974,786	18,228,851
Excess (deficiency) of revenues over (under) expenditures	(1,583,798)	(4,658,524)	(6,242,322)
Other financing sources (uses):			
Federal loan proceeds	-	-	-
Transfers in	789,374	793,000	1,582,374
Transfers out	-	-	-
Total other financing sources (uses)	789,374	793,000	1,582,374
Net change in fund balances	(794,424)	(3,865,524)	(4,659,948)
Fund balances, beginning	$ 7,451,461	17,058,564	24,510,025
Fund balances, ending	$ 6,657,037	$ 13,193,040	$ 19,850,077

The legally separate blended component units are consolidated into the Community Development fund for reporting purposes:

	SPECIAL REVENUE	GENERAL DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Donations	372,806	-	372,806
Miscellaneous and other revenues	183,597	-	183,597
Interest income	4	-	4
Proceeds from sale of property	962,017	-	962,017
Expenditures for economic development	(1,413,630)	-	(1,413,630)
Beginning fund balance of component units	90,924	-	90,924
Fund balance, end of year, component units	195,718	-	195,718
Fund Balance, end of year	$ 6,852,755	$ 13,193,040	$ 20,045,795

Special Revenue Funds

Special Revenue Funds account for the proceeds of special revenue sources that are legally restricted to expenditure for specified purposes. The City utilizes two special revenue funds.

Special Grants Fund

The Special Grants Fund accounts for the receipt and disbursement of all grants, including Federal, State and local grants or entitlements but excluding the Community Development Block Grant and other federal grants through US Department of Housing and Urban Development.

Community Development Fund

The Community Development Fund accounts for the revenues and expenditures associated with activities of various programs funded by the US Department of Housing and Urban Development, including Community Development Block Grant.

HIGH POINT

NORTH CAROLINA'S INTERNATIONAL CITY™

CITY OF HIGH POINT, NORTH CAROLINA

Combining Balance Sheet
All Special Revenue Funds
June 30, 2019

	SPECIAL GRANTS	COMMUNITY DEVELOPMENT	TOTAL
Assets:			
Restricted cash and investments	$ 1,231,522	$ 111,837	$ 1,343,359
Receivables:			
Accounts and grants	782,297	838,927	1,621,224
Notes and loans, net of allowance	-	5,332,513	5,332,513
Total Assets	$ 2,013,819	$ 6,283,277	$ 8,297,096
Liabilities:			
Accounts payable and accrued expenses	$ -	$ 101,796	$ 101,796
Due to other funds	-	144,772	144,772
Liabilities payable from restricted assets:			
Accounts payable and accrued expenses	254,913	-	254,913
Total Liabilities	254,913	246,568	501,481
Deferred inflows of resources:			
Unavailable grants receivables	469,309	425,000	894,309
Unearned grants	21,249	27,302	48,551
Total Deferred Inflows of Resources	490,558	452,302	942,860
Fund balances (deficits):			
Restricted:			
Stabilization by state statute	1,175,383	1,194,446	2,369,829
Community and economic development	-	195,718	195,718
Grant programs	92,965	5,332,513	5,425,478
Unassigned	-	(1,138,270)	(1,138,270)
Total Fund Balances	1,268,348	5,584,407	6,852,755
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,013,819	$ 6,283,277	$ 8,297,096

CITY OF HIGH POINT, NORTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2019

	SPECIAL GRANTS	COMMUNITY DEVELOPMENT	TOTAL
Revenues:			
Restricted intergovernmental	$ 4,381,133	$ 1,237,386	$ 5,618,519
Interest on investments	3,752	1,239	4,991
Miscellaneous	2,002,500	42,442	2,044,942
Sale of capital assets	1,815	-	1,815
Total revenues	6,389,200	1,281,067	7,670,267
Expenditures:			
Public safety	1,369,822	-	1,369,822
Public services-transportation	1,848,507	-	1,848,507
Planning and community development	4,249,056	1,216,944	5,466,000
Cultural and recreation	338,984	-	338,984
Debt Service:			
Principal retirement	-	139,000	139,000
Interest and fiscal charges	-	91,752	91,752
Total expenditures	7,806,369	1,447,696	9,254,065
Excess (deficiency) of revenues over (under) expenditures	(1,417,169)	(166,629)	(1,583,798)
Other financing sources (uses):			
Federal loan proceeds	-	-	-
Transfers in	669,374	120,000	789,374
Transfers out	-	-	-
Total other financing sources (uses)	669,374	120,000	789,374
Net change in fund balances	(747,795)	(46,629)	(794,424)
Fund balances, beginning	2,016,143	5,435,318	7,451,461
Fund balances, ending	$ 1,268,348	$ 5,388,689	$ 6,657,037
The legally separate blended component units are consolidated into the Community Development fund for reporting purposes:			
Donations	-	372,806	372,806
Miscellaneous and other revenues	-	183,597	183,597
Interest income	-	4	4
Proceeds from sale of property	-	962,017	962,017
Expenditures for economic development	-	(1,413,630)	(1,413,630)
Beginning fund balance of component units	-	90,924	90,924
Fund balance, end of year, component units		195,718	195,718
Fund Balance, end of year	$ 1,268,348	$ 5,584,407	$ 6,852,755

CITY OF HIGH POINT, NORTH CAROLINA

Special Grants Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Revenues:				
Restricted intergovernmental:				
Federal grants	$ 2,436,451	$ 843,591	$ (1,592,860)	$ 1,068,006
State grants	3,745,468	2,856,379	(889,089)	1,608,450
State 911	609,921	609,921	-	446,203
Contributions from other agencies	116,873	71,242	(45,631)	43,323
Interest on investments	3,035	3,035	-	1,375
Interest on investments - State 911	717	717	-	895
Miscellaneous	2,025,610	2,002,500	(23,110)	4,209,234
Sale of capital assets	-	1,815	1,815	6,595
Total revenues	8,938,075	6,389,200	(2,548,875)	7,384,081
Expenditures:				
Public safety - State 911	649,609	610,419	39,190	531,279
Public safety	3,228,632	759,403	2,469,229	959,905
Public services-transportation	2,798,640	1,848,507	950,133	1,498,032
Planning and community development	4,359,669	4,249,056	110,613	3,869,868
Cultural and recreation	605,821	338,984	266,837	57,769
Total expenditures	11,642,371	7,806,369	3,836,002	6,916,853
Excess (deficiency) of revenues over (under) expenditures	(2,704,296)	(1,417,169)	1,287,127	467,228
Other financing sources (uses):				
Transfer from General Fund	443,717	421,054	(22,663)	284,430
Transfer from General Capital Projects Fund	248,320	248,320	-	-
Transfer to General Capital Projects Fund	-	-	-	(50,192)
Appropriated fund balance	2,012,259	-	(2,012,259)	-
Total other financing sources (uses)	2,704,296	669,374	(2,034,922)	234,238
Net change in fund balance	$ -	(747,795)	$ (747,795)	701,466
Fund balance, beginning		2,016,143		1,314,677
Fund balance, ending		$ 1,268,348		$ 2,016,143

CITY OF HIGH POINT, NORTH CAROLINA

Community Development Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Revenues:				
Restricted intergovernmental:				
Federal grants	$ 2,239,949	$ 1,154,012	$ (1,085,937)	$ 1,382,088
State grants	178,058	83,374	(94,684)	111,745
Interest on investments	1,069	1,239	170	520
Miscellaneous	1,107,636	370,132	(737,504)	310,940
Total revenues	3,526,712	1,608,757	(1,917,955)	1,805,293
Expenditures:				
Community development block grant	1,257,479	760,726	496,753	736,400
Home program	1,707,977	503,665	1,204,312	656,156
Lead based paint	2,325	-	2,325	-
Neighborhood stabilization program	168,578	3,363	165,215	267,484
NCHFA construction training program	157,097	97,296	59,801	135,815
NCHFA urgent repair program	104,305	58,449	45,856	50,305
Section 108 loan guarantee program	614,717	425,000	189,717	721,000
Section 108 loan guarantee program-debt principal	139,000	139,000	-	119,000
Section 108 loan guarantee program-interest charges	95,000	91,752	3,248	61,967
Total planning and community development expenditures	4,246,478	2,079,251	2,167,227	2,748,127
Excess (deficiency) of revenues over (under) expenditures	(719,766)	(470,494)	249,272	(942,834)
Other financing sources (uses):				
Federal loan proceeds	425,000	-	(425,000)	694,000
Transfer from General Fund	120,000	120,000	-	120,000
Appropriated fund balance	174,766	-	(174,766)	-
Total other financing sources (uses)	719,766	120,000	(599,766)	814,000
Net change in fund balance, budgetary basis	$ -	(350,494)	$ (350,494)	(128,834)
Reconciliation from budgetary basis to accrual:				
Loans allowance recovery		(37,423)		(17,930)
Principal payments received on loans receivable		(290,267)		(281,837)
Payments for new loans receivable		631,555		913,969
Net change in fund balance, accrual basis		(46,629)		485,368
Fund balances, beginning		5,435,318		4,949,950
Fund balances, ending		$ 5,388,689		$ 5,435,318
The legally separate blended component units are consolidated into the Community Development fund for reporting purposes:				
Donations		372,806		314,207
Miscellaneous and other revenues		183,597		12,727
Interest income		4		3
Proceeds from sale of property		962,017		53,001
Expenditures for economic development		(1,413,630)		(431,806)
Beginning fund balance of component units		90,924		142,792
Fund balance, end of year, component units		195,718		90,924
Fund Balance, end of year		$ 5,584,407		$ 5,526,242

CITY OF HIGH POINT, NORTH CAROLINA

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for and the payment of governmental long-term principal and interest.

CITY OF HIGH POINT, NORTH CAROLINA

General Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Fiscal Year Ended June 30, 2019

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Revenues:				
Property taxes	$ 3,295,969	$ 3,273,191	$ (22,778)	$ 3,230,080
Interest on investments	115,000	586,069	471,069	328,559
Unrestricted intergovernmental	265,116	256,247	(8,869)	269,156
Miscellaneous	725,285	200,755	(524,530)	217,505
Total Revenues	4,401,370	4,316,262	(85,108)	4,045,300
Expenditures:				
Debt service:				
Principal	5,690,773	5,124,356	566,417	5,588,555
Interest	3,675,282	3,550,283	124,999	2,299,286
Fiscal charges	1,000,000	300,147	699,853	29,950
Total Expenditures	10,366,055	8,974,786	1,391,269	7,917,791
Excess (deficiency) of revenues over (under) expenditures	(5,964,685)	(4,658,524)	1,306,161	(3,872,491)
Other financing sources (uses):				
Transfer from General Fund	4,993,550	793,000	(4,200,550)	4,743,550
Appropriated fund balance	971,135	-	(971,135)	-
Total other financing sources (uses)	5,964,685	793,000	(5,171,685)	4,743,550
Net change in fund balance	$ -	(3,865,524)	$ (3,865,524)	871,059
Fund balance, beginning		17,058,564		16,187,505
Fund balance, ending		$ 13,193,040		$ 17,058,564

PROPRIETARY FUND TYPES
Enterprise Funds

The Enterprise Funds provide goods or services to the general public on a continuing basis and are financed or recovered primarily through user charges. Listed below are departments accounted for in the Enterprise Funds.

Water and Sewer Fund
To provide the maximum treatment possible of our raw water and to furnish to the customer an adequate quantity of high quality and aesthetically pleasing stain-free water for home, industrial and commercial users. Additionally, this fund provides for the proper and effective treatment of all wastewater and disposal of any treatment process byproducts in an environmentally sound manner.

Electric Fund
To provide effective, professional services to utility customers and to provide expansions to the electric system from operational revenues.

Mass Transit Fund
Provide an optimal level of safe, reliable and economical transportation service for the residents of High Point while increasing the efficiency of the system.

Parking Facility Fund
The Parking Facility Fund's responsibility is for the operation and maintenance of the City's off-street parking facilities.

Solid Waste Fund
To provide refuse collection and solid waste management, including a sanitary landfill and recycling facility for the citizens of the City and a portion of Guilford County. To properly handle the disposal of 170,000 plus tons of wastes annually in an environmentally acceptable manner by means of shredding and conventional landfill methods.

Storm Water Fund
To provide for the operation and maintenance of the City's storm water program, which manages storm water runoff through stream cleaning, bank stabilization, and maintenance of detention lakes and ponds.

CITY OF HIGH POINT, NORTH CAROLINA

Combining Statement of Net Position
All Nonmajor Enterprise Funds
June 30, 2019

ASSETS	MASS TRANSIT	PARKING FACILITIES	SOLID WASTE	STORM WATER	TOTAL
Current assets:					
Cash and investments	$ 2,473,257	$ 225,015	$ 29,462,269	$ 12,601,294	$ 44,761,835
Receivables:					
Accounts and grants (net)	1,289,912	946	1,416,538	437,304	3,144,700
Accrued interest	4,252	395	50,650	20,522	75,819
Inventory	74,656	-	-	-	74,656
Prepaid expenses	145,917	-	-	-	145,917
Total current assets	3,987,994	226,356	30,929,457	13,059,120	48,202,927
Noncurrent assets:					
Restricted assets:					
Cash and investments	47,091	4,875	-	-	51,966
Interfund loan receivable	-	-	5,000,000	-	5,000,000
Capital assets:					
Land	581,396	898,720	1,676,601	451,744	3,608,461
Buildings and other improvements	2,952,650	8,690,140	22,232,580	-	33,875,370
Machinery and equipment	8,135,022	416,962	3,501,812	123,364	12,177,160
Infrastructure	157,863	-	-	16,995,054	17,152,917
Construction in progress	266,888	286,440	5,615,242	2,654,442	8,823,012
Accumulated depreciation	(3,798,086)	(8,571,341)	(20,317,415)	(4,263,318)	(36,950,160)
Total capital assets	8,295,733	1,720,921	12,708,820	15,961,286	38,686,760
Total assets	12,330,818	1,952,152	48,638,277	29,020,406	91,941,653
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources	565,688	38,303	1,025,060	273,205	1,902,256
TOTAL DEFERRED OUTFLOWS OF RESOURCES	565,688	38,303	1,025,060	273,205	1,902,256
LIABILITIES					
Liabilities:					
Current liabilities:					
Accounts payable and accrued expenses	250,426	3,716	857,107	468,351	1,579,600
Current maturities of long-term debt	-	-	-	983,366	983,366
Current maturities of compensated absences	79,295	1,586	155,365	43,346	279,592
Stipends payable	16,913	4,950	49,088	-	70,951
Accrued interest payable	-	-	-	93,164	93,164
Deposits	-	4,875	-	-	4,875
Total current liabilities	346,634	15,127	1,061,560	1,588,227	3,011,548
Long-term liabilities:					
Accrued closure/post closure costs	-	-	13,420,687	-	13,420,687
Net pension liability	641,509	45,630	1,170,285	311,360	2,168,784
Other post employment benefits accrual	395,969	14,704	674,303	182,755	1,267,731
General obligation bonds payable	-	-	-	7,521,926	7,521,926
Stipends payable	36,300	8,663	99,000	-	143,963
Compensated absences	20,039	647	131,004	30,007	181,697
Total long-term liabilities	1,093,817	69,644	15,495,279	8,046,048	24,704,788
Total liabilities	1,440,451	84,771	16,556,839	9,634,275	27,716,336
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources	177,167	6,794	302,466	2,904,509	3,390,936
TOTAL DEFERRED INFLOWS OF RESOURCES	177,167	6,794	302,466	2,904,509	3,390,936
NET POSITION					
Net investment in capital assets	8,342,824	1,720,921	12,708,820	7,026,323	29,798,888
Restricted	399,117	-	-	-	399,117
Unrestricted	2,536,947	177,969	20,095,212	9,728,504	32,538,632
Total Net Position	$ 11,278,888	$ 1,898,890	$ 32,804,032	$ 16,754,827	$ 62,736,637

CITY OF HIGH POINT, NORTH CAROLINA

Combining Statement of Revenues, Expenses and Changes in Net Position
All Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2019

	MASS TRANSIT	PARKING FACILITIES	SOLID WASTE	STORM WATER	TOTAL NONMAJOR ENTERPRISE FUNDS
OPERATING REVENUES:					
Charges for services	$ 408,094	$ 271,562	$ 14,431,433	$ 5,279,605	$ 20,390,694
Licenses and permits	393,607	-	-	-	393,607
Intergovernmental	3,889,594	-	86,111	13,012	3,988,717
Total operating revenues	4,691,295	271,562	14,517,544	5,292,617	24,773,018
OPERATING EXPENSES:					
Management and administration	3,836,010	397,879	11,518,852	2,669,424	18,422,165
Depreciation and amortization	874,138	207,864	1,078,582	558,564	2,719,148
Total operating expenses	4,710,148	605,743	12,597,434	3,227,988	21,141,313
Operating income (loss)	(18,853)	(334,181)	1,920,110	2,064,629	3,631,705
Nonoperating revenues (expenses):					
Interest on investments	60,271	4,218	721,927	315,613	1,102,029
Miscellaneous and other nonoperating	37,468	-	1,574	-	39,042
Interest expense and fiscal charges	-	-	-	(371,648)	(371,648)
Gain (loss) on disposal of property	(110)	-	(573)	-	(683)
Total nonoperating revenues (expenses)	97,629	4,218	722,928	(56,035)	768,740
Income (loss) before capital contributions and transfers	78,776	(329,963)	2,643,038	2,008,594	4,400,445
Transfers in	970,194	150,000	-	-	1,120,194
Total transfers	970,194	150,000	-	-	1,120,194
Change in net position	1,048,970	(179,963)	2,643,038	2,008,594	5,520,639
Net position, beginning of the year, as previously stated	10,229,918	2,078,853	30,160,994	14,746,233	57,215,998
Net position, end of the year	$ 11,278,888	$ 1,898,890	$ 32,804,032	$ 16,754,827	$ 62,736,637

City of High Point, North Carolina

Combining Statement of Cash Flows
All Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2019

	Business-Type - Enterprise Funds				
	MASS TRANSIT	PARKING FACILITIES	SOLID WASTE	STORM WATER	TOTAL
Cash Flows From Operating Activities					
Receipts from customers and users	$ 3,467,156	$ 270,967	$ 14,480,922	$ 5,256,102	$ 23,475,147
Payments to employees and related fringe benefits	(2,670,517)	(175,326)	(5,103,469)	(1,286,241)	(9,235,553)
Payments to suppliers and operating costs	(1,001,931)	(225,145)	(5,878,882)	(778,131)	(7,884,089)
Net cash provided by (used in) operating activities	(205,292)	(129,504)	3,498,571	3,191,730	6,355,505
Cash Flows From Non-Capital Financing Activities					
Transfers in	970,194	150,000	-	-	1,120,194
Advances from/(to) other funds	-	-	-	-	-
Miscellaneous and other nonoperating	55,247	-	1,574	-	56,821
Net Cash provided by (used in) noncapital financing activities	1,025,441	150,000	1,574	-	1,177,015
Cash Flows From Financing Activities					
Principal payments on long-term debt	-	-	-	(891,410)	(891,410)
Interest payments on long-term debt	-	-	-	(430,931)	(430,931)
Proceeds collected on the sale of capital assets	4,115	-	2,476	-	6,591
Acquisition and construction of capital assets	(811,555)	(223,291)	(1,078,847)	(1,817,966)	(3,931,659)
Net cash provided by (used in) financing activities	(807,440)	(223,291)	(1,076,371)	(3,140,307)	(5,247,409)
Cash Flows Provided By (Used In) Investing Activities					
Interest earned on investments	59,226	4,390	706,219	310,446	1,080,281
Net cash provided by (used in) investing activities	59,226	4,390	706,219	310,446	1,080,281
Net increase (decrease) in cash and investments	71,935	(198,405)	3,129,993	361,869	3,365,392
Cash and investments, beginning of the year	2,448,413	428,295	26,332,276	12,239,425	41,448,409
Cash and investments, end of the year	$ 2,520,348	$ 229,890	$ 29,462,269	$ 12,601,294	$ 44,813,801
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	$ (18,853)	$ (334,181)	$ 1,920,110	$ 2,064,629	$ 3,631,705
Adjustments to Reconcile Operating Income (Loss) to					
Net Cash Provided by (Used in) Operating Activities:					
Depreciation and Amortization	874,138	207,864	1,078,582	558,564	2,719,148
Prior Period Adjustment for GASB 75					-
Change in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivables	(1,224,140)	(845)	(36,623)	(36,515)	(1,298,123)
(Increase) Decrease in Inventories	(27,632)	-	-	-	(27,632)
(Increase) Decrease in Prepaid Expenses	(14,288)	-	-	-	(14,288)
(Increase) Decrease in Deferred Outflows of Resources-Pensions	(248,527)	(14,725)	(319,103)	(102,056)	(684,411)
(Increase) Decrease in Deferred Outflows of Resources-OPEB	(28,448)	(1,061)	(48,925)	(13,575)	(92,009)
Increase (Decrease) in Payables and Accrued Expenses	140,169	352	435,009	322,776	898,306
Increase (Decrease) in Deposits	-	250	-	-	250
Increase (Decrease) in Stipends Liability	18,562	(2,887)	29,701	(4,125)	41,251
Increase (Decrease) in Vacation Leave Accrual	(4,968)	(2,822)	14,223	11,919	18,352
Increase (Decrease) in Net Pension Liability	308,202	18,141	390,278	125,808	842,429
Increase (Decrease) in OPEB Liability	(116,198)	(4,215)	(189,219)	(45,626)	(355,258)
Increase (Decrease) in Deferred Inflows of Resources-Pensions	(8,498)	(772)	(23,142)	(5,181)	(37,593)
Increase (Decrease) in Deferred Inflows of Resources-OPEB	145,189	5,397	247,680	67,412	465,678
Increase (Decrease) in Unearned Revenue	-	-	-	247,700	247,700
Total adjustments	(186,439)	204,677	1,578,461	1,127,101	2,723,800
Net cash provided by (used in) operating activities	$ (205,292)	$ (129,504)	$ 3,498,571	$ 3,191,730	$ 6,355,505

CITY OF HIGH POINT, NORTH CAROLINA

Water and Sewer Fund
Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Operating revenues:				
Charges for services	$ 52,009,370	$ 52,420,737	$ 411,367	$ 51,385,504
Miscellaneous	121,800	145,461	23,661	115,079
Intergovernmental	410,586	411,211	625	393,661
Total operating revenues	52,541,756	52,977,409	435,653	51,894,244
Operating expenditures:				
Management and administration	7,029,781	6,804,033	225,748	6,082,393
System maintenance and distribution	8,987,702	8,645,143	342,559	7,560,646
Treatment plants	10,655,277	10,012,654	642,623	9,151,909
Other services and charges	3,140,313	2,534,232	606,081	2,440,930
Total operating expenditures	29,813,073	27,996,062	1,817,011	25,235,878
Operating income	22,728,683	24,981,347	2,252,664	26,658,366
Nonoperating revenues (expenditures):				
Interest on investments	220,000	1,163,926	943,926	406,962
Miscellaneous and other nonoperating	328,643	332,547	3,904	19,690
Proceeds from disposal of capital assets	-	-	-	545
Interest expense and fiscal charges	(7,236,832)	(6,905,726)	331,106	(6,748,978)
Payment of debt principal	(9,910,825)	(9,520,827)	389,998	(9,820,488)
Total non-operating revenues (expenditures)	(16,599,014)	(14,930,080)	1,668,934	(16,142,269)
Income before other financing sources (uses)	6,129,669	10,051,267	3,921,598	10,516,097
Other financing sources (uses):				
Proceeds from revenue refunding bonds	17,659,405	14,535,000	(3,124,405)	-
Premium - refunding bonds	-	3,550,653	3,550,653	-
Payment to trustee for refunded bonds	(17,512,495)	(17,512,493)	2	-
Transfer to General Fund	(50,000)	(50,000)	-	(50,000)
Transfer to General Capital Projects Fund	(100,000)	(100,000)	-	-
Transfer to Water & Sewer Capital Projects Fund	(7,975,000)	(7,975,000)	-	(5,639,550)
Appropriated net position	1,848,421	-	(1,848,421)	-
Total other financing sources (uses)	(6,129,669)	(7,551,840)	(1,422,171)	(5,689,550)
Change in net position - budgetary basis	$ -	2,499,427	$ 2,499,427	4,826,547
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Water & Sewer Capital Project Ordinance Fund		32,322,492		(9,436,057)
Water Capital Reserve Fund		(2,411,339)		23,141
Sewer Capital Reserve Fund		(1,695,438)		16,271
Capital additions		14,973,028		10,744,560
Capital contributions		606,109		244,023
Depreciation expense		(12,617,583)		(12,686,927)
Compensated absences expense		(41,464)		(2,382)
Stipend expense		(5,775)		53,212
Increase (decrease) in deferred outflow of resources-pensions		531,218		(676,614)
(Increase) decrease in net pension liability		(647,545)		497,727
(Increase) decrease in deferred inflow of resources-pensions		43,373		376,708
Increase (decrease) in deferred outflow of resources-OPEB		73,657		72,750
(Increase) decrease in total OPEB liability		290,666		(44,314)
(Increase) decrease in deferred inflow of resources-OPEB		(373,981)		(65,633)
Gain (loss) on disposal of property		(1,650,167)		(46,805)
Amortization of gain on refunding		890,886		617,020
Revenue bond proceeds		(47,610,000)		-
Premium-revenue bonds		(6,938,453)		-
Bond proceeds used in defeasance of bonds		17,512,495		-
Bond principal payments		9,520,827		9,820,488
Change in net position - full accrual basis		$ 5,272,433		$ 4,333,715

CITY OF HIGH POINT, NORTH CAROLINA

Water & Sewer Capital Projects Ordinance Fund
Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

	PROJECT AUTHORIZATION	ACTUAL PRIOR YEAR	ACTUAL CURRENT YEAR	ACTUAL TOTAL TO DATE
Revenues:				
Intergovernmental revenues	$ -	$ 5,542	$ -	$ 5,542
Miscellaneous	471,872	-	471,872	471,872
Interest on investments	-	-	40,672	40,672
Total revenues	471,872	5,542	512,544	518,086
Expenditures:				
System maintenance and improvements	151,722,065	81,399,799	16,734,629	98,134,428
Total expenditures	151,722,065	81,399,799	16,734,629	98,134,428
Other financing sources/(uses):				
Proceeds from revenue bonds	109,269,455	48,419,455	33,075,000	81,494,455
Premium on sale of revenue bonds	-	-	3,387,800	3,387,800
Transfer from Water and Sewer Fund	37,873,961	29,898,961	7,975,000	37,873,961
Transfer from Sewer Capital Reserve Fund	1,695,438	-	1,695,438	1,695,438
Transfer from Water Capital Reserve Fund	2,411,339	-	2,411,339	2,411,339
Total other financing sources/(uses)	151,250,193	78,318,416	48,544,577	126,862,993
Change in net position	$ -	$ (3,075,841)	$ 32,322,492	$ 29,246,651

CITY OF HIGH POINT, NORTH CAROLINA

Water Capital Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Revenues:				
Interest on investments	$ -	$ -	$ -	$ 23,141
Total Revenues	-	-	-	23,141
Other financing sources/(uses):				
Transfer to Water/Sewer Capital Projects Fund	(2,411,339)	(2,411,339)	-	-
Appropriated net position	2,411,339	-	(2,411,339)	-
Total other financing sources/(uses)	-	(2,411,339)	(2,411,339)	-
Change in net position	$ -	$ (2,411,339)	$ (2,411,339)	$ 23,141

CITY OF HIGH POINT, NORTH CAROLINA

Sewer Capital Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Revenues:				
Interest on investments..	$ -	$ -	$ -	$ 16,271
Total Revenues..	-	-	-	16,271
Other financing sources/(uses):				
Transfer to Water/Sewer Capital Projects Fund......	(1,695,438)	(1,695,438)	$ -	-
Appropriated net position......................................	1,695,438	-	$ (1,695,438)	-
Total other financing sources/(uses)..................	-	(1,695,438)	(1,695,438)	-
Change in net position...	$ -	$ (1,695,438)	$ (1,695,438)	$ 16,271

CITY OF HIGH POINT, NORTH CAROLINA

Electric Fund
Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Operating revenues:				
Charges for services	$ 132,615,047	$ 129,807,472	$ (2,807,575)	$ 129,904,253
Miscellaneous	44,000	107,016	63,016	44,984
Intergovernmental revenues	-	644,889	644,889	210,266
Total operating revenues	132,659,047	130,559,377	(2,099,670)	130,159,503
Operating expenditures:				
Management and administration	4,946,418	4,883,639	62,779	3,822,836
Maintenance and distribution	3,745,411	3,545,843	199,568	3,145,657
Power purchases	92,721,000	91,410,683	1,310,317	97,839,072
System improvements	39,201,942	17,498,523	21,703,419	14,101,987
Other services and charges	9,131,208	3,096,728	6,034,480	3,142,202
Total operating expenditures	149,745,979	120,435,416	29,310,563	122,051,754
Operating income (loss)	(17,086,932)	10,123,961	27,210,893	8,107,749
Nonoperating revenues (expenditures):				
Interest on investments	297,613	1,653,096	1,355,483	553,899
Other intergovernmental reimbursements	-	22,412	22,412	293,735
Miscellaneous and other non-operating	-	-	-	-
Total nonoperating revenues (expenditures)	297,613	1,675,508	1,377,895	847,634
Income (loss) before other financing sources (uses)	(16,789,319)	11,799,469	28,588,788	8,955,383
Other financing sources (uses):				
Transfer to General Capital Projects Fund	(100,000)	(100,000)	-	-
Transfer to General Fund	(1,110,000)	(1,110,000)	-	(1,110,000)
Transfer to General Fund for Payments in Lieu of Taxes	(897,139)	(897,139)	-	(889,492)
Appropriated net position	18,896,458	-	(18,896,458)	-
Total other financing sources (uses)	16,789,319	(2,107,139)	(18,896,458)	(1,999,492)
Change in net position - budgetary basis	$ -	9,692,330	$ 9,692,330	6,955,891
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Capital additions		3,865,557		2,902,232
Depreciation expense		(3,215,765)		(3,842,270)
Gain (loss) on disposal of property		-		-
Compensated absences expense		(10,725)		(47,097)
Stipend expense		(5,775)		(2,887)
Increase (decrease) in inventory valuation		561,945		843,401
Increase in deferred outflows of resources-pensions		727,526		(611,292)
Decrease in net pension liability		(892,965)		429,015
Increase in deferred inflows of resources-pensions		45,655		332,820
Increase in deferred outflows of resources-OPEB		66,228		66,444
Decrease in deferred inflows of resources-OPEB		(338,429)		(59,943)
Increase in OPEB liability		272,730		(40,473)
Change in net position - full accrual basis		$ 10,768,312		$ 6,925,841

CITY OF HIGH POINT, NORTH CAROLINA

Mass Transit Fund
Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Operating revenues:				
Charges for services	$ 587,000	$ 408,094	$ (178,906)	$ 439,219
Licenses and permits	390,000	393,607	3,607	394,656
Intergovernmental	3,317,280	3,250,831	(66,449)	492,676
Total operating revenues	4,294,280	4,052,532	(241,748)	1,326,551
Operating expenditures:				
Management and administration	4,786,218	3,773,000	1,013,218	3,062,656
Improvements	423,406	81,040	342,366	-
Total operating expenses	5,209,624	3,854,040	1,355,584	3,062,656
Operating income (loss)	(915,344)	198,492	1,113,836	(1,736,105)
Nonoperating revenues:				
Interest on investments	-	7,913	7,913	4,823
Miscellaneous and other nonoperating	28,150	27,467	(683)	62,415
Proceeds from disposal of capital assets	-	4,115	4,115	28,224
Total non-operating revenues	28,150	39,495	11,345	95,462
Income (loss) before other financing sources (uses)	(887,194)	237,987	1,125,181	(1,640,643)
Other financing sources (uses):				
Transfer from General Fund	887,194	887,194	-	812,664
Appropriated net position		-	-	-
Total other financing sources (uses)	887,194	887,194	-	812,664
Change in net position - budgetary basis	$ -	1,125,181	$ 1,125,181	(827,979)
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Mass Transit Capital Projects Ordinance Fund		62,064		13,317
Capital additions		811,555		-
Compensated absences expense		4,968		(10,504)
Stipend expense		(18,562)		(2,888)
Increase (decrease) in inventory valuation		11,625		13,711
Depreciation expense		(874,138)		(871,279)
Gain (loss) on disposal of property		(22,003)		
Increase (decrease) in deferred outflow of resources-pensions		248,527		(156,045)
(Increase) decrease in net pension liability		(308,202)		111,847
(Increase) decrease in deferred inflows of resources-pensions		8,498		96,586
Increase (decrease) in deferred outflow of resources-OPEB		28,448		28,455
(Increase) decrease in net OPEB liability		116,198		(17,332)
(Increase) decrease in deferred inflow of resources-OPEB		(145,189)		(25,671)
Change in net position - full accrual basis		$ 1,048,970		$ (1,647,782)

CITY OF HIGH POINT, NORTH CAROLINA

Mass Transit Capital Projects Ordinance Fund
Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

	PROJECT AUTHORIZATION	PRIOR YEAR	ACTUAL CURRENT YEAR	TOTAL TO DATE
Revenues:				
Intergovernmental revenues	$ 7,043,814	$ 6,255,626	$ 638,763	$ 6,894,389
Miscellaneous	-	19,313	27,777	47,090
Interest on investments	9,159	60,017	52,359	112,376
Total revenues	7,052,973	6,334,956	718,899	7,053,855
Expenditures:				
System maintenance and improvements	7,860,000	6,989,797	739,835	7,729,632
Other financing sources (uses):				
Transfer from General Fund	375,852	375,852	83,000	458,852
Transfer from Mass Transit Fund	25,000	25,000	-	25,000
Transfer from Mass Transit Capital Reserve Fund	406,175	455,147	-	455,147
Total other financing sources (uses)	807,027	855,999	83,000	938,999
Change in net position	$ -	$ 201,158	$ 62,064	$ 263,222

CITY OF HIGH POINT, NORTH CAROLINA

Parking Facilities Fund
Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Operating revenues:				
Charges for services	$ 214,700	$ 271,562	$ 56,862	$ 222,482
Operating expenditures:				
Management and administration	463,625	414,724	48,901	387,602
Improvements	209,392	209,392	-	-
Total operating expenses	673,017	624,116	48,901	387,602
Operating income (loss)	(458,317)	(352,554)	105,763	(165,120)
Nonoperating revenues (expenditures):				
Interest on investments	-	4,218	4,218	5,314
Total nonoperating revenues (expenses)	-	4,218	4,218	5,314
Income (loss) before other financing sources (uses)	(458,317)	(348,336)	109,981	(159,806)
Other financing sources (uses):				
Transfer from General Fund	150,000	150,000	-	50,000
Appropriated net position	308,317	-	(308,317)	-
Total other financing sources (uses)	458,317	150,000	(308,317)	50,000
Change in net position - budgetary basis	$ -	(198,336)	$ (198,336)	(109,806)
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Capital additions		223,292		63,148
Depreciation expense		(207,864)		(241,857)
Compensated absences expense		2,822		4,958
Stipend Expense		2,888		(16,500)
Increase (decrease) in deferred outflow of resources-pensions		14,725		(13,044)
(Increase) decrease in net pension liability		(18,141)		9,219
(Increase) decrease in deferred inflow of resources-pensions		772		7,990
Increase (decrease) in deferred outflow of resources-OPEB		1,061		1,052
(Increase) decrease in net OPEB liability		4,215		(640)
(Increase) decrease in deferred inflow of resources-OPEB		(5,397)		(948)
Change in net position - full accrual basis		$ (179,963)		$ (296,428)

