New Issue/Book-Entry Only

Ratings: Moody's: Aa1
S&P: AA+
(See "RATINGS" herein)

This Official Statement has been prepared by the City of Greensboro, North Carolina (the "*City*") to provide information on the bonds described below (the "*2024 Bonds*"). Selected information is presented on this cover page for the convenience of the user. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision.

$40,580,000
CITY OF GREENSBORO, NORTH CAROLINA
Limited Obligation Bonds
Series 2024

Dated: Date of Delivery **Due: October 1, as shown on the inside cover**

Nature of the City's Payment Obligation; Security:	The payment by the City of the principal of and interest on the 2024 Bonds shall be limited to funds appropriated for that purpose by the City Council of the City in its sole discretion. As security for payment of the 2024 Bonds, the City will execute and deliver the Deed of Trust (as defined herein) granting a lien of record on the Mortgaged Property (as defined herein), subject to Permitted Encumbrances (as defined herein). **THE OBLIGATION TO MAKE PAYMENTS ON THE 2024 BONDS IS NOT A GENERAL OBLIGATION OF THE CITY, AND THE FAITH AND CREDIT AND TAXING POWER OF THE CITY IS NOT PLEDGED DIRECTLY OR INDIRECTLY TO SECURE ANY MONIES DUE TO THE OWNERS OF THE 2024 BONDS.**
Tax Treatment:	In the opinion of Womble Bond Dickinson (US) LLP, Co-Bond Counsel, under existing law and assuming continuing compliance by the City with certain covenants to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "*Code*"), interest on the 2024 Bonds will not be includable in the gross income of the owners thereof for purposes of federal income taxation and will not be a specific preference item for purposes of the alternative minimum tax imposed by the Code; however, interest on the 2024 Bonds held by certain corporations will be included in the computation of "adjusted financial statement income" for purposes of the federal alternative minimum tax imposed on such corporations. In the opinion of such Co-Bond Counsel, under existing law, interest on the 2024 Bonds will be exempt from all State of North Carolina income taxes. See "**TAX TREATMENT**" herein.
Purpose:	The 2024 Bonds are being issued for the purpose of providing funds to pay (a) the costs of a new fleet servicing garage and various capital improvement projects for the City as more particularly described under "**THE 2024 PROJECT**" herein and (b) the fees and expenses incurred in connection with the sale and issuance of the 2024 Bonds.
Redemption:	The 2024 Bonds are subject to optional redemption prior to maturity as described herein.
Interest Payment Dates:	October 1 and April 1, of each year, beginning April 1, 2025.
Denominations/Registration:	$5,000 or integral multiples thereof. Book-entry only through the facilities of the Depository Trust Company. See Appendix E hereto.
Expected Delivery Date:	August 7, 2024.
Trustee:	U.S. Bank Trust Company, National Association, Charlotte, North Carolina.
Co-Bond Counsel:	Womble Bond Dickinson (US) LLP, Raleigh, North Carolina. McKenzie & Associates, Washington, D.C.
City Attorney:	Charles D. Watts, Esq., Greensboro, North Carolina.
Underwriters' Counsel:	Robinson, Bradshaw & Hinson, P.A., Charlotte, North Carolina.
Financial Advisor:	First Tryon Advisors, Charlotte, North Carolina.

Wells Fargo Securities **Loop Capital Markets**

July 17, 2024

MATURITY SCHEDULE

$40,580,000
City of Greensboro, North Carolina
Limited Obligation Bonds
Series 2024

Due October 1	Principal Amount	Interest Rate	Yield	CUSIP+
2025	$2,100,000	5.00%	2.96%	395476GF5
2026	2,100,000	5.00	2.93	395476GG3
2027	2,100,000	5.00	2.87	395476GH1
2028	2,100,000	5.00	2.87	395476GJ7
2029	2,090,000	5.00	2.86	395476GK4
2030	2,090,000	5.00	2.91	395476GL2
2031	2,090,000	5.00	2.93	395476GM0
2032	2,090,000	5.00	2.95	395476GN8
2033	2,090,000	5.00	2.96	395476GP3
2034	2,090,000	5.00	2.97	395476GQ1
2035	2,090,000	5.00	3.03*	395476GR9
2036	2,090,000	5.00	3.05*	395476GS7
2037	2,090,000	5.00	3.10*	395476GT5
2038	2,085,000	5.00	3.13*	395476GU2
2039	2,085,000	5.00	3.19*	395476GV0
2040	1,840,000	5.00	3.28*	395476GW8
2041	1,840,000	5.00	3.40*	395476GX6
2042	1,840,000	5.00	3.48*	395476GY4
2043	1,840,000	5.00	3.56*	395476GZ1
2044	1,840,000	4.00	4.00	395476HA5

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*Yield is to October 1, 2034 call date at 100%.

