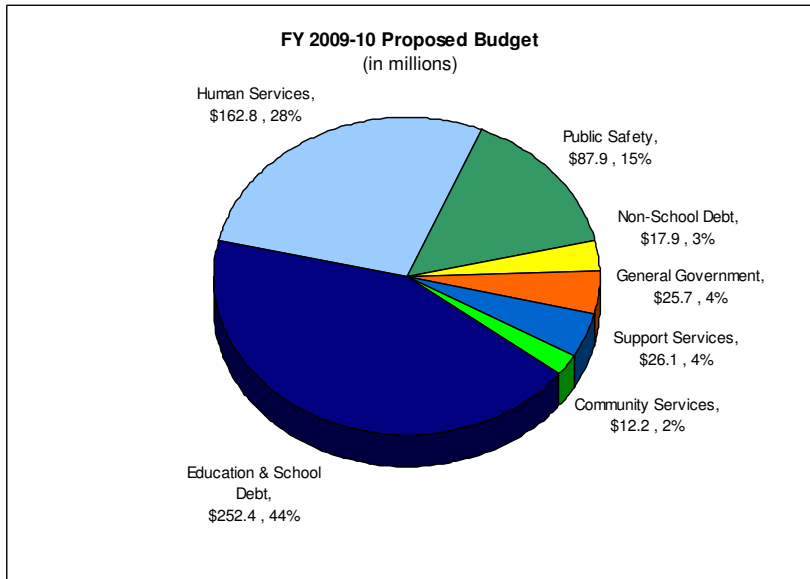


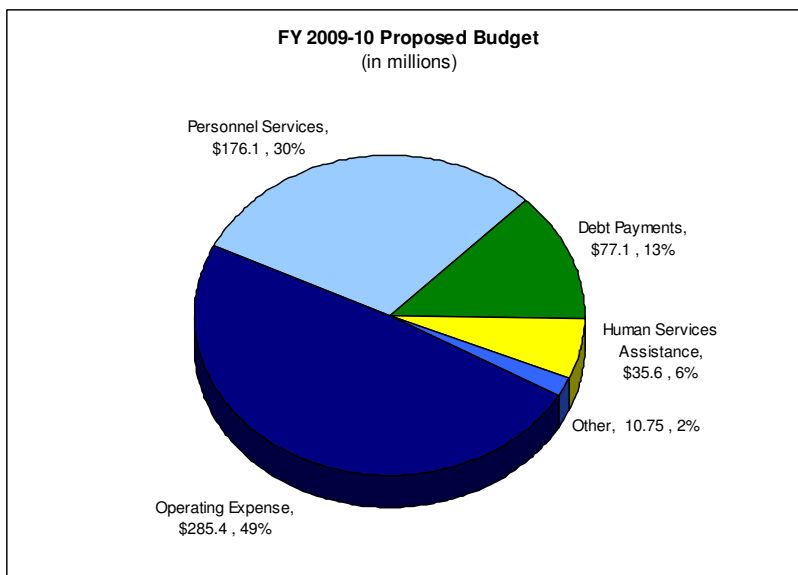
General Fund Expenditures

Proposed expenditures for the General Fund for FY 2009-10 total \$585,010,815. This is \$1.1 million less (-0.2%) less than the budget approved for FY 2008-09. Education and School Debt expenditures will account for 44% of the total expense budget next fiscal year. Human Services and Public Safety services, the next largest expenditure categories, will account for 28% and 15% of expenses, respectively. Together, these three categories comprise 87% of the total operating budget.