CITY OF HIGH POINT, NORTH CAROLINA

Solid Waste Fund
Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Operating revenues:				
Charges for services	$ 15,052,200	$ 16,340,468	$ 1,288,268	$ 15,398,462
Intergovernmental	137,000	86,111	(50,889)	103,241
Total operating revenues	15,189,200	16,426,579	1,237,379	15,501,703
Operating expenditures:				
Management and administration	14,542,987	13,116,311	1,426,676	13,118,725
Improvements	6,018,221	971,915	5,046,306	3,356,823
Total operating expenses	20,561,208	14,088,226	6,472,982	16,475,548
Operating income (loss)	(5,372,008)	2,338,353	7,710,361	(973,845)
Nonoperating revenues (expenditures):				
Interest on investments	50,000	203,078	153,078	74,982
Miscellaneous and other nonoperating	2,250	1,574	(676)	7,234
Total nonoperating revenues (expenditures)	52,250	204,652	152,402	82,216
Income (loss) before other financing sources (uses)	(5,319,758)	2,543,005	7,862,763	(891,629)
Other financing sources (uses):				
Transfer to Landfill Maintenance Reserve Fund	(857,200)	(1,808,733)	(951,533)	(1,803,979)
Appropriated net position	6,176,958	-	(6,176,958)	-
Total other financing sources (uses)	5,319,758	(1,808,733)	(7,128,491)	(1,803,979)
Change in net position - budgetary basis	$ -	734,272	$ 734,272	(2,695,608)
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Landfill closure and postclosure reserve fund		(25,639)		1,993,095
Solid Waste capital project fund		2,327,582		-
Landfill closure and postclosure (expense) / recovery		(288,899)		(232,193)
Charges for services to business units in this fund		(1,906,558)		(1,829,886)
Environmental services costs to business units in this fund		1,906,558		1,829,886
Capital additions		1,078,847		4,105,004
Compensated absences expense		(14,224)		(6,227)
Stipend expense		(29,700)		(65,175)
Depreciation expense		(1,078,582)		(1,002,820)
Gain (loss) on disposal of property		(3,050)		-
Increase (decrease) in deferred outflow of resources-pensions		319,103		(299,816)
(Increase) decrease in net pension liability		(390,278)		201,988
(Increase) in deferred inflow of resources-pensions		23,142		189,303
Increase (decrease) in deferred outflow-OPEB		48,925		47,975
(Increase) decrease in net OPEB liabilitiy		189,219		(29,223)
(Increase) decrease in deferred inflow of resources-OPEB		(247,680)		(43,281)
Change in net position - full accrual basis		$ 2,643,038		$ 2,163,022

CITY OF HIGH POINT, NORTH CAROLINA

Solid Waste Capital Projects Ordinance Fund
Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

	PROJECT AUTHORIZATION	ACTUAL PRIOR YEAR	ACTUAL CURRENT YEAR	ACTUAL TOTAL TO DATE
Expenditures:				
System maintenance and improvements	$ 9,840,000	$ 8,905,164	$ 25,639	$ 8,930,803
Other financing sources (uses):				
Transfer from Landfill Closure and Postclosure Reserve Fund	9,840,000	9,840,000	-	9,840,000
Total other financing sources (uses)	9,840,000	9,840,000	-	9,840,000
Change in net position	$ -	$ 934,836	$ (25,639)	$ 909,197

CITY OF HIGH POINT, NORTH CAROLINA

Landfill Closure and Postclosure Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Revenues:				
Interest on investments	$ -	$ 518,849	$ 518,849	$ 189,116
Income (loss) before other financing sources (uses)	-	518,849	518,849	189,116
Other financing sources (uses):				
Transfer from Solid Waste Fund	-	1,808,733	1,808,733	1,803,979
Total other financing sources (uses)	-	1,808,733	1,808,733	1,803,979
Change in net position	$ -	$ 2,327,582	$ 2,327,582	$ 1,993,095

CITY OF HIGH POINT, NORTH CAROLINA

Storm Water Fund
Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Operating revenues:				
Charges for services	$ 5,194,006	$ 5,279,606	$ 85,600	$ 5,229,146
Intergovernmental	-	13,012	13,012	-
Total operating revenues	5,194,006	5,292,618	98,612	5,229,146
Operating expenditures:				
Management and administration	2,615,773	2,827,169	(211,396)	2,320,602
Improvements	7,565,650	1,620,698	5,944,952	404,342
Total operating expenses	10,181,423	4,447,867	5,733,556	2,724,944
Operating income (loss)	(4,987,417)	844,751	5,832,168	2,504,202
Nonoperating revenues (expenditures):				
Interest on investments	40,000	315,612	275,612	109,616
Miscellaneous and other nonoperating	-	247,700	247,700	39,000
Interest expense and fiscal charges	(630,928)	(418,878)	212,050	(457,889)
Payment of debt principal	(1,741,407)	(891,410)	849,997	(823,780)
Total nonoperating revenues (expenditures)	(2,332,335)	(746,976)	1,585,359	(1,133,053)
Income (loss) before other financing sources (uses)	(7,319,752)	97,775	7,417,527	1,371,149
Other financing sources (uses):				
Appropriated net position	7,319,752	-	(7,319,752)	-
Total other financing sources (uses)	7,319,752	-	(7,319,752)	-
Change in net position - budgetary basis	$ -	97,775	$ 97,775	1,371,149
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Storm Water Facilities Capital Projects Ordinance Fund		(4,948)		(62,222)
Capital additions		1,817,967		649,025
Depreciation expense		(558,564)		(533,610)
Compensated absences expense		(11,919)		(8,112)
Stipend expense		4,125		13,200
Pond Maintenance		(247,700)		(39,000)
Increase (decrease) in deferred outflow of resources-pensions		102,056		(74,970)
(Increase) decrease in net pension liability		(125,808)		64,667
(Increase) decrease in deferred inflow of resources-pensions		5,181		24,303
Increase (decrease) in deferred outflow-OPEB		13,575		12,688
(Increase) decrease in net OPEB liability		45,626		(7,729)
(Increase) decrease in deferred inflow of resources-OPEB		(67,412)		(11,447)
Bond principal payments		891,410		823,780
Gain (loss) on disposal of property		-		(22,361)
Amortization of gain on refunding		47,230		47,230
Change in net position - full accrual basis		$ 2,008,594		$ 2,246,591

CITY OF HIGH POINT, NORTH CAROLINA

Storm Water Facilities Capital Projects Ordinance Fund
Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

	PROJECT AUTHORIZATION	PRIOR YEAR	ACTUAL CURRENT YEAR	TOTAL TO DATE
Expenditures:				
Maintenance and distribution.....................	$ 584,941	$ 306,522	$ 4,948	$ 311,470
Other financing sources:				
General obligation bonds............................	584,941	584,941	-	584,941
Change in net position....................................	$ -	$ 278,419	$ (4,948)	$ 273,471

HIGH POINT

NORTH CAROLINA'S INTERNATIONAL CITY™

CITY OF HIGH POINT, NORTH CAROLINA

Internal Service Fund

The Internal Service Fund accounts for the financing of goods and services provided by one department to other departments of the City. The following activities were accounted for in the Internal Service Fund:

Fleet Services
Provide the best and most economical support services to the City Fleet.

Radio Repair Shop
Responsible for the installation and maintenance of all City-owned communication systems and components.

Computer Replacement
Responsible for funding and replacing all of the City's computer technology.

Health and Wellness Benefits
Responsible for the medical, dental, and vision insurance and various wellness programs for city employees and retirees.

CITY OF HIGH POINT, NORTH CAROLINA

Internal Service Fund
Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Operating revenues:				
Interfund charges - radio repair	$ 1,780,323	$ 1,780,323	$ -	$ 1,428,699
Interfund charges - computer replacement	687,820	687,782	(38)	686,270
Interfund charges - fleet services	10,947,370	10,845,938	(101,432)	9,948,187
Interfund charges - health and wellness	12,307,491	12,314,040	6,549	12,383,464
Other operating - health and wellness	5,125,000	4,943,407	(181,593)	4,814,342
Other operating - miscellaneous	28,552	105,285	76,733	71,174
Total operating revenues	30,876,556	30,676,775	(199,781)	29,332,136
Operating expenditures:				
Fleet services	13,789,049	12,575,101	1,213,948	10,120,142
Radio repair shop	1,478,345	1,240,845	237,500	1,290,399
Computer replacement	1,157,532	944,863	212,669	235,920
Health and Wellness	17,537,491	17,434,803	102,688	17,034,969
Total operating expenditures	33,962,417	32,195,612	1,766,805	28,681,430
Operating income (loss)	30,876,556	(1,518,837)	1,567,024	650,706
Nonoperating revenues (expenditures):				
Interest on investments	5,000	70,516	65,516	44,287
Miscellaneous and other nonoperating	25,000	133,390	108,390	74,522
Proceeds from disposal of capital assets	400,000	662,687	262,687	750,366
Interest and fiscal charges	(110,441)	(83,441)	27,000	(101,911)
Principal retirement	(1,061,019)	(1,061,019)	-	(1,050,613)
Total nonoperating revenues (expenditures)	(741,460)	(277,867)	463,593	(283,349)
Income (loss) before other financing sources (uses)	30,135,096	(1,796,704)	2,030,617	367,357
Other financing sources (uses):				
Proceeds from issuance of installment purchases	2,000,000	1,845,000	(155,000)	-
Reimbursement from General Captital Projects Fund	443,323	-	(443,323)	-
Appropriated net position	1,383,998	-	(1,383,998)	-
Total other financing sources (uses)	3,827,321	1,845,000	(1,982,321)	-
Change in net position - budgetary basis	$ -	48,296	$ 48,296	367,357
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Capital additions		6,025,470		4,463,734
Capital contributions		369,123		279,002
Installment purchase principal payments		1,061,019		1,050,613
Installment purchase issuance		(1,845,000)		-
Depreciation expense		(4,496,830)		(4,286,998)
Compensated absences expense		7,033		3,333
Stipend expense		(16,500)		16,500
Increase (decrease) in inventory valuation		19,510		41,308
Increase (decrease) in deferred outflow of resources-pensions		142,761		(121,939)
(Increase) decrease in net pension liability		(175,829)		81,183
(Increase) decrease in deferred inflow of resources-pensions		7,602		86,128
Increase (decrease) in deferred outflow of resources-OPEB		12,213		12,088
(Increase) decrease in net OPEB liability		48,469		(7,363)
(Increase) decrease in deferred inflow of resources-OPEB		(62,062)		(10,905)
Gain (loss) on disposal of property		(113,046)		(98,872)
Change in net position - full accrual basis		$ 1,032,229		$ 1,875,169

FIDUCIARY FUND TYPES

Agency Funds

The General Agency Fund accounts for the receipt and disbursement of revenues for certain specialized activities, including special events for associated organizations, refundable deposits held for completion of new housing developments and contributions made by the private sectors for specific community activities.

CITY OF HIGH POINT, NORTH CAROLINA

Combining Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Assets:				
Cash and cash equivalents	$ 345,372	$ 3,487	$ -	$ 348,859
Liabilities:				
Accounts payable	$ 345,372	$ 3,487	$ -	$ 348,859

CITY OF HIGH POINT, NORTH CAROLINA

SUPPORTING SCHEDULES

CITY OF HIGH POINT, NORTH CAROLINA

General Fund, Debt Service Fund, and Mass Transit Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2019

Fiscal Year	Uncollected Balance June 30, 2018	Current Net Levy	Collections and Credits	Uncollected Balance June 30, 2019
2018-19	$ -	$ 64,510,219	$ 63,891,264	$ 618,955
2017-18	586,635	-	296,915	289,720
2016-17	275,162	-	83,279	191,883
2015-16	239,702	-	49,156	190,546
2014-15	210,791	-	27,166	183,625
2013-14	273,279	-	22,035	251,244
2012-13	324,419	-	17,401	307,018
2011-12	274,157	-	13,991	260,166
2010-11	183,002	-	8,616	174,386
Prior	1,742,390	-	21,842	1,720,548
	$ 4,109,537	$ 64,510,219	$ 64,431,665	$ 4,188,091

Less: allowance for uncollectible accounts (General and Mass Transit Funds)	3,282,961
Ad valorem taxes receivable - net	$ 905,130

Reconciliation to revenues:

Ad valorem taxes - General Fund and Debt Service Fund	$ 63,109,264
Vehicle user fees - General & Mass Transit Fund	1,567,664
Abatements, releases, and other adjustments - prior years	
Subtotal	64,676,928
Less interest collected	245,263
Total collections and credits	$ 64,431,665

CITY OF HIGH POINT, NORTH CAROLINA

Analysis of Current Tax Levy
City - Wide Levy
For the Fiscal Year Ended June 30, 2019

	City - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	$ 9,716,509,179	0.6475	$ 62,914,397	$ 57,688,302	$ 5,226,095
Total	9,716,509,179		62,914,397	57,688,302	5,226,095
Discoveries - Current year taxes	33,185,171	0.6475	214,874	214,874	-
Net Vehicle User Fees	-		1,577,660	-	1,577,660
Abatements	(30,380,184)	0.6475	(196,712)	(196,712)	-
Total assessed valuation	$ 9,719,314,166				
Net levy			64,510,219	57,706,464	6,803,755
Uncollected taxes at June 30			(618,955)	(612,838)	(6,117)
Current year's taxes collected			$ 63,891,264	$ 57,093,626	$ 6,797,638
Current levy collection percentage			99.04%	98.94%	99.91%

CITY OF HIGH POINT, NORTH CAROLINA

Analysis of Current Tax Levy
City - Wide Levy
For the Fiscal Year Ended June 30, 2019

Secondary Market Disclosures:

Assessed Valuation:	
Assessment Ratio (1)	100%
Real Property	$ 7,802,334,510
Personal Property	1,774,628,867
Public Service Companies (2)	142,350,789
Total Assessed Valuation	9,719,314,166
City-wide Tax Rate	0.6475
Levy (3)	$ 64,510,219

(1) Percentage of appraised value has been established by statute.
(2) Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.
(3) The levy includes discoveries, releases, abatements, interest, and vehicle user fees.

CITY OF HIGH POINT, NORTH CAROLINA

Emergency Telephone System Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PRIOR YEAR ACTUAL
Revenues:				
Restricted intergovernmental	$ 609,921	$ 609,921	-	$ 446,203
Interest on investments	717	717	-	895
Total revenues	610,638	610,638	-	447,098
Expenditures:				
Telephone	649,609	443,385	206,224	447,434
Telephone - report adjustment	-	-	-	(1,747)
Furniture	-	-	-	598
Software	-	167,034	(167,034)	74,578
Software - report adjustment	-	-	-	-
Hardware	-	-		11,165
Hardware - report adjustment	-	-		(749)
Total expenditures	649,609	610,419	39,190	531,279
Excess (deficiency) of revenues over (under) expenditures	(38,971)	219	39,190	(84,181)
Other financing sources (uses):				
Transfer to General Fund	-	-	-	(100,000)
Appropriated fund balance	38,971	-	(38,971)	-
Total other financing sources (uses)	38,971	-	(38,971)	(100,000)
Net change in fund balance	$ -	219	$ 219	(184,181)
Fund balance, beginning of year		38,971		223,152
Fund balance, end of year		$ 39,190		$ 38,971

HIGH POINT

NORTH CAROLINA'S INTERNATIONAL CITY™

CITY OF HIGH POINT, NORTH CAROLINA

Statistical Section

This section of the City of High Point's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the City's overall financial health. This information has not been audited by the independent auditor.

Contents	**Tables**
Financial Trends	I - IV
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	V - XII
These schedules contain information to help the reader assess the City's most significant local revenue sources: property taxes and enterprise fund revenues.	
Debt Capacity	XIII - XVII
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	XVIII - XIX
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	XX - XXII
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF HIGH POINT, NORTH CAROLINA

Table I
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013	2014
Governmental activities					
Net investment in capital assets	$ 170,653,597	$ 149,269,790	$ 155,448,461	$ 160,447,633	$ 160,288,864
Restricted	19,380,291	35,440,158	36,444,012	32,135,688	29,849,824
Unrestricted	21,068,067	9,336,675	8,240,950	10,586,602	16,546,064
Total governmental activities net position	$ 211,101,955	$ 194,046,623	$ 200,133,423	$ 203,169,923	$ 206,684,752
Business-type activities					
Net investment in capital assets	$ 217,332,086	$ 214,399,199	$ 210,314,084	$ 216,039,543	$ 212,606,134
Restricted	367,613	466,259	1,411,589	14,385,401	6,299,003
Unrestricted	90,470,623	102,681,842	115,136,329	107,098,324	122,394,384
Total business-type activities net position	$ 308,170,322	$ 317,547,300	$ 326,862,002	$ 337,523,268	$ 341,299,521
Primary government					
Net investment in capital assets	$ 387,985,683	$ 363,668,989	$ 365,762,545	$ 376,487,176	$ 372,894,998
Restricted	19,747,904	35,906,417	37,855,601	46,521,089	36,148,827
Unrestricted	111,538,690	112,018,517	123,377,279	117,684,926	138,940,448
Total primary government net position	$ 519,272,277	$ 511,593,923	$ 526,995,425	$ 540,693,191	$ 547,984,273

CITY OF HIGH POINT, NORTH CAROLINA

Table I
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019
Governmental activities					
Net investment in capital assets	$ 160,393,689	$ 161,253,152	$ 162,401,159	$ 150,224,537	$ 169,390,682
Restricted	30,686,756	34,535,090	36,768,871	64,909,325	36,912,361
Unrestricted	17,648,381	11,307,035	(2,220,309)	(24,814,851)	(16,801,647)
Total governmental activities net position	$ 208,728,826	$ 207,095,277	$ 196,949,721	$ 190,319,011	$ 189,501,396
Business-type activities					
Net investment in capital assets	$ 219,481,689	$ 210,970,569	$ 218,990,621	$ 229,783,237	$ 224,234,298
Restricted	4,406,684	4,443,595	10,363,500	16,342,257	29,385,986
Unrestricted	123,899,602	136,212,383	133,797,568	130,436,600	145,117,399
Total business-type activities net position	$ 347,787,975	$ 351,626,547	$ 363,151,689	$ 376,562,094	$ 398,737,683
Primary government					
Net investment in capital assets	$ 379,875,378	$ 372,223,721	$ 381,391,780	$ 380,007,774	$ 393,624,980
Restricted	35,093,440	38,978,685	47,132,371	81,251,582	66,298,347
Unrestricted	141,547,983	147,519,418	131,577,259	105,621,749	128,315,752
Total primary government net position	$ 556,516,801	$ 558,721,824	$ 560,101,410	$ 566,881,105	$ 588,239,079

CITY OF HIGH POINT, NORTH CAROLINA

Table II
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013	2014
Expenses					
Governmental Activities:					
General Government	$ 19,801,263	$ 20,256,805	$ 19,866,571	$ 19,282,697	$ 20,091,425
Public Safety	42,088,245	42,045,942	42,659,230	44,872,018	45,488,095
Public and Environmental Services	40,523,136	40,389,457	21,934,140	24,760,999	25,038,325
Planning/Community and Economic Development	10,673,496	10,973,509	9,221,189	10,825,087	10,338,434
Cultural and Recreation	20,367,904	18,178,971	19,305,989	19,725,203	20,355,123
Interest and Fiscal Charges	3,528,704	4,064,372	3,777,961	3,514,708	3,384,574
Total Governmental Activities Expenses	136,982,748	135,909,056	116,765,080	122,980,712	124,695,976
Business-type Activities:					
Water and Sewer	41,350,423	42,432,789	42,637,179	42,885,466	46,375,398
Electric	101,578,236	107,966,570	112,303,220	117,621,908	125,605,217
Mass Transit	3,581,111	3,469,145	3,693,499	3,785,198	3,701,643
Parking	713,578	599,032	602,286	566,241	587,145
Solid Waste	4,936,142	7,257,148	5,435,978	6,630,308	7,105,931
Stormwater	2,267,179	2,288,522	2,368,895	2,822,502	2,617,249
Total Business-type Activities Expenses	154,426,669	164,013,206	167,041,057	174,311,623	185,992,583
Total Primary Government Expenses	$ 291,409,417	$ 299,922,262	$ 283,806,137	$ 297,292,335	$ 310,688,559
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	$ 2,210,293	$ 4,357,748	$ 3,866,247	$ 3,775,722	$ 4,059,890
Public Safety	1,130,736	792,604	809,186	968,331	787,237
Public and Environmental Services	549,938	1,026,480	1,123,573	1,333,046	3,733,692
Planning/Community and Economic Development	950,498	626,344	1,206,444	1,190,632	3,096,336
Cultural and Recreation	3,476,910	3,526,797	3,448,944	3,315,830	3,084,530
Operating Grants and Contributions:					
General Government	550,570	765,517	550,262	84,310	52,552
Public Safety	3,235,502	1,887,854	2,160,726	2,063,519	1,861,964
Public and Environmental Services	5,863,168	9,743,976	5,176,946	5,088,903	5,720,776
Planning/Community and Economic Development	3,209,922	4,517,099	2,570,832	3,437,963	2,892,565
Cultural and Recreation	574,478	664,480	529,622	503,045	555,143
Capital Grants and Contributions:					
General Government	-	-	-	149,658	77,768
Public and Environmental Services	288,065	153,709	5,006,656	8,955,875	6,248,970
Cultural and Recreation	-	-	-	-	-
Total Governmental Activities Program Revenues	22,040,080	28,062,608	26,449,438	30,866,834	32,171,423
Business-type Activities:					
Charges for Services:					
Water and Sewer	39,121,632	42,532,355	44,005,968	45,011,826	43,757,248
Electric	103,677,042	113,122,360	114,759,646	126,525,874	127,773,233
Mass Transit	543,788	867,291	937,237	953,376	1,068,313
Parking	333,047	340,535	357,994	304,061	319,486
Solid Waste	6,774,821	7,767,561	7,319,319	7,381,562	7,709,575
Stormwater	2,350,132	2,446,993	2,450,655	2,470,507	2,588,750
Operating Grants and Contributions:					
Water and Sewer	-	833,691	1,089,693	499,944	528,539
Electric	11,500	-	1,025,834	-	2,272,191
Mass Transit	2,315,451	2,010,385	2,014,466	1,606,999	756,154
Solid Waste	68,588	69,288	71,547	59,427	124,526
Stormwater	-	-	-	-	137,419
Capital Grants and Contributions:					
Water and Sewer	4,411,222	3,430,019	1,868,126	3,185,092	2,724,533
Mass Transit	-	-	352,718	-	-
Total Business-type Activities Program Revenues	159,607,223	173,420,478	176,253,203	187,998,668	189,759,967
Total Primary Government Program Revenues	$ 181,647,303	$ 201,483,086	$ 202,702,641	$ 218,865,502	$ 221,931,390

CITY OF HIGH POINT, NORTH CAROLINA

Table II
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019
Expenses					
Governmental Activities:					
General Government	$ 14,118,353	$ 15,460,671	$ 17,321,800	$ 19,787,152	$ 19,618,763
Public Safety	46,005,708	51,960,761	55,366,030	57,741,366	60,900,367
Public and Environmental Services	20,563,689	24,847,388	20,585,008	23,524,751	22,782,299
Planning/Community and Economic Development	9,642,625	9,899,800	11,390,298	16,788,296	15,898,598
Cultural and Recreation	19,935,505	20,555,513	26,720,902	20,674,411	23,703,990
Interest and Fiscal Charges	2,929,645	2,743,063	2,709,550	2,996,656	3,947,980
Total Governmental Activities Expenses	113,195,525	125,467,196	134,093,588	141,512,632	146,851,997
Business-type Activities:					
Water and Sewer	44,349,559	46,807,649	50,192,711	48,661,185	50,919,362
Electric	127,207,885	121,756,511	124,720,131	121,885,416	119,241,152
Mass Transit	3,266,693	3,225,595	4,042,764	3,948,597	4,697,373
Parking	573,092	559,156	559,055	573,733	605,963
Solid Waste	13,149,700	15,427,307	10,530,675	11,274,557	12,295,693
Stormwater	2,722,619	3,260,795	3,288,515	3,014,497	3,560,320
Total Business-type Activities Expenses	191,269,548	191,037,013	193,333,851	189,357,985	191,319,863
Total Primary Government Expenses	$ 304,465,073	$ 316,504,209	$ 327,427,439	$ 330,870,617	$ 338,171,860
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	$ 6,011,896	$ 12,212,903	$ 12,431,425	$ 14,020,612	$ 15,721,430
Public Safety	783,801	745,450	830,332	758,338	782,124
Public and Environmental Services	706,608	1,333,961	1,878,269	2,224,966	1,887,212
Planning/Community and Economic Development	3,059,798	3,304,505	3,396,469	3,588,715	5,155,475
Cultural and Recreation	3,230,789	3,619,438	3,588,646	3,613,876	3,713,591
Operating Grants and Contributions:					
General Government	44,726	95,212	46,086	48,352	8,150
Public Safety	2,064,063	2,846,656	1,959,200	1,844,336	1,987,443
Public and Environmental Services	6,280,048	4,063,221	4,845,142	7,174,323	5,623,220
Planning/Community and Economic Development	1,570,323	2,353,266	1,841,654	6,315,303	5,883,731
Cultural and Recreation	495,192	770,685	1,891,157	521,109	3,606,310
Capital Grants and Contributions:					
General Government	129,140	1,212,815	935,072	231,744	313,452
Public and Environmental Services	7,203,424	870,990	2,006,346	852,756	551,067
Cultural and Recreation	-	-	-	-	78,500
Total Governmental Activities Program Revenues	31,579,808	33,429,102	35,649,798	41,194,430	45,311,705
Business-type Activities:					
Charges for Services:					
Water and Sewer	45,655,004	47,141,554	50,803,018	52,137,294	54,261,505
Electric	129,409,301	126,365,786	128,785,771	129,949,237	129,914,488
Mass Transit	1,030,841	885,200	955,149	924,514	839,169
Parking	322,503	251,058	225,294	222,482	271,562
Solid Waste	10,435,520	11,467,321	13,094,698	13,575,810	14,433,007
Stormwater	2,546,914	3,844,690	5,186,273	5,229,146	5,279,605
Operating Grants and Contributions:					
Water and Sewer	440,301	408,284	403,917	396,829	411,211
Electric	546,362	1,008,622	804,070	504,001	667,301
Mass Transit	4,665,176	1,627,939	2,114,281	544,276	3,889,594
Solid Waste	123,217	94,367	99,501	103,241	86,111
Stormwater	-	40,816	14,773	-	13,012
Capital Grants and Contributions:					
Water and Sewer	2,674,649	331,407	755,734	244,023	606,109
Mass Transit	-	-	6,189,639	-	
Total Business-type Activities Program Revenues	197,849,788	193,467,044	209,432,118	203,830,853	210,672,674
Total Primary Government Program Revenues	$ 229,429,596	$ 226,896,146	$ 245,081,916	$ 245,025,283	$ 255,984,379

(Continued)

CITY OF HIGH POINT, NORTH CAROLINA

Table II
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013	2014
Net (Expense)/Revenue					
Governmental Activities	$ (114,942,668)	$ (107,846,448)	$ (90,315,642)	$ (92,113,878)	$ (92,524,553)
Business-type Activities	5,180,554	9,407,272	9,212,146	13,687,045	3,767,384
Total Primary Government Net (Expense)/Revenue	$ (109,762,114)	$ (98,439,176)	$ (81,103,496)	$ (78,426,833)	$ (88,757,169)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes	$ 57,834,033	$ 58,337,793	$ 61,296,936	$ 59,914,895	$ 61,232,282
Occupancy and Other Local Taxes	14,651,486	14,998,029	16,671,040	16,982,409	17,476,958
Unrestricted Revenues and Contributions	16,442,105	16,161,178	16,795,265	17,068,078	16,232,481
Gain (Loss) on Disposal of Capital Assets	447,961	-	251,912	299,973	194,779
Investment Earnings	639,747	415,424	489,126	86,991	329,076
Transfers	1,008,074	878,692	898,163	798,032	573,806
Total Governmental Activities	91,023,406	90,791,116	96,402,442	95,150,378	96,039,382
Business-type Activities:					
Gain (Loss) on Disposal of Capital Assets	-	-	35,851	-	19,809
Investment Earnings	1,654,727	848,398	964,868	63,534	562,866
Transfers	(1,008,074)	(878,692)	(898,163)	(798,032)	(573,806)
Total Business-type Activities	646,653	(30,294)	102,556	(734,498)	8,869
Total Primary Government	$ 91,670,059	$ 90,760,822	$ 96,504,998	$ 94,415,880	$ 96,048,251
Change in Net Position					
Governmental Activities	$ (23,919,262)	$ (17,055,332)	$ 6,086,800	$ 3,036,500	$ 3,514,829
Business-type Activities	5,827,207	9,376,978	9,314,702	12,952,547	3,776,253
Total Primary Government	$ (18,092,055)	$ (7,678,354)	$ 15,401,502	$ 15,989,047	$ 7,291,082

CITY OF HIGH POINT, NORTH CAROLINA

Table II
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019
Net (Expense)/Revenue					
Governmental Activities	$ (81,615,717)	$ (92,038,094)	$ (98,443,790)	$ (100,318,202)	$ (101,540,292)
Business-type Activities	6,580,240	2,430,031	16,098,267	14,472,868	19,352,811
Total Primary Government Net (Expense)/Revenue	$ (75,035,477)	$ (89,608,063)	$ (82,345,523)	$ (85,845,334)	$ (82,187,481)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes	$ 59,579,994	$ 59,088,421	$ 59,359,042	$ 62,065,257	$ 62,942,486
Occupancy and Other Local Taxes	19,190,749	19,717,204	20,736,967	2,360,182	2,585,959
Unrestricted Revenues and Contributions	11,032,844	10,438,479	12,715,055	29,959,800	31,804,685
Gain (Loss) on Disposal of Capital Assets	155,332	235,025	506,503	634,442	623,304
Investment Earnings	272,801	515,426	311,509	839,010	1,629,298
Transfers	(2,360,223)	(53,966)	5,151,233	1,186,828	1,136,945
Total Governmental Activities	87,871,497	89,940,589	98,780,309	97,045,519	100,722,677
Business-type Activities:					
Gain (Loss) on Disposal of Capital Assets	635,004	-	12,411	-	-
Investment Earnings	640,892	1,354,575	565,697	1,410,339	3,959,723
Transfers	2,360,223	53,966	(5,151,233)	(1,186,828)	(1,136,945)
Total Business-type Activities	3,636,119	1,408,541	(4,573,125)	223,511	2,822,778
Total Primary Government	$ 91,507,616	$ 91,349,130	$ 94,207,184	$ 97,269,030	$ 103,545,455
Change in Net Position					
Governmental Activities	$ 6,255,780	$ (2,097,505)	$ 336,519	$ (3,272,683)	$ (817,615)
Business-type Activities	10,216,359	3,838,572	11,525,142	14,696,379	22,175,589
Total Primary Government	$ 16,472,139	$ 1,741,067	$ 11,861,661	$ 11,423,696	$ 21,357,974

(Concluded)

CITY OF HIGH POINT, NORTH CAROLINA

Table III
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014
General Fund					
Reserved for:					
State Statute	$ 5,839,275	$ -	$ -	$ -	$ -
Prepaid Items	34,430	-	-	-	-
Encumbrances	471,425	-	-	-	-
Total Reserved, General Fund	6,345,130	-	-	-	-
Unreserved:					
Designated for Subsequent Year's Expenditures	3,584,710	-	-	-	-
Designated for Economic Development	1,676,963	-	-	-	-
Designated for Health Insurance	-	-	-	-	-
Designated for Market Authority	7,828	-	-	-	-
Undesignated	9,923,268	-	-	-	-
Total Unreserved, General Fund	15,192,769	-	-	-	-
Non Spendable:					
Prepaid Items	-	37,518	31,778	19,801	19,659
Total Non Spendable	-	37,518	31,778	19,801	19,659
Restricted:					
Stabilization by State Statute	-	6,586,905	7,846,711	7,358,975	7,879,820
Transportation	-	358,736	494,796	412,796	498,562
Benefits and Wellness	-	60,000	-	-	-
Total Restricted	-	7,005,641	8,341,507	7,771,771	8,378,382
Committed:					
Public Safety	-	-	-	-	-
Economic Development	-	1,806,212	2,148,511	2,052,361	2,127,599
Market Development	-	10,303	10,303	15,303	-
Benefits and Wellness	-	-	193,048	199,439	745,254
Total Committed	-	1,816,515	2,351,862	2,267,103	2,872,853
Assigned:					
Subsequent Years' Expenditures	-	3,175,202	5,166,175	2,954,786	4,202,575
General Government	-	58,403	148,426	533,903	243,403
Public Safety	-	8,076	5,980	4,259	12,751
Culture & Recreation	-	406,357	398,397	428,593	479,232
Planning/Community and Economic Development	-	170,763	124,059	293,609	107,873
Public Services and Transportation	-	806,457	1,145,187	563,438	563,483
Total Assigned	-	4,625,258	6,988,224	4,778,588	5,609,317
Unassigned	-	12,891,892	13,274,662	13,111,350	13,314,164
Total General Fund	$ 21,537,899	$ 26,376,824	$ 30,988,033	$ 27,948,613	$ 30,194,375

CITY OF HIGH POINT, NORTH CAROLINA

Table III
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019
General Fund					
Reserved for:					
State Statute	$ -	$ -	$ -	$ -	$ -
Prepaid Items	-	-	-	-	-
Encumbrances	-	-	-	-	-
Total Reserved, General Fund	-	-	-	-	-
Unreserved:					
Designated for Subsequent Year's Expenditures	-	-	-	-	-
Designated for Economic Development	-	-	-	-	-
Designated for Health Insurance	-	-	-	-	-
Designated for Market Authority	-	-	-	-	-
Undesignated	-	-	-	-	-
Total Unreserved, General Fund	-	-	-	-	-
Non Spendable:					
Prepaid Items	37,153	41,024	45,046	30,254	101,903
Total Non Spendable	37,153	41,024	45,046	30,254	101,903
Restricted:					
Stabilization by State Statute	9,358,903	9,613,768	9,538,524	10,883,292	12,294,000
Transportation	506,779	639,255	701,578	757,978	757,978
Benefits and Wellness	-	-	-	-	-
Total Restricted	9,865,682	10,253,023	10,240,102	11,641,270	13,051,978
Committed:					
Public Safety	-	518,005	569,591	625,492	692,212
Economic Development	2,167,144	2,165,926	1,599,029	1,671,679	1,332,343
Market Development	18,042	18,042	2,042	2,042	2,042
Benefits and Wellness	926,426	-	-	-	-
Total Committed	3,111,612	2,701,973	2,170,662	2,299,213	2,026,597
Assigned:					
Subsequent Years' Expenditures	3,088,607	3,837,615	3,775,000	3,043,012	300,000
General Government	80,000	830,000	400,000	130,000	20,000
Public Safety	238,180	236,744	235,193	193,193	8,193
Culture & Recreation	447,095	364,718	341,866	92,242	10,491
Planning/Community and Economic Development	110,283	306,083	106,083	25,000	-
Public Services and Transportation	556,519	483,919	293,608	84,533	67,408
Total Assigned	4,520,684	6,059,079	5,151,750	3,567,980	406,092
Unassigned	16,094,013	13,400,032	11,889,688	3,168,994	11,955,416
Total General Fund	$ 33,629,144	$ 32,455,131	$ 29,497,248	$ 20,707,711	$ 27,541,986

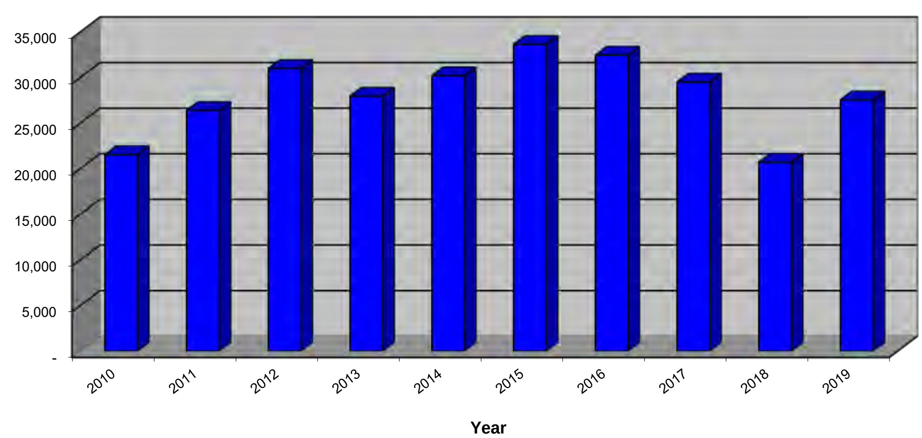
(Continued)

CITY OF HIGH POINT, NORTH CAROLINA

Table III
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014
All Other Governmental Funds					
Reserved for:					
State Statute	$ 623,240	$ -	$ -	$ -	$ -
Encumbrances	2,769,394	-	-	-	-
Debt Service	19,380,291	-	-	-	-
Total Reserved, Other Governmental Funds	22,772,925	-	-	-	-
Unreserved reported in:					
Special Revenue funds	915,886	-	-	-	-
General Capital Projects Fund	28,074,824	-	-	-	-
Total Unreserved, Other Governmental Funds	28,990,710	-	-	-	-
Non Spendable:					
Prepaid Items	-	-	-	-	-
Total Non Spendable	-	-	-	-	-
Restricted:					
Stabilization by State Statute	-	9,869,826	9,665,605	5,679,664	3,098,250
Grant Programs	-	742,010	237,495	666,563	550,211
Community and economic development	-	-	-	-	-
Debt Service	-	17,822,681	18,192,792	18,017,690	17,822,981
Capital Projects	-	21,023,204	17,417,702	11,250,769	15,327,136
Total Restricted	-	49,457,721	45,513,594	35,614,686	36,798,578
Committed:					
Capital Projects	-	-	508,826	1,174,200	1,026,997
Total Committed	-	-	508,826	1,174,200	1,026,997
Assigned:					
Subsequent year's expenditures	-	-	-	-	-
Total Assigned	-	-	-	-	-
Unassigned	-	(1,971,929)	(17,135)	(708,936)	(856,334)
Total Other Governmental Funds	$ 51,763,635	$ 47,485,792	$ 46,005,285	$ 36,079,950	$ 36,969,241

General Fund Balances By Year



Note: The City implemented the new governmental funds presentation standard (GASB 54) in the fiscal year ended June 30, 2011. Presentations of prior years information have not been restated.