+ CUSIP is a registered trademark of the American Bankers Association (the "*ABA*"). CUSIP data is provided by CUSIP Global Services, which is managed on behalf of the ABA by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of the holders of the 2024 Bonds only at the time of issuance of the 2024 Bonds and neither the City, the Underwriters, nor their agents make any representation with respect to such CUSIP numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP numbers are subject to being changed after the issuance of the 2024 Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of the 2024 Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that may be applicable to all or a portion of the 2024 Bonds.

In connection with this offering, Wells Fargo Bank, National Association and Loop Capital Markets LLC (the "*Underwriters*") may overallot or effect transactions that stabilize or maintain the market price of the 2024 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

Neither the 2024 Bonds nor the Trust Agreement (as defined herein) have been registered or qualified with the Securities and Exchange Commission by reason of the provisions of Section 3(a)(2) of the Securities Act of 1933, as amended, and Section 304(a)(4) of the Trust Indenture act of 1939, as amended. The registration or qualification of the 2024 Bonds or the Trust Agreement in accordance with applicable provisions of securities laws of the states in which the 2024 Bonds have been registered or qualified, if any, and the exemption from registration or qualification in other states, shall not be regarded as a recommendation thereof.

In making an investment decision, investors must rely on their own examination of the terms of the offering, including the merits and risks involved. The 2024 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

All quotations from and summaries and explanations of laws and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the 2024 Bonds shall under any circumstances create any implication that there has been no change in the affairs of the City since the date hereof.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12 (as defined herein).

For purposes of compliance with Rule 15c2-12, this Official Statement is deemed to be a final official statement with respect to the 2024 Bonds within the meaning of Rule 15c2-12, except, when it is in preliminary form, for the omission of certain pricing and other information authorized to be omitted by Rule 15c2-12.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

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$40,580,000
CITY OF GREENSBORO, NORTH CAROLINA
Limited Obligation Bonds
Series 2024

INTRODUCTION

The purpose of this Official Statement, which includes the appendices, is to provide information in connection with the $40,580,000 in aggregate principal amount of the City of Greensboro, North Carolina Limited Obligation Bonds, Series 2024 (the "*2024 Bonds*").

The 2024 Bonds will be issued pursuant to a Master Trust Agreement, to be dated as of August 1, 2024 (the "*Master Trust Agreement*"), between the City of Greensboro, North Carolina (the "*City*") and U.S. Bank Trust Company, National Association, as trustee (the "*Trustee*"), and a First Supplemental Trust Agreement, to be dated as of August 1, 2024 (the "*First Supplemental Trust Agreement*" and, together with the Master Trust Agreement, the "*Trust Agreement*"), between the City and the Trustee.

Authorization. The City is issuing the 2024 Bonds pursuant to the provisions of Section 20 of Chapter 160A of the North Carolina General Statutes and Article 8 of Chapter 159 of the North Carolina General Statutes, each as amended (collectively, the "*Act*"), and a resolution of the City Council of the City adopted on June 18, 2024. Each 2024 Bond, together with the corresponding obligations of the City under the Trust Agreement and the Deed of Trust (hereinafter defined) relating thereto, will be deemed an "installment contract" under the Act.

In addition, the 2024 Bonds received the required approval of the North Carolina Local Government Commission (the "*LGC*") on July 9, 2024. The LGC is a division of the State Treasurer's office charged with general oversight of local government finance in the State of North Carolina (the "*State*"). Its approval is required for substantially all bond issues and other local government financing arrangements in the State. Before approving an installment financing, the LGC must determine, among other things, that (1) the proposed financing is necessary and expedient, (2) the financing, under the circumstances, is preferable to a general obligation or revenue bond issue for the same purpose, and (3) the sums to fall due under the proposed financing are not excessive for the local government.