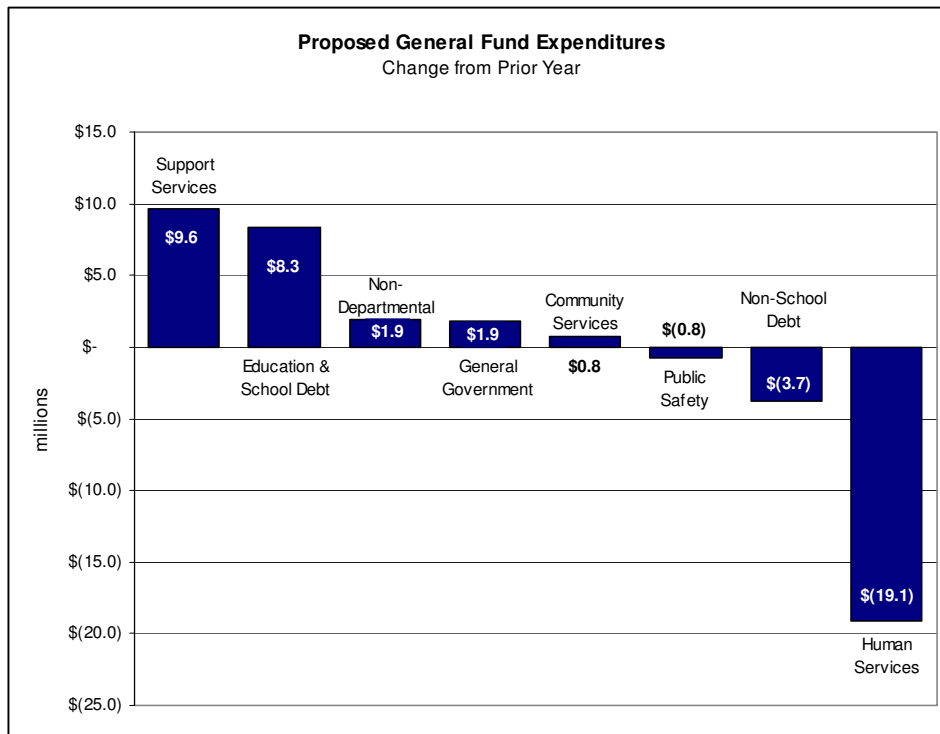


The largest increase in the proposed budget is for the County's contribution to the County Building and Construction Fund for future capital needs. The budget proposes allocating \$10.1 million to future capital needs. The last time future capital needs funding was included was in FY 2006-07. In addition, the budget includes new debt service for voter-approved general obligation bonds for school and college facilities, parks, and a new Greensboro detention facility. The County issued \$164,600,000 of bonds for these purposes in January 2009. An additional \$262,800,000 will be issued in December 2009 for the same purposes.

These increases will be partially offset by the elimination of the County's share of Medicaid expenses in the Human Services category, as well as the elimination of 79 positions during the current year as a result of recommendations by the Vacancy Committee and the spring Reduction in Force action implemented because of poor economic conditions.



Personnel Services account for 30% of all General Fund expenditures. Operating Expenses, which include the appropriations to the Guilford County Schools and Guilford Technical Community College, represent 49% of total expenditures. Other expenditures are Debt Payments (13%), including payments on voter-approved general obligation bonds, Human Services Assistance (6%), and Other/Transfers between departments and funds (2%).



Education and School Debt

\$252,361,641

Guilford County will spend over \$252 million in FY 2009-10 on Education and voter-approved school debt. This category of expenditure will increase by 3.4%, or \$8.34 million, next year. At 44%, Education and School Debt account for the largest category of General Fund expenditures.

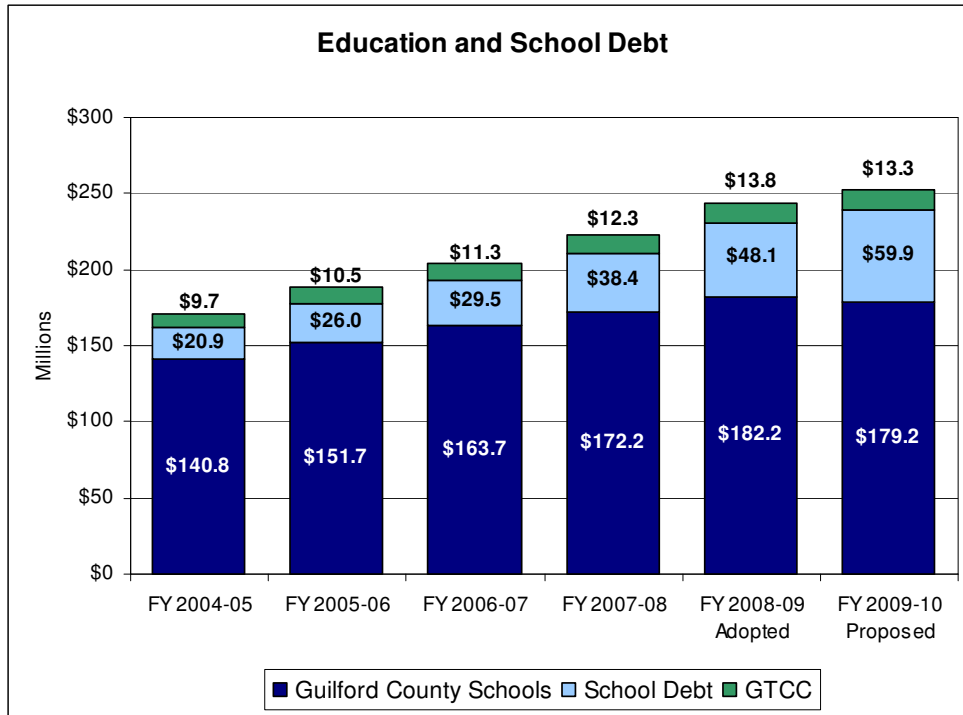
Although public education is primarily a responsibility of the state, all counties are required to fund a portion of the operating and capital expenses for local public schools and community college systems. Most counties appropriate a substantial portion of their budget to support Education programs.