CITY OF HIGH POINT, NORTH CAROLINA

Table III
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019
All Other Governmental Funds					
Reserved for:					
State Statute	$ -	$ -	$ -	$ -	$ -
Encumbrances	-	-	-	-	-
Debt Service	-	-	-	-	-
Total Reserved, Other Governmental Funds	-	-	-	-	-
Unreserved reported in:					
Special Revenue funds	-	-	-	-	-
General Capital Projects Fund	-	-	-	-	-
Total Unreserved, Other Governmental Funds	-	-	-	-	-
Non Spendable:					
Prepaid Items	-	-	12,942	-	-
Total Non Spendable	-	-	12,942	-	-
Restricted:					
Stabilization by State Statute	4,230,041	2,987,077	4,492,646	30,810,264	5,011,700
Grant Programs	2,648,258	5,430,867	5,897,950	6,326,859	5,425,478
Community and economic development	-	-	-	90,924	195,718
Debt Service	15,906,134	15,864,123	16,138,173	16,040,008	13,142,389
Capital Projects	14,825,968	12,312,726	9,724,624	3,197,067	-
Total Restricted	37,610,401	36,594,793	36,253,393	56,465,122	23,775,285
Committed:					
Capital Projects	1,296,580	2,814,856	7,822,305	118,996	4,123,066
Total Committed	1,296,580	2,814,856	7,822,305	118,996	4,123,066
Assigned:					
Subsequent year's expenditures	768,617	519,141	-	971,135	-
Total Assigned	768,617	519,141	-	971,135	-
Unassigned	(1,616,750)	(995,443)	(1,702,797)	(891,066)	(1,138,270)
Total Other Governmental Funds	$ 38,058,848	$ 38,933,347	$ 42,385,843	$ 56,664,187	$ 26,760,081

(Concluded)

CITY OF HIGH POINT, NORTH CAROLINA

Table IV
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014
Revenues:					
Taxes:					
Property	$ 57,973,152	$ 58,146,211	$ 61,001,315	$ 59,811,095	$ 61,607,105
Occupancy and other local taxes	1,551,774	1,642,302	1,740,540	1,797,289	1,922,853
Total taxes	59,524,926	59,788,513	62,741,855	61,608,384	63,529,958
Intergovernmental	37,653,781	39,106,819	34,397,969	35,052,184	34,490,686
Licenses and Permits	3,546,529	3,610,064	3,432,136	3,492,409	3,728,062
Charges for Services	4,158,266	4,564,077	4,563,760	4,636,533	6,778,018
Interest on Investments	639,747	415,424	489,126	86,991	329,076
Sale of capital assets	-	-	37,752	16,941	2,863
Administrative reimbursements	6,009,954	5,817,869	5,960,534	6,232,720	6,999,261
Miscellaneous	1,575,409	1,008,032	1,011,829	1,550,614	1,303,358
Total Revenues	113,108,612	114,310,798	112,634,961	112,676,776	117,161,282
Expenditures:					
General Government	16,953,597	15,360,012	14,979,376	15,551,120	15,632,281
Public Safety	41,856,008	41,942,128	43,019,604	44,632,915	45,525,308
Public Services Transportation	-	-	-	19,883,261	15,503,251
Public and Environmental Services	22,144,426	17,674,426	20,704,623	5,814,386	6,235,195
Planning/Community and Economic Development	10,798,108	10,885,099	9,133,261	10,717,405	10,177,354
Culture and Recreation	20,049,626	18,348,122	18,917,317	19,230,604	18,653,916
Debt Service:					
Principal	6,163,263	7,230,454	7,242,872	7,189,429	7,347,136
Interest	3,534,189	4,019,972	3,859,447	3,452,249	3,509,474
Total Expenditures	121,499,217	115,460,213	117,856,500	126,471,369	122,583,915
Excess (deficiency) of revenues over (under) expenditures	(8,390,605)	(1,149,415)	(5,221,539)	(13,794,593)	(5,422,633)
Other Financing Sources (Uses):					
Limited obligation bonds issuance	-	-	-	-	-
Federal loan issuance	-	-	-	-	-
Federal loan proceeds	-	-	-	-	-
Installment purchase issuance	-	-	-	-	-
Installment purchase proceeds	5,500,000	-	1,375,000	-	1,500,000
Transfers in	10,959,880	9,845,423	8,846,884	7,792,511	7,996,476
Transfers in related to payments in lieu of taxes	820,000	820,000	785,500	811,435	805,173
Transfers out	(9,744,200)	(8,954,926)	(8,702,415)	(7,774,108)	(8,196,037)
Proceeds from general obligation bonds	18,930,000	-	5,785,000	-	6,115,000
Bond Issuance Premium	209,786	-	262,272	-	1,224,202
Refunded bonds payment to trustee	-	-	-	-	(15,312,845)
Gain (loss) on extinguishment of debt	-	-	-	-	(92,192)
Refunding bonds issued	-	-	-	-	14,517,909
Total other financing sources (uses)	26,675,466	1,710,497	8,352,241	829,838	8,557,686
Net change in fund balances	$ 18,284,861	$ 561,082	$ 3,130,702	$ (12,964,755)	$ 3,135,053
Debt service as a percentage of non-capital expenditures	8.87%	10.43%	10.22%	9.28%	9.30%

CITY OF HIGH POINT, NORTH CAROLINA

Table IV
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019
Revenues:					
Taxes:					
Property	$ 59,860,275	$ 59,266,182	$ 59,791,630	$ 62,369,866	$ 63,109,264
Occupancy and other local taxes	2,140,094	2,156,934	2,261,604	2,376,854	2,585,959
Total taxes	62,000,369	61,423,116	62,053,234	64,746,720	65,695,223
Intergovernmental	38,170,212	40,148,030	40,006,483	40,742,352	44,927,436
Licenses and Permits	3,459,914	3,135,055	4,085,043	4,669,193	5,001,978
Charges for Services	4,509,856	5,369,569	4,956,107	4,848,329	5,004,816
Interest on Investments	272,801	507,913	292,075	794,723	1,558,782
Sale of capital assets	4,367	819	39,081	100,625	1,152,832
Administrative reimbursements	180,000	180,000	180,000	180,000	-
Miscellaneous	898,969	790,754	1,044,514	5,699,118	5,893,743
Total Revenues	109,496,488	111,555,256	112,656,537	121,781,060	129,234,810
Expenditures:					
General Government	10,730,114	10,972,727	11,222,907	13,270,518	12,651,323
Public Safety	45,682,145	49,384,806	50,213,647	53,167,743	56,755,318
Public Services Transportation	11,739,651	14,114,201	13,714,438	17,123,776	16,232,154
Public and Environmental Services	234,683	274,661	238,350	235,749	249,577
Planning/Community and Economic Development	9,662,937	9,748,216	11,057,475	17,023,367	16,478,509
Culture and Recreation	18,601,744	19,526,652	24,915,589	43,824,221	53,386,599
Debt Service:					
Principal	6,795,725	6,711,174	7,172,437	6,215,085	5,619,316
Interest	2,913,357	2,762,137	2,658,960	2,455,415	4,038,643
Total Expenditures	106,360,356	113,494,574	121,193,803	153,315,874	165,411,439
Excess (deficiency) of revenues over (under) expenditures	3,136,132	(1,939,318)	(8,537,266)	(31,534,814)	(36,176,629)
Other Financing Sources (Uses):					
Limited obligation bonds issuance	-	-	-	35,000,000	-
Federal loan issuance	-	-	-	694,000	-
Federal loan proceeds	1,350,000	2,000,000	-	-	-
Installment purchase issuance	-	-	-	-	5,155,000
Installment purchase proceeds	438,268	156,240	3,700,000	-	-
Transfers in	7,864,780	6,815,873	14,809,575	9,621,515	5,072,697
Transfers in related to payments in lieu of taxes	845,007	893,328	937,230	889,492	897,139
Transfers out	(11,070,010)	(7,763,167)	(10,595,572)	(9,324,178)	(4,832,891)
Proceeds from general obligation bonds	-	-	16,956,921	-	-
Bond Issuance Premium	-	-	2,746,880	-	214,853
Refunded bonds payment to trustee	-	-	(19,523,155)	-	-
Gain (loss) on extinguishment of debt	-	-	-	-	-
Refunding bonds issued	-	-	-	-	6,600,000
Total other financing sources (uses)	(571,955)	2,102,274	9,031,879	36,880,829	13,106,798
Net change in fund balances	$ 2,564,177	$ 162,956	$ 494,613	$ 5,346,015	$ (23,069,831)
Debt service as a percentage of non-capital expenditures	9.39%	8.75%	8.63%	7.12%	7.72%

CITY OF HIGH POINT, NORTH CAROLINA

Table V
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property (3) Residential Property (4) (5)	Commercial Property (4) (5)	Industrial Property (4) (5)	Total	Personal Property
2010	4,279,155,000	2,483,747,575	1,008,165,180	7,771,067,755	1,417,186,050
2011	-	-	-	7,682,834,650	1,402,419,615
2012	-	-	-	7,655,916,694	1,455,701,042
2013	4,300,290,483	1,949,336,323	987,346,355	7,236,973,161	1,501,465,603
2014	4,315,429,943	2,149,860,980	969,318,600	7,434,609,523	1,489,840,190
2015	4,397,388,367	1,872,215,206	977,839,178	7,247,442,751	1,555,428,785
2016	4,349,667,380	1,910,440,163	1,018,606,564	7,278,714,107	1,587,787,369
2017	4,429,691,766	1,942,245,655	993,448,540	7,365,385,961	1,674,065,813
2018	4,581,596,716	2,093,081,705	1,036,916,309	7,711,594,730	1,724,751,200
2019	4,617,512,541	2,073,676,161	1,111,145,808	7,802,334,510	1,774,628,867

Sources: Annual County Report of Valuation and Property Tax Levies (NC Department of Revenue) and Guilford, Davidson, Forsyth, and Randolph County Tax Departments

Notes:

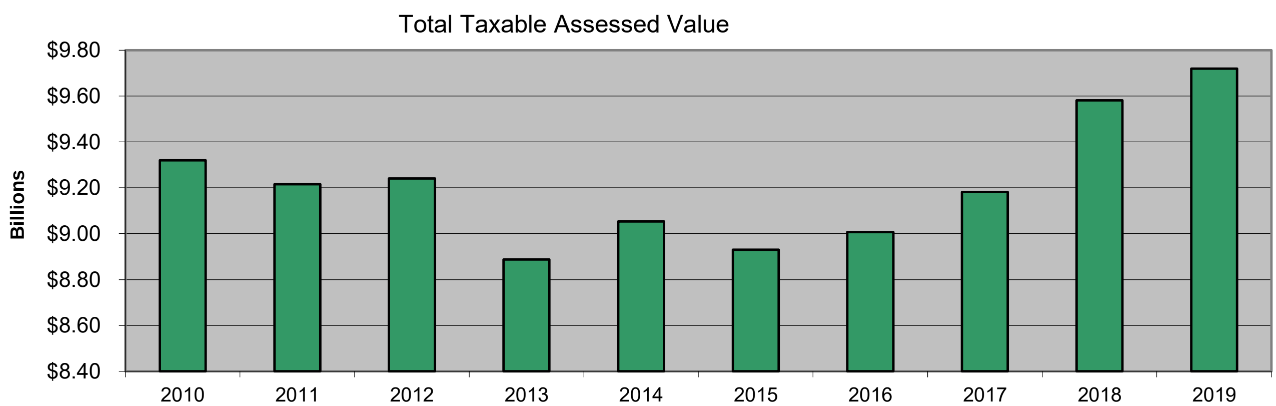
(1) Public service companies valuations are provided to the County by the NC Dept. of Revenue. These amounts include both real and personal property.

(2) The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the NC Dept. of Revenue. The ratio is based on actual property sales which took place during the fiscal year.

(3) Property in Guilford County is reassessed every five years. The last reassessment was on January 1, 2017.

(4) The breakdown of real property (residential, commercial, industrial) was not available from counties during 2011 & 2012.

(5) Due to a change in reporting from Guilford County, the comparative data for fiscal years 2008-2014 is not presented in the same manner as future years as relates to exemptions, exclusions and deferments by class.



CITY OF HIGH POINT, NORTH CAROLINA

Table V
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Public Service Companies (1)	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (2)
2010	131,456,290	9,319,710,095	0.6330	10,235,815,590
2011	129,766,404	9,215,020,669	0.6330	9,697,980,077
2012	129,074,157	9,240,691,893	0.6620	8,909,267,155
2013	148,989,146	8,887,427,910	0.6750	8,944,673,822
2014	128,387,727	9,052,837,440	0.6750	9,111,148,792
2015	126,857,380	8,929,728,916	0.6640	9,333,886,188
2016	140,281,138	9,006,782,614	0.6500	9,212,215,009
2017	141,688,783	9,181,140,557	0.6475	9,204,150,934
2018	144,885,945	9,581,231,875	0.6475	10,113,185,429
2019	142,350,789	9,719,314,166	0.6475	10,632,659,628

CITY OF HIGH POINT, NORTH CAROLINA

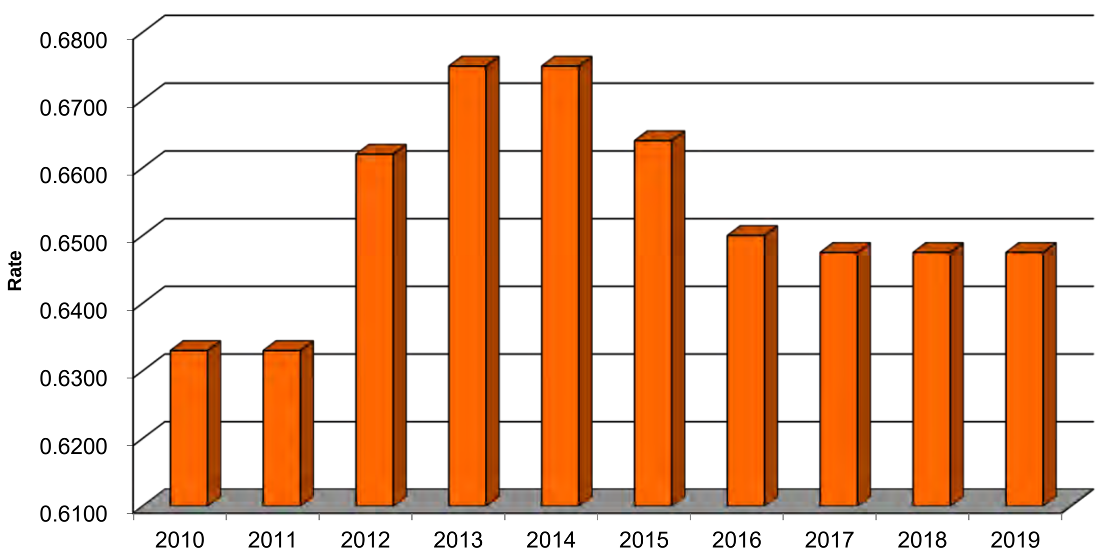
Table VI
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Guilford County [1]	$ 0.7374	$ 0.7374	$ 0.7824	$ 0.7804	$ 0.7700	$ 0.7700	$ 0.7600	$ 0.7550	$ 0.7305	$ 0.7305
High Point City										
Operating rate	0.5990	0.5990	0.6280	0.6397	0.6410	0.6300	0.6160	0.6135	0.6135	0.6135
Debt service rate	0.0340	0.0340	0.0340	0.0353	0.0340	0.0340	0.0340	0.0340	0.0340	0.0340
Total High Point City	0.6330	0.6330	0.6620	0.6750	0.6750	0.6640	0.6500	0.6475	0.6475	0.6475
Total direct & overlapping rates	$ 1.3704	$ 1.3704	$ 1.4444	$ 1.4554	$ 1.4450	$ 1.4340	$ 1.4100	$ 1.4025	$ 1.3780	$ 1.3780

[1] Source: Guilford County Tax Department. The County does not dilineate components of the tax levy but adopts total rate as operating.

Notes: Overlapping rates are those of local and county governments that apply to property owners within the City of High Point.
Real property was revalued on January 1, 2017.

High Point Property Tax Rates Per $100



CITY OF HIGH POINT, NORTH CAROLINA

Table VII
Principal Property Tax Payers
Fiscal Years Ended June 30, 2019 and June 30, 2010

		Fiscal Year 2019			Fiscal Year 2010		
Taxpayer	**Type of Business**	**Assessed Valuation**	**Rank**	**Percentage of Total Assessed Valuation**	**Assessed Valuation**	**Rank**	**Percentage of Total Assessed Valuation**
International Market Centers, LP	Home Furnishings Showroom	$ 317,845,855	1	3.27%	$ 184,907,653	1	1.98%
Ralph Lauren Corporation	Distribution/Customer Service	90,906,610	2	0.94%	56,927,699	7	0.61%
Blue Ridge Companies	Real Estate	68,325,468	3	0.70%		-	
Carolina Investment Properties	Real Estate	63,485,500	4	0.65%		-	
Thomas Built Buses/Daimler Trucks	Bus Manufacturing	63,465,319	5	0.65%	56,432,118	8	0.61%
Liberty Property Trust	Real Estate	62,093,557	6	0.64%	116,083,274	2	1.25%
North State Communications	Communications Utility	53,339,839	7	0.55%	62,005,004	6	0.67%
EBSCO	Real Estate	43,458,100	8	0.45%		-	
Sampson Marketing	Home Furnishings Showroom	42,007,342	9	0.43%		-	
ThermoFisher Scientific (formerly Patheon, Banner Pharmacaps)	Pharmaceutical Manufacturing	40,843,306	10	0.42%		-	
Market Square LLC	Real Estate		-	-	97,882,700	3	1.05%
HP Showplace Investors	Real Estate		-	-	71,151,483	4	0.76%
Tyco Electronics (TE Connectivity)	Electrical Parts		-	-	65,911,053	5	0.71%
High Point Development Ltd. Partnership	Real Estate		-	-	49,270,825	9	0.53%
Mannington Wood Floors	Manufacturing		-	-	41,420,151	10	0.44%
Totals		$ 845,770,896		8.70%	$ 801,991,960		8.61%

Source: Guilford County Tax Department

Table VIII
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percentage of Levy	Collections in Subsequent Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
2010	$ 59,398,063	57,985,102	97.62%	$ 1,255,827	$ 59,240,929	99.74%
2011	58,762,018	57,169,238	97.29%	1,418,394	58,587,632	99.70%
2012	61,481,406	59,769,314	97.22%	1,451,926	61,221,240	99.58%
2013	60,356,131	58,559,431	97.02%	1,489,682	60,049,113	99.49%
2014	61,501,088	60,320,711	98.08%	929,133	61,249,844	99.59%
2015	59,711,713	58,958,280	98.74%	569,808	59,528,088	99.69%
2016	58,936,348	58,298,675	98.92%	447,127	58,745,802	99.68%
2017	60,762,657	60,180,914	99.04%	389,860	60,570,774	99.68%
2018	63,604,014	63,017,379	99.08%	296,915	63,314,294	99.54%
2019	64,510,219	63,891,264	99.04%	-	63,891,264	99.04%

Source: Guilford, Randolph, Davidson and Forsyth County Tax Departments

CITY OF HIGH POINT, NORTH CAROLINA

Table IX
Principal Water Customers
Fiscal Years Ended June 30, 2019 and June 30, 2010

	Fiscal Year 2019			Fiscal Year 2010		
Water Customer	Water Charges	Rank	Percentage Water Charges	Water Charges	Rank	Percentage Water Charges
High Point University	$ 575,613	1	2.95%	$ 255,352	2	1.77%
High Point Housing Authority	310,586	2	1.59%	241,494	3	1.67%
Slane Hosiery Mills, Inc	249,678	3	1.28%	146,818	5	1.02%
Kao Specialties Americas, LLC	240,829	4	1.23%	137,551	6	0.95%
International Market Centers, LP	197,105	5	1.01%	-	-	-
Guilford County Schools[1]	194,582	6	1.00%	-	-	-
Hunter Jersey Farms	183,080	7	0.94%	110,264	7	0.76%
Dairy Fresh LLC	142,963	8	0.73%	107,279	8	0.74%
Wake Forest Baptist Health - High Point Medical Center	129,415	9	0.66%	160,858	4	1.11%
The Presbyterian Homes, Inc.	108,819	10	0.56%	-	-	-
Town of Jamestown	-	-	-	349,956	1	2.42%
ThermoFisher Scientific (formerly Patheon, Banner Pharmacaps)	-	-	-	105,810	9	0.73%
City of Archdale	-	-	-	99,993	10	0.69%
Totals	$ 2,332,670		11.95%	$ 1,715,375		11.86%

Source: City of High Point Water and Sewer Department

Note:
[1] Prior to Fiscal Year 2018, Guilford County Schools was presented as multiple customers by location.

CITY OF HIGH POINT, NORTH CAROLINA

Table X
Principal Sewer Customers
Fiscal Years Ended June 30, 2019 and June 30, 2010

	Fiscal Year 2019			Fiscal Year 2010		
Sewer Customer	Sewer Charges	Rank	Percentage Sewer Charges	Sewer Charges	Rank	Percentage Sewer Charges
Town of Jamestown	$ 713,036	1	2.13%	$ 488,976	2	2.05%
City of Archdale	621,917	2	1.86%	395,811	4	1.66%
High Point University	583,164	3	1.74%	242,770	7	1.02%
High Point Housing Authority	528,754	4	1.58%	419,540	3	1.76%
Slane Hosiery Mills, Inc.	514,690	5	1.54%	322,858	6	1.35%
Kao Specialties Americas, LLC	374,877	6	1.12%	205,446	8	0.86%
International Market Centers, LP	350,491	7	1.05%	-	-	-
Hunter Jersey Farms	324,869	8	0.97%	178,428	10	0.75%
Guilford County Schools[1]	310,016	9	0.93%	-	-	-
Dairy Fresh LLC	302,937	10	0.91%	792,194	1	3.32%
City of Greensboro	-	-	-	394,195	5	1.65%
Wake Forest Baptist Health - High Point Medical Center	-	-	-	185,853	9	0.78%
Totals	$ 4,624,751		13.83%	$ 3,626,071		15.20%

Source: City of High Point Water and Sewer Department

Note:
[1] Prior to Fiscal Year 2018, Guilford County Schools was presented as multiple customers by location.

CITY OF HIGH POINT, NORTH CAROLINA

Table XI
Principal Electric Customers
Fiscal Years Ended June 30, 2019 and June 30, 2010

	Fiscal Year 2019			Fiscal Year 2010		
Taxpayer	Electric Charges	Rank	Percentage of Total Electric Charges	Electric Charges	Rank	Percentage of Total Electric Charges
International Market Centers, LP	$ 4,952,187	1	3.82%	$ 2,116,261	1	2.04%
High Point University	4,515,023	2	3.48%	2,065,335	2	1.99%
Wake Forest Baptist Health - High Point Medical Center	2,571,839	3	1.98%	1,846,180	3	1.78%
Guilford County Schools[1]	2,278,839	4	1.76%	-	-	-
Kao Specialties Americas LLC	1,731,384	5	1.33%	1,242,228	4	1.20%
Thermo Fisher Scientific (formerly Patheon, Banner Pharmacaps)	1,351,491	6	1.04%	1,189,495	6	1.15%
High Point Housing Authority	1,191,604	7	0.92%	937,720	7	0.90%
Thomas Built Buses/Daimler Trucks	1,122,692	8	0.86%	920,770	8	0.89%
Fiber Dynamics	951,157	9	0.73%	-	-	-
Slane Hosiery Mills, Inc.	878,131	10	0.68%	-	-	-
High Point City Waste Disposal	-	-	-	1,211,721	5	1.17%
Liberty Property LTD	-	-	-	745,160	9	0.72%
North State Communications	-	-	-	662,154	10	0.64%
Totals	$ 21,544,347		16.60%	$ 12,937,024		12.48%

Source: City of High Point Utilities

Note:
[1] Prior to Fiscal Year 2018, Guilford County Schools was presented as multiple customers by location.

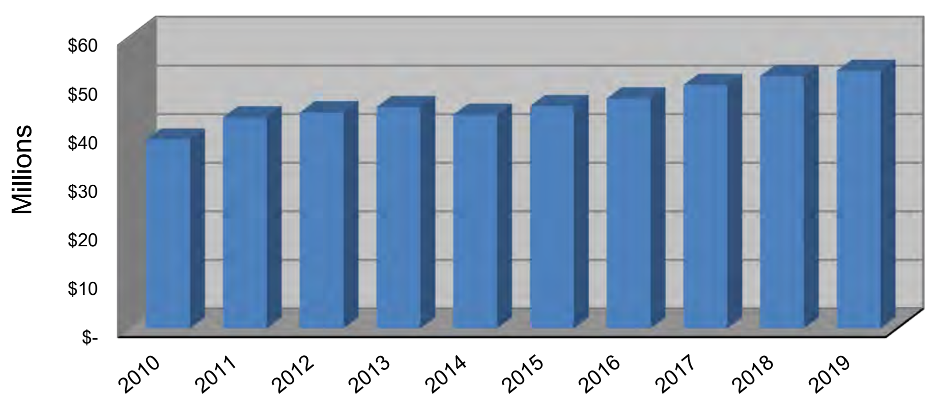
CITY OF HIGH POINT, NORTH CAROLINA

TABLE XII
Schedule of Water and Sewer, and Electric Operating Revenues
Last Ten Fiscal Years

Water and Sewer	2010	2011	2012	2013	2014
Sales - Sewer	$ 22,303,779	$ 24,379,005	$ 25,061,926	$ 25,865,952	$ 25,105,930
Sales - Water	13,948,264	15,353,517	15,651,242	16,089,213	15,710,758
City Sales - Sewer	191,502	193,330	184,153	182,279	179,580
City Sales - Water	492,164	593,654	581,959	503,458	281,268
Wastewater - Archdale	395,811	414,047	418,892	474,606	519,136
Wastewater - Jamestown	488,976	548,496	546,968	654,662	693,862
Wastewater - Greensboro	394,195	433,517	399,605	466,784	455,526
Wastewater - Sedgefield	106,613	107,821	50,741	73,794	80,631
Davidson County	-	223,736	256,893	275,578	290,617
Other	494,245	1,118,923	1,262,362	921,519	619,543
Total	$ 38,815,549	$ 43,366,046	$ 44,414,741	$ 45,507,845	$ 43,936,851

Electric	2010	2011	2012	2013	2014
Residential	$ 40,217,026	$ 44,666,603	$ 43,361,313	$ 45,364,572	$ 48,148,458
Industrial	10,927,253	11,931,773	12,569,847	15,332,140	15,189,126
Commercial	44,158,424	47,595,194	47,573,774	54,568,671	51,694,482
City	3,971,356	4,216,150	4,135,521	4,442,319	4,735,894
City - Street Lighting	1,798,946	1,900,714	2,010,148	2,079,650	2,211,708
Private Lighting	1,731,997	1,935,588	2,037,561	2,319,342	2,468,486
Other	1,189,623	876,338	1,230,113	485,801	1,563,746
Total	$ 103,994,625	$ 113,122,360	$ 112,918,277	$ 124,592,495	$ 126,011,900

Water and Sewer Revenues By Year



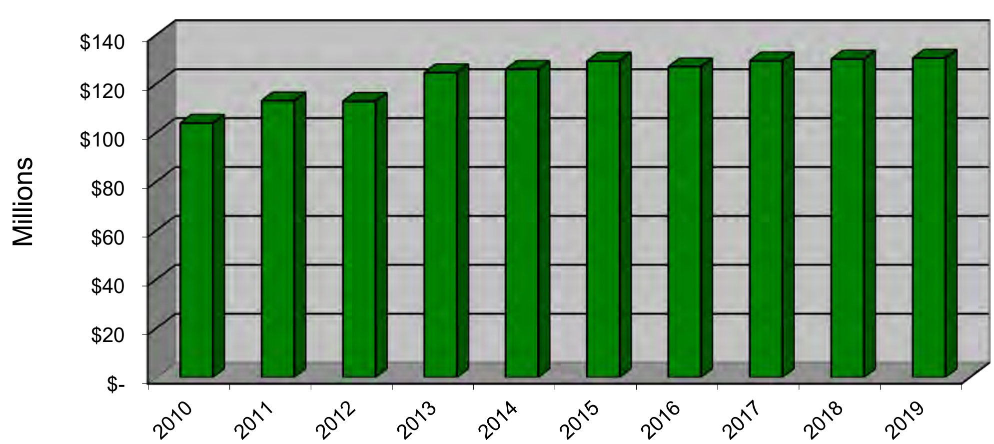
CITY OF HIGH POINT, NORTH CAROLINA

TABLE XII
Schedule of Water and Sewer, and Electric Operating Revenues
Last Ten Fiscal Years

Water and Sewer	**2015**	**2016**	**2017**	**2018**	**2019**
Sales - Sewer	$ 26,072,357	$ 27,113,988	$ 28,770,706	$ 29,899,150	$ 30,557,158
Sales - Water	16,522,347	17,121,806	18,036,424	18,694,169	18,763,168
City Sales - Sewer	174,271	219,784	231,501	279,487	296,056
City Sales - Water	348,056	376,853	438,771	431,901	385,020
Wastewater - Archdale	477,633	570,489	498,023	424,846	626,654
Wastewater - Jamestown	700,736	728,865	711,125	629,039	713,036
Wastewater - Greensboro	445,347	413,808	403,786	433,553	455,663
Wastewater - Sedgefield	65,936	69,420	59,034	59,116	89,927
Davidson County	272,827	296,769	337,077	360,194	376,512
Other	635,738	367,866	583,101	685,958	714,217
Total	$ 45,715,248	$ 47,279,648	$ 50,069,548	$ 51,897,413	$ 52,977,411

Electric					
Residential	$ 49,360,975	$ 48,056,282	$ 49,080,288	$ 50,475,856	$ 50,710,403
Industrial	16,116,188	16,454,899	16,649,766	16,231,970	16,068,461
Commercial	53,087,246	52,236,766	52,727,964	52,712,428	51,683,360
City	4,702,109	4,622,383	4,735,783	4,863,741	4,880,523
City - Street Lighting	2,503,420	2,146,849	2,147,808	2,149,373	2,148,358
Private Lighting	2,599,843	2,602,306	2,642,477	2,657,222	2,648,825
Other	997,207	856,990	1,484,604	1,068,913	2,419,447
Total	$ 129,366,988	$ 126,976,475	$ 129,468,690	$ 130,159,503	$ 130,559,377

Electric Revenues by Year



CITY OF HIGH POINT, NORTH CAROLINA

Table XIII
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities				Business-type Activities					
Fiscal Year	General Obligation Bonds	Limited Obligation Bonds	Notes and Loans	Installment Purchases	General Obligation Bonds	Revenue Bonds	Notes and Loans	Total Primary Government	Per Capita	Percentage of Personal Income
2010	79,326,635	$ -	$ -	13,008,542	58,678,364	134,678,151	12,253,413	$ 297,945,105	2,916	8.24%
2011	75,192,672	-	-	9,786,789	54,132,325	131,873,909	10,869,735	281,855,430	2,663	7.62%
2012	76,614,425	-	-	8,582,564	49,195,571	129,099,806	10,650,293	274,142,659	2,558	6.96%
2013	72,071,112	-	-	5,663,133	44,563,896	124,417,609	8,318,976	255,034,726	2,355	6.20%
2014	73,820,095	-	-	4,214,505	40,639,911	161,974,117	7,027,780	287,676,408	2,633	6.74%
2015	67,954,413	-	1,350,000	4,684,336	35,760,593	157,974,950	5,736,583	273,460,875	2,472	6.28%
2016	62,294,128	-	3,350,000	6,745,930	30,340,878	153,816,642	4,837,559	261,385,137	2,334	5.79%
2017	54,529,432	-	3,228,000	10,263,853	24,465,575	141,867,202	4,173,920	238,527,982	2,126	5.10%
2018	49,446,091	35,000,000	3,803,000	8,195,534	19,643,916	136,686,019	3,391,311	256,165,871	2,264	5.20%
2019	51,275,719	35,000,000	4,423,000	13,413,226	15,769,288	165,517,192	2,608,702	288,007,127	2,522	5.60%

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See Table XVIII for personal income and population data.
These ratios are calculated using personal income and population data for the prior calendar year.
These amounts are presented net of premiums/discounts.