Purpose. The 2024 Bonds are being issued to provide funds to (a) pay the costs of acquiring, constructing and equipping a new fleet servicing garage and various capital improvement projects and equipment acquisitions, including, without limitation, yard waste collection carts, parks and recreational facilities improvement and equipment, improvements to the Greensboro Science Center, the Cultural Arts Center and the Heritage House, library improvements, solid waste transfer station improvements, police facility security improvements, streetscape and crosswalk improvements, including lighting and other corridor improvements, office renovations and other miscellaneous items (collectively, the "*2024 Project*") and (b) pay the fees and expenses incurred in connection with the sale and issuance of the 2024 Bonds. See "THE 2024 PROJECT" herein.

Nature of the City's Payment Obligation; Security. The 2024 Bonds are limited obligations of the City and the payments of the principal of and interest thereon shall be limited to funds appropriated for that purpose by the City Council of the City in its sole discretion.

As security for the Bonds, the City will execute and deliver to the deed of trust trustee (the "*Deed of Trust Trustee*") a Deed of Trust, to be dated as of August 1, 2024 (the "*Deed of Trust*"), for the benefit of the Trustee, granting a lien of record on the site of the new fleet servicing garage constituting a portion of the 2024 Project and all buildings, improvements and fixtures located and to be located thereon, all as more particularly described in the Deed of Trust (the "*Mortgaged Property*"), subject only to Permitted Encumbrances (as defined in Appendix C hereto). Portions of the Mortgaged Property may be released from time to time under the conditions set forth in the Master Trust Agreement (see "SECURITY AND SOURCES OF PAYMENT FOR THE 2024 BONDS – Deed of Trust" herein).

The Deed of Trust authorizes future obligations evidenced by Additional Bonds, as described below, to be secured by the Deed of Trust, provided that the total amount of present and future obligations secured by the Deed of Trust at any one time does not exceed $150,000,000 and such future obligations are incurred not later than 30 years from the date of the Deed of Trust.

In addition, the City has granted to the Trustee a lien on and security interest in all moneys held by the Trustee in applicable accounts and subaccounts of the Bond Fund, the Project Fund and the Net Proceeds Fund created under the Trust Agreement.

If a default occurs under the Trust Agreement, the Trustee can direct the Deed of Trust Trustee to foreclose on the Mortgaged Property pursuant to the Deed of Trust and apply the proceeds received as a result of any such foreclosure to the payment of the amounts due to the Owners of the Bonds in accordance with the provisions of the Trust Agreement. NO ASSURANCE CAN BE GIVEN THAT ANY SUCH PROCEEDS WILL BE SUFFICIENT TO PAY THE PRINCIPAL OF AND THE INTEREST ON THE 2024 BONDS. IN ADDITION, NO DEFICIENCY JUDGMENT CAN BE RENDERED AGAINST THE CITY IF THE PROCEEDS FROM ANY SUCH FORECLOSURE SALE (TOGETHER WITH OTHER FUNDS THAT MAY BE HELD BY THE TRUSTEE UNDER THE TRUST AGREEMENT) ARE INSUFFICIENT TO PAY THE 2024 BONDS IN FULL. THE 2024 BONDS DO NOT CONSTITUTE A PLEDGE OF THE CITY'S FAITH AND CREDIT OR TAXING POWER WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION.

Details of the 2024 Bonds. The 2024 Bonds will be dated as of their date of issuance and will mature, subject to the redemption provisions described herein, on October 1 in the years and amounts set forth on the inside cover hereof. Interest on the 2024 Bonds will be payable on each October 1 and April 1, beginning April 1, 2025, at the rates set forth on the inside cover hereof. Individual purchases of the 2024 Bonds will be made in denominations of $5,000 or whole multiples thereof.

Book-Entry Only Form. The 2024 Bonds will initially be delivered as fully registered certificates in book-entry-only form without physical delivery of certificates to the beneficial owners of the 2024 Bonds. The Trustee will make payments of principal of and interest on the 2024 Bonds to The Depository Trust Company ("*DTC*"), which will in turn remit such payments to its participants for subsequent distribution to the beneficial owners of the 2024 Bonds. See Appendix E hereto.

Tax Status. See "TAX TREATMENT" herein.