For public school systems, the General Statutes require that the following categories be provided for mainly from local funds:

- Buildings, furniture, and apparatus
- Garage and maintenance equipment for school buses
- Liability insurance
- Maintenance of plant
- Site acquisition
- Furnishing of superintendent’s office
- School building supplies
- Water supply and sewerage facilities

For community college systems, counties are required to fund maintenance and repairs to buildings and equipment, rent, utilities, costs of custodians, insurance, legal fees, vehicles and vehicle maintenance, grounds maintenance, land acquisition, and facility construction.

Guilford County appropriates funds for other items beyond the legal mandates. For instance, the County provides funds for educator salary supplements to encourage teachers to work in Guilford County and pays for locally-paid positions and programs to respond to local needs.



Department	FY 2008	FY 2009	FY 2009	FY 2010	Change vs. Adopted		
	Actual	Adopted	Amended	Proposed	\$	%	
Guilford County Schools							
Operating	\$165,165,521	\$175,165,521	\$175,165,521	\$175,165,521	\$0	0.0%	
Capital Outlay*	\$7,000,000	\$7,000,000	\$7,000,000	\$4,000,000	(\$3,000,000)	-42.9%	
Debt Service*	\$38,392,580	\$48,107,660	\$48,107,660	\$59,943,430	\$11,835,770	24.6%	
	<u>\$210,558,101</u>	<u>\$230,273,181</u>	<u>\$230,273,181</u>	<u>\$239,108,951</u>	<u>\$8,835,770</u>	<u>3.8%</u>	
Guilford Technical Community College (GTCC)							
Operating	\$10,791,328	\$11,752,690	\$11,752,690	\$11,752,690	\$0	0.0%	
Capital Outlay*	\$1,500,000	\$2,000,000	\$2,000,000	\$1,500,000	(\$500,000)	-25.0%	
Debt Service		<i>accounted for in other general county debt</i>					
	<u>\$12,291,328</u>	<u>\$13,752,690</u>	<u>\$13,752,690</u>	<u>\$13,252,690</u>	<u>(\$500,000)</u>	<u>-3.6%</u>	
Total	\$222,849,429	\$244,025,871	\$244,025,871	\$252,361,641	\$8,335,770	3.4%	

Guilford County Schools & School Debt

The FY 2009-10 Budget for the Guilford County Schools (GCS) includes nearly \$179.2 million in direct support for local education expenditures, including \$175.2 million for annual operating expenses and \$4 million for operating capital needs. The budget proposes no increase in the operating allocation to GCS and recommends reducing the capital allocation from \$7 million to \$4 million because of the additional bond funds recently approved by Guilford County voters. The budget also includes over \$59.9 million in debt service for voter-approved school bond debt.

Guilford Technical Community College

The allocation for Guilford Technical Community College (GTCC) is just over \$13.2 million, representing a decrease of \$500,000 from last fiscal year. This includes \$11.75 million in operating funds (no change) and \$1.5 million (-\$500,000) for capital needs. The capital allocation to GTCC reflects the historical funding level. Last year, GTCC received an additional \$500,000 of one-time funds for infrastructure improvements for the new northwest campus.