CITY OF HIGH POINT, NORTH CAROLINA

Table XIV
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

	General Bonded Debt Outstanding					
Fiscal Year	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total	Percentage of Personal Income	Percentage of Actual Taxable Value of Property	Per Capita
2010	$ 138,004,999	19,576,743	$ 118,428,256	3.27%	1.27%	1,159
2011	129,324,997	17,822,826	111,502,171	3.01%	1.21%	1,053
2012	125,809,996	18,315,597	107,494,399	2.73%	1.16%	1,003
2013	116,635,008	18,018,990	98,616,018	2.40%	1.11%	911
2014	114,460,006	17,837,607	96,622,399	2.27%	1.07%	884
2015	103,715,006	16,676,951	87,038,055	2.00%	0.97%	787
2016	92,635,006	16,384,565	76,250,441	1.69%	0.85%	681
2017	78,995,007	16,138,173	62,856,834	1.34%	0.68%	560
2018	69,090,007	17,011,143	52,078,864	1.06%	0.54%	460
2019	67,045,007	13,240,140	53,804,867	1.05%	0.55%	471

Notes: Details regarding the City's outstanding debt can be found in the notes to the Financial Statements.
See Table XVIII for personal income and population data. These ratios are calculated using personal income and population data for the prior calendar year.
See Table V for property value data.
These amounts are presented net of premiums/discounts.

CITY OF HIGH POINT, NORTH CAROLINA

Table XV
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

	Fiscal Year				
	2010	**2011**	**2012**	**2013**	**2014**
Assessed Value of Property	$ 9,319,710	$ 9,215,021	$ 9,240,692	$ 8,887,428	$ 9,052,837
Debt Limit, 8% of Assessed Value (Statutory Limitation)	745,577	737,202	739,255	710,994	724,227
Amount of Debt Applicable to Limit					
General obligation debt	138,005	129,325	125,810	116,635	114,460
Less: Amount available for repayment of general obligation bonds	19,577	17,823	18,316	18,019	17,838
Debt outstanding for water purposes	14,686	13,194	11,681	10,455	8,891
Total net debt applicable to limit	103,742	98,308	95,813	88,161	87,731
Legal Debt Margin Available	$ 641,835	$ 638,894	$ 643,442	$ 622,833	$ 636,496
Total net debt applicable to the limit as a percentage of debt limit	13.91%	13.34%	12.96%	12.40%	12.11%

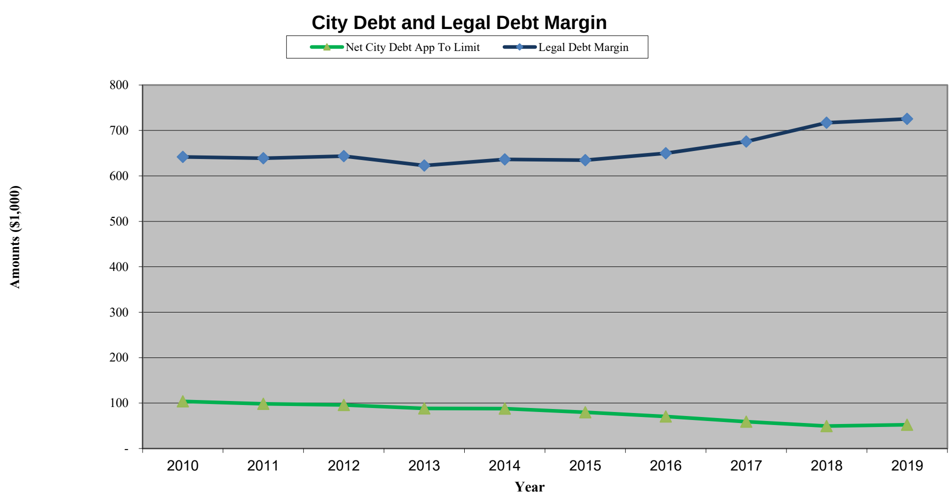
Note: NC Statute GS159-55 limits the City's outstanding general obligation debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross general obligation debt to arrive at net debt applicable to the limit: Money held for payment of principal; debt incurred for water, gas, or electric systems and power purchases; uncollected special assessments, and funding and refunding bonds not yet issued.
The legal debt margin is the difference between the debt limit and the City's net debt outstanding applicable to the limit, and represents the City's legal borrowing authority.

Note: Debt is presented net of bond premiums/discounts.

CITY OF HIGH POINT, NORTH CAROLINA

Table XV
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

	Fiscal Year				
	2015	**2016**	**2017**	**2018**	**2019**
Assessed Value of Property	$ 8,929,729	$ 9,006,783	$ 9,181,141	$ 9,581,232	$ 9,719,314
Debt Limit, 8% of Assessed Value (Statutory Limitation)	714,378	720,543	734,491	766,499	777,545
Amount of Debt Applicable to Limit					
General obligation debt	103,715	92,635	78,995	69,090	67,045
Less: Amount available for repayment of general obligation bonds	16,677	16,385	16,138	17,011	13,240
Debt outstanding for water purposes	7,306	5,607	3,936	2,589	1,650
Total net debt applicable to limit	79,732	70,643	58,921	49,490	52,155
Legal Debt Margin Available	$ 634,646	$ 649,900	$ 675,570	$ 717,009	$ 725,390
Total net debt applicable to the limit as a percentage of debt limit	11.16%	9.80%	8.02%	6.46%	6.71%



CITY OF HIGH POINT, NORTH CAROLINA

Table XVI
Direct and Overlapping Debt
As of June 30, 2019

Name of Governmental Unit	Net Debt Outstanding	Percentage Applicable To This Governmental Unit	City of High Point's Share of Debt
City of High Point	$ 104,111,945	100.0%	$ 104,111,945
Guilford County	783,738,138	18.9%	148,126,508
Total direct and overlapping debt			$ 252,238,453

Sources: Guilford County debt outstanding data provided by Guilford County. Assessed value data used to estimate applicable percentage provided by Guilford County Tax Department.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents of the City of High Point. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

CITY OF HIGH POINT, NORTH CAROLINA

Table XVII
Water and Sewer Revenue Bond Coverage
Last Ten Fiscal Years

Fiscal Year	Prior Year Unrestricted Net Position[1]	Operating Revenues[2]	Operating Expenses[3]	Income Available for Debt Service	Parity Debt Service Requirement	Total Debt Service Requirement	Coverage on Parity Debt Including 15% Unrestricted Net Position[4]	Coverage on Total Debt Excluding 15% Unrestricted Net Position[5]
2010	28,706,627	38,815,549	17,431,703	$ 21,383,846	6,979,722	15,042,457	3.68	1.42
2011	32,203,114	43,366,046	19,237,092	24,128,954	8,742,498	15,638,679	3.31	1.54
2012	38,814,116	44,414,741	18,493,021	25,921,720	8,907,951	16,723,587	3.56	1.55
2013	44,956,670	45,507,845	19,046,882	26,460,963	9,343,666	16,720,685	3.55	1.58
2014	29,062,125	43,936,851	20,386,312	23,550,539	9,245,021	16,069,628	3.02	1.47
2015	41,880,994	45,715,248	23,783,202	21,932,046	10,833,752	17,374,755	2.60	1.26
2016	41,150,901	47,279,648	25,838,884	21,440,764	10,948,291	17,506,371	2.52	1.22
2017	47,339,717	50,069,548	29,259,407	20,810,141	11,675,981	18,509,189	2.39	1.12
2018	43,429,880	51,897,413	29,480,331	22,417,082	11,168,972	16,628,493	2.59	1.35
2019	39,021,515	52,977,411	29,682,361	23,295,050	11,671,602	16,584,889	2.50	1.40

Notes: The City issued water and sewer revenue bonds in the amount of $40,375,000 dated October 2004, $31,380,000 dated June 2006, $41,745,000 dated June 2008, $23,210,000 dated June 2010, $37,640,000 dated May 2014, and $47,610,000 dated June 2019

The City issued water and sewer revenue refunding bonds in the amount of $32,125,000 dated June 2012 and $50,575,000 dated November 2016

[1] From the Comprehensive Annual Financial Report for the prior fiscal year.

[2] From the current combined financial statements.

[3] Operating Expenses exclude depreciation, and accrued expenses for stipends, pension and post-employment benefits.

[4] Most restrictive required coverage is 1.20

[5] Most restrictive required coverage is 1.00

CITY OF HIGH POINT, NORTH CAROLINA

Table XVIII
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population (1)	Total Personal Income (2)	Per Capita Personal Income (2)	Public School Enrollment (3)	Unemployment Rate (4)	Number of Building Inspections Performed (5)
2010	102,161	$ 3,617,010	35,405	13,596	11.76%	8,308
2011	105,843	3,699,001	34,948	13,747	9.88%	7,619
2012	107,157	3,937,805	36,748	14,516	10.13%	8,191
2013	108,285	4,113,747	37,990	14,696	9.29%	9,864
2014	109,270	4,265,573	39,037	14,575	6.98%	11,090
2015	110,638	4,354,933	39,362	15,455	5.63%	10,785
2016	111,967	4,517,197	40,344	15,355	5.50%	8,950
2017	112,201	4,677,772	41,691	15,317	5.22%	8,078
2018	113,125	4,927,273	43,556	15,402	4.82%	7,588
2019	114,183	5,142,117	45,034	15,253	4.12%	8,495

Source:
(1) Population estimate provided by the City of High Point Planning and Development Department as of April 1
(2) Personal income and per capita income provided by Bureau of Economic Analysis, US Department of Commerce. Figures are provided as of the end of the calendar year for the prior calendar year.
(3) Public school enrollment provided by NC Department of Public Instruction, first / second month average daily membership.
(4) Unemployment rate provided by the NC Department of Commerce as of the end of the calendar year.
(5) Building inspections data provided by the City of High Point Planning and Development Department.

CITY OF HIGH POINT, NORTH CAROLINA

Table XIX
Principal Employers
Current Year and Nine Years Ago

	2019			2010		
Employer	Employees[3]	Rank	Percentage of Total County Employment [1]	Employees[3]	Rank	Percentage of Total County Employment [1]
Wake Forest Baptist Health - High Point Medical Center[2]	3,347	1	1.28%	1,720	3	0.77%
Ralph Lauren Corporation	2,097	2	0.80%	1,100	6	0.49%
Thomas Built Buses/Daimler Trucks	1,700	3	0.65%	1,265	5	0.56%
Bank of America[2]	1,650	4	0.63%	2,087	1	0.93%
Guilford County Schools	1,643	5	0.63%	1,760	2	0.79%
High Point University	1,597	6	0.61%	764	10	0.34%
City of High Point	1,464	7	0.56%	1,339	4	0.60%
Alorica (formerly NCO Group)	1,450	8	0.56%	-	-	0.00%
Aetna	1,230	9	0.47%	790	8	0.35%
XPO Logistics Supply Chain (formerly New Breed)[2]	900	10	0.35%	-	-	-
Cornerstone Healthcare	-	-	-	922	7	0.41%
TE Connectivity (Tyco Electronics)	-	-	-	775	9	0.35%

Source: North Carolina ESC, City of High Point Economic Development, Triad Business Journal

Notes:
1 Total employment figures available for Guilford County only.
2 These organizations have multiple locations in the Piedmont Triad Area. The numbers shown reflect High Point-based employees only.
3 Full time equivalent number of employees as of December of the prior calendar year.
4 This company's employee number is an approximation based on a Triad Business Journal article from December 2016.

CITY OF HIGH POINT, NORTH CAROLINA

Table XX
Full-Time City Government Employees by Function
Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014
General Government	121	119	118	120	121
Public Safety	490	487	487	492	492
Public Services	144	119	119	118	118
Planning and Community Development	51	48	47	48	49
Cultural and Recreation	179	174	174	174	174
Water and Sewer	143	139	138	138	137
Electric	121	122	123	123	123
Mass Transit	33	35	35	39	40
Parking	4	4	3	2	2
Landfill/Solid Waste	47	47	47	47	47
Storm Water	23	22	22	22	22
Central Services	38	37	36	34	32
Total	1,394	1,353	1,349	1,357	1,357

Source: City of High Point Budget and Evaluation Department.

Notes: The number reported is budgeted full time positions for the fiscal year.

CITY OF HIGH POINT, NORTH CAROLINA

Table XX
Full-Time City Government Employees by Function
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019
General Government	131	137	136	139	141
Public Safety	495	514	522	532	534
Public Services	73	76	76	76	76
Planning and Community Development	49	53	53	53	53
Cultural and Recreation	176	172	172	176	177
Water and Sewer	137	138	138	138	139
Electric	124	126	126	126	126
Mass Transit	41	42	42	54	54
Parking	2	2	2	2	2
Landfill/Solid Waste	93	91	91	91	92
Storm Water	23	24	24	24	25
Central Services	24	23	23	23	23
Total	1,368	1,398	1,405	1,434	1,442

CITY OF HIGH POINT, NORTH CAROLINA

Table XXI
Operating Indicators For Major Functions/Programs
Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014
Police					
Calls dispatched	125,482	119,529	118,549	122,412	115,744
Fire					
Emergency responses	11,029	11,209	11,179	11,917	12,189
Inspections	5,525	4,270	4,701	4,983	4,944
Streets					
Streets paved (lane miles)	-	-	-	-	6
Water and Sewer					
Water pumped (mgd)	13	12	11	12	12
Sewer treated (mgd)	17	16	16	17	17
Electric					
Number of billed locations	39,047	39,256	39,613	39,935	39,528
kWh purchased	1,183,410,000	1,189,044,000	1,152,207,000	1,163,302,000	1,176,760,896

Source: City of High Point Police, Fire, Public Services, Engineering, and Electric Departments.

Note: Customer number for Electric is based on location count for FY 2016 and forward. In years prior, this was counted in a different manner.

CITY OF HIGH POINT, NORTH CAROLINA

Table XXI
Operating Indicators For Major Functions/Programs
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019
Police					
Calls dispatched	119,271	120,830	118,511	130,816	125,639
Fire					
Emergency responses	12,403	12,981	14,723	15,087	15,721
Inspections	5,135	5,921	5,569	4,670	4,961
Streets					
Streets paved (lane miles)	3	8	8	9	9
Water and Sewer					
Water pumped (mgd)	12	13	12	13	14
Sewer treated (mgd)	15	16	16	15	20
Electric					
Number of billed locations	40,429	41,787	42,003	42,331	41,719
kWh purchased	1,186,769,290	1,167,068,089	1,185,365,125	1,189,815,609	1,180,977,893

CITY OF HIGH POINT, NORTH CAROLINA

Table XXII
Capital Asset Statistics, By Function/Program
Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014
Police					
Stations	1	1	1	1	1
Patrol Units	222	222	223	229	229
Fire stations	14	14	14	14	14
Streets					
Paved Streets (miles)	492	435	436	440	443
Unpaved Streets (miles)	4	1	1	1	1
Alleys (miles)	2	2	2	2	2
Parks and Recreation					
Public Swimming Pools (City owned)	2	2	2	2	2
Golf Courses (City owned)	2	2	2	2	2
Recreation and Community Centers	7	7	7	7	7
Library					
Books and Volumes	294,204	271,030	294,974	308,786	308,786
Theatre					
Seats	963	963	963	963	963
Water and Sewer					
Water and Sewer mains (miles)	1,350	1,350	1,378	1,285	1,284
Water storage capacity (mgd)	18	19	19	19	19
Water and Sewer Treatment capacity(mgd)	56	58	58	58	64
Electric					
Overhead lines (miles)	416	420	438	408	405
Underground lines (miles)	366	327	327	331	342
Electric substations	13	13	14	14	14
Mass Transit					
Buses	18	17	17	17	17
Parking					
Off Street Parking spaces	1,238	1,234	1,234	1,234	1,234
Storm Water					
Storm sewers (miles)	337	433	447	453	461

Source: City of High Point Police, Fire, Public Services, Parks, Library, Theatre, Electric, and Transportation departments.
Note: Streets in fiscal years 2010 and prior may have included private and/or state owned streets. Fiscal years 2011 and forward only include City owned streets.

CITY OF HIGH POINT, NORTH CAROLINA

Table XXII
Capital Asset Statistics, By Function/Program
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019
Police					
Stations	1	1	1	1	1
Patrol Units	239	239	239	252	202
Fire stations	14	14	14	14	14
Streets					
Paved Streets (miles)	448	447	447	448	448
Unpaved Streets (miles)	2	2	2	2	1
Alleys (miles)	2	2	2	2	2
Parks and Recreation					
Swimming pools (City owned)	2	2	2	2	3
Golf Courses (City owned)	2	2	2	2	2
Recreation and Community Centers	7	7	7	7	7
Library					
Books and Volumes	312,696	367,324	393,958	412,002	437,637
Theatre					
Seats	963	929	929	929	929
Water and Sewer					
Water and Sewer mains (miles)	1,283	1,289	1,289	1,291	1,291
Water storage capacity (mgd)	19	19	19	19	19
Water and Sewer Treatment capacity(mgd)	56	56	58	58	58
Electric					
Overhead lines (miles)	410	410	407	405	404
Underground lines (miles)	332	332	349	353	360
Electric substations	14	14	14	14	13
Mass Transit					
Buses	16	16	17	17	17
Parking					
Off Street Parking spaces	1,234	1,234	1,234	1234	1234
Storm Water					
Storm sewers (miles)	469	480	480	480	509

HIGH POINT

NORTH CAROLINA'S INTERNATIONAL CITY™

COMPLIANCE SECTION

HIGH POINT

NORTH CAROLINA'S INTERNATIONAL CITY™

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Mayor and
Members of the City Council
City of High Point, North Carolina

We have audited, in accordance with the 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, the accompanying financial statements of the governmental activities, the business-type activities, the blended and discretely presented component units, each major fund, and the aggregate remaining fund information of the City of High Point, North Carolina (the "City"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprises the City's basic financial statements, and have issued our report thereon dated October 31, 2019. Our report includes a reference to other auditors who audited the financial statements of the City of High Point ABC Board (the "Board"), a discretely presented component unit, and Forward High Point (the "FHP"), a blended component unit, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Board and FHP were not audited in accordance with *Government Auditing Standards.*

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or, a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Raleigh, North Carolina
October 31, 2019

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act

To the Honorable Mayor and
Members of the City Council
City of High Point, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the City of High Point, North Carolina (the "City"), compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Our audit, described below, did not include the operations of the City of High Point ABC Board (the "Board"), a discretely presented component unit, and Forward High Point (the "FHP"), a blended component unit. Our audit, described below, did not include the operations of these component units since they were audited by other auditors.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Raleigh, North Carolina
October 31, 2019

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor on Compliance for Each Major State Program and on Internal Control over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act

To the Honorable Mayor and
Members of the City Council
City of High Point, North Carolina

Report on Compliance for Each Major State Program

We have audited the City of High Point, North Carolina (the "City"), compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the City's major state programs for the year ended June 30, 2019. The City's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Our audit, described below, did not include the operations of the City of High Point ABC Board (the "Board"), a discretely presented component unit, and Forward High Point (the "FHP"), a blended component unit. Our audit, described below, did not include the operations of these component units since they were audited by other auditors.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination on the City's compliance.

Opinion on Each Major State Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Raleigh, North Carolina
October 31, 2019

Section I—Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	___ yes	_X_ no
• Significant deficiency(ies) identified?	___ yes	_X_ none reported
Noncompliance material to financial statements noted?	___ yes	_X_ no

Federal Awards

Internal control over major federal programs:		
• Material weakness(es) identified?	___ yes	_X_ no
• Significant deficiency(ies) identified?	___ yes	_X_ none reported
Noncompliance material to federal awards?	___ yes	_X_ no
Type of auditor's report issued on compliance for major federal programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ yes	_X_ no

Identification of major federal programs:

CFDA No.	Name of Federal Program or Cluster
20.507	Federal Transit Cluster

Dollar threshold used to distinguish between Type A and Type B Programs:	$ 750,000	
Auditee qualified as low-risk auditee?	_X_ yes	___ no

State Awards

Internal control over major state programs:

• Material weakness(es) identified?	___ yes	_X_ no
• Significant deficiency(ies) identified?	___ yes	_X_ none reported
Noncompliance material to state awards?	___ yes	_X_ no
Type of auditor's report issued on compliance for major state programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act	___ yes	_X_ no

Identification of major state programs:

Program Name

Downtown Revitalization
Powell Bill

Section II—Financial Statement Findings

None reported.

Section III—Federal Award Findings and Questioned Costs

None reported.

Section IV—State Award Findings and Questioned Costs

None reported.

Finding 2018-001

Status: Corrected

CITY OF HIGH POINT, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Year Ended June 30, 2019

Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures (Direct and Passed Through)
U.S. Department of Housing and Urban Development			
Direct Programs			
CDBG Entitlement Grants Cluster			
Community Development Block Grant	14.218		$ 837,113
Total CDBG Entitlement Grants Cluster			837,113
HOME PJ	14.239		329,656
Section 108 Loans Program	14.248		425,000
U.S. Department of Justice			
Direct Programs			
Forfeiture Funds	16.922		21,160
COPS Hiring	16.710		222,382
OVW	16.590		118,158
Passed Through N.C. Governor's Crime Commission			
Gang Prevention and Intervention	16.738	PROJ011759	5,494
Offender Focused Domestic Violence Initiative	16.588	PROJ012248	6,552
Offender Focused Domestic Violence Initiative	16.588	PROJ012737	33,470
Passed Through City of Winston-Salem			
NIJ Cold Case	16.560	2014-DN-BX-K076	1,171
Passed Through City of Greensboro			
Justice Assistance Grant (2017)	16.738	2017-DJ-BX-0813	42,423
U.S. Department of Homeland Security			
Direct Programs			
FEMA	97.036		389,876
U.S. Department of Transportation			
Direct Programs			
Federal Transit Cluster			
Section 5307 Capital Grant - FY 2009-2010 (NC-90-X435-02)	20.507		8,189
Section 5307 Capital Grant - FY 2010-2011 (NC-90-X470)	20.507		36,041
Section 5307 Capital Grant - FY 2011-2012 (NC-90-X470-01)	20.507		1,193
Section 5307 Capital Grant - FY 2013-2015 (NC-90-X581)	20.507		25,382
Section 5307 Capital Grant - FY 2015-2016 (NC-90-X573)	20.507		6,800
Section 5307 Capital Grant - FY2015-2016 (NC-2016-042-00)	20.507		5,618
Section 5307 Capital Grant - FY 2017-2018 (NC-2018-004-00)	20.507		376,373
Section 5307 Capital Grant - FY 2017-2018 (NC-2018-032-00)	20.507		6,008
Section 5307 Operating Grant - FY 2018-2019 (NC-2018-054)	20.507		1,570,032
Section 5307 Capital Grant - FY 2018-2019 (NC-2018-054)	20.507		129,433
Total Federal Transit Cluster			2,165,069
Highway Planning and Construction Cluster			
Passed Through N.C. Department of Transportation			
Section 104(f) Highway Planning Grant	20.205	WBS 48269.1.11	460,486
Model Farm Bridge	20.205	WBS 46072.1.1	180,059
CMAQ	20.205	WBS 45215.3.1	736,251
Safe Routes to School	20.205	WBS 40924.3.81	783,493
Total Highway Planning and Construction Cluster			2,160,289
Passed Through N.C. Department of Transportation			
Section 5303 Planning Grant	20.505	WBS 36230.19.16.1	32,292
Highway Safety Cluster			
Passed Through Guilford County			
DWI Task Force (Y6)	20.616	M5HVE-18-15-07	8,308
DWI Task Force (Y7)	20.600	AL-19-02-07	23,375
Total Highway Safety Cluster			31,683
U.S. Economic Development Administration			
Passed Through Smart Growth America			
Noncash Technical Assistance	11.303	2018-2005539	44,000

(continued)

CITY OF HIGH POINT, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Year Ended June 30, 2019

	State Expenditures (Direct and Passed Through)	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development		
Direct Programs		
CDBG Entitlement Grants Cluster		
Community Development Block Grant	$ -	$ 51,771
Total CDBG Entitlement Grants Cluster	-	51,771
HOME PJ	-	-
Section 108 Loans Program	-	-
U.S. Department of Justice		
Direct Programs		
Forfeiture Funds	-	-
COPS Hiring	-	-
OVW	-	113,281
Passed Through N.C. Governor's Crime Commission		
Gang Prevention and Intervention	-	-
Offender Focused Domestic Violence Initiative	-	6,552
Offender Focused Domestic Violence Initiative	-	33,470
Passed Through City of Winston-Salem		
NIJ Cold Case	-	-
Passed Through City of Greensboro		
Justice Assistance Grant (2017)	-	-
U.S. Department of Homeland Security		
Direct Programs		
FEMA	129,959	-
U.S. Department of Transportation		
Direct Programs		
Federal Transit Cluster		
Section 5307 Capital Grant - FY 2009-2010 (NC-90-X435-02)	-	-
Section 5307 Capital Grant - FY 2010-2011 (NC-90-X470)	-	-
Section 5307 Capital Grant - FY 2011-2012 (NC-90-X470-01)	-	-
Section 5307 Capital Grant - FY 2013-2015 (NC-90-X581)	-	-
Section 5307 Capital Grant - FY 2015-2016 (NC-90-X573)	-	-
Section 5307 Capital Grant - FY2015-2016 (NC-2016-042-00)	-	-
Section 5307 Capital Grant - FY 2017-2018 (NC-2018-004-00)	47,046	-
Section 5307 Capital Grant - FY 2017-2018 (NC-2018-032-00)	-	-
Section 5307 Operating Grant - FY 2018-2019 (NC-2018-054)	-	-
Section 5307 Capital Grant - FY 2018-2019 (NC-2018-054)	-	-
Total Federal Transit Cluster	47,046	-
Highway Planning and Construction Cluster		
Passed Through N.C. Department of Transportation		
Section 104(f) Highway Planning Grant	-	-
Model Farm Bridge	-	-
CMAQ	-	-
Safe Routes to School	-	-
Total Highway Planning and Construction Cluster	-	-
Passed Through N.C. Department of Transportation		
Section 5303 Planning Grant	4,036	-
Highway Safety Cluster		
Passed Through Guilford County		
DWI Task Force (Y6)	-	-
DWI Task Force (Y7)	-	-
Total Highway Safety Cluster	-	-
U.S. Economic Development Administration		
Passed Through Smart Growth America		
Noncash Technical Assistance	-	-

(continued)

CITY OF HIGH POINT, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Year Ended June 30, 2019

Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures (Direct and Passed Through)
U.S. Department of the Treasury			
Passed Through Reinvestment Partners (appropriated by the N.C. General Assembly)			
Volunteer Income Tax Assistance	21.009	301194115555	4,000
Institute of Museum and Library Services			
Passed Through N.C. Department of Cultural Resources			
LSTA	45.310	NC6000/NC18-66	9,594
N.C. Department of Commerce			
Direct Programs			
One NC Fund			-
Downtown Revitalization - Incubator			-
N.C. Department of Revenue			
Direct Programs			
State Forfeiture Funds - Controlled Substance Tax			-
N.C. Housing Finance Agency			
Direct Programs			
Construction Training Program			-
Urgent Repair Program			-
N.C. Department of Transportation			
Direct Programs			
Depot Roof			-
Powell Bill			-
Furniture Market Transportation			-
State Maintenance Assistance Program (SMAP)			-
State Capital Match (ADA Facility)			-
N.C. Department of Health and Human Services			
Passed Through Piedmont Triad Regional Council			
Senior Center General Purpose		02398(19)	-
N.C. Department of Cultural Resources			
Direct Programs			
State Aid to Libraries			-
Connect NC/Oak Hollow			-
Total Federal and State Assistance			$ 6,879,382

(continued)

CITY OF HIGH POINT, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Year Ended June 30, 2019

Grantor/Pass-Through Grantor/Program or Cluster Title	State Expenditures (Direct and Passed Through)	Passed Through to Subrecipients
U.S. Department of the Treasury		
Passed Through Reinvestment Partners (appropriated by the N.C. General Assembly)		
Volunteer Income Tax Assistance	-	-
Institute of Museum and Library Services		
Passed Through N.C. Department of Cultural Resources		
LSTA	-	-
N.C. Department of Commerce		
Direct Programs		
One NC Fund	17,500	17,500
Downtown Revitalization - Incubator	1,538,106	1,538,106
N.C. Department of Revenue		
Direct Programs		
State Forfeiture Funds - Controlled Substance Tax	5,367	-
N.C. Housing Finance Agency		
Direct Programs		
Construction Training Program	32,296	32,296
Urgent Repair Program	54,054	-
N.C. Department of Transportation		
Direct Programs		
Depot Roof	58,320	-
Powell Bill	2,897,350	-
Furniture Market Transportation	1,200,000	1,200,000
State Maintenance Assistance Program (SMAP)	129,920	-
State Capital Match (ADA Facility)	234,783	-
N.C. Department of Health and Human Services		
Passed Through Piedmont Triad Regional Council		
Senior Center General Purpose	10,692	-
N.C. Department of Cultural Resources		
Direct Programs		
State Aid to Libraries	33,262	-
Connect NC/Oak Hollow	194,344	-
Total Federal and State Assistance	$ 6,587,035	$ 2,992,976

Note 1: Basis of Presentation
The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and state grant activity of the City of High Point under the programs of the federal government and the State of North Carolina for the year ended June 30, 2019. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the City of High Point, it is not intended to and does not present the financial position, changes in net position or cash flows of the City of High Point.

Note 2: Summary of Significant Accounting Policies
Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City of High Point has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Loans Outstanding
The City of High Point had the following loan balances outstanding at June 30, 2019 for loans that the grantor has still imposed continuing compliance requirements. Loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. The balance of loans outstanding at June 30, 2019 consist of:

Program Title	CFDA Number	Amount Outstanding
Section 108 Loans Program (Kirkwood)	14.248	$ 1,744,000
Section 108 Loans Program (Addington)	14.248	$ 1,254,000
Section 108 Loans Program (Hartley)	14.248	$ 666,000
		$ 3,664,000

Note 4: Following a presidential declared disaster, the Federal Emergency Management Agency (FEMA) (CFDA 97.036) awards grants to reimburse eligible costs. The program provides reimbursement for costs associated with debris removal, emergency protective measures and permanent restoration of disaster-damaged facilities. The federal government makes reimbursements in the form of cost-shared grants that require state matching funds. As of June 30, 2019 FEMA approved $519,835 of eligible expenses which are included in the SEFSA.

(concluded)

HIGH POINT

NORTH CAROLINA'S INTERNATIONAL CITY™

CITY OF HIGH POINT
AGENDA ITEM

Title: Reallocate Stadium Improvement Costs

From: Eric Olmedo, Assistant City Manager

Public Hearing: N/A

Attachments:

Meeting Date: November 18, 2019
Advertising Date: N/A
Advertised By: N/A

PURPOSE:
Reallocate City costs of improvements to the Stadium.

BACKGROUND:
The agreement between the City of High Point and High Point Baseball Inc. regarding capital improvements at the multipurpose stadium required the team to pay for portions of the upgrades made at the team's request. A number of the upgrades that were made included items that were made for the betterment of the stadium to allow it to be used for other purposes, such as soccer. These changes were initially paid for by the baseball team. Staff has met with the team and is recommending rebating $559,705 in costs the team initially paid that will now be paid by the city. These costs represent approximately 1.5% of the total construction cost.

BUDGET IMPACT:
Funds are available in the General Capital Projects fund for these costs.

RECOMMENDATION / ACTION REQUESTED:
Staff recommends that the City Council consider approval of rebating these costs to High Point Baseball, Inc.

CITY OF HIGH POINT
AGENDA ITEM

Title: **Ordinance to Demolish – 1207 Carter St.**

From: Michael McNair, Director
Community Development & Housing

Meeting Date: 2/18/19

Public Hearing: No

Advertising Date:

Advertised By:

Attachments:
A. Staff report
B. Ordinance to Demolish
C. Photos
D. Maps

PURPOSE:
A request by Community Development and Housing – Local Codes Section to adopt an ordinance ordering the inspector to demolish the dwelling at 1207 Carter St.

BACKGROUND:
After a Complaint and Notice of Hearing was issued and a hearing held, an Order to Repair or Demolish was issued on 12/20/18. No action occurred by the compliance date of 1/23/19. The necessary repairs to the dwelling exceed its current tax value and the demolition is warranted.

BUDGET IMPACT:
Funds are available in the Department budget for the demolition and asbestos testing of the structure(s), and for the asbestos removal if present.

RECOMMENDATION / ACTION REQUESTED:
Staff recommends the adoption of the requested ordinance to demolish this single family dwelling and all outbuildings on the property.

PENDING ACTION:
The ordinance becomes effective from the date of adoption. If there is no action by the property owner by the effective date of the ordinance, then asbestos testing and the demolition bid process will begin and the structure will be removed by the City. After City demolition, the property owner is billed for the cost. If the bill is unpaid, the City places a lien on the property.

COMMUNITY DEVELOPMENT AND HOUSING
CODE ENFORCEMENT
HOUSING ENFORCEMENT DIVISION

ORDINANCE REQUEST:	Ordinance to Demolish
PROPERTY ADDRESS:	1207 Carter St.
OWNER:	Hughes Family, LLC
REASON FOR INSPECTION:	Inspector observed conditions of property when responding to a public nuisance
FIRST INSPECTION: 12/4/18	Summary of Major Violations 1. Repair or replace rotten roof covering 2. Repair or replace rotten exterior wall framing & sheathing 3. Repair or replace plumbing fixtures throughout 4. Repair or replace damaged/missing subfloor throughout 5. Repair or replace damaged or missing ceiling and wall material throughout
HEARING: 12/20/18	No one appeared for the hearing. It was determined there are several violations of the Minimum Housing Code. There are multiple violations of the minimum housing code in the house that make it unsafe. In its present state, necessary repairs to the dwelling exceed 65% of the value of the structure.
RESULTS: ORDER(S) ISSUED: 12/20/18	Order to Repair or Demolish Date of Compliance 1/23/19
APPEALS:	No appeals to date.
OWNER ACTIONS:	None
ADDITIONAL:	The owner has applied for demolition permits, but she has done this in the past and let the house sit for months without action.