The budget also includes debt service for college facilities. These debt service amounts are included in the Non-Schools Debt section of this summary.

Human Services

\$162,812,538

Guilford County's Human Services programs are designed to promote health lifestyles, prevent and control disease, protect the welfare of children, and ensure that residents who are unable to provide for themselves and their families have access to health care, employment training, and other social services activities. Guilford County is mandated by various state and federal laws to provide and fund many of these activities.

Guilford County will spend \$162.8 million on Human Services expenditures next fiscal year, a decrease of \$19.1 million, or 10.5%. Human Services is the second largest expenditure category and accounts for 28% of proposed General Fund expenditures for FY 2009-10. Departments in this category include Public Health, the Guilford Center (Mental Health), the Department of Social Services, Human Services Transportation, and the county's share of expenses for mandated public assistance programs.

Department	FY 2008	FY 2009	FY 2009	FY 2010	Change vs. Adopted	
	Actual	Adopted	Amended	Proposed	\$	%
Child Support Enforcement	\$5,669,705	\$6,119,393	\$6,119,746	\$5,911,225	(\$208,168)	-3.4%
Coordinated Services	\$1,349,984	\$655,919	\$1,332,808	\$1,298,318	\$642,399	97.9%
Medical Assistance	\$19,024,749	\$14,337,670	\$14,337,670	\$2,500,000	(\$11,837,670)	-82.6%
Mental Health	\$36,472,660	\$42,055,037	\$43,259,240	\$41,095,895	(\$959,142)	-2.3%
Public Health	\$36,124,028	\$39,504,684	\$39,236,474	\$37,462,401	(\$2,042,283)	-5.2%
Social Services	\$68,025,039	\$72,341,577	\$73,514,289	\$69,725,972	(\$2,615,605)	-3.6%
Special Assistance To Adults	\$3,380,040	\$3,560,016	\$3,560,016	\$3,379,183	(\$180,833)	-5.1%
Temp Asst Needy Families	\$11,959	\$15,000	\$25,000	\$20,000	\$5,000	33.3%
Transportation-Human Serv	\$2,704,652	\$3,207,479	\$3,208,497	\$1,312,814	(\$1,894,665)	-59.1%
Veteran Services	\$98,924	\$113,184	\$113,285	\$106,730	(\$6,454)	-5.7%
Total	\$172,861,739	\$181,909,959	\$184,707,025	\$162,812,538	(\$19,097,421)	-10.5%

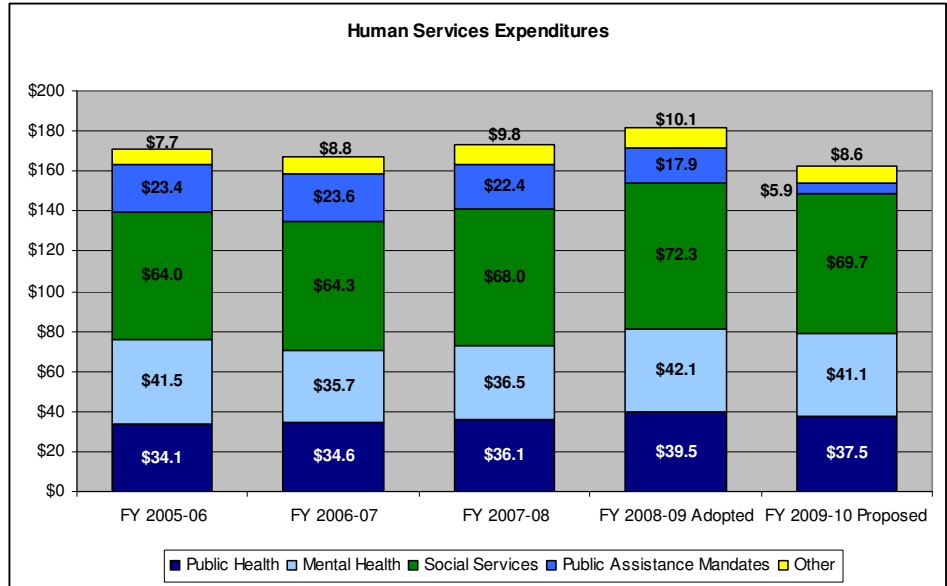
The largest decrease in Human Services expenditures is for the County's share of expenses related to the Medicaid program. Beginning July 1, 2009, the County will no longer pay a portion of medical expenses for Medicaid-eligible clients. Instead, the state will assume the County's share

of program costs in exchange for retaining a portion of the County's sales tax revenues. Historically, Medicaid expenditures have grown much faster than sales tax revenues. As a result, the county should enjoy long-term benefits from the change in funding responsibilities.