1207 Carter Street

CITY OF HIGH POINT
AGENDA ITEM

Title: Budget Amendment for Library Bookmobile Grant

From: Laura Mason Altizer,
Budget and Performance Manager

Meeting Date: November 18, 2019

Public Hearing: N/A

Advertising Date: N/A
Advertised By: N/A

Attachments: Budget ordinance

PURPOSE:
A budget amendment is needed to move funds budgeted for a North Carolina LSTA EZ grant for the purchase of the bookmobile into the capital fund from where the purchase was made.

BACKGROUND:
The library applied for and will receive a $50,000 reimbursement grant from the LSTA EZ grant program to assist with funding for the purchase of the bookmobile which was approved by Council on July 15th. The grant funds were budgeted for in the Special Grants fund. The bookmobile was purchased from the General Capital Projects Fund. An amendment is needed to move the budget from the Special Grants Fund to the General Capital Projects Fund.

BUDGET IMPACT:
Funds are budgeted in the 2019-2020 budget.

RECOMMENDATION / ACTION REQUESTED: The Budget Department recommends and asks the Council to approve the budget amendment.

"AN ORDINANCE AMENDING THE 2019-2020 BUDGET ORDINANCE
OF THE CITY OF HIGH POINT, NORTH CAROLINA
TO MOVE GRANT FUNDS FOR THE PURCHASE OF THE BOOKMOBILE

Be it ordained by the City Council of the City of High Point, North Carolina, as follows:

Section 1. The City of High Point Library was awarded a grant for the purchase of the bookmobile.

Section 2. The 2019-2020 Budget Ordinance of the City of High Point, should be amended as follows:

(A) That the General Capital Projects Fund revenues be amended as follows:

Transfer In	$50,000

(B) That the General Capital Projects Fund expenditures be amended as follows:

Bookmobile Expenditures	$50,000

Section 3. That all ordinances, or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict.

Section 4. That this ordinance shall be effective from and after its passage."

Adopted November 18, 2019

COMMUNITY DEVELOPMENT AND HOUSING
CODE ENFORCEMENT
HOUSING ENFORCEMENT DIVISION

ORDINANCE REQUEST:	Ordinance to Demolish
PROPERTY ADDRESS:	400 Hodgin St.
OWNER:	Jerry Keith Hunt
REASON FOR INSPECTION:	Old case from previous software
FIRST INSPECTION: 11/21/18	Summary of Major Violations 1. Repair or replace damaged roof covering & sheathing 2. Repair or replace all damaged windows 3. Repair or replace damaged framing throughout house 4. Repair or replace damaged/missing subfloor throughout 5. Repair or replace damaged ceiling joists and rafters
HEARING RESULTS: 12/12/18	No one appeared for the hearing. It was determined there are several violations of the Minimum Housing Code. There are multiple violations of the minimum housing code in the house that make it unsafe. In its present state, necessary repairs to the dwelling exceed 65% of the value of the structure.
ORDER(S) ISSUED: 12/14/18	Order to Repair or Demolish Date of Compliance 1/11/19
APPEALS:	No appeals to date.
OWNER ACTIONS:	None
ADDITIONAL:	Guilford County property taxes are delinquent in the amount of $17,107.94 for 2007 through 2018. We did have to advertise notice in the paper to achieve services to the owner

CITY OF HIGH POINT
AGENDA ITEM

Title: **Ordinance to Demolish – 400 Hodgin St.**

From: Michael McNair, Director
Community Development & Housing

Meeting Date: 2/18/19

Advertising Date:

Public Hearing: No

Advertised By:

Attachments:
A. Staff report
B. Ordinance to Demolish
C. Photos
D. Maps

PURPOSE:
A request by Community Development and Housing – Local Codes Section to adopt an ordinance ordering the inspector to demolish the dwelling at 400 Hodgin St.

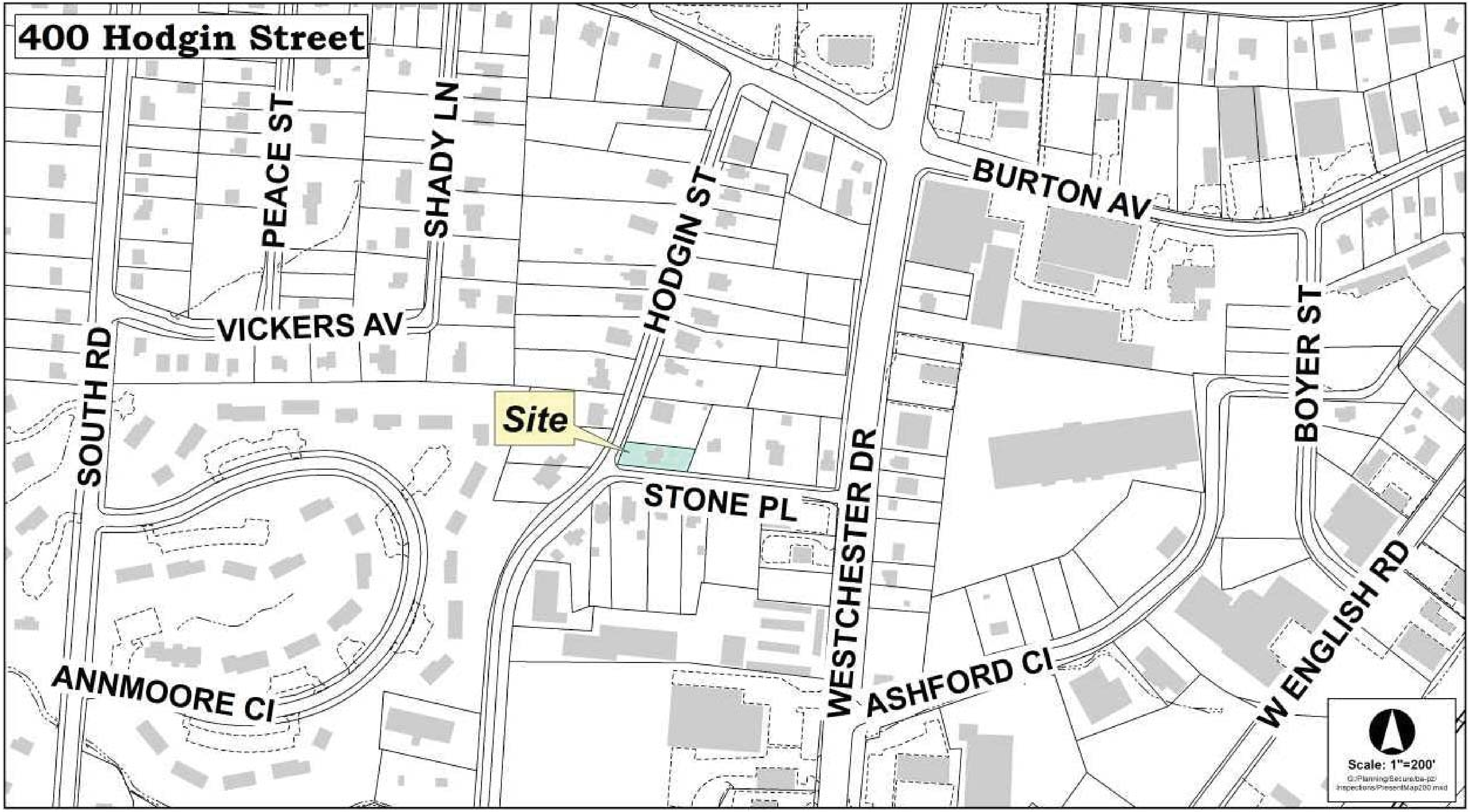
BACKGROUND:
After a Complaint and Notice of Hearing was issued and a hearing held, an Order to Repair or Demolish was issued on 12/14/18. No action occurred by the compliance date of 1/11/19. The necessary repairs to the dwelling exceed its current tax value and the demolition is warranted.

BUDGET IMPACT:
Funds are available in the Department budget for the demolition and asbestos testing of the structure(s), and for the asbestos removal if present.

RECOMMENDATION / ACTION REQUESTED:
Staff recommends the adoption of the requested ordinance to demolish this single family dwelling and all outbuildings on the property.

PENDING ACTION:
The ordinance becomes effective from the date of adoption. If there is no action by the property owner by the effective date of the ordinance, then asbestos testing and the demolition bid process will begin and the structure will be removed by the City. After City demolition, the property owner is billed for the cost. If the bill is unpaid, the City places a lien on the property.

400 Hodgin Street




400

RESOLUTION APPROVING DONATION OF SURPLUS RADIO EQUIPMENT TO NEWTON GROVE POLICE DEPARTMENT AND HASTY FIRE DEPARTMENT PURSUANT TO S.S. 160A-280

WHEREAS, the City of High Point owns handheld radios, chargers and batteries which are no longer useful to the City and should be declared as surplus to the City's needs; and

WHEREAS, N.C.G.S. 160A-280 allows cities to donate to a nonprofit corporation any personal property that the City Council deems surplus, obsolete, or unused; and

WHEREAS, City staff recommends that the above-described City equipment be declared surplus and be donated to Newton Grove Police Department and Hasty Fire Department, both nonprofit organizations incorporated in the State of North Carolina; and

WHEREAS, pursuant to the provisions of N.C.G.S. 160A-280, the High Point City Council has caused a public notice of this proposed donation to be posted at least five days prior to the adoption of this Resolution approving the donation.

NOW, THERFORE, BE IT RESOLVED, by the High Point City Council that (1) the equipment identified above is hereby declared to be surplus to the needs of the City of High Point based upon its age and condition; and (2) public notice of this proposed Resolution has been posted at least five days prior to the adoption of this Resolution approving the donation.

BE IT FURTHER RESOLVED that the High Point City Council hereby approves the donation of the surplus equipment, and that the City Manager is hereby authorized to execute, on behalf of the City of High Point, the necessary documents to convey ownership of the above-described equipment by donation to Newton Grove Police Department and Hasty Fire Department pursuant to the provision of N.C.G.S. 160A-280.

Adopted by Order of the High Point City Council
this the 18th day of November, 2019.

ATTEST:

Jay W. Wagner, Mayor

Lisa B. Vierling,
High Point City Clerk

City of High Point North Carolina

CITY OF HIGH POINT
AGENDA ITEM

Title: Radio Donation – Newton Grove PD and Hasty Fire Dept.

From: Steve Lingerfelt, Director of Information Technology Services

Public Hearing: No

Attachments: Resolution

Meeting Date: November 18, 2019

Advertising Date: N/A
Advertised By:

PURPOSE:
A resolution to consider donating surplus handheld radio equipment to Newton Grove Police Department and Hasty Fire Department.

BACKGROUND:
The Newton Grove Police Department and the Hasty Fire Department have contacted City personnel about purchasing four used, surplus handheld radios each to be used by Police and Fire department personnel.

The Radio Shop division currently has 8 surplus radios that were slated to be sold on the GovDeals online auction service. The last time these were sold on GovDeals in July of 2018, the sale price was $54.49 per unit. The donation would include the handheld unit, a used battery and a battery charger. Both Departments have been made aware that the radios would be donated as is and that activation on an existing network would be the responsibility of the respective departments.

BUDGET IMPACT:
The estimated value of the units is $435.92 based on previous auction pricing.

RECOMMENDATION / ACTION REQUESTED:
The Department of Information Technology Services recommends that Council approve the donation of handheld radios to the Newton Grove Police Deartment and Hasty Fire Department and that the appropriate City official and/or employee be authorized to execute all necessary documents.

RESOLUTION APPROVING DONATION OF SURPLUS RADIO EQUIPMENT TO NEWTON GROVE POLICE DEPARTMENT AND HASTY FIRE DEPARTMENT PURSUANT TO S.S. 160A-280

WHEREAS, the City of High Point owns handheld radios, chargers and batteries which are no longer useful to the City and should be declared as surplus to the City's needs; and

WHEREAS, N.C.G.S. 160A-280 allows cities to donate to a nonprofit corporation any personal property that the City Council deems surplus, obsolete, or unused; and

WHEREAS, City staff recommends that the above-described City equipment be declared surplus and be donated to Newton Grove Police Department and Hasty Fire Department, both nonprofit organizations incorporated in the State of North Carolina; and

WHEREAS, pursuant to the provisions of N.C.G.S. 160A-280, the High Point City Council has caused a public notice of this proposed donation to be posted at least five days prior to the adoption of this Resolution approving the donation.

NOW, THERFORE, BE IT RESOLVED, by the High Point City Council that (1) the equipment identified above is hereby declared to be surplus to the needs of the City of High Point based upon its age and condition; and (2) public notice of this proposed Resolution has been posted at least five days prior to the adoption of this Resolution approving the donation.

BE IT FURTHER RESOLVED that the High Point City Council hereby approves the donation of the surplus equipment, and that the City Manager is hereby authorized to execute, on behalf of the City of High Point, the necessary documents to convey ownership of the above-described equipment by donation to Newton Grove Police Department and Hasty Fire Department pursuant to the provision of N.C.G.S. 160A-280.

Adopted November 18, 2019

PUBLIC NOTICE

CITY OF HIGH POINT

RADIO DONATION

The public will take notice that the City of High Point intends to donate 8 handheld radios, chargers and batteries which are no longer useful to the city to be declared as surplus to the City. This notice is posted pursuant to the provisions of N.C.G.S. 160A-280.

Audit Wrap-Up

City of High Point

Eddie Burke, CPA
Partner

November 18, 2019

Cherry Bekaert LLP
CPAs & Advisors

Agenda

- Client Service Team
- Role of External Auditor
- Key Highlights
- Internal Controls
- Significant Audit Areas
- Financial Results
- Summary
- Questions and Comments

Cherry Bekaert LLP
CPAs & Advisors

Client Service Team

NORTH CAROLINA'S INTERNATIONAL CITY

Eddie Burke
Audit Partner

April Adams
Second Audit Partner

Alex Harris
Audit Manager

Trey Barnes
Audit Senior Accountant

Role of the External Auditor

Actions

- Plan & Perform Procedures
- Obtain Reasonable Assurance

Results

- Express Opinions:
  - Financial Statements
    - Yellow Book
      - Federal
        - State

Required Communications

- Policy Changes
- Estimates
- Journal Entries

Key Highlights

Results

Opinion

- Unmodified Opinion – Financial Statements
- Unmodified Opinion – Yellow Book
- Unmodified Opinion – Federal & State Single Audit

Internal Controls

- No Findings
- Cyber Security

Single Audit

- No current year findings
- 1 prior year finding which was corrected

AU – 260

- No new accounting policies implemented in the current year
- Component Units – ABC Board discretely presented – Forward High Point – blended
- Financial Statements completed by October 31, 2019
- Transition of new team in the finance department went extremely well

Cherry Bekaert LLP
CPAs & Advisors

Internal Controls

Financial Statements

Significant Cycles

- Payroll
- Cash Receipts
- Cash Disbursements
- Financial Statement Close
- Managing Investments

Testing of Controls

- Budget
- Journal Entries
- Payroll

Journal Entries

- Active Data

IT Controls

- IT Entity Level
- Backup & Recovery
- Access & Security
- Network Security
- Cyber Security

Significant Audit Areas

Financial Statements

Assets & Revenues	Liabilities & Expenses	Other Items
• Accounts Receivable • Revenues	• Expenses • Payroll and Payroll Related Liabilities	• Cash and Investments • Capital Assets • Accounts Payable and Accrued Liabilities • Long Term Debt • Net Position • Related Parties • Estimates • Legal

Financial Results

General Fund Revenues (thousands)

2019	Amount
Taxes	$59,836
Intergovernmental Services	36,961
Licenses and Permits	5,002
Charges for Services	5,004
Other	5,201

2018	Amount
Taxes	$59,140
Intergovernmental Services	37,485
Licenses and Permits	4,669
Charges for Services	4,848
Other	975

2019 Total: $112,004

2018 Total: $107,117

Financial Results

General Fund Expenses (thousands)

2019	Amount	2018	Amount
General Government	$12,651	General Government	$13,271
Public Safety	52,334	Public Safety	51,639
Public Services	11,903	Public Services	12,008
Community & Economic Development	9,569	Community & Economic Development	11,068
Cultural and Recreation	20,930	Cultural and Recreation	20.130
Debt Service	410	Debt Service	567

2019 Total: $107,797

2018 Total: $108,683

Cherry Bekaert LLP
CPAs & Advisors

Financial Results

General Fund – Fund Balance (thousands)

2019	Amount
Non Spendable	$102
Restricted	13,052
Committed	2,027
Assigned	406
Unassigned	11,955

2018	Amount
Non Spendable	$30
Restricted	11,641
Committed	2,299
Assigned	3,568
Unassigned	3,169

Total 2019: $27,542

Total 2018: $20,707

Financial Results

Proprietary Funds Operating Revenues (thousands)

2019	Amount
Charges for Services	$202,619
Licenses and Permits	394
Intergovernmental	5,045
Miscellaneous and Other	252

2018	Amount
Charges for Services	$200,749
Licenses and Permits	395
Intergovernmental	1,255
Miscellaneous and Other	160

Total 2019: $208,310

Total 2018: $202,559

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Financial Results

Proprietary Funds Operating Expenses (thousands)

2019	Amount
Management & Administration	$30,121
Maintenance & Distribution	27,139
Power Purchases	91,411
Treatment Plants	10,013
Other Services & Charges	5,695
Depreciation & Amortization	18,552

Total 2019: $182,931

2018	Amount
Management & Administration	$26,204
Maintenance & Distribution	20,683
Power Purchases	97,839
Treatment Plants	13,645
Other Services & Charges	5,552
Depreciation & Amortization	19,179

Total 2018: $183,102

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CPAs & Advisors

Financial Results

Cash and Investments (thousands)

2019	Amount
Cash Carrying Amount	$37,024
Government Agencies	77,215
NC Capital Management Trust-Cash Portfolio	75,741
NC Capital Management Trust-Team Portfolio	59,806
Petty Cash	48
Commercial Paper	2,000

Total 2019: $251,834

2018	Amount
Cash Carrying Amount	$9,718
Government Agencies	81,181
NC Capital Management Trust-Cash Portfolio	74,661
NC Capital Management Trust-Team Portfolio	72,712
Petty Cash	46
Commercial Paper	-

Total 2018: $238,318

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CPAs & Advisors

Financial Results

Capital Assets (thousands)

Government Wide

2019	Amount	2018	Amount
Land	$33,281	Land	$32,051
Buildings & Other Improvements	183,192	Buildings & Other Improvements	182,118
Equipment	136,457	Equipment	130,777
Infrastructure	1,076,486	Infrastructure	1,058,574
Intangible Assets	3,853	Intangible Assets	3,845
Construction In Progress	153,998	Construction In Progress	113,111

Total 2019: $1,587,267

Total 2018: $1,520,476

Financial Results

Long-Term Debt (thousands)

Government Wide

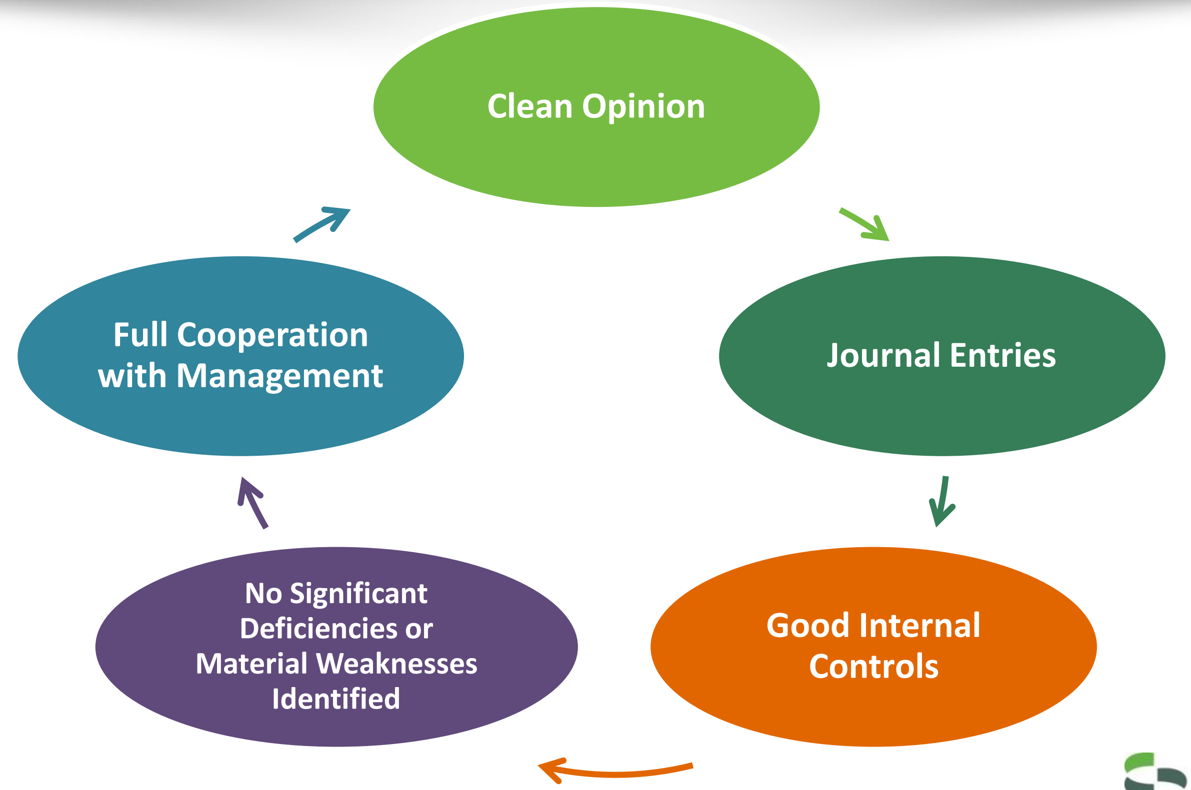
2019	Amount
General & Limited Obligations Bonds	$102,260
Notes and Loans Payables & Installment Purchase Agreements	20,865
Compensated Absences	4,733
Revenue Bonds	165,517
LEOSSA, LGERs, OPEB, Retirement Stipend	39,552
Landfill Closure & Post Closure	13,421
Line of Credit	420

2018	Amount
General & Limited Obligations Bonds	$104,090
Notes and Loans Payables & Installment Purchase Agreements	15,390
Compensated Absences	4,716
Revenue Bonds	136,686
LEOSSA, LGERs, OPEB, Retirement Stipend	34,280
Landfill Closure & Post Closure	13,132
Line of Credit	420

Total 2019: $346,768

Total 2018: $308,714

Summary



Clean Opinion
Journal Entries
Good Internal Controls
No Significant Deficiencies or Material Weaknesses Identified
Full Cooperation with Management

Questions & Comments?

Eddie Burke, CPA
Partner
eburke@cbh.com
919.782.1040

Cherry Bekaert LLP
CPAs & Advisors

RESOLUTION AUTHORIZING CONDEMNATION TO ACQUIRE A CERTAIN PROPERTY FOR AN OFF-STREET PARKING FACILITY

WHEREAS, the City Council of the City of High Point hereby determines that it is necessary and in the public interest to acquire the real property located at 315 N. Elm Street, High Point, Guilford County, North Carolina.

WHEREAS, the representatives of the City of High Point have been unable to acquire the needed property by negotiated conveyance; and

WHEREAS, it is deemed in the best interest of the City that the City Attorney be authorized to provide necessary notice and institute civil proceedings to condemn said property under Chapter 40A, of the North Carolina General Statutes, and that the Director of Finance issue a draft to the Clerk of Superior Court as just compensation to the owner in the amount of $1,010,000.00;

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGH POINT THAT:

1. the City of High Point shall take action to acquire the following property:

   that certain property located 315 N. Elm Street, High Point, Guilford County, described in Deed Book 7774, Page 1140 of the Guilford County Registry;

2. the City Attorney of the City of High Point is hereby directed to institute the necessary proceedings under Chapter 40A of the North Carolina General Statutes to acquire the said property; and

3. the Director of Finance is hereby authorized to issue a draft in the amount of $1,010,000.00 to the Clerk of Superior Court as just compensation to said owners.

Adopted by Order of the High Point City Council
this the 18th day of November, 2019.

ATTEST:

City of High Point North Carolina

Jay W. Wagner, Mayor

Lisa B. Vierling,
High Point City Clerk

Legislative No. 2019-501 Ordinance No. 7580/19-97

"AN ORDINANCE AMENDING THE 2019-2020 BUDGET ORDINANCE
OF THE CITY OF HIGH POINT, NORTH CAROLINA
TO APPROPRIATE CAPITAL LEASE FUNDS FOR A MOTOROLA SYSTEM CORE

Be it ordained by the City Council of the City of High Point, North Carolina, as follows:

Section 1. The City of High Point has determined it is in the City's best interest to acquire and operate a commercial front loading refuse collection truck. The City intends to borrow the funds required for the purchase through an installment financing contract, the proceeds from which need to be appropriated for use.

Section 2. The 2019-2020 Budget Ordinance of the City of High Point, should be amended as follows:

(A) That the Central Services Fund revenues be increased:

Lease Financing Proceeds	$560,663

(B) That the Central Services Fund expenditures be increased:

Motorola System Core	$560,663

Section 3. That all ordinances, or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict.

Section 4. That this ordinance shall be effective from and after its passage."

Adopted by Order of the High Point City Council
this the 18th day of November, 2019.

ATTEST:

Jay W. Wagner, Mayor

Lisa B. Vierling,
High Point City Clerk

City of High Point
North Carolina

"AN ORDINANCE AMENDING THE 2019-2020 BUDGET ORDINANCE
OF THE CITY OF HIGH POINT, NORTH CAROLINA
TO MOVE GRANT FUNDS FOR THE PURCHASE OF THE BOOKMOBILE

Be it ordained by the City Council of the City of High Point, North Carolina, as follows:

Section 1. The City of High Point Library was awarded a grant for the purchase of the bookmobile.

Section 2. The 2019-2020 Budget Ordinance of the City of High Point, should be amended as follows:

(A) That the General Capital Projects Fund revenues be amended as follows:

Transfer In	$50,000

(B) That the General Capital Projects Fund expenditures be amended as follows:

Bookmobile Expenditures	$50,000

Section 3. That all ordinances, or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict.

Section 4. That this ordinance shall be effective from and after its passage."

Adopted by Order of the High Point City Council
this the 18th day of November, 2019.

ATTEST:

Jay W. Wagner, Mayor

Lisa B. Vierling,
High Point City Clerk

City of High Point North Carolina

CITY OF HIGH POINT
AGENDA ITEM

HIGH POINT
NORTH CAROLINA'S INTERNATIONAL CITY™

Title: **Ordinance to Demolish – 1506 Franklin Ave.**

From: Michael McNair, Director
Community Development & Housing

Meeting Date: 2/18/19

Public Hearing: No

Advertising Date:

Advertised By:

Attachments:
A. Staff report
B. Ordinance to Demolish
C. Photos
D. Maps

PURPOSE:
A request by Community Development and Housing – Local Codes Section to adopt an ordinance ordering the inspector to demolish the dwelling at 1506 Franklin Ave.

BACKGROUND:
After a Complaint and Notice of Hearing was issued and a hearing held, an Order to Repair or Demolish was issued on 11/4/17. No action occurred by the compliance date of 12/11/17. The necessary repairs to the dwelling exceed its current tax value and the demolition is warranted.

BUDGET IMPACT:
Funds are available in the Department budget for the demolition and asbestos testing of the structure(s), and for the asbestos removal if present.

RECOMMENDATION / ACTION REQUESTED:
Staff recommends the adoption of the requested ordinance to demolish this single family dwelling and all outbuildings on the property.

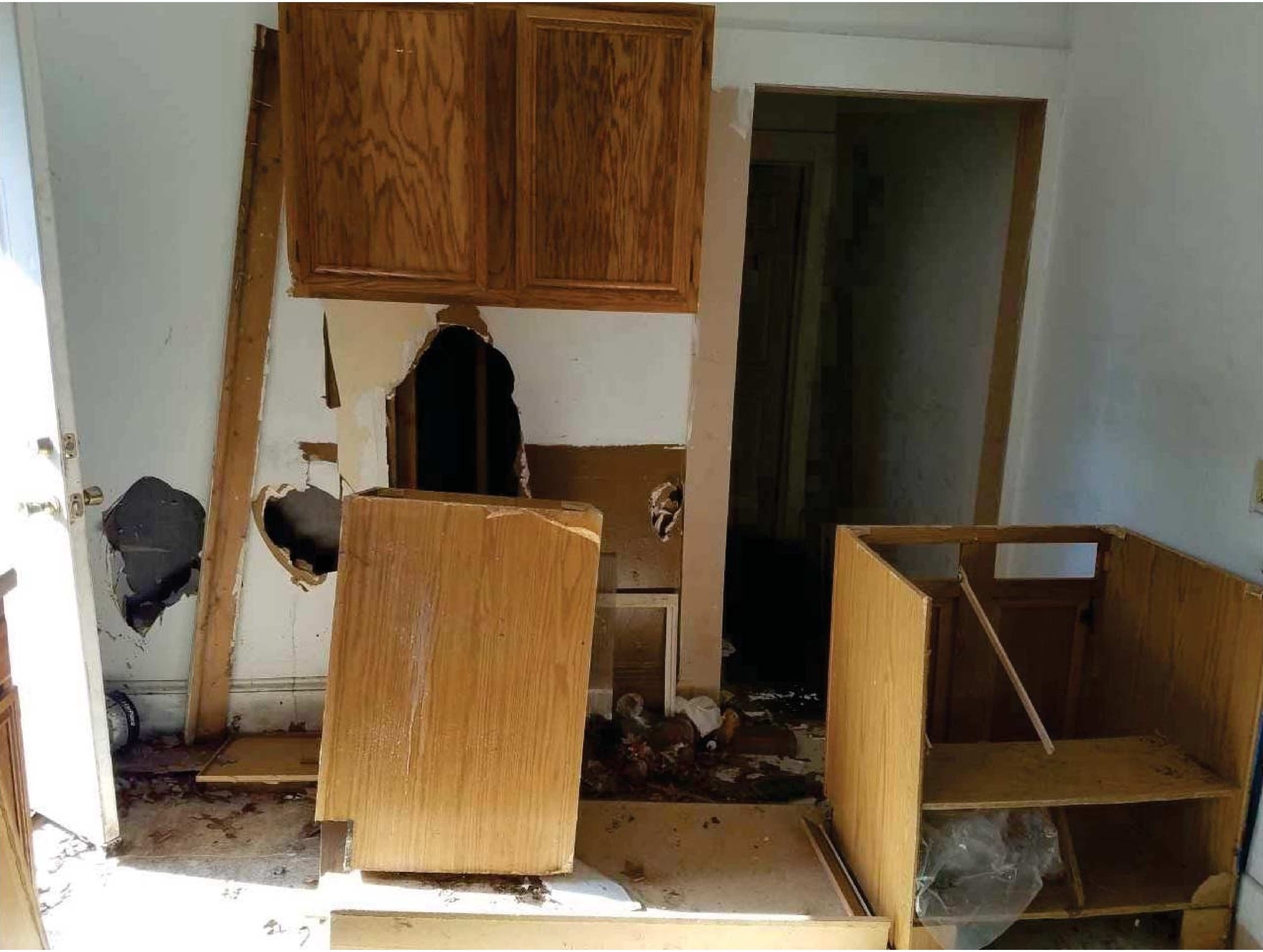
PENDING ACTION:
The ordinance becomes effective from the date of adoption. If there is no action by the property owner by the effective date of the ordinance, then asbestos testing and the demolition bid process will begin and the structure will be removed by the City. After City demolition, the property owner is billed for the cost. If the bill is unpaid, the City places a lien on the property.

COMMUNITY DEVELOPMENT AND HOUSING
CODE ENFORCEMENT
HOUSING ENFORCEMENT DIVISION

ORDINANCE REQUEST:	Ordinance to Demolish
PROPERTY ADDRESS:	1506 Franklin Ave.
OWNER:	Phyliss & Lenwood Davis
REASON FOR INSPECTION:	Local Codes received a complaint about the condition of property
FIRST INSPECTION: 8/21/17	Summary of Major Violations 1. Repair or replace damaged sheathing and covering 2. Repair or replace damaged exterior wall framing & sheathing 3. Repair or replace damaged piers 4. Repair or replace damaged/missing subfloor throughout 5. Repair or replace damaged ceiling joists and rafters
HEARING RESULTS: 10/18/17	No one appeared for the Hearing. It was determined there are several violations of the Minimum Housing Code. There are multiple violations of the minimum housing code in the house that make it unsafe. In its present state, necessary repairs to the dwelling exceed 65% of the value of the structure.
ORDER(S) ISSUED: 11/4/17	Order to Repair or Demolish Date of Compliance 12/11/17
APPEALS:	No appeals to date.
OWNER ACTIONS:	None
ADDITIONAL:	Guilford County property taxes are delinquent in the amount of $7,575.97


SHARE
of North Carolina, Inc.
"Building Communities
Through Self Reliance"
275-7077


SHARE
275-7077



CITY OF HIGH POINT
AGENDA ITEM

Title: **Condemnation – 315 N. Elm Street**

From: JoAnne Carlyle, City Attorney

Meeting Date: Monday, November 18, 2019

Public Hearing: No

Advertising Date: NA
Advertised By: NA

Attachments: Resolution & Map

PURPOSE:
Consideration for the adoption of a Resolution Authorizing Condemnation to acquire the property located at 315 N. Elm Street in connection with the construction of an off-street parking facility.

BACKGROUND:
Representatives of the City of High Point have been unable to acquire the needed property by negotiated conveyance. If the City Council adopts this Resolution, the City is required to give a thirty (30) day notice to the affected property owner and any other persons or entities having an "interest" in the property, of the intent to file condemnation action. At the end of the thirty (30) day notice period, the City can file the condemnation action and deposit its estimate of just compensation with the Guilford County Clerk of Superior Court.

BUDGET IMPACT:
The City has estimated the amount of $1,010,000 to be just compensation for the property.

RECOMMENDATION / ACTION REQUESTED:
The City Attorney recommends adoption of the Resolution authorizing the City Attorney to give a 30 day Notice of Condemnation to the property owner, to file the necessary proceedings under Chapter 40A of the North Carolina General Statutes, and to authorize the Finance Director to issue a draft in the amount of $1,010,000 to the Clerk of Superior Court as just compensation to the property owner.

RESOLUTION AUTHORIZING CONDEMNATION TO ACQUIRE A CERTAIN PROPERTY FOR AN OFF-STREET PARKING FACILITY

WHEREAS, the City Council of the City of High Point hereby determines that it is necessary and in the public interest to acquire the real property located at 315 N. Elm Street, High Point, Guilford County, North Carolina.

WHEREAS, the representatives of the City of High Point have been unable to acquire the needed property by negotiated conveyance; and

WHEREAS, it is deemed in the best interest of the City that the City Attorney be authorized to provide necessary notice and institute civil proceedings to condemn said property under Chapter 40A, of the North Carolina General Statutes, and that the Director of Finance issue a draft to the Clerk of Superior Court as just compensation to the owner in the amount of $1,010,000.00;

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGH POINT THAT:

1. the City of High Point shall take action to acquire the following property:

   that certain property located 315 N. Elm Street, High Point, Guilford County, described in Deed Book 7774, Page 1140 of the Guilford County Registry;

2. the City Attorney of the City of High Point is hereby directed to institute the necessary proceedings under Chapter 40A of the North Carolina General Statutes to acquire the said property; and

3. the Director of Finance is hereby authorized to issue a draft in the amount of $1,010,000.00 to the Clerk of Superior Court as just compensation to said owners.

Adopted by City Council,

this 18th day of November, 2019.

____

Lisa Vierling
City Clerk

315 N. Elm Street, High Point
Parcel # 186809

CITY OF HIGH POINT
AGENDA ITEM

Title: Receipt and Presentation of FY 2018-2019 Audit Report

From: Bobby Fitzjohn, Financial Services Director

Meeting Date: November 18, 2019

Public Hearing: No

Advertising Date N/A

Advertised By: N/A

Attachments: Comprehensive Annual Financial Report

PURPOSE:
The City Council has the statutory responsibility under G.S. 159-34 to engage an auditor for the financial and compliance audit of the City's budgets, accounts, and grants. The presentation of the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2019 will be presented by the audit firm Cherry Bekaert LLP.

BACKGROUND:
City Council approved the contract with Cherry Bekaert LLP for the financial and compliance audit of the City of High Point for the Fiscal Year July 1, 2018 to June 30, 2019 at its meeting of November 19, 2018. The Comprehensive Annual Financial Report was prepared by the City's Financial Services Department and was delivered to the Local Government Commission on October 31, 2019.

BUDGET IMPACT: None.

RECOMMENDATION / ACTIONS REQUESTED:
City Council is requested to acknowledge receipt of the City of High Point Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2019 and related required communications from the City's auditors, Cherry Bekaert LLP.

CITY OF HIGH POINT
AGENDA ITEM

Title: Budget Amendment for Limited Obligation Bond Project Restatement

From: Laura Mason Altizer
Budget and Performance Manager

Meeting Date: November 18, 2019

Public Hearing: N/A

Advertising Date: N/A
Advertised By: N/A

Attachments: Budget amendment

PURPOSE:
A Budget Amendment is needed to transfer funds from the General Debt Service Fund to the General Bond Fund for debt issuance costs that were budgeted in General Debt Service but paid out of General Bond Fund.

BACKGROUND:
A total of $671,820 is recommended to be transferred from the General Debt Service Fund for debt issuance costs that were expended from the General Bond Fund but budgeted in the General Debt Service Fund. Staff are completing a final analysis of expenses from the Limited Obligation Bond project now that the year-end procedures are complete.

BUDGET IMPACT:
There is no operating budget impact.

RECOMMENDATION / ACTION REQUESTED:
The Budget Department recommends and asks the Council to approve the budget amendment.

P.O. 230, 211 South Hamilton Street, High Point, NC 27261 USA
Fax: 336.822-7065 Phone: 336.883.3018 TDD: 336.883.8517

"AN ORDINANCE AMENDING THE 2019-2020 BUDGET ORDINANCE
OF THE CITY OF HIGH POINT, NORTH CAROLINA TO APPROPRIATE FUND
BALANCE FROM THE DEBT SERVICE FUND

Be it ordained by the City Council of the City of High Point, North Carolina, as follows:

Section 1. The City of High Point has debt issuance costs charged to the General Bond Fund that were budgeted in the General Debt Service Fund, and a fund balance appropriation is needed to properly budget for these charges.

Section 2. The 2019-2020 Budget Ordinance of the City of High Point, should be amended as follows:

(A) That Debt Service Fund revenues be amended as follows:

Appropriated Fund Balance	$ 671,820

(B) That Debt Service Fund expenditures be amended as follows:

Transfer to General Bond Fund	$671,820

(C) That General Bond Fund revenues be amended as follows:

Transfer from Debt Service Fund	$671,820

(D) That the General Bond Fund expenditures be amended as follows:

Catalyst Project Phase 1	$671,820

Section 3. That all ordinances, or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict.

Section 4. That this ordinance shall be effective from and after its passage."

Adopted November 18, 2019

P.O. 230, 211 South Hamilton Street, High Point, NC 27261 USA
Fax: 336.822-7065 Phone: 336.883.3018 TDD: 336.883.8517

CITY OF HIGH POINT
AGENDA ITEM

Title: Motorola Radio System Core Purchase

From: Steve Lingerfelt, Director of Information Technology Services

Meeting Date: November 18, 2019

Public Hearing: No

Advertising Date / Advertised By:

Attachments: Motorola Solutions Inc. System Core Quote
Motorola Solutions Inc. Lease Purchase Document

PURPOSE:
The City needs to purchase a System Core from Motorola for the 800 MhZ Radio System.

BACKGROUND:
Information Technology Services is recommending the City of High Point purchase a radio system core from Motorola for the 800 MhZ radio system at a purchase price of $550,663. The City is currently utilizing a system core owned by Guilford County and the City of Greensboro and paying a utilization cost of $207,000 per year.

BUDGET IMPACT:
The City of High Point will use existing funds in the FY 2019-20 budget to purchase the System Core from Motorola Solutions, Inc. The total cost of the contract is $591,105 payable over three years utilizing an interest rate of 3.57%. Payments are as follows:

Year 1	$ 197,035
Year 2	$ 197,035
Year 3	$ 197,035

RECOMMENDATION / ACTION REQUESTED:
The Department of Information Technology Services recommends approval of the contract and that the appropriate City official and/or employee be authorized to execute all necessary documents.

Communications System And Services Agreement

P25 Core

Lease Purchase

Motorola Solutions, Inc. ("Motorola") and City of High Point, North Carolina ("Customer") enter into this "Agreement," pursuant to which Customer will purchase and Motorola will sell the System and Services, as described below. Motorola and Customer may be referred to individually as a "Party" and collectively as the "Parties." For good and valuable consideration, the Parties agree as follows:

Section 1 ATTACHMENTS

1.1. EXHIBITS. The Exhibits listed below are exhibits related to the System sale and implementation. These Exhibits are incorporated into and made a part of this Agreement.

Exhibit A Motorola Software License Agreement
Exhibit B Motorola's Proposal dated September 20, 2019
Exhibit C Equipment Lease Purchase Agreement Delivery and Acceptance Certificate
Exhibit D System Acceptance Certificate

1.2. Customer may elect to purchase professional or subscription services in addition to the System and related services. Any such services will be governed by the terms in the main body of the Agreement.

1.3 In interpreting this Agreement and resolving any ambiguities: 1) the main body of this Agreement takes precedence over the exhibits and any inconsistency between Exhibits A through E will be resolved in their listed order, and 2) The applicable service Addendum will take precedence over the main body of the Agreement and the Exhibits.

Section 2 DEFINITIONS

Capitalized terms used in this Agreement have the following meanings:

"Acceptance Tests" means those tests described in the Acceptance Test Plan.

"Administrative User Credentials" means an account that has total access over the operating system, files, end user accounts and passwords at either the System level or box level. Customer's personnel with access to the Administrative User Credentials may be referred to as the Administrative User.

"Beneficial Use" means when Customer first uses the System or a Subsystem for operational purposes (excluding training or testing).

"Confidential Information" means all information will be handled per applicable North Carolina state statute. Confidential Information includes information consistent with the fulfillment of this Agreement that is (i) disclosed under this Agreement in oral, written, graphic, machine recognizable, and/or sample form, being clearly designated, labeled or marked as confidential or its equivalent or (ii) obtained by examination, testing or analysis of any hardware, software or any component part thereof provided by discloser to recipient. The nature and existence of this Agreement are considered Confidential Information. Confidential Information that is disclosed orally must be identified as confidential at the time of disclosure and confirmed by the discloser by submitting a written document to the recipient within thirty (30) days after such disclosure. The written document must contain a summary of the Confidential Information disclosed with enough specificity for identification purpose and must be labeled or marked as confidential or its equivalent.

"Contract Price" means the price for the System and implementation Services, excluding applicable sales or similar taxes and freight charges.

"Deliverables" means all written information (such as reports, specifications, designs, plans, drawings, analytics, Solution Data, or other technical or business information) that Motorola prepares for Customer in the performance of the Services and is obligated to provide to Customer under this Agreement. The Deliverables, if any, are more fully described in the Statement of Work.

"**Derivative Proprietary Materials**" means derivatives of the Proprietary Materials that Motorola may from time to time, including during the course of providing the Services, develop and/or use and/or to which Motorola provides Customer access.

"Effective Date" means that date upon which the last Party executes this Agreement.

"Equipment" means the hardware components of the Solution that Customer purchases from Motorola under this Agreement. Equipment that is part of the System is described in the Equipment List.

"Force Majeure" means an event, circumstance, or act that is beyond a Party's reasonable control, such as an act of God, an act of the public enemy, an act of a government entity, strikes, other labor disturbances, supplier performance, hurricanes, earthquakes, fires, floods, epidemics, embargoes, war, riots, or any other similar cause.

"Motorola Software" means software that Motorola or its affiliated companies owns.

"Non-Motorola Software" means software that a party other than Motorola or its affiliated companies owns.

"Open Source Software" (also called "freeware" or "shareware") means software with either freely obtainable source code, license for modification, or permission for free distribution.

"Proprietary Materials" means certain software tools and/or other technical materials, including, but not limited to, data, modules, components, designs, utilities, subsets, objects, program listings, models, methodologies, programs, systems, analysis frameworks, leading practices and specifications which Motorola has developed prior to, or independently from, the provision of the Services and/or which Motorola licenses from third parties.

"Proprietary Rights" means the patents, patent applications, inventions, copyrights, trade secrets, trademarks, trade names, mask works, know-how, and other intellectual property rights in and to the Equipment and Software, including those created or produced by Motorola under this Agreement and any corrections, bug fixes, enhancements, updates or modifications to or derivative works from the Software whether made by Motorola or another party.

"Services" means system implementation, maintenance, support, subscription, or other professional services provided under this Agreement, which may be further described in the applicable Addendum and/or SOW.

"Software" (i) means proprietary software in object code format, and adaptations, translations, de-compilations, disassemblies, emulations, or derivative works of such software; (ii) means any modifications, enhancements, new versions and new releases of the software provided by Motorola; and (iii) may contain one or more items of software owned by a third party supplier. The term "Software" does not include any third party software provided under separate license or third party software not licensable under the terms of this Agreement.

"Software Support Policy" ("SwSP") means the policy set forth at http://www.motorolasolutions.com/softwarepolicy describing the specific technical support that will be provided to Customers under the Warranty Period and during any paid maintenance support period for

Motorola Software. This policy may be modified from time to time at Motorola's discretion.

"Solution" means the combination of the System(s) and Services provided by Motorola under this Agreement.

"Solution Data" means Customer data that is transformed, altered, processed, aggregated, correlated or operated on by Motorola, its vendors or other data sources and data that has been manipulated or retrieved using Motorola know-how to produce value-added content to data consumers, including customers or citizens which is made available to Customer with the Solution and Services.

"Specifications" means the functionality and performance requirements that are described in Exhibit C.

"Subsystem" means a major part of the System that performs specific functions or operations. Subsystems are described in Exhibit C.

"System" means the Equipment, including incidental hardware and materials, Software, and design, installation and implementation services that are combined together into an integrated system; the System(s) is (are) described in Exhibit C.

"System Acceptance" means the Acceptance Tests have been successfully completed.

"Warranty Period" for System Hardware, Software, or services related to system implementation means one (1) year from the date of System Acceptance or Beneficial Use, whichever occurs first. Unless otherwise stated in the applicable Addendum, Warranty Period for other Services means ninety (90) days from performance of the Service.

Section 3 SCOPE OF AGREEMENT AND TERM

3.1. SCOPE OF WORK. Motorola will provide, install and test the System(s), and perform its other contractual responsibilities to provide the Solution, all in accordance with this Agreement. Customer will perform its contractual responsibilities in accordance with this Agreement.

3.2. CHANGE ORDERS. Either Party may request changes within the general scope of this Agreement. If a requested change causes an increase or decrease in the cost or time required to perform this Agreement, the Parties will agree to an equitable adjustment of the Contract Price or applicable subscription fees, Performance Schedule, or both, and will reflect the adjustment in a change order or Addendum. Neither Party is obligated to perform requested changes unless both Parties execute a written change order.

3.3. TERM. Unless terminated in accordance with other provisions of this Agreement or extended by mutual agreement of the Parties, the term of this Agreement begins on the Effective Date and continues until the date of Final Project Acceptance or expiration of the Warranty Period, whichever occurs last. The term and the effective date of recurring Services will be set forth in the applicable Addendum.

3.4. ADDITIONAL EQUIPMENT OR SOFTWARE. For three (3) years after the expiration date of the Agreement, Customer may order additional Equipment or Software, if it is then available. Each purchase order must refer to this Agreement, the expiration date of the Agreement, and must specify the pricing and delivery terms. The Parties agree that, notwithstanding expiration of the Agreement, the applicable provisions of this Agreement (except for pricing, delivery, passage of title and risk of loss to Equipment, warranty commencement, and payment terms) will govern the purchase and sale of the additional Equipment or Software. Additional or contrary terms in the purchase order will be inapplicable, unless signed by both parties. Title and risk of loss to additional Equipment will pass at shipment, warranty will commence upon delivery, and payment is due within thirty (30) days after the invoice date. Motorola will send Customer an invoice as the additional Equipment is shipped or Software is licensed. Alternatively, Customer may register with and place orders through Motorola Online ("MOL"), and this Agreement will be the “Underlying Agreement” for those MOL transactions rather than the MOL On-Line Terms and Conditions of Sale. MOL registration and other information may be found at https://businessonline.motorolasolutions.com and the MOL telephone number is (800) 814-0601.

3.6. Motorola SOFTWARE. Any Motorola Software, including subsequent releases, is licensed to Customer solely in accordance with the Motorola Software License Agreement in Exhibit A (“Software License Agreement”). Customer hereby accepts and agrees to abide by all of the terms and restrictions of the Software License Agreement.

3.7. NON-Motorola SOFTWARE. Any Non-Motorola Software is licensed to Customer in accordance with the standard license, terms, and restrictions of the copyright owner on the Effective Date unless the copyright owner has granted to Motorola the right to sublicense the Non-Motorola Software pursuant to the Software License Agreement, in which case it applies and the copyright owner will have all of Licensor’s rights and protections under the Software License Agreement. Motorola makes no representations or warranties of any kind regarding Non-Motorola Software. Non-Motorola Software may include Open Source Software.

3.8. SUBSTITUTIONS. At no additional cost to Customer, Motorola may substitute any Equipment, Software, or services to be provided by Motorola, if the substitute meets or exceeds the Specifications and is of equivalent or better quality to the Customer. Any substitution will be reflected in a change order.

Section 4 SERVICES

4.1. If Customer desires and Motorola agrees to continue Services beyond the Term, Customer’s issuance and Motorola’s acceptance of a purchase order for Services will serve as an automatic extension of the Agreement for purposes of the continuing Services. Only the terms and conditions applicable to the performance of Services will apply to the extended Agreement.

4.2. MAINTENANCE AND SUPPORT SERVICES. During the Warranty Period, in addition to warranty services, Motorola will provide maintenance Services for the Equipment and support for the Motorola Software pursuant to the Statement of Work set forth in the Maintenance and Support Addendum. Support for the Motorola Software will be in accordance with Motorola's established Software Support Policy. Copies of the SwSP can be found at http://www.motorolasolutions.com/softwarepolicy and will be sent by mail, email or fax to Customer upon written request. Maintenance Services and support during the Warranty Period are included in the Contract Price. If Customer wishes to purchase 1) additional maintenance or software support services during the Warranty Period; or 2) continue or expand maintenance, software support, installation, and/or any services after the Warranty Period, Motorola will provide the description of and pricing for such services in a separate proposal document. Unless otherwise agreed by the parties in writing, the terms and conditions in this Agreement applicable to those maintenance, support, installation, and/or services, will be included in the Maintenance and Support Addendum, the applicable Statements of Work, and the proposal. These collective terms will govern the provision of such Services.

To obtain any such additional Services, Customer will issue a purchase order referring to this Agreement and the separate proposal document. Omission of reference to this Agreement in Customer’s purchase order will not affect the applicability of this Agreement. Motorola’s proposal may include a cover page entitled “Service Agreement” or “Installation Agreement”, as applicable, and other attachments. These cover pages and other attachments are incorporated into this Agreement by this reference.

4.3. PROFESSIONAL AND SUBSCRIPTION SERVICES. If Customer purchases professional or subscription Services as part of the Solution, additional or different terms specific to such Service will be included in the applicable Addendum and will apply to those Services. Customer may purchase additional professional or subscription services by issuing a purchase order referencing this Agreement and Motorola’s proposal for such additional services.

4.4. Any information in the form of specifications, drawings, reprints, technical information or otherwise furnished to Customer in providing Services under this Agreement or Motorola data viewed, accessed, will remain Motorola's property, will be deemed proprietary, Confidential Information. This Confidential Information will be promptly returned at Motorola's request.

4.5. TOOLS. All tools, equipment, dies, gauges, models, drawings or other materials paid for or furnished by Motorola for the purpose of providing Services under this Agreement will be and remain the sole property of Motorola. Customer will safeguard all such property while it is in Customer's custody or control, be liable for any loss or damage to this property, and return it to Motorola upon request. This property will be held by Customer for Motorola's use without charge and may be removed from Customer's premises by Motorola at any time without restriction. Upon termination of the contract for any reason, Customer shall return to Motorola all equipment delivered to Customer.

4.6. COVENANT NOT TO EMPLOY. During the term of this Agreement and continuing for a period of two (2) years thereafter, Customer will not hire, engage on contract, solicit the employment of, or recommend employment to any third party of any employee of Motorola or its subcontractors without the prior written authorization of Motorola. This provision applies only to those employees of Motorola or its subcontractors who are responsible for rendering Services under this Agreement. If this provision is found to be overly broad under applicable law, it will be modified as necessary to conform to applicable law.

4.7. CUSTOMER OBLIGATIONS. If the applicable Statement of Work or Addendum contains assumptions that affect the Services or Deliverables, Customer will verify that they are accurate and complete. Any information that Customer provides to Motorola concerning the Services or Deliverables will be accurate and complete in all material respects. Customer will make timely decisions and obtain any required management approvals that are reasonably necessary for Motorola to perform the Services and its other duties under this Agreement. Unless the Statement of Work states the contrary, Motorola may rely upon and is not required to evaluate, confirm, reject, modify, or provide advice concerning any assumptions and Customer-provided information, decisions and approvals described in this paragraph.

4.8. ASSUMPTIONS. If any assumptions or conditions contained in this Agreement, applicable Addenda or Statements of Work prove to be incorrect or if Customer's obligations are not performed, Motorola's ability to perform under this Agreement may be impacted and changes to the Contract Price, subscription fees, project schedule, Deliverables, or other changes may be necessary.

4.9. NON-PRECLUSION. If, as a result of the Services performed under this Agreement, Motorola recommends that Customer purchase products or other services, nothing in this Agreement precludes Motorola from participating in a future competitive bidding process or otherwise offering or selling the recommended products or other services to Customer. Customer represents that this paragraph does not violate its procurement or other laws, regulations, or policies.

4.10. PROPRIETARY MATERIALS. Customer acknowledges that Motorola may use and/or provide Customer with access to Proprietary Materials and Derivative Proprietary Materials. The Proprietary Materials and the Derivative Proprietary Materials are the sole and exclusive property of Motorola and Motorola retains all right, title and interest in and to the Proprietary Materials and Derivative Proprietary Materials.

4.11. ADDITIONAL SERVICES. Any services performed by Motorola outside the scope of this Agreement at the direction of Customer will be considered to be additional Services which are subject to additional charges. Any agreement to perform additional Services will be reflected in a written and executed change order, Addendum or amendment to this Agreement.

Section 5 PERFORMANCE SCHEDULE

The Parties will perform their respective responsibilities in accordance with the Performance Schedule.

By executing this Agreement, Customer authorizes Motorola to proceed with contract performance.

Section 6 CONTRACT PRICE, PAYMENT AND INVOICING

6.1. Customer affirms that a purchase order or notice to proceed is not required for contract performance or for subsequent years of service, if any, and that Customer will appropriate funds according to the Payment Schedule. The Customer will pay all invoices as received from Motorola and any changes in scope will be subject to the change order process as described in this Agreement. At the time of execution of this Agreement, the Customer will provide all necessary reference information to include on invoices for payment in accordance with this Agreement.

6.2. CONTRACT PRICE. The Contract Price in U.S. dollars is $591.105.06 The Contract Price will be paid via the disbursement of the financing proceeds pursuant to the Equipment Lease-Purchase Agreement executed between the parties. If applicable, a pricing summary is included with the Payment schedule. Motorola has priced the Services, Software, and Equipment as an integrated System. A reduction in Software or Equipment quantities, or Services, may affect the overall Contract Price, including discounts if applicable. Fees for professional, SUA, and/or subscription services which are not included in the Contract Price may be listed and invoiced according to the pricing pages of the proposal, Exhibit C, or the applicable Addendum. For Customer's reference, the Federal Tax Identification Number for Motorola Solutions, Inc. is 36-1115800.

6.3. FREIGHT, TITLE, AND RISK OF LOSS. Motorola will pre-pay and add all freight charges to the invoices. Unless otherwise stated in the Equipment Lease-Purchase Agreement, title and risk of loss to the Equipment will pass to Customer upon shipment. Title to Software will not pass to Customer at any time. Motorola will pack and ship all Equipment in accordance with good commercial practices.

6.5. INVOICING AND SHIPPING ADDRESSES. Invoices will be sent to the Customer at the following address:
Name: City of High Point Accounts Payable
Address:_PO Box 230 High Point NC 27261
Phone:____
Email:____

The address which is the ultimate destination where the Equipment will be delivered to Customer is:
Name :SAME AS SHIP TO ADDRESS
Address:____

The Equipment will be shipped to the Customer at the following address (insert if this information is known): City of High Point
Communications& Info Service Depot
Name: Lee Stanley
Phone:__ 336 883-3404

Customer may change this information by giving written notice to Motorola.

Section 7 SITES AND SITE CONDITIONS

7.1. ACCESS TO SITES. In addition to its responsibilities described elsewhere in this Agreement, Customer will provide a designated project manager; all necessary construction and building permits, zoning variances, licenses, and any other approvals that are necessary to develop or use the sites and mounting locations; and access to the worksites or vehicles identified in Exhibit C as reasonably requested by Motorola so that it may perform its duties in accordance with the Performance Schedule and Statement of Work. If the Statement of Work so indicates, Motorola may assist Customer in the local building permit process.

7.2. SITE CONDITIONS. Customer will ensure that all work sites it provides will be safe, secure, and in compliance with all applicable industry and OSHA standards. To the extent applicable and unless the Statement of Work states to the contrary, Customer will ensure that these work sites have adequate: physical space; air conditioning and other environmental conditions; adequate and appropriate electrical power outlets, distribution, equipment and connections; and adequate telephone or other communication lines (including modem access and adequate interfacing networking capabilities), all for the installation, use and maintenance of the System. Before installing the Equipment or Software at a work site, Motorola may inspect the work site and advise Customer of any apparent deficiencies or non-conformities with the requirements of this Section. This Agreement is predicated upon normal soil conditions as defined by the version of E.I.A. standard RS-222 in effect on the Effective Date.

7.3. SITE ISSUES. If a Party determines that the sites identified in Exhibit C are no longer available or desired, or if subsurface, structural, adverse environmental or latent conditions at any site differ from those indicated in Exhibit C, the Parties will promptly investigate the conditions and will select replacement sites or adjust the installation plans and specifications as necessary. If change in sites or adjustment to the installation plans and specifications causes a change in the cost or time to perform, the Parties will equitably amend the Contract Price, Performance Schedule, or both, by a change order.

Section 8 TRAINING

Any training to be provided by Motorola to Customer will be described in the applicable Statement of Work. Customer will notify Motorola immediately if a date change for a scheduled training program is required. If Motorola incurs additional costs because Customer reschedules a training program less than thirty (30) days before its scheduled start date, Motorola may recover these additional costs.

Section 9 SYSTEM ACCEPTANCE

9.1. COMMENCEMENT OF ACCEPTANCE TESTING. Motorola will provide to Customer at least ten (10) days notice before the Acceptance Tests commence. System testing will occur only in accordance with the Acceptance Test Plan.

9.2. SYSTEM ACCEPTANCE. System Acceptance will occur upon successful completion of the Acceptance Tests. Upon System Acceptance, the Parties will memorialize this event by promptly executing a System Acceptance Certificate. If the Acceptance Test Plan includes separate tests for individual Subsystems or phases of the System, acceptance of the individual Subsystem or phase will occur upon the successful completion of the Acceptance Tests for the Subsystem or phase, and the Parties will promptly execute an acceptance certificate for the Subsystem or phase. If Customer believes the System has failed the completed Acceptance Tests, Customer will provide to Motorola a written notice that includes the specific details of the failure. If Customer does not provide to Motorola a failure notice within thirty (30) days after completion of the Acceptance Tests, System Acceptance will be deemed to have occurred as of the completion of the Acceptance Tests. Minor omissions or variances in the System that do not materially impair the operation of the System as a whole will not postpone System Acceptance or Subsystem acceptance, but will be corrected according to a mutually agreed schedule.

9.3. BENEFICIAL USE. Customer acknowledges that Motorola's ability to perform its implementation and testing responsibilities may be impeded if Customer begins using the System before System Acceptance. Therefore, Customer will not commence Beneficial Use before System Acceptance without Motorola's prior written authorization, which will not be unreasonably withheld. Motorola is not responsible for System performance deficiencies that occur during unauthorized Beneficial Use. Upon commencement of Beneficial Use, Customer assumes responsibility for the use and operation of the System.

9.4. FINAL PROJECT ACCEPTANCE. Final Project Acceptance will occur after System Acceptance when all deliverables and other work have been completed. When Final Project Acceptance occurs, the parties will promptly memorialize this final event by so indicating on the System Acceptance Certificate.

Section 10 REPRESENTATIONS AND WARRANTIES

10.1. SYSTEM FUNCTIONALITY. Motorola represents that the System will perform in accordance with the Specifications in all material respects. Upon System Acceptance or Beneficial Use, whichever occurs first, this System functionality representation is fulfilled. Motorola is not responsible for System performance deficiencies that are caused by ancillary equipment not furnished by Motorola which is attached to or used in connection with the System or for reasons or parties beyond Motorola's control, such as natural causes; the construction of a building that adversely affects the microwave path reliability or radio frequency (RF) coverage; the addition of frequencies at System sites that cause RF interference or intermodulation; or Customer changes to load usage or configuration outside the Specifications.

10.2. EQUIPMENT WARRANTY. During the Warranty Period, Motorola warrants that the Equipment under normal use and service will be free from material defects in materials and workmanship. If System Acceptance is delayed beyond six (6) months after shipment of the Equipment by events or causes beyond Motorola's control, this warranty expires eighteen (18) months after the shipment of the Equipment.

10.3. SOFTWARE WARRANTY. Except as described in the SwSP and unless otherwise stated in the Software License Agreement, during the Warranty Period, Motorola warrants the Software in accordance with the warranty terms set forth in the Software License Agreement and the provisions of this Section that are applicable to the Software. If System Acceptance is delayed beyond six (6) months after shipment of the Motorola Software by events or causes beyond Motorola's control, this warranty expires eighteen (18) months after the shipment of the Motorola Software. **Nothing in this Warranty provision is intended to conflict or modify the Software Support Policy. In the event of an ambiguity or conflict between the Software Warranty and Software Support Policy, the Software Support Policy governs.** TO THE EXTENT, IF ANY, THAT THERE IS A SEPARATE LICENSE AGREEMENT PACKAGED WITH, OR PROVIDED ELECTRONICALLY WITH, A PARTICULAR PRODUCT THAT BECOMES EFFECTIVE ON AN ACT OF ACCEPTANCE BY THE END USER, THEN THAT AGREEMENT SUPERSEDES THE SOFTWARE LICENSE AGREEMENT AS TO THE END USER OF EACH SUCH PRODUCT.

10.4. EXCLUSIONS TO EQUIPMENT AND SOFTWARE WARRANTIES. These warranties do not apply to: (i) defects or damage resulting from: use of the Equipment or Software in other than its normal, customary, and authorized manner; accident, liquids, neglect, or acts of God; testing, maintenance, disassembly, repair, installation, alteration, modification, or adjustment not provided or authorized in writing by Motorola; Customer's failure to comply with all applicable industry and OSHA standards; (ii) breakage of or damage to antennas unless caused directly by defects in material or workmanship; (iii) Equipment that has had the serial number removed or made illegible; (iv) batteries (because they carry their own separate limited warranty) or consumables; (v) freight costs to ship Equipment to the repair depot; (vi) scratches or other cosmetic damage to Equipment surfaces that does not affect the operation of the Equipment; and (vii) normal or customary wear and tear.

10.5. SERVICE WARRANTY. During the Warranty Period, Motorola warrants that the Services will be provided in a good and workman-like manner and will conform in all material respects to the applicable Statement of Work. Services will be free of defects in materials and workmanship for a period of ninety (90) days from the date the performance of the Services are completed. Customer acknowledges that the Deliverables may contain recommendations, suggestions or advice from Motorola to Customer (collectively, "recommendations"). Motorola makes no warranties concerning those recommendations, and Customer alone accepts responsibility for choosing whether and how to implement the recommendations and the results to be realized from implementing them.

10.6. WARRANTY CLAIMS. To assert a warranty claim, Customer must notify Motorola in writing of the claim before the expiration of the Warranty Period. Upon receipt of this notice, Motorola will investigate the warranty claim. If this investigation confirms a valid Equipment or Software warranty claim, Motorola will (at its option and at no additional charge to Customer) repair the defective Equipment or Motorola Software, replace it with the same or equivalent product, or refund the price of the defective Equipment or Motorola Software. These actions will be the full extent of Motorola's liability for the warranty claim. In the event of a valid Services warranty claim, Customer's sole remedy is to require Motorola to re-perform the non-conforming Service or to refund, on a pro-rata basis, the fees paid for the non-conforming Service. If this investigation indicates the warranty claim is not valid, then Motorola may invoice Customer for responding to the claim on a time and materials basis using Motorola's then current labor rates. Repaired or replaced product is warranted for the balance of the original applicable warranty period. All replaced products or parts will become the property of Motorola.

10.7. ORIGINAL END USER IS COVERED. These express limited warranties are extended by Motorola to the original user purchasing the System or Services for commercial, industrial, or governmental use only, and are not assignable or transferable.

10.8. DISCLAIMER OF OTHER WARRANTIES. THESE WARRANTIES ARE THE COMPLETE WARRANTIES FOR THE EQUIPMENT AND MOTOROLA SOFTWARE PROVIDED UNDER THIS AGREEMENT AND ARE GIVEN IN LIEU OF ALL OTHER WARRANTIES. MOTOROLA DISCLAIMS ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, AND FITNESS FOR A PARTICULAR PURPOSE.

Section 11 DELAYS

11.1. FORCE MAJEURE. Neither Party will be liable for its non-performance or delayed performance if caused by a Force Majeure. A Party that becomes aware of a Force Majeure that will significantly delay performance will notify the other Party promptly (but in no event later than fifteen days) after it discovers the Force Majeure. If a Force Majeure occurs, the Parties will execute a change order to extend the Performance Schedule or applicable Addenda for a time period that is reasonable under the circumstances.

11.2. PERFORMANCE SCHEDULE DELAYS CAUSED BY CUSTOMER. If Customer (including its other contractors) delays the Performance Schedule, it will make the promised payments according to the Equipment Lease-Purchase Agreement as if no delay occurred; and the Parties will execute a change order to extend the Performance Schedule, if any, and if requested, compensate Motorola for all reasonable charges incurred because of the delay. Delay charges may include costs incurred by Motorola or its subcontractors for additional freight, warehousing and handling of Equipment; extension of the warranties; travel; suspending and re-mobilizing the work; additional engineering, project management, and standby time calculated at then current rates; and preparing and implementing an alternative implementation plan.

Section 12 DISPUTES

The Parties will use the following procedure to address any dispute arising under this Agreement (a "Dispute").

12.1. GOVERNING LAW. This Agreement will be governed by and construed in accordance with the laws of the State of North Carolina.

12.2. NEGOTIATION. Either Party may initiate the Dispute resolution procedures by sending a notice of Dispute ("Notice of Dispute"). The Parties will attempt to resolve the Dispute promptly through good faith negotiations including 1) timely escalation of the Dispute to executives who have authority to settle the Dispute and who are at a higher level of management than the persons with direct responsibility for the matter and 2) direct communication between the executives. If the Dispute has not been resolved within ten (10) days from the Notice of Dispute, the Parties will proceed to mediation.

12.3. MEDIATION. The Parties will choose an independent mediator within thirty (30) days of a notice to mediate from either Party ("Notice of Mediation"). Neither Party may unreasonably withhold consent to the selection of a mediator. If the Parties are unable to agree upon a mediator, either Party may request that American Arbitration Association nominate a mediator. Each Party will bear its own costs of mediation, but the Parties will share the cost of the mediator equally. Each Party will participate in the mediation in good faith and will be represented at the mediation by a business executive with authority to settle the Dispute.

12.4. LITIGATION, VENUE and JURISDICTION. If a Dispute remains unresolved for sixty (60) days after receipt of the Notice of Mediation, either Party may then submit the Dispute to a court of competent jurisdiction in the state in which the System is installed. Each Party irrevocably agrees to submit to the exclusive jurisdiction of the courts in such state over any claim or matter arising under or in connection with this Agreement.

12.5. CONFIDENTIALITY. All communications pursuant to subsections 12.2 and 12.3 will be treated as compromise and settlement negotiations for purposes of applicable rules of evidence and any additional confidentiality protections provided by applicable law. The use of these Dispute resolution procedures will not be construed under the doctrines of laches, waiver or estoppel to affect adversely the rights of either Party.

Section 13 DEFAULT AND TERMINATION

13.1. DEFAULT BY A PARTY. If either Party fails to perform a material obligation under this Agreement, the other Party may consider the non-performing Party to be in default (unless a Force Majeure causes the failure) and may assert a default claim by giving the non-performing Party a written and detailed notice of default. Except for a default by Customer for failing to pay any amount when due under this Agreement which must be cured immediately, the defaulting Party will have thirty (30) days after receipt of the notice of default to either cure the default or, if the default is not curable within thirty (30) days, provide a written cure plan. The defaulting Party will begin implementing the cure plan immediately after receipt of notice by the other Party that it approves the plan. If Customer is the defaulting Party, Motorola may stop work on the project until it approves the Customer's cure plan.

13.2. FAILURE TO CURE. If a defaulting Party fails to cure the default as provided above in Section 13.1, unless otherwise agreed in writing, the non-defaulting Party may terminate any unfulfilled portion of this Agreement. In the event of termination for default, the defaulting Party will promptly return to the non-defaulting Party any of its Confidential Information. If Customer is the non-defaulting Party, terminates this Agreement as permitted by this Section, and completes the System through a third Party, Customer may as its exclusive remedy recover from Motorola reasonable costs incurred to complete the System to a capability not exceeding that specified in this Agreement less the unpaid portion of the Contract Price. Customer will mitigate damages and provide Motorola with detailed invoices substantiating the charges. In the event Customer elects to terminate this Agreement for any reason other than default, Customer shall pay Motorola for the conforming Equipment and/or Software delivered and all services performed.