The total number of Human Services staff has been reduced from the number adopted for FY 2008-09, mostly a result of Vacancy Committee recommendations and the spring Reduction in Force action. As a result, nearly every department's budget reflects a decrease in funding.

In addition, the proposed budget recommends eliminating all non-Medicaid and non-elderly or disabled transportation

services (i.e., no work, education, or general public trips). This policy shift will result in a substantial decrease in the county funding provided to the Transportation Department.



Public Safety

\$87,907,576

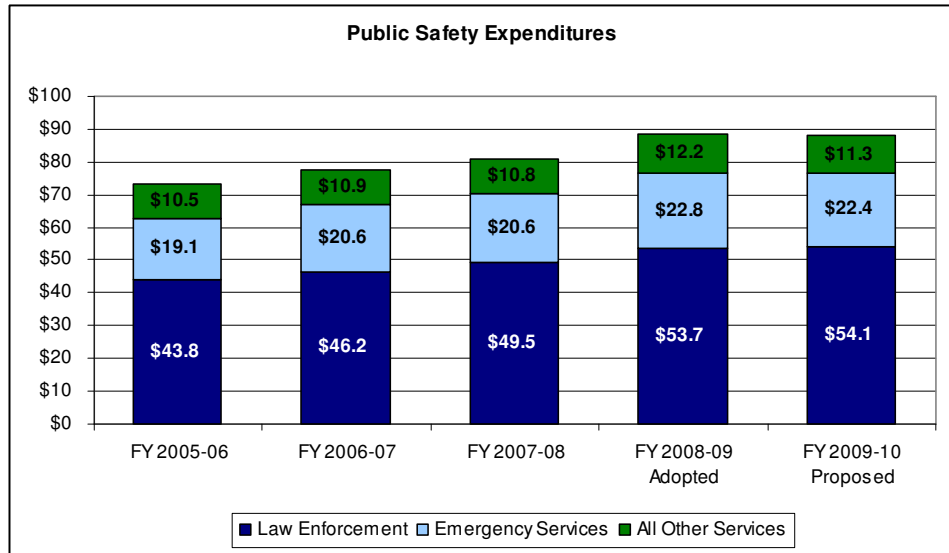
At 15% of total proposed expenditures, Public Safety is the third largest service category in the General Fund. Guilford County's Public Safety departments are organized to protect the safety of residents and visitors and include the Sheriff's Department, Emergency Services, Building Inspections, and Animal Control Services. The FY 2009-10 budget includes \$87.9 million for Public Safety services next fiscal year, a decrease of \$751,000, or -0.8%, from the amount adopted for FY 2008-09.

Department	FY 2008	FY 2009	FY 2009	FY 2010	Change vs. Adopted	
	Actual	Adopted	Amended	Proposed	\$	%
Animal Services	\$2,365,676	\$2,824,094	\$2,825,933	\$3,001,026	\$176,932	6.3%
Court Alternatives	\$2,959,731	\$3,148,223	\$3,111,881	\$3,032,248	(\$115,975)	-3.7%
Emergency Services	\$20,623,982	\$22,775,838	\$23,373,587	\$22,449,761	(\$326,077)	-1.4%
Inspections	\$2,777,457	\$2,939,690	\$2,869,675	\$2,244,892	(\$694,798)	-23.6%
Law Enforcement	\$49,476,234	\$53,714,028	\$55,527,797	\$54,112,271	\$398,243	0.7%
Other Protection	\$894,045	\$1,306,782	\$1,568,271	\$1,306,966	\$184	0.0%
Security	\$1,822,142	\$1,949,790	\$1,908,738	\$1,760,412	(\$189,378)	-9.7%
Total	\$80,919,266	\$88,658,445	\$91,185,882	\$87,907,576	(\$750,869)	-0.8%

Law Enforcement and Animal Services are the only two departments for which an increase in funding is recommended. Part of the increase in Law Enforcement is due to the full year funding impact for four positions added to the department's budget during the year (two School Resource Officers approved by the Board and two moved from other departments). The increase in Animal

Services is due to increase in the cost of the County's new contract for the operation of the Animal Shelter.