Section 14 INDEMNIFICATION

14.1. GENERAL INDEMNITY BY Motorola. Motorola will indemnify and hold Customer harmless from any and all liability, expense, judgment, suit, cause of action, or demand for personal injury, death, or direct damage to tangible property which may accrue against Customer to the extent it is caused by the negligence of Motorola, its subcontractors, or their employees or agents, while performing their duties under this Agreement, if Customer gives Motorola prompt, written notice of any claim or suit. Customer will cooperate with Motorola in its defense or settlement of the claim or suit. This Section sets forth the full extent of Motorola's general indemnification of Customer from liabilities that are in any way related to Motorola's performance under this Agreement. Notwithstanding, this obligation does not apply if Motorola is entitled to immunity under the NG911 Act of 2012.

14.2. GENERAL INDEMNITY BY CUSTOMER. To the extent allowed by law, Customer will indemnify and hold Motorola harmless from any and all liability, expense, judgment, suit, cause of action, or demand for personal injury, death, or direct damage to tangible property which may accrue against Motorola to the extent it is caused by the negligence of Customer, its other contractors, or their employees or agents, while performing their duties under this Agreement, if Motorola gives Customer prompt, written notice of any the claim or suit. Motorola will cooperate with Customer in its defense or settlement of the claim or suit. This Section sets forth the full extent of Customer's general indemnification of Motorola from liabilities that are in any way related to Customer's performance under this Agreement.

14.3. PATENT AND COPYRIGHT INFRINGEMENT.

14.3.1. Motorola will defend at its expense any suit brought against Customer to the extent it is based on a third-party claim alleging that the Equipment manufactured by Motorola or the Motorola Software ("Motorola Product") directly infringes a United States patent or copyright ("Infringement Claim"). Motorola's duties to defend and indemnify are conditioned upon: Customer promptly notifying Motorola in writing of the Infringement Claim; Motorola having sole control of the defense of the suit and all negotiations for its settlement or compromise; and Customer providing to Motorola cooperation and, if requested by Motorola, reasonable assistance in the defense of the Infringement Claim. In addition to Motorola's obligation to defend, and subject to the same conditions, Motorola will pay all damages finally awarded against Customer by a court of competent jurisdiction for an Infringement Claim or agreed to, in writing, by Motorola in settlement of an Infringement Claim.

14.3.2 If an Infringement Claim occurs, or in Motorola's opinion is likely to occur, Motorola may at its option and expense: (a) procure for Customer the right to continue using the Motorola Product; (b) replace or modify the Motorola Product so that it becomes non-infringing while providing functionally equivalent performance; or (c) accept the return of the Motorola Product and grant Customer a credit for the Motorola Product, less a reasonable charge for depreciation. The depreciation amount will be calculated based upon generally accepted accounting standards.

14.3.3 Motorola will have no duty to defend or indemnify for any Infringement Claim that is based upon: (a) the combination of the Motorola Product with any software, apparatus or device not furnished by Motorola; (b) the use of ancillary equipment or software not furnished by Motorola and that is attached to or used in connection with the Motorola Product; (c) Motorola Product designed or manufactured in accordance with Customer's designs, specifications, guidelines or instructions, if the alleged infringement would not have occurred without such designs, specifications, guidelines or instructions; (d) a modification of the Motorola Product by a party other than Motorola; (e) use of the Motorola Product in a manner for which the Motorola Product was not designed or that is inconsistent with the terms of this Agreement; or (f) the failure by Customer to install an enhancement release to the Motorola Software that is intended to correct the claimed infringement. In no event will Motorola's liability resulting from its indemnity obligation to Customer extend in any way to royalties payable on a per use basis or the Customer's revenues, or any royalty basis other than a reasonable royalty based upon revenue derived by Motorola from Customer from sales or license of the infringing Motorola Product.

14.3.4. This Section 14 provides Customer's sole and exclusive remedies and Motorola's entire liability in the event of an Infringement Claim. Customer has no right to recover and Motorola has no obligation to provide any other or further remedies, whether under another provision of this Agreement or any other legal theory or principle, in connection with an Infringement Claim. In addition, the rights and remedies provided in this Section 14 are subject to and limited by the restrictions set forth in Section 15.

Section 15 LIMITATION OF LIABILITY

Except for personal injury or death, Motorola's total liability, whether for breach of contract, warranty, negligence, strict liability in tort, indemnification, or otherwise, will be limited to the direct damages recoverable under law, but not to exceed the price of the Equipment, Software, or implementation Services with respect to which losses or damages are claimed. With respect to all non-implementation Services and unless as otherwise provided under the applicable Addenda, Motorola's total liability will be limited to the direct damages recoverable under law, but not to exceed the price of twelve (12) months of Services preceding the incident giving rise to the claim. ALTHOUGH THE PARTIES ACKNOWLEDGE THE POSSIBILITY OF SUCH LOSSES OR DAMAGES, THEY AGREE THAT MOTOROLA WILL NOT BE LIABLE FOR ANY COMMERCIAL LOSS, INCONVENIENCE, LOSS OF USE, LOSS TIME, DATA, GOODWILL, REVENUES, PROFITS OR SAVINGS; OR OTHER SPECIAL, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES IN ANY WAY RELATED TO OR ARISING FROM THIS AGREEMENT, THE SALE OR USE OF THE EQUIPMENT OR SOFTWARE, OR THE PERFORMANCE OF SERVICES BY Motorola PURSUANT TO THIS AGREEMENT. This limitation of liability provision survives the expiration or termination of the Agreement and applies notwithstanding any contrary provision. No action for contract breach or otherwise relating to the transactions contemplated by this Agreement may be brought more than one (1) year after the accrual of the cause of action, except for money due upon an open account.

Section 16 CONFIDENTIALITY AND PROPRIETARY RIGHTS

16.1. CONFIDENTIAL INFORMATION.

16.1.1. Each party is a disclosing party ("Discloser") and a receiving party ("Recipient") under this Agreement. All Deliverables will be deemed to be Motorola's Confidential Information. To the extent allowed by law, and during the term of this Agreement and for a period of three (3) years from the expiration or termination of this Agreement, Recipient will (i) not disclose Confidential Information to any third party; (ii) restrict disclosure of Confidential Information to only those employees (including, but not limited to, employees of any wholly owned subsidiary, a parent company, any other wholly owned subsidiaries of the same parent company), agents or consultants who must be directly involved with the Confidential Information for the purpose and who are bound by confidentiality terms substantially similar to those in this Agreement; (iii) not copy, reproduce, reverse engineer, de-compile or disassemble any Confidential Information; (iv) use the same degree of care as for its own information of like importance, but at least use reasonable care, in safeguarding against disclosure of Confidential Information; (v) promptly notify Discloser upon discovery of any unauthorized use or disclosure of the Confidential Information and take reasonable steps to regain possession of the Confidential Information and prevent further unauthorized actions or other breach of this Agreement; and (vi) only use the Confidential Information as needed to fulfill this Agreement.

16.1.2. Recipient is not obligated to maintain as confidential, Confidential Information that Recipient can demonstrate by documentation (i) is now available or becomes available to the public without breach of this agreement; (ii) is explicitly approved for release by written authorization of Discloser; (iii) is lawfully obtained from a third party or parties without a duty of confidentiality; (iv) is known to the Recipient prior to such disclosure; or (v) is independently developed by Recipient without the use of any of Discloser's Confidential Information or any breach of this Agreement.

16.1.3. All Confidential Information remains the property of the Discloser and will not be copied or reproduced without the express written permission of the Discloser, except for copies that are absolutely necessary in order to fulfill this Agreement. Within ten (10) days of receipt of Discloser's written request, Recipient will return all Confidential Information to Discloser along with all copies and portions thereof, or certify in writing that all such Confidential Information has been destroyed. However, Recipient may retain one (1) archival copy of the Confidential Information that it may use only in case of a dispute concerning this Agreement. No license, express or implied, in the Confidential Information is granted other than to use the Confidential Information in the manner and to the extent authorized by this Agreement. The Discloser warrants that it is authorized to disclose any Confidential Information it discloses pursuant to this Agreement.

16.2. PRESERVATION OF MOTOROLA'S PROPRIETARY RIGHTS. Motorola, the third party manufacturer of any Equipment, and the copyright owner of any Non-Motorola Software own and retain all of their respective Proprietary Rights in the Equipment and Software, and nothing in this Agreement is intended to restrict their Proprietary Rights. All intellectual property developed, originated, or prepared by

Motorola in connection with providing to Customer the Equipment, Software, or related services remain vested exclusively in Motorola, and this Agreement does not grant to Customer any shared development rights of intellectual property. Except as explicitly provided in the Software License Agreement, Motorola does not grant to Customer, either directly or by implication, estoppel, or otherwise, any right, title or interest in Motorola's Proprietary Rights. Customer will not modify, disassemble, peel components, decompile, otherwise reverse engineer or attempt to reverse engineer, derive source code or create derivative works from, adapt, translate, merge with other software, reproduce, distribute, sublicense, sell or export the Software, or permit or encourage any third party to do so. The preceding sentence does not apply to Open Source Software which is governed by the standard license of the copyright owner.

16.3 VOLUNTARY DISCLOSURE. Except as required to fulfill its obligations under this Agreement, Motorola will have no obligation to provide Customer with access to its Confidential Information and/or proprietary information. Under no circumstances will Motorola be required to provide any data related to cost and pricing.

Section 17 GENERAL

17.1. TAXES. The Contract Price does not include any excise, sales, lease, use, property, or other taxes, assessments or duties, all of which will be paid by Customer except as exempt by law. If Motorola is required to pay any of these taxes, Motorola will send an invoice to Customer and Customer will pay to Motorola the amount of the taxes (including any interest and penalties) within thirty (30) days after the date of the invoice. Customer will be solely responsible for reporting the Equipment for personal property tax purposes, and Motorola will be solely responsible for reporting taxes on its income or net worth.

17.2. ASSIGNABILITY AND SUBCONTRACTING. Except as provided herein, neither Party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other Party, which consent will not be unreasonably withheld. Any attempted assignment, delegation, or transfer without the necessary consent will be void. Notwithstanding the foregoing, Motorola may assign this Agreement to any of its affiliates or its right to receive payment without the prior consent of Customer. In addition, in the event Motorola separates one or more of its businesses (each a "Separated Business"), whether by way of a sale, establishment of a joint venture, spin-off or otherwise (each a "Separation Event"), Motorola may, without the prior written consent of the other Party and at no additional cost to Motorola, assign this Agreement such that it will continue to benefit the Separated Business and its affiliates (and Motorola and its affiliates, to the extent applicable) following the Separation Event. Motorola may subcontract any of the work, but subcontracting will not relieve Motorola of its duties under this Agreement.

17.3. WAIVER. Failure or delay by either Party to exercise a right or power under this Agreement will not be a waiver of the right or power. For a waiver of a right or power to be effective, it must be in a writing signed by the waiving Party. An effective waiver of a right or power will not be construed as either a future or continuing waiver of that same right or power, or the waiver of any other right or power.

17.4. SEVERABILITY. If a court of competent jurisdiction renders any part of this Agreement invalid or unenforceable, that part will be severed and the remainder of this Agreement will continue in full force and effect.

17.5. INDEPENDENT CONTRACTORS. Each Party will perform its duties under this Agreement as an independent contractor. The Parties and their personnel will not be considered to be employees or agents of the other Party. Nothing in this Agreement will be interpreted as granting either Party the right or authority to make commitments of any kind for the other. This Agreement will not constitute, create, or be interpreted as a joint venture, partnership or formal business organization of any kind.

17.6. HEADINGS AND SECTION REFERENCES. The section headings in this Agreement are inserted only for convenience and are not to be construed as part of this Agreement or as a limitation of the scope of the particular section to which the heading refers. This Agreement will be fairly interpreted in accordance with its terms and conditions and not for or against either Party.

17.7. NOTICES. Notices required under this Agreement to be given by one Party to the other must be in writing and either personally delivered or sent to the address provided by the other Party by certified mail, return receipt requested and postage prepaid (or by a recognized courier service, such as Federal Express, UPS, or DHL), or by facsimile with correct answerback received, and will be effective upon receipt

17.8. COMPLIANCE WITH APPLICABLE LAWS. Each Party will comply with all applicable federal, state, and local laws, regulations and rules concerning the performance of this Agreement or use of the System. Customer will obtain and comply with all Federal Communications Commission ("FCC") licenses and authorizations required for the installation, operation and use of the System before the scheduled installation of the Equipment. Although Motorola might assist Customer in the preparation of its FCC license applications, neither Motorola nor any of its employees is an agent or representative of Customer in FCC or other matters.

17.9. AUTHORITY TO EXECUTE AGREEMENT. Each Party represents that it has obtained all necessary approvals, consents and authorizations to enter into this Agreement and to perform its duties under this Agreement; the person executing this Agreement on its behalf has the authority to do so; upon execution and delivery of this Agreement by the Parties, it is a valid and binding contract, enforceable in accordance with its terms; and the execution, delivery, and performance of this Agreement does not violate any bylaw, charter, regulation, law or any other governing authority of the Party.

17.10. ADMINISTRATOR LEVEL ACCOUNT ACCESS. If applicable to the type of System purchased by Customer, Motorola will provide Customer with Administrative User Credentials. Customer agrees to only grant access to the Administrative User Credentials to those personnel with the training and experience to correctly use them. Customer is responsible for protecting Administrative User Credentials from disclosure and maintaining Credential validity by, among other things, updating passwords when required. Customer may be asked to provide valid Administrative User Credentials when in contact with Motorola System support personnel. Customer understands that changes made as the Administrative User can significantly impact the performance of the System. Customer agrees that it will be solely responsible for any negative impact on the System or its users by any such changes. System issues occurring as a result of changes made using the Administrative User Credentials may impact Motorola's ability to perform Services or other obligations under the Agreement. In such cases, a revision to the appropriate provisions of the Agreement, including the Statement of Work, may be necessary. To the extent Motorola provides assistance to correct any issues caused by or arising out of the use of or failure to maintain Administrative User Credentials, Motorola will be entitled to bill Customer and Customer will pay Motorola on a time and materials basis for resolving the issue.

17.11. SURVIVAL OF TERMS. The following provisions will survive the expiration or termination of this Agreement for any reason: Section 3.6 (Motorola Software); Section 3.7 (Non-Motorola Software); if any payment obligations exist, Sections 6.1 and 6.2 (Contract Price and Invoicing and Payment); Subsection 10.8 (Disclaimer of Implied Warranties); Section 12 (Disputes); Section 15 (Limitation of Liability); and Section 16 (Confidentiality and Proprietary Rights); and all of the General provisions in Section 17.

17.12. ENTIRE AGREEMENT. This Agreement, including all Exhibits, constitutes the entire agreement of the Parties regarding the subject matter of the Agreement and supersedes all previous agreements, proposals, and understandings, whether written or oral, relating to this subject matter. This Agreement may be executed in multiple counterparts, and shall have the same legal force and effect as if the Parties had executed it as a single document. The Parties may sign in writing, or by electronic signature, including by email. An electronic signature, or a facsimile copy or computer image, such as a PDF or tiff image, of a signature, shall be treated as and shall have the same effect as an original signature. In addition, an electronic signature, a true and correct facsimile copy or computer image of this Agreement shall be treated as and shall have the same effect as an original signed copy of this document. This Agreement may be amended or modified only by a written instrument signed by authorized representatives of both Parties. The preprinted terms and conditions found on any Customer purchase or purchase order, acknowledgment or other form will not be considered an amendment or modification of this Agreement, even if a representative of each Party signs that document.

The Parties hereby enter into this Agreement as of the Effective Date.

Motorola Solutions, Inc.	**City of High Point**
By: ______________________________	By: ______________________________
Name: ___________________________	Name: ____________________________
Title: ____________________________	Title: _____________________________
Date: ____________________________	Date: ____________________________

Exhibit A

MOTOROLA SOFTWARE LICENSE AGREEMENT

This Exhibit A Motorola Software License Agreement ("Agreement") is between Motorola Solutions, Inc. (“Motorola") and City of High Point, North Carolina (“Licensee”). For good and valuable consideration, the parties agree as follows:

Section 1 DEFINITIONS

1.1 “Designated Products” means products provided by Motorola to Licensee with which or for which the Software and Documentation is licensed for use.

1.2 “Documentation” means product and software documentation that specifies technical and performance features and capabilities, and the user, operation and training manuals for the Software (including all physical or electronic media upon which such information is provided).

1.3 “Open Source Software” means software with either freely obtainable source code, license for modification, or permission for free distribution.

1.4 “Open Source Software License” means the terms or conditions under which the Open Source Software is licensed.

1.5 “Primary Agreement” means the agreement to which this exhibit is attached.

1.6 “Security Vulnerability” means a flaw or weakness in system security procedures, design, implementation, or internal controls that could be exercised (accidentally triggered or intentionally exploited) and result in a security breach such that data is compromised, manipulated or stolen or the system damaged.

1.7 “Software” (i) means proprietary software in object code format, and adaptations, translations, de-compilations, disassemblies, emulations, or derivative works of such software; (ii) means any modifications, enhancements, new versions and new releases of the software provided by Motorola; and (iii) may contain one or more items of software owned by a third party supplier. The term "Software" does not include any third party software provided under separate license or third party software not licensable under the terms of this Agreement.

Section 2 SCOPE

Motorola and Licensee enter into this Agreement in connection with Motorola's delivery of certain proprietary software or products containing embedded or pre-loaded proprietary software, or both. This Agreement contains the terms and conditions of the license Motorola is providing to Licensee, and Licensee’s use of the proprietary software and affiliated documentation.

Section 3 GRANT OF LICENSE

3.1. Subject to the provisions of this Agreement and the payment of applicable license fees, Motorola grants to Licensee a personal, limited, non-transferable (except as permitted in Section 7) and non-exclusive license under Motorola’s copyrights and Confidential Information (as defined in the Primary Agreement) embodied in the Software to use the Software, in object code form, and the Documentation solely in connection with Licensee's use of the Designated Products. This Agreement does not grant any rights to source code.

3.2. If the Software licensed under this Agreement contains or is derived from Open Source Software, the terms and conditions governing the use of such Open Source Software are in the Open Source Software Licenses of the copyright owner and not this Agreement. If there is a conflict between the terms and conditions of this Agreement and the terms and conditions of the Open Source Software Licenses governing Licensee's use of the Open Source Software, the terms and conditions of the license grant of the applicable Open Source Software Licenses will take precedence over the license grants in this Agreement. If requested by Licensee, Motorola will use commercially reasonable efforts to: (i) determine whether any Open Source Software is provided under this Agreement; and (ii) identify the Open Source Software (or specify where that license may be found).

Section 4 LIMITATIONS ON USE

4.1. Licensee may use the Software only for Licensee's internal business purposes and only in accordance with the Documentation. Any other use of the Software is strictly prohibited. Without limiting the general nature of these restrictions, Licensee will not make the Software available for use by third parties on a "time sharing," "application service provider," or "service bureau" basis or for any other similar commercial rental or sharing arrangement.

4.2. Licensee will not, and will not allow or enable any third party to: (i) reverse engineer, disassemble, peel components, decompile, reprogram or otherwise reduce the Software or any portion to a human perceptible form or otherwise attempt to recreate the source code; (ii) modify, adapt, create derivative works of, or merge the Software; (iii) copy, reproduce, distribute, lend, or lease the Software or Documentation to any third party, grant any sublicense or other rights in the Software or Documentation to any third party, or take any action that would cause the Software or Documentation to be placed in the public domain; (iv) remove, or in any way alter or obscure, any copyright notice or other notice of Motorola's proprietary rights; (v) provide, copy, transmit, disclose, divulge or make the Software or Documentation available to, or permit the use of the Software by any third party or on any machine except as expressly authorized by this Agreement; or (vi) use, or permit the use of, the Software in a manner that would result in the production of a copy of the Software solely by activating a machine containing the Software. Licensee may make one copy of Software to be used solely for archival, back-up, or disaster recovery purposes; *provided* that Licensee may not operate that copy of the Software at the same time as the original Software is being operated. Licensee may make as many copies of the Documentation as it may reasonably require for the internal use of the Software.

4.3. Unless otherwise authorized by Motorola in writing, Licensee will not, and will not enable or allow any third party to: (i) install a licensed copy of the Software on more than one unit of a Designated Product; or (ii) copy onto or transfer Software installed in one unit of a Designated Product onto one other device. Licensee may temporarily transfer Software installed on a Designated Product to another device if the Designated Product is inoperable or malfunctioning, if Licensee provides written notice to Motorola of the temporary transfer and identifies the device on which the Software is transferred. Temporary transfer of the Software to another device must be discontinued when the original Designated Product is returned to operation and the Software must be removed from the other device. Licensee must provide prompt written notice to Motorola at the time temporary transfer is discontinued.

4.4 Licensee will maintain, during the term of this Agreement and for a period of two years thereafter, accurate records relating to this license grant to verify compliance with this Agreement. Motorola or an independent third party ("Auditor") may inspect Licensee's premises, books and records, upon reasonable prior notice to Licensee, during Licensee's normal business hours and subject to Licensee's facility and security regulations. Motorola is responsible for the payment of all expenses and costs of the Auditor. Any information obtained by Motorola and the Auditor will be kept in strict confidence by Motorola and the Auditor and used solely for the purpose of verifying Licensee's compliance with the terms of this Agreement.

Section 5 OWNERSHIP AND TITLE

Motorola, its licensors, and its suppliers retain all of their proprietary rights in any form in and to the Software and Documentation, including, but not limited to, all rights in patents, patent applications, inventions, copyrights, trademarks, trade secrets, trade names, and other proprietary rights in or relating to the Software and Documentation (including any corrections, bug fixes, enhancements, updates, modifications, adaptations, translations, de-compilations, disassemblies, emulations to or derivative works from the Software or Documentation, whether made by Motorola or another party, or any improvements that result from Motorola's processes or, provision of information services). No rights are granted to Licensee under this Agreement by implication, estoppel or otherwise, except for those rights which are expressly granted to Licensee in this Agreement. All intellectual property developed, originated, or prepared by Motorola in connection with providing the Software, Designated Products, Documentation or related services, remains vested exclusively in Motorola, and Licensee will not have any shared development or other intellectual property rights.

Section 6 LIMITED WARRANTY; DISCLAIMER OF WARRANTY

6.1. Unless otherwise stated in the Primary Agreement, the commencement date and the term of the Software warranty will be a period of ninety (90) days from Motorola's shipment of the Software (the "Warranty Period"). If Licensee is not in breach of any of its obligations under this Agreement, Motorola warrants that the unmodified Software, when used properly and in accordance with the Documentation and this Agreement, will be free from a reproducible defect that eliminates the functionality or successful operation of a feature critical to the primary functionality or successful operation of the Software. Whether a defect occurs will be determined by Motorola solely with reference to the Documentation. Motorola does not warrant that Licensee's use of the Software or the Designated Products will be uninterrupted, error-free, completely free of Security Vulnerabilities, or that the Software or the Designated Products will meet Licensee's particular requirements. Motorola makes no representations or warranties with respect to any third party software included in the Software. Notwithstanding, any warranty provided by a copyright owner in its standard license terms will flow through to Licensee for third party software provided by Motorola.

6.2 Motorola's sole obligation to Licensee and Licensee's exclusive remedy under this warranty is to use reasonable efforts to remedy any material Software defect covered by this warranty. These efforts will involve either replacing the media or attempting to correct significant, demonstrable program or documentation errors or Security Vulnerabilities. If Motorola cannot correct the defect within a reasonable time, then at Motorola's option, Motorola will replace the defective Software with functionally-equivalent Software, license to Licensee substitute Software which will accomplish the same objective, or terminate the license and refund the Licensee's paid license fee.

6.3. Warranty claims are described in the Primary Agreement.

6.4. The express warranties set forth in this Section 6 are in lieu of, and Motorola disclaims, any and all other warranties (express or implied, oral or written) with respect to the Software or Documentation, including, without limitation, any and all implied warranties of condition, title, non-infringement, merchantability, or fitness for a particular purpose or use by Licensee (whether or not Motorola knows, has reason to know, has been advised, or is otherwise aware of any such purpose or use), whether arising by law, by reason of custom or usage of trade, or by course of dealing. In addition, Motorola disclaims any warranty to any person other than Licensee with respect to the Software or Documentation.

Section 7 TRANSFERS

Licensee will not transfer the Software or Documentation to any third party without Motorola's prior written consent. Motorola's consent may be withheld at its discretion and may be conditioned upon transferee paying all applicable license fees and agreeing to be bound by this Agreement. If the Designated Products are Motorola's radio products and Licensee transfers ownership of the Motorola radio products to a third party, Licensee may assign its right to use the Software (other than CPS and Motorola's FLASHport® software) which is embedded in or furnished for use with the radio products and the related Documentation; *provided* that Licensee transfers all copies of the Software and Documentation to the transferee, and Licensee and the transferee sign a transfer form to be provided by Motorola upon request, obligating the transferee to be bound by this Agreement.

Section 8 TERM AND TERMINATION

8.1 Licensee's right to use the Software and Documentation will begin when the Primary Agreement is signed by both parties and will continue for the life of the Designated Products with which or for which the Software and Documentation have been provided by Motorola, unless Licensee breaches this Agreement, in which case this Agreement and Licensee's right to use the Software and Documentation may be terminated immediately upon notice by Motorola.

8.2 Within thirty (30) days after termination of this Agreement, Licensee must certify in writing to Motorola that all copies of the Software have been removed or deleted from the Designated Products and that all copies of the Software and Documentation have been returned to Motorola or destroyed by Licensee and are no longer in use by Licensee.

8.3 Licensee acknowledges that Motorola made a considerable investment of resources in the development, marketing, and distribution of the Software and Documentation and that Licensee's breach of this Agreement will result in irreparable harm to Motorola for which monetary damages would be inadequate. If Licensee breaches this Agreement, Motorola may terminate this Agreement and be entitled to all available remedies at law or in equity (including immediate injunctive relief and repossession of all non-embedded Software and associated Documentation unless Licensee is a Federal agency of the United States Government).

Section 9 Commercial Computer Software

9.1 *This Section 9 only applies to U.S. Government end users.* The Software, Documentation and updates are commercial items as that term is defined at 48 C.F.R. Part 2.101, consisting of "commercial computer software" and "computer software documentation" as such terms are defined in 48 C.F.R. Part 252.227-7014(a)(1) and 48 C.F.R. Part 252.227-7014(a)(5), and used in 48 C.F.R. Part 12.212 and 48 C.F.R. Part 227.7202, as applicable. Consistent with 48 C.F.R. Part 12.212, 48 C.F.R. Part 252.227-7015, 48 C.F.R. Part 227.7202-1 through 227.7202-4, 48 C.F.R. Part 52.227-19, and other relevant sections of the Code of Federal Regulations, as applicable, the Software, Documentation and Updates are distributed and licensed to U.S. Government end users: (i) only as commercial items, and (ii) with only those rights as are granted to all other end users pursuant to the terms and conditions contained herein.

9.2 If Licensee is licensing Software for end use by the United States Government or a United States Government agency, Licensee may transfer such Software license, but only if: (i) Licensee transfers all copies of such Software and Documentation to such United States Government entity or interim transferee, and (ii) Licensee has first obtained from the transferee (if applicable) and ultimate end user an enforceable end user license agreement containing restrictions substantially identical to the ones contained in this Agreement. Except as stated in the foregoing, Licensee and any transferee(s) authorized by this subsection 9.2 may not otherwise use or transfer or make available any Motorola software to any third party nor permit any party to do so.

Section 10 CONFIDENTIALITY

Licensee acknowledges that the Software and Documentation contain Motorola's valuable proprietary and Confidential Information and are Motorola's trade secrets, and that the provisions in the Primary Agreement concerning Confidential Information apply.

Section 11 LIMITATION OF LIABILITY

The Limitation of Liability provision is described in the Primary Agreement.

Section 12 NOTICES

Notices are described in the Primary Agreement.

Section 13 GENERAL

13.1. COPYRIGHT NOTICES. The existence of a copyright notice on the Software will not be construed as an admission or presumption of publication of the Software or public disclosure of any trade secrets associated with the Software.

13.2. COMPLIANCE WITH LAWS. Licensee acknowledges that the Software is subject to the laws and regulations of the United States and Licensee will comply with all applicable laws and regulations, including export laws and regulations of the United States. Licensee will not, without the prior authorization of Motorola and the appropriate governmental authority of the United States, in any form export or re-export, sell or resell, ship or reship, or divert, through direct or indirect means, any item or technical data or direct or indirect products sold or otherwise furnished to any person within any territory for which the United States Government or any of its agencies at the time of the action, requires an export license or other governmental approval. Violation of this provision is a material breach of this Agreement.

13.3. ASSIGNMENTS AND SUBCONTRACTING. Motorola may assign its rights or subcontract its obligations under this Agreement, or encumber or sell its rights in any Software, without prior notice to or consent of Licensee.

13.4. GOVERNING LAW. This Agreement is governed by the laws of the United States to the extent that they apply and otherwise by the internal substantive laws of the State of North Carolina. The terms of the U.N. Convention on Contracts for the International Sale of Goods do not apply. In the event that the Uniform Computer Information Transaction Act, any version of this Act, or a substantially similar law (collectively "UCITA") becomes applicable to a party's performance under this Agreement, UCITA does not govern any aspect of this Agreement or any license granted under this Agreement, or any of the parties' rights or obligations under this Agreement. The governing law will be that in effect prior to the applicability of UCITA.

13.5. THIRD PARTY BENEFICIARIES. This Agreement is entered into solely for the benefit of Motorola and Licensee. No third party has the right to make any claim or assert any right under this Agreement, and no third party is deemed a beneficiary of this Agreement. Notwithstanding the foregoing, any licensor or supplier of third party software included in the Software will be a direct and intended third party beneficiary of this Agreement.

13.6. SURVIVAL. Sections 4, 5, 6.4, 7, 8, 9, 10, 11 and 13 survive the termination of this Agreement.

13.7. ORDER OF PRECEDENCE. In the event of inconsistencies between this Exhibit and the Primary Agreement, the parties agree that this Exhibit prevails, only with respect to the specific subject matter of this Exhibit, and not the Primary Agreement or any other exhibit as it applies to any other subject matter.

13.8 SECURITY. Motorola uses reasonable means in the design and writing of its own Software and the acquisition of third party Software to limit Security Vulnerabilities. While no software can be guaranteed to be free from Security Vulnerabilities, if a Security Vulnerability is discovered, Motorola will take the steps set forth in Section 6 of this Agreement.

EXHIBIT B

Motorola's Proposal dated September __, 2019, fully incorporated herein by reference

Exhibit C
EQUIPMENT LEASE PURCHASE AGREEMENT DELIVERY AND ACCEPTANCE CERTIFICATE

The undersigned Lessee hereby acknowledges receipt of the Equipment described below ("Equipment") and Lessee hereby accepts the Equipment after full inspection thereof as satisfactory for all purposes of lease Schedule A to the Equipment Lease Purchase Agreement executed by Lessee (Customer) and Lessor.

Equipment Lease Purchase Agreement No.: ______________

Lease Schedule A No. : ______________

EQUIPMENT INFORMATION

QUANTITY	MODEL NUMBER	EQUIPMENT DESCRIPTION
		Equipment referenced in lease Schedule A# _______________. See Schedule A for a detailed Equipment List.

LESSEE/CUSTOMER:

By: ______________________________________

Title:______________________________________

Date: ____________________________________

Please complete this form and send a copy via US mail or email to:
Motorola Solutions Credit Company LLC
Attn: Bill Stancik, Finance Manager | 500 W. Monroe, 44th Floor | Chicago, IL 60661
Email: bill.stancik@motorolasolutions.com | Telephone: (847) 538-4531

Exhibit D

System Acceptance Certificate

Customer Name: City of High Point

Project Name: Motorola P25 Core

This System Acceptance Certificate memorializes the occurrence of System Acceptance. Motorola and Customer acknowledge that:

1. The Acceptance Tests set forth in the Acceptance Test Plan have been successfully completed.
2. The System is accepted.

Customer Representative:

Signature: ______________________________

Print Name: _____________________________

Title: __________________________________

Date: __________________________________

Motorola Representative:

Signature: ______________________________

Print Name: _____________________________

Title: __________________________________

Date: __________________________________

FINAL PROJECT ACCEPTANCE:
Motorola has provided and Customer has received all deliverables, and Motorola has performed all other work required for Final Project Acceptance.

Customer Representative:

Signature: ______________________________

Print Name: _____________________________

Title: __________________________________

Date: __________________________________

Motorola Representative:

Signature: ______________________________

Print Name: _____________________________

Title: __________________________________

Date: __________________________________

MOTOROLA *SOLUTIONS*

11/5/19

City of High Point
211 S. Hamilton Street
High Point NC 27261

RE: Municipal Lease # 24716

Enclosed for your review, please find the **Municipal Lease** documentation in connection with the [radio equipment] to be leased from Motorola. The interest rate and payment streams outlined in Equipment Lease-Purchase Agreement #24716 are valid for contracts that are executed and returned to Motorola on or before **November 25, 2019**. After **11/25/19**, the Lessor reserves the option to re-quote and re-price the transaction based on current market interest rates.

Please have the documents executed where indicated and forward the documents to the following address:

Motorola Solutions Credit Company LLC
Attn: Bill Stancik / 44th Floor
500 W. Monroe
Chicago IL 60661

Should you have any questions, please contact me at 847-538-4531.

Thank You,

MOTOROLA SOLUTIONS CREDIT COMPANY LLC
Bill Stancik

LESSEE FACT SHEET

Please help Motorola provide excellent billing service by providing the following information:

1. Complete Billing Address City of High Point

   ____

   E-mail Address: ____________________

   Attention: ____________________

   Phone: ____________________

2. Lessee County Location: ____________________

3. Federal Tax I.D. Number ____________________

4. Purchase Order Number to be referenced on invoice (if necessary) or other "descriptions" that may assist in determining the applicable cost center or department: ____________________

5. Equipment description that you would like to appear on your invoicing: ____________________

Appropriate Contact for Documentation / System Acceptance Follow-up:

6. Appropriate Contact & Mailing Address ____________________

   ____

   ____

   ____

   Phone: ____________________

   Fax: ____________________

7. Payment remit to address: **Motorola Solutions Credit Company LLC**
   P.O. Box 71132
   Chicago IL 60694-1132

Thank you

EQUIPMENT LEASE-PURCHASE AGREEMENT

Lease Number: 24716

LESSEE:

City of High Point
211 S. Hamilton Street
High Point NC 27261

LESSOR:

Motorola Solutions, Inc.
500 W. Monroe
Chicago IL 60661

Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor, the equipment and/or software described in Schedule A attached hereto ("Equipment") in accordance with the following terms and conditions of this Equipment Lease-Purchase Agreement ("Lease").

1. TERM. This Lease will become effective upon the execution hereof by Lessor. The Term of this Lease will commence on date specified in Schedule A attached heretoand unless terminated according to terms hereof or the purchase option, provided in Section 18, is exercised this Lease will continue until the Expiration Date set forth in Schedule B attached hereto ("Lease Term").

2. RENT. Lessee agrees to pay to Lessor or its assignee the Lease Payments (herein so called), including the interest portion , in the amounts specified in Schedule B. The Lease Payments will be payable without notice or demand at the office of the Lessor (or such other place as Lessor or its assignee may from time to time designate in writing), and will commence on the first Lease Payment Date as set forth in Schedule B and thereafter on each of the Lease Payment Dates set forth in Schedule B. Any payments received later than ten (10) days from the due date will bear interest at the highest lawful rate from the due date. Except as specifically provided in Section 5 hereof, the Lease Payments will be absolute and unconditional in all events and will not be subject to any set-off, defense, counterclaim, or recoupment for any reason whatsoever. Lessee reasonably believes that funds can be obtained sufficient to make all Lease Payments during the Lease Term and hereby covenants that a request for appropriation for funds from which the Lease Payments may be made will be requested each fiscal period, including making provisions for such payment to the extent necessary in each budget submitted for the purpose of obtaining funding. It is Lessee's intent to make Lease Payment for the full Lease Term if funds are legally available therefor and in that regard Lessee represents that the Equipment will be used for one or more authorized governmental or proprietary functions essential to its proper, efficient and economic operation.

3. DELIVERY AND ACCEPTANCE. Lessor will cause the Equipment to be delivered to Lessee at the location specified in Schedule A ("Equipment Location"). Lessee will accept the Equipment as soon as it has been delivered and is operational. Lessee will evidence its acceptance of the Equipment either (a) by executing and delivering to Lessor a Delivery and Acceptance Certificate in the form provided by Lessor; or (b) by executing and delivering the form of acceptance provided for in the Contract (defined below).

Even if Lessee has not executed and delivered to Lessor a Delivery and Acceptance Certificate or other form of acceptance acceptable to Lessor, if Lessor believes the Equipment has been delivered and is operational, Lessor may require Lessee to notify Lessor in writing (within five (5) days of Lessee's receipt of Lessor's request) whether or not Lessee deems the Equipment (i) to have been delivered and (ii) to be operational, and hence be accepted by Lessee. If Lessee fails to so respond in such five (5) day period, Lessee will be deemed to have accepted the Equipment and be deemed to have acknowledged that the Equipment was delivered and is operational as if Lessee had in fact executed and delivered to Lessor a Delivery and Acceptance Certificate or other form acceptable to Lessor.

4. REPRESENTATIONS AND WARRANTIES. Lessor acknowledges that the Equipment leased hereunder is being manufactured and installed by Lessor pursuant to contract (the "Contract") covering the Equipment. Lessee acknowledges that on or prior to the date of acceptance of the Equipment, Lessor intends to sell and assign Lessor's right, title and interest in and to this Agreement and the Equipment to an assignee ("Assignee").

LESSEE FURTHER ACKNOWLEDGES THAT EXCEPT AS EXPRESSLY SET FORTH IN THE CONTRACT, LESSOR MAKES NO EXPRESS OR IMPLIED WARRANTIES OF ANY NATURE OR KIND WHATSOEVER, AND AS BETWEEN LESSEE AND THE ASSIGNEE, THE PROPERTY SHALL BE ACCEPTED BY LESSEE "AS IS" AND "WITH ALL FAULTS". LESSEE AGREES TO SETTLE ALL CLAIMS DIRECTLY WITH LESSOR AND WILL NOT ASSERT OR SEEK TO ENFORCE ANY SUCH CLAIMS AGAINST THE ASSIGNEE. NEITHER LESSOR NOR THE ASSIGNEE SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY CHARACTER AS A RESULT OF THE LEASE OF THE EQUIPMENT, INCLUDING WITHOUT LIMITATION, LOSS OF PROFITS, PROPERTY DAMAGE OR LOST PRODUCTION WHETHER SUFFERED BY LESSEE OR ANY THIRD PARTY.

Lessor is not responsible for, and shall not be liable to Lessee for damages relating to loss of value of the Equipment for any cause or situation (including, without limitation, governmental actions or regulations or actions of other third parties).

5. NON-APPROPRIATION OF FUNDS. Notwithstanding anything contained in this Lease to the contrary, Lessee has the right to not appropriate funds to make Lease Payments required hereunder in any fiscal period and in the event no funds are appropriated or in the event funds appropriated by Lessee's governing body or otherwise available by any lawful means whatsoever in any fiscal period of Lessee for Lease Payments or other amounts due under this Lease are insufficient therefor, this Lease shall terminate on the last day of the fiscal period for which appropriations were received without penalty or expense to Lessee of any kind whatsoever, except as to the portions of Lease Payments or other amounts herein agreed upon for which funds shall have been appropriated and budgeted or are otherwise available. The Lessee will immediately notify the Lessor or its Assignee of such occurrence. In the event of such termination, Lessee agrees to peaceably surrender possession of the Equipment to Lessor or its Assignee on the date of such termination, packed for shipment in accordance with manufacturer specifications and freight prepaid and insured to any location in the continental United States designated by Lessor. Lessor will have all legal and equitable rights and remedies to take possession of the Equipment. Non-appropriation of funds shall not constitute a default hereunder for purposes of Section 16.

6. LESSEE CERTIFICATION. Lessee represents, covenants and warrants that: (i) Lessee is a state or a duly constituted political subdivision or agency of the state of the Equipment Location; (ii) the interest portion of the Lease Payments shall be excludable from Lessor's gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as it may be amended from time to time (the "Code"); (iii) the execution, delivery and performance by the Lessee of this Lease have been duly authorized by all necessary action on the part of the Lessee; (iv) this Lease constitutes a legal, valid and binding obligation of the Lessee enforceable in accordance with its terms; (v) Lessee will comply with the information reporting requirements of Section 149(e) of the Internal Revenue Code of 1986 (the "Code"), and such compliance shall include but not be limited to the execution of information statements requested by Lessor; (vi) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, the Lease to be an arbitrage bond within the meaning of Section 148(a) of the Code; (vii) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, this Lease to be a private activity bond within the meaning of Section 141(a) of the Code; (viii) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, the interest portion of the Lease Payment to be or become includible in gross income for Federal income taxation purposes under the Code; and (ix) Lessee will be the only entity to own, use and operate the Equipment during the Lease Term.

Lessee represents, covenants and warrants that: (i) it will do or cause to be done all things necessary to preserve and keep the Lease in full force and effect, (ii) it has complied with all laws relative to public bidding where necessary, and (iii) it has sufficient appropriations or other funds available to pay all amounts due hereunder for the current fiscal period.

If Lessee breaches the covenant contained in this Section, the interest component of Lease Payments may become includible in gross income of the owner or owners thereof for federal income tax purposes. In such event, notwithstanding anything to the contrary contained in Section 11 of this Agreement, Lessee agrees to pay promptly after any such determination of taxability and on each Lease Payment date thereafter to Lessor an additional amount determined by Lessor to compensate such owner or owners for the loss of such excludibility (including, without limitation, compensation relating to interest expense, penalties or additions to tax), which determination shall be conclusive (absent manifest error). Notwithstanding anything herein to the contrary, any additional amount payable by Lessee pursuant to this Section 6 shall be payable solely from Legally Available Funds.

It is Lessor's and Lessee's intention that this Agreement not constitute a "true" lease for federal income tax purposes and, therefore, it is Lessor's and Lessee's intention that Lessee be considered the owner of the Equipment for federal income tax purposes.

7. TITLE TO EQUIPMENT; SECURITY INTEREST. Upon shipment of the Equipment to Lessee hereunder, title to the Equipment will vest in Lessee subject to any applicable license; provided, however, that (i) in the event of termination of this Lease by Lessee pursuant to Section 5 hereof; (ii) upon the occurrence of an Event of Default hereunder, and as long as such Event of Default is continuing; or (iii) in the event that the purchase option has not been exercised prior to the Expiration Date, title will immediately vest in Lessor or its Assignee, and Lessee shall immediately discontinue use of the Equipment, remove the Equipment from Lessee's computers and other electronic devices and deliver the Equipment to Lessor or its Assignee. In order to secure all of its obligations hereunder, Lessee hereby (i) grants to Lessor a first and prior security interest in any and all right, title and interest of Lessee in the Equipment and in all additions, attachments, accessions, and substitutions thereto, and on any proceeds therefrom; (ii) agrees that this Lease may be filed as a financing statement evidencing such security interest; and (iii) agrees to execute and deliver all financing statements, certificates of title and other instruments necessary or appropriate to evidence such security interest.

8. USE; REPAIRS. Lessee will use the Equipment in a careful manner for the use contemplated by the manufacturer of the Equipment and shall comply with all laws, ordinances, insurance policies, the Contract, any licensing or other agreement, and regulations relating to, and will pay all costs, claims, damages, fees and charges arising out of the possession, use or maintenance of the Equipment. Lessee, at its expense will keep the Equipment in good repair and furnish and/or install all parts, mechanisms, updates, upgrades and devices required therefor.

9. ALTERATIONS. Lessee will not make any alterations, additions or improvements to the Equipment without Lessor's prior written consent unless such alterations, additions or improvements may be readily removed without damage to the Equipment.

10. LOCATION; INSPECTION. The Equipment will not be removed from, [or if the Equipment consists of rolling stock, its permanent base will not be changed from] the Equipment Location without Lessor's prior written consent which will not be unreasonably withheld. Lessor will be entitled to enter upon the Equipment Location or elsewhere during reasonable business hours to inspect the Equipment or observe its use and operation.

11. LIENS AND TAXES. Lessee shall keep the Equipment free and clear of all levies, liens and encumbrances except those created under this Lease. Lessee shall pay, when due, all charges and taxes (local, state and federal) which may now or hereafter be imposed upon the ownership, licensing, leasing, rental, sale, purchase, possession or use of the Equipment, excluding however, all taxes on or measured by Lessor's income. If Lessee fails to pay said charges and taxes when due, Lessor shall have the right, but shall not be obligated, to pay said charges and taxes. If Lessor pays any charges or taxes, Lessee shall reimburse Lessor therefor within ten days of written demand.

12. RISK OF LOSS: DAMAGE; DESTRUCTION. Lessee assumes all risk of loss or damage to the Equipment from any cause whatsoever, and no such loss of or damage to the Equipment nor defect therein nor unfitness or obsolescence thereof shall relieve Lessee of the obligation to make Lease Payments or to perform any other obligation under this Lease. In the event of damage to any item of Equipment, Lessee will immediately place the same in good repair with the proceeds of any insurance recovery applied to the cost of such repair. If Lessor determines that any item of Equipment is lost, stolen, destroyed or damaged beyond repair (an "Event of Loss") , Lessee at the option of Lessor will: either (a) replace the same with like equipment in good repair; or (b) on the next Lease Payment date, pay Lessor the sum of : (i) all amounts then owed by Lessee to Lessor under this Lease, including the Lease payment due on such date; and (ii) an amount equal to all remaining Lease Payments to be paid during the Lease Term as set forth in Schedule B.

In the event that Lessee is obligated to make such payment with respect to less than all of the Equipment, Lessor will provide Lessee with the pro rata amount of the Lease Payment and the Balance Payment (as set forth in Schedule B) to be made by Lessee with respect to that part of the Equipment which has suffered the Event of Loss.

13. INSURANCE. Lessee will, at its expense, maintain at all times during the Lease Term, fire and extended coverage, public liability and property damage insurance with respect to the Equipment in such amounts, covering such risks, and with such insurers as shall be satisfactory to Lessor, or, with Lessor's prior written consent, Lessee may self-insure against any or all such risks. All insurance covering loss of or damage to the Equipment shall be carried in an amount no less than the amount of the then applicable Balance Payment with respect to such Equipment. The initial amount of insurance required is set forth in Schedule B. Each insurance policy will name Lessee as an insured and Lessor or it's Assigns as an additional insured, and will contain a clause requiring the insurer to give Lessor at least thirty (30) days prior written notice of any alteration in the terms of such policy or the cancellation thereof. The proceeds of any such policies will be payable to Lessee and Lessor or it's Assigns as their interests may appear. Upon acceptance of the Equipment and upon each insurance renewal date, Lessee will deliver to Lessor a certificate evidencing such insurance. In the event that Lessee has been permitted to self-insure, Lessee will furnish Lessor with a letter or certificate to such effect. In the event of any loss, damage, injury or accident involving the Equipment, Lessee will promptly provide Lessor with written notice thereof and make available to Lessor all information and documentation relating thereto.

14. INDEMNIFICATION. Lessee shall, to the extent permitted by law, indemnify Lessor against, and hold Lessor harmless from, any and all claims, actions, proceedings, expenses, damages or liabilities, including attorneys' fees and court costs, arising in connection with the Equipment, including, but not limited to, its selection, purchase, delivery, licensing, possession, use, operation, rejection, or return and the recovery of claims under insurance policies thereon.

15. ASSIGNMENT. Without Lessor's prior written consent, Lessee will not either (i) assign, transfer, pledge, hypothecate, grant any security interest in or otherwise dispose of this Lease or the Equipment or any interest in this Lease or the Equipment or; (ii) sublet or lend the Equipment or permit it to be used by anyone other than Lessee or Lessee's employees. Lessor may assign its rights, title and interest in and to this Lease, the Equipment and any documents executed with respect to this Lease and/or grant or assign a security interest in this Lease and the Equipment, in whole or in part. Any such assignees shall have all of the rights of Lessor under this Lease. Subject to the foregoing, this Lease inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

Lessee covenants and agrees not to assert against the Assignee any claims or defenses by way of abatement, setoff, counterclaim, recoupment or the like which Lessee may have against Lessor. No assignment or reassignment of any Lessor's right, title or interest in this Lease or the Equipment shall be effective unless and until Lessee shall have received a notice of assignment, disclosing the name and address of each such assignee; provided, however, that if such assignment is made to a bank or trust company as paying or escrow agent for holders of certificates of participation in the Lease, it shall thereafter be sufficient that a copy of the agency agreement shall have been deposited with Lessee until Lessee shall have been advised that such agency agreement is no longer in effect. During the Lease Term Lessee shall keep a complete and accurate record of all such assignments in form necessary to comply with Section 149(a) of the Code, and the regulations, proposed or existing, from time to time promulgated thereunder. No further action will be required by Lessor or by Lessee to evidence the assignment, but Lessee will acknowledge such assignments in writing if so requested.

After notice of such assignment, Lessee shall name the Assignee as additional insured and loss payee in any insurance policies obtained or in force. Any Assignee of Lessor may reassign this Lease and its interest in the Equipment and the Lease Payments to any other person who, thereupon, shall be deemed to be Lessor's Assignee hereunder.

16. EVENT OF DEFAULT. The term "Event of Default", as used herein, means the occurrence of any one or more of the following events: (i) Lessee fails to make any Lease Payment (or any other payment) as it becomes due in accordance with the terms of the Lease when funds have been appropriated sufficient for such purpose, and any such failure continues for ten (10) days after the due date thereof; (ii) Lessee fails to perform or observe any other covenant, condition, or agreement to be performed or observed by it hereunder and such failure is not cured within twenty (20) days after written notice thereof by Lessor; (iii) the discovery by Lessor that any statement, representation, or warranty made by Lessee in this Lease or in writing delivered by Lessee pursuant hereto or in connection herewith is false, misleading or erroneous in any material respect; (iv) proceedings under any bankruptcy, insolvency, reorganization or similar legislation shall be instituted against or by Lessee, or a receiver or similar officer shall be appointed for Lessee or any of its property, and such proceedings or appointments shall not be vacated, or fully stayed, within twenty (20) days after the institution or occurrence thereof; or (v) an attachment, levy or execution is threatened or levied upon or against the Equipment.

17. REMEDIES. Upon the occurrence of an Event of Default, and as long as such Event of Default is continuing, Lessor may, at its option, exercise any one or more of the following remedies: (i) by written notice to Lessee, declare all amounts then due under the Lease, and all remaining Lease Payments due during the fiscal period in effect when the default occurs to be immediately due and payable, whereupon the same shall become immediately due and payable; (ii) by written notice to Lessee, request Lessee to (and Lessee agrees that it will), at Lessee's expense, promptly discontinue use of the Equipment, remove the Equipment from all of Lessee's computers and electronic devices, return the Equipment to Lessor in the manner set forth in Section 5 hereof, or Lessor, at its option, may enter upon the premises where the Equipment is located and take immediate possession of and remove the same; (iii) sell or lease the Equipment or sublease it for the account of Lessee, holding Lessee liable for all Lease Payments and other amounts due prior to the effective date of such selling, leasing or subleasing and for the difference between the purchase price, rental and other amounts paid by the purchaser, Lessee or sublessee pursuant to such sale, lease or sublease and the amounts payable by Lessee hereunder; (iv) promptly return the Equipment to Lessor in the manner set forth in Section 5 hereof; and (v) exercise any other right, remedy or privilege which may be available to it under applicable laws of the state of the Equipment Location or any other applicable law or proceed by appropriate court action to enforce the terms of the Lease or to recover damages for the breach of this Lease or to rescind this Lease as to any or all of the Equipment. In addition, Lessee will remain liable for all covenants and indemnities under this Lease and for all legal fees and other costs and expenses, including court costs, incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor.

18. PURCHASE OPTION. Upon thirty (30) days prior written notice from Lessee to Lessor, and provided that no Event of Default has occurred and is continuing, or no event, which with notice or lapse of time, or both could become an Event of Default, then exists, Lessee will have the right to purchase the Equipment on the Lease Payment dates set forth in Schedule B by paying to Lessor, on such date, the Lease Payment then due together with the Balance Payment amount set forth opposite such date. Upon satisfaction by Lessee of such purchase conditions, Lessor will transfer any and all of its right, title and interest in the Equipment to Lessee as is, without warranty, express or implied, except that the Equipment is free and clear of any liens created by Lessor.

19. NOTICES. All notices to be given under this Lease shall be made in writing and mailed by certified mail, return receipt requested, to the other party at its address set forth herein or at such address as the party may provide in writing from time to time. Any such notice shall be deemed to have been received five days subsequent to such mailing.

20. SECTION HEADINGS. All section headings contained herein are for the convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

21. GOVERNING LAW. This Lease shall be construed in accordance with, and governed by the laws of, the state of the Equipment Location.

22. DELIVERY OF RELATED DOCUMENTS. Lessee will execute or provide, as requested by Lessor, such other documents and information as are reasonably necessary with respect to the transaction contemplated by this Lease.

23. ENTIRE AGREEMENT; WAIVER. This Lease, together with Schedule A Equipment Lease-Purchase Agreement, Schedule B, Evidence of Insurance, Statement of Essential Use/Source of Funds, Certificate of Incumbency, Certified Lessee Resolution (if any), Information Return for Tax-Exempt Governmental Obligations and the Delivery and Acceptance Certificate and other attachments hereto, and other documents or instruments executed by Lessee and Lessor in connection herewith, constitutes the entire agreement between the parties with respect to the Lease of the Equipment, and this Lease shall not be modified, amended, altered, or changed except with the written consent of Lessee and Lessor. Any provision of the Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of the Lease.

The waiver by Lessor of any breach by Lessee of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach thereof.

24. EXECUTION IN COUNTERPARTS. This Lease may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the _____ day of November 2019.

LESSEE:	**LESSOR:**
City of High Point	**MOTOROLA SOLUTIONS, INC.**
By:_________________________	By:_____________________________
Title:_______________________	Title: Treasurer

CERTIFICATE OF INCUMBENCY

I, ____________________________________ do hereby certify that I am the duly elected or
(Printed Name of Secretary/Clerk)
appointed and acting Secretary or Clerk of the City of High Point, an entity duly organized and existing under the laws of the **State of North Carolina** that I have custody of the records of such entity, and that, as of the date hereof, the individual(s) executing this agreement is/are the duly elected or appointed officer(s) of such entity holding the office(s) below his/her/their respective name(s). I further certify that (i) the signature(s) set forth above his/her/their respective name(s) and title(s) is/are his/her/their true and authentic signature(s) and (ii) such officer(s) have the authority on behalf of such entity to enter into that certain Equipment Lease Purchase Agreement number**24716**, between City of High Point and Motorola Solutions, Inc. If the initial insurance requirement on Schedule B exceeds $1,000,000,attached as part of the Equipment Lease Purchase Agreement is a Certified Lessee Resolution adopted by the governing body of the entity.

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of City of High Point, hereto this ______ day of November 2019.

By: ____________________________________ SEAL
(Signature of Secretary/Clerk)

OPINION OF COUNSEL

With respect to that certain Equipment Lease-Purchase Agreement 24716 by and between Motorola Solutions, Inc. and the Lessee, I am of the opinion that: (i) the Lessee is, within the meaning of Section 103 of the Internal Revenue Code of 1986, a state or a fully constituted political subdivision or agency of the State of the Equipment Location described in Schedule A hereto; (ii) the execution, delivery and performance by the Lessee of the Lease have been duly authorized by all necessary action on the part of the Lessee, (III) the Lease constitutes a legal, valid and binding obligation of the Lessee enforceable in accordance with its terms; and (iv) Lessee has sufficient monies available to make all payments required to be paid under the Lease during the current fiscal year of the Lease, and such monies have been properly budgeted and appropriated for this purpose in accordance with State law. This opinion may be relied upon by the Lessor and any assignee of the Lessor's rights under the Lease.

____

Attorney for City of High Point

SCHEDULE A
EQUIPMENT LEASE-PURCHASE AGREEMENT

Schedule A Lease Number: **24716**

This Equipment Schedule is hereby attached to and made a part of that certain Equipment Lease-Purchase Agreement Number **24716** ("Lease"), between Lessor and Lessee.

Lessor hereby leases to Lessee under and pursuant to the Lease, and Lessee hereby accepts and leases from Lessor under and pursuant to the Lease, subject to and upon the terms and conditions set forth in the Lease and upon the terms set forth below, the following items of Equipment

QUANTITY	DESCRIPTION (Manufacturer, Model, and Serial Nos.)
	Refer to attached Equipment List.
Equipment Location:	

Initial Term: 36 Months

Commencement Date: **December 1 2019**
First Payment Due Date: **December 1, 2020**

3 annual payments as outlined in the attached Schedule B, plus Sales/Use Tax of $0.00, payable on the Lease Payment Dates set forth in Schedule B.

SECTION 3

EQUIPMENT LIST

This section lists the equipment necessary for the proposed solution.

QTY	NOMENCLATURE	DESCRIPTION
1	SQM01SUM0323	ASTRO MASTER SITE
1	CA03515AA	ADD: NEW ZONE CORE
1	CA03512AB	ADD: REDUNDANCY
1	CA03507AA	ADD: RACK
3	UA00153AB	ADD: P25 FDMA TRUNKING OPERATION SITE
4	UA00156AA	ADD: MCC7500 CONSOLE LICENSES (QTY 5)
4	UA00152AA	ADD:500 RADIO USER LICENSES
1	UA00664AA	ADD:500 VISITING RADIO USER LICENSES
1	UA00147AA	ADD: PROVISIONING MANAGER
2	UA00141AA	ADD: ZONEWATCH GRID & CTRL
2	UA00149AA	ADD: RADIO CONTROL MANAGER
20	CA02193AA	ADD: ANTI-MALWARE DEF UPDATE LIC
1	DSTS453BE4GUS	NAS SERVER: QNAP J3455 QUAD CORE BAY DRIVE WITH 4 SEAGATE HDD 64MB
20	T7885	MCAFEE WINDOWS AV CLIENT
30	T7449	WINDOWS SUPPLEMENTAL TRANS CONFIG
2	SQM01SUM0205	GGM 8000 GATEWAY
2	CA01616AA	ADD: AC POWER
1	DLN8006	FRU: DL380 G10 POWER SUPPLY
1	DLN8007	FRU: DL380 G10 FAN
1	DLN6942	1.2 TB HARD DRIVE
1	DLN8014	FRU: DAS 4525 POWER SUPPLY
1	DLN8015	FRU: DAS 4525 CONTROLLER MODUL
1	DLN8017	FRU: 600GB HARD DRIVE, DAS 452
1	CLN1869	2930F 48-PORT SWITCH
1	CLN1868	2930F 24-PORT SWITCH
1	T8493	EDGE ROUTER & FIREWALL AC
1	CA03445AA	ADD: MISSION CRITICAL HARDENING
1	CA03448AA	ADD: STATEFUL FIREWALL
1	DSATENCL1008M	DSATENCL1008M 8 PORT LCD KVM
8	DS2L5206P	ATEN 20FT KVM CABLE DB15M TO PS2/VGA
1	F4544	SITE MANAGER ADVANCED
1	VA00872	ADD: SDM FW CURR ASTRO REL
1	V266	ADD: 90VAC TO 260VAC PS TO SM
2	DSRMP615A	SPD, TYPE 3, 120V RACK MOUNT, 15A PLUG-IN W/ (6) 15A NEMA 5-15 OUTLETS

QTY	NOMENCLATURE	DESCRIPTION
1	TT3225	Z2 MINI WORKSTATION (NON RETURNABLE)
1	DSF2B56AA	USB EXTERNAL DVD DRIVE
1	DSTG191B	TECH GLOBAL EVOLUTION SERIES 19INCH NON TOUCH
1	T8597	ASTRO 2019.1 CLIENT

City of High Point (Schedule B)

Compound Period:	Monthly
Nominal Annual Rate:	3.570%

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Lease	12/1/2019	$ 550,663.26	1		
2	Lease Payment	12/1/2020	$ 197,035.02	3	Annual	12/1/2022

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Lease Payment	Interest	Principal	Balance
Lease	12/1/2019				$550,663.26
1	12/1/2020	$ 197,035.02	$ 19,983.50	$177,051.52	$373,611.74
2	12/1/2021	$ 197,035.02	$ 13,558.32	$183,476.70	$190,135.04
3	12/1/2022	$ 197,035.02	$ 6,899.98	$190,135.04	$ -
Grand Totals		$ 591,105.06	$ 40,441.80	$550,663.26	

INITIAL INSURANCE REQUIREMENT: $550,663.26

Except as specifically provided in Section five of the Lease hereof, Lessee agrees to pay to Lessor or its assignee the Lease Payments, including the interest portion, in the amounts and dates specified in the above payment schedule.

EVIDENCE OF INSURANCE

Fire, extended coverage, public liability and property damage insurance for all of the Equipment listed on Schedule A number **24716** to that Equipment Lease Purchase Agreement number **24716** will be maintained by the City of High Point as stated in the Equipment Lease Purchase Agreement.

This insurance is provided by:

____
Name of insurance provider

____
Address of insurance provider

____
City, State and Zip Code

____
Phone number of local insurance provider

____
E-mail address

In accordance with the Equipment Lease Purchase Agreement Number **24716** , City of High Point , hereby certifies that following coverage are or will be in full force and effect:

Type	Amount	Effective Date	Expiration Date	Policy Number
Fire and Extended Coverage	________	________	________	______________
Property Damage	________	________	________	______________
Public Liability	________	________	________	______________

Certificate shall include the following:
Description: All Equipment listed on Schedule A number 24716 to that Equipment Lease Purchase Agreement number 24716. Please include equipment cost equal to the Initial Insurance Requirement on Schedule B to Equipment Lease Purchase Agreement number 24716 and list any deductibles.

Certificate Holder:
MOTOROLA SOLUTIONS, INC. and or its assignee as additional insured and loss payee
1303 E. Algonquin Road
Schaumburg, IL 60196

If self insured, contact Motorola representative for template of self insurance letter.

STATEMENT OF ESSENTIAL USE/SOURCE OF FUNDS

To further understand the essential governmental use intended for the equipment together with an understanding of the sources from which payments will be made, please address the following questions by completing this form or by sending a separate letter:

1. What is the specific use of the equipment?

2. Why is the equipment essential to the operation of **City of High Point?**

3. Does the equipment replace existing equipment?

   If so, why is the replacement being made?

4. Is there a specific cost justification for the new equipment?

   If yes, please attach outline of justification.

5. What is the expected source of funds for the payments due under the Lease for the current fiscal year and future fiscal years?

CERTIFIED LESSEE RESOLUTION

At a duly called meeting of the Governing Body of the Lessee (as defined in the Lease 24716) held on ***November*** ______ ***2019,*** the following resolution was introduced and adopted. BE IT RESOLVED by the Governing Board of Lessee as follows:

1. Determination of Need. The Governing Body of Lessee has determined that a true and very real need exists for the acquisition of the Equipment or other personal property described in the Lease between City of High Point(Lessee) and Motorola Solutions, Inc. (Lessor).

2. Approval and Authorization. The Governing body of Lessee has determined that the Lease, substantially in the form presented to this meeting, is in the best interests of the Lessee for the acquisition of such Equipment or other personal property, and the Governing Board hereby approves the entering into of the Lease by the Lessee and hereby designates and authorizes the following person(s) referenced in the Lease to execute and deliver the Lease on Lessee's behalf with such changes thereto as such person deems appropriate, and any related documents, including any escrow agreement, necessary to the consummation of the transactions contemplated by the Lease.

3. Adoption of Resolution. The signatures in the Lease from the designated individuals for the Governing Body of the Lessee evidence the adoption by the Governing Body of this Resolution.

Form **8038-G** (Rev. September 2018) Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Governmental Bonds

▶ Under Internal Revenue Code section 149(e)
▶ See separate instructions.
Caution: *If the issue price is under $100,000, use Form 8038-GC.*
▶ Go to *www.irs.gov/F8038G* for instructions and the latest information.

OMB No. 1545-0720

Part I Reporting Authority

If **Amended Return**, check here ▶ ☐

1 Issuer's name: City of High Point	2 Issuer's employer identification number (EIN)
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)	3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address): 211 S. Hamilton Street — Room/suite:	5 Report number (*For IRS Use Only*) 3
6 City, town, or post office, state, and ZIP code: High Point NC 27261	7 Date of issue: 12/1/2019
8 Name of issue: Equipment Lease-Purchase Agreement 24716	9 CUSIP number
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)	10b Telephone number of officer or other employee shown on 10a

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11	Education	11	
12	Health and hospital	12	
13	Transportation	13	
14	Public safety	14	550,663.26
15	Environment (including sewage bonds)	15	
16	Housing	16	
17	Utilities	17	
18	Other. Describe ▶	18	
19a	If bonds are TANs or RANs, check only box 19a ▶ ☐		
b	If bonds are BANs, check only box 19b ▶ ☐		
20	If bonds are in the form of a lease or installment sale, check box ▶ ☑		

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	12/1/22	$ 550,663.26	$ 550,663.26	3 years	3.57 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	
23	Issue price of entire issue (enter amount from line 21, column (b))			23	550,663.26
24	Proceeds used for bond issuance costs (including underwriters' discount)	24			
25	Proceeds used for credit enhancement	25			
26	Proceeds allocated to reasonably required reserve or replacement fund	26			
27	Proceeds used to refund prior tax-exempt bonds. Complete Part V	27			
28	Proceeds used to refund prior taxable bonds. Complete Part V	28			
29	Total (add lines 24 through 28)			29	
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	550,663.26

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded ▶ ______ years
32 Enter the remaining weighted average maturity of the taxable bonds to be refunded ▶ ______ years
33 Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY) ▶ ______
34 Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions	36a	
b	Enter the final maturity date of the GIC ▶ (MM/DD/YYYY) ______		
c	Enter the name of the GIC provider ▶ ______		
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	

38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the following information:

b Enter the date of the master pool bond ▶ (MM/DD/YYYY) ______

c Enter the EIN of the issuer of the master pool bond ▶ ______

d Enter the name of the issuer of the master pool bond ▶ ______

39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box . . . . ▶ ☐

40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box . . . . . ▶ ☐

41a If the issuer has identified a hedge, check here ▶ ☐ and enter the following information:

b Name of hedge provider ▶ ______

c Type of hedge ▶ ______

d Term of hedge ▶ ______

42 If the issuer has superintegrated the hedge, check box . . . . . ▶ ☐

43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box . . . . . ▶ ☐

44 If the issuer has established written procedures to monitor the requirements of section 148, check box . . . . . ▶ ☐

45a If some portion of the proceeds was used to reimburse expenditures, check here ▶ ☐ and enter the amount of reimbursement . . . . . ▶ ______

b Enter the date the official intent was adopted ▶ (MM/DD/YYYY)

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

▶ Signature of issuer's authorized representative	Date	▶ Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

EQUIPMENT LEASE PURCHASE AGREEMENT DELIVERY AND ACCEPTANCE CERTIFICATE

The undersigned Lessee hereby acknowledges receipt of the Equipment described below ("Equipment") and Lessee hereby accepts the Equipment after full inspection thereof as satisfactory for all purposes of lease Schedule A to the Equipment Lease Purchase Agreement executed by Lessee and Lessor.

Equipment Lease Purchase Agreement No.: 24716 Lease Schedule A No. : 24716

EQUIPMENT INFORMATION

QUANTITY	MODEL NUMBER	EQUIPMENT DESCRIPTION
		Equipment referenced in lease Schedule A# 24716. See Schedule A for a detailed Equipment List.

LESSEE:

City of High Point

By: ______________________________

Date: ______________________________

CITY OF HIGH POINT
AGENDA ITEM

Title: Motorola Radio System Core Purchase Capital Lease Budget Amendment

From: Laura Mason Altizer
Budget and Performance Manager

Meeting Date: November 18, 2019

Public Hearing: No

Advertising Date / Advertised By:

Attachments: Budget Amendment

PURPOSE:
The City needs to purchase a System Core from Motorola for the 800 MhZ Radio System. The System Core will be purchased with a capital lease. A budget amendment is needed to account for the capital lease.

BACKGROUND:
Information Technology Services is recommending the City of High Point purchase a radio system core from Motorola for the 800 MhZ radio system at a purchase price of $550,663. The City is currently utilizing a system core owned by Guilford County and the City of Greensboro and paying a utilization cost of $207,000 per year.

Generally accepted accounting principles (GAAP) require that certain leases be capitalized and receive specialized accounting treatment. When a lease is capitalized, it requires budgetary authorization, similar to a purchase of capital equipment. The attached ordinance allows the Motorola System Core to be capitalized and does not authorize additional spending.

BUDGET IMPACT:
Budgeted expenses associated with capitalizing leases are equal to the associated accounting revenue recognized by entering into the lease. Lease payments have been appropriated in the annual operating budget.

RECOMMENDATION / ACTION REQUESTED:
Staff recommends approval of the attached budget ordinance amendment which will allow the proper accounting of the capital lease.

“AN ORDINANCE AMENDING THE 2019-2020 BUDGET ORDINANCE
OF THE CITY OF HIGH POINT, NORTH CAROLINA
TO APPROPRIATE CAPITAL LEASE FUNDS FOR A MOTOROLA SYSTEM CORE

Be it ordained by the City Council of the City of High Point, North Carolina, as follows:

Section 1. The City of High Point has determined it is in the City’s best interest to acquire and operate a commercial front loading refuse collection truck. The City intends to borrow the funds required for the purchase through an installment financing contract, the proceeds from which need to be appropriated for use.

Section 2. The 2019-2020 Budget Ordinance of the City of High Point, should be amended as follows:

(A) That the Central Services Fund revenues be increased:

Lease Financing Proceeds	$560,663

(B) That the Central Services Fund expenditures be increased:

Motorola System Core	$560,663

Section 3. That all ordinances, or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict.

Section 4. That this ordinance shall be effective from and after its passage."

Adopted November 18, 2019