The decreases in the other departments are generally the result of position eliminations during FY 2008-09 based on Vacancy Committee recommendations and the spring Reduction in Force action. Inspections, in particular, shows a significant decrease related to the elimination of ten positions as a result of a decrease in demand for the department's services.



The FY 2009-10 budget proposes no change to the current property tax rates for the county's fire districts.

Non-School Debt Service

\$17,869,846

Guilford County's debt service budget has two categories: Debt for School Bonds and Non-School Debt. Total debt service expenditures in the FY 2009-10 budget are \$77.8 million, including fees and other expenses related to bond issuance. Just over \$59.9 million of this total is for School Debt and is discussed in the Education section above. The remaining \$17.9 million will pay debt service for all other debt-financed projects. This Non-School debt service includes payments for a new Emergency Services base, a proposed new facility for Social Services in High Point, community college facilities, and water and sewer networks. It also includes anticipated funding for a portion of the voter-approved bonds passed on May 6, 2008 for a new jail facility in Greensboro and various community college projects, as well as the purchase of the BB&T building at the corner of South Greene and West Market Streets.

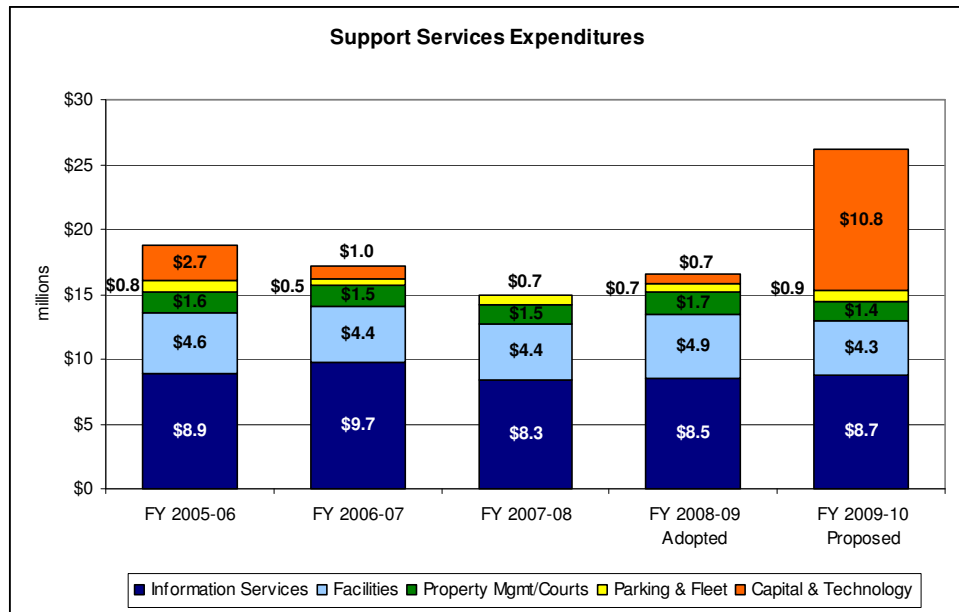
Support Services

\$26,142,552

At \$26.1 million, Guilford County's Support Services departments make up 4% of the total expenditures in the proposed general fund budget. These departments provide a variety of administrative and operational support for all other public services and infrastructure, including facility maintenance, maintenance of the county's computer and phone systems, and personnel and fiscal management and accounting. Also included in this expenditure grouping are funds earmarked for general, county-wide technology needs and funding for future capital needs.

The proposed budget is \$9.6 million higher (+58.2%) than the current year's budget. All of this increase is related to a \$10.1 million appropriation for future capital needs. In FY 2001, a Future

Capital Needs funding schedule was developed that called for annual transfers from the General Fund to the County Building Construction Fund to offset the need for debt financing for future capital projects. Because of fiscal constraints over the last two fiscal years, the Board did not allocate any funds for future capital needs in FY 2008 and FY 2009. The FY 2010 proposed budget transfers \$10,118,000 from the General Fund to the County Building Construction Fund for future capital needs, bringing the County up to date on the contribution schedule.



The appropriation for capital needs is partially offset by personnel reductions in Facilities and Information Services as a result of the County's Reduction in Force action.

Department	FY 2008	FY 2009	FY 2009	FY 2010	Change vs. Adopted	
	Actual	Adopted	Amended	Proposed	\$	%
Capital & Technology	\$0	\$700,000	\$432,543	\$10,818,000	\$10,118,000	1445.4%
Facilities	\$4,374,577	\$4,944,524	\$5,012,972	\$4,271,204	(\$673,320)	-13.6%
Information Services	\$8,336,372	\$8,490,505	\$9,204,356	\$8,721,135	\$230,630	2.7%
Parking & Fleet Operation	\$696,048	\$678,593	\$746,978	\$892,183	\$213,590	31.5%
Property Mgmt/Courts	\$1,482,797	\$1,707,281	\$2,289,934	\$1,440,030	(\$267,251)	-15.7%
Total	\$14,889,794	\$16,520,903	\$17,686,783	\$26,142,552	\$9,621,649	58.2%

General Government

\$25,694,311

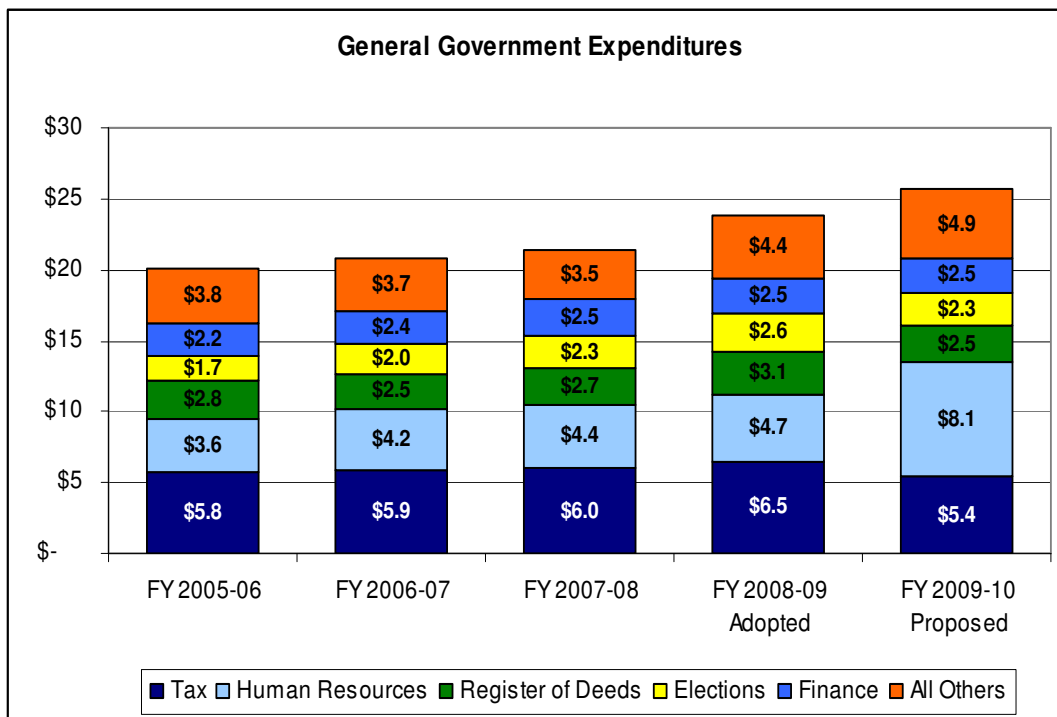
General Government departments provide for the overall policy direction, administration, record keeping, and fiscal and legal management of the county. Among others, this category includes the budgets for the Guilford County Board of Commissioners, the Clerk to the Board, County Administration, the County Attorney, the Register of Deeds, Elections, Finance, Human Resources, and Tax Assessment and Collections.

General Government expenditures total \$25.7 million and represent 4% of total general fund expenditures. Proposed expenditures for FY 2010 are \$1.85 million higher (+7.8%) than those adopted for FY 2008-09.

Department	FY 2008	FY 2009	FY 2009	FY 2010	Change vs. Adopted	
	Actual	Adopted	Amended	Proposed	\$	%
Budget And Management	\$452,812	\$491,979	\$470,898	\$473,909	(\$18,070)	-3.7%
Clerk To Board	\$183,304	\$189,401	\$189,401	\$189,749	\$348	0.2%
County Administration	\$968,440	\$1,780,426	\$1,687,214	\$1,605,872	(\$174,554)	-9.8%
County Attorney	\$635,215	\$608,493	\$608,500	\$1,359,402	\$750,909	123.4%
County Commissioners	\$428,583	\$465,224	\$465,307	\$434,323	(\$30,901)	-6.6%
Elections	\$2,256,127	\$2,639,427	\$3,599,839	\$2,285,714	(\$353,713)	-13.4%
Finance	\$2,534,991	\$2,499,103	\$2,592,881	\$2,494,999	(\$4,104)	-0.2%
Human Resources	\$4,433,576	\$4,738,029	\$4,851,312	\$8,125,601	\$3,387,572	71.5%
Internal Audit	\$385,556	\$404,333	\$405,383	\$407,464	\$3,131	0.8%
Purchasing	\$462,192	\$502,855	\$507,634	\$382,313	(\$120,542)	-24.0%
Register Of Deeds	\$2,652,696	\$3,069,335	\$2,913,209	\$2,533,623	(\$535,712)	-17.5%
Tax	\$6,007,506	\$6,453,666	\$6,435,555	\$5,401,342	(\$1,052,324)	-16.3%
Total	\$21,400,999	\$23,842,271	\$24,727,133	\$25,694,311	\$1,852,040	7.8%

Notable increases in General Government departments include additional funds in Human Resources for Retiree health care costs (+\$1,250,000) and for the County's contribution to an Other Post Employment Benefits trust (\$2.0 million) to help fund future retiree costs. The County Attorney's budget will increase by approximately \$751,000 as department attorneys and legal support staff is transferred from field assignments back to the Attorney's budget.

As a result of the net elimination of 15.5 positions, the Tax Department's budget will fall by nearly \$1.1 million. Other departments that lost positions as a result of the County's Reduction in Force action include the Register of Deeds, and Purchasing. Further, the budget proposes the elimination of a vacant administrative position shared between County Administration and the Board of Commissioners.



Community Services

\$12,222,351

Guilford County's Community Service departments provide for orderly growth and development, encourage economic development and job creation, provide outlets for recreation and life skills education, and protect the environment. Community Services represents about 2% of total General Fund expenditures.

Department	FY 2008 Actual	FY 2009 Adopted	FY 2009 Amended	FY 2010 Proposed	Change vs. Adopted \$	%
Cooperative Extension Service	\$524,780	\$546,052	\$538,665	\$647,409	\$101,357	18.6%
Culture-Recreation	\$5,154,091	\$6,017,048	\$6,356,059	\$6,161,181	\$144,133	2.4%
Economic Devel & Assistance	\$1,034,865	\$1,929,609	\$3,867,443	\$3,116,577	\$1,186,968	61.5%
Planning And Development	\$1,351,198	\$1,441,392	\$1,445,635	\$926,051	(\$515,341)	-35.8%
Soil & Water Conservation	\$293,050	\$268,677	\$273,122	\$268,543	(\$134)	0.0%
Solid Waste	\$878,124	\$1,255,582	\$1,332,704	\$1,102,590	(\$152,992)	-12.2%
Total	\$9,236,108	\$11,458,360	\$13,813,628	\$12,222,351	\$763,991	6.7%

Community Service expenditures are expected to increase by 6.7%, or \$764,000, over the current year budget. The budget proposed for Economic Development includes an additional \$1.3 million to support an expanded economic incentive program. This increase is partially offset by a \$515,000 decrease in Planning & Development expenditures resulting from a reduction of 6.5 positions through the County's Reduction in Force action.

This expenditure category includes funding for the County's contribution to area libraries and funding for various outside organizations. The FY 10 budget proposes a decrease in this support for the library systems of the cities of Greensboro (-\$400,000) and High Point (-\$90,000) and holds Gibsonville and Jamestown even with the current year. In addition, the proposed budget contains \$787,917 for various outside organizations that provide arts, youth, and recreational programming. This is an increase of \$537,917 over the amount approved for similar agencies last fiscal year.