Continuing Disclosure. Pursuant to the First Supplemental Trust Agreement, the City will undertake to provide continuing disclosure of certain annual financial information and operating data and notice of the occurrence of certain events. See "CONTINUING DISCLOSURE" herein.

Definitions; Document Summaries. See Appendix C hereto for a summary of certain provisions of the Master Trust Agreement, the First Supplemental Trust Agreement and the Deed of Trust and for the definition of certain capitalized terms used herein. Unless otherwise indicated, capitalized terms used herein and not otherwise defined shall have the same meanings given such terms in the Master Trust Agreement, the First Supplemental Trust Agreement or the Deed of Trust.

THE 2024 BONDS

General

The 2024 Bonds will be dated as of their date of issuance and will mature, subject to the redemption provisions described below, on October 1 in the years and amounts set forth on the inside cover hereof. Interest on the 2024 Bonds will be payable on each October 1 and April 1, beginning April 1, 2025, at the rates set forth on the inside cover hereof. Individual purchases of the 2024 Bonds will be made in denominations of $5,000 or whole multiples thereof.

Interest on any 2024 Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date will be paid by the Trustee to the person in whose name the 2024 Bond is registered at the close of business on the 15th day (whether or not a Business Day) the calendar month next preceding such Interest Payment Date.

Book-Entry Only

The 2024 Bonds will be delivered as fully registered bonds in book-entry-only form through DTC and will be subject to the provisions of the book-entry-only system described in Appendix E. Individual purchases of the 2024 Bonds will be made only in denominations of $5,000 or whole multiples thereof.

Redemption Provisions

Optional Redemption. The 2024 Bonds maturing on or prior to October 1, 2034 are not subject to redemption prior to their respective maturities. The 2024 Bonds maturing on or after October 1, 2035 are subject to redemption prior to their respective maturities, at the option of the City, from any moneys that may be available for such purpose, either in whole or in part on any date on or after October 1, 2034 at a Redemption Price equal to 100% of the principal amount of 2024 Bonds to be redeemed, plus accrued interest to the redemption date.

Notice of Redemption. The Trustee shall send notice of redemption of any 2024 Bonds to be redeemed by first-class mail, postage prepaid, at least 30 days but not more than 60 days before the redemption to all Owners of 2024 Bonds to be redeemed in whole or in part, but notice to DTC will be sent as authorized or required by DTC. Failure to mail any notice to any Owners or any defect in such notice will not affect the validity of any proceedings for such redemption as to any other Owner to whom such notice is properly given.

Any notice of redemption may state that the redemption to be effected is conditioned on the receipt by the Trustee on or before the redemption date of moneys sufficient to pay the Redemption Price of and interest on the 2024 Bonds to be redeemed, and that if such moneys are not so received, such notice shall be of no force or effect and such 2024 Bonds shall not be required to be redeemed. If such notice contains such a condition and money sufficient to pay the Redemption Price of and interest on such 2024 Bonds is not received by the Trustee on or prior to the redemption date, the redemption will not be made and the Trustee will within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Selection of 2024 Bonds for Redemption. The 2024 Bonds will be redeemed only in whole multiples of $5,000. If less than all of the 2024 Bonds are called for redemption, the 2024 Bonds of each maturity to be so redeemed will be called for redemption in the manner set forth in an Officer's Certificate filed with the Trustee. If less than all of the 2024 Bonds of any one maturity are to be called for redemption, the Trustee will select such 2024 Bonds to be redeemed by lot, each $5,000 portion of principal being counted as one 2024 Bond for this purpose; provided, however, that so long as the only Owner of the 2024 Bonds is DTC, such selection will be made by DTC by lot in accordance with its operating rules and procedures.

SECURITY AND SOURCES OF PAYMENT FOR THE 2024 BONDS

General

The 2024 Bonds are payable from payments to be made by the City pursuant to the Trust Agreement and from certain other moneys, including certain proceeds of the sale of the 2024 Bonds, certain investment earnings, certain Net Proceeds, if any, and certain amounts realized from any sale or lease of the Mortgaged Property pursuant to the Deed of Trust, which payments and other moneys have been pledged to such payment as provided in the Trust Agreement.

Payment of Bonds; Limited Obligation; Budgeting

The City shall cause to be paid, when due, the principal of (whether at maturity, by acceleration, by call for redemption or otherwise) and the premium, if any, and interest on the Bonds at the places, on the dates and in the manner described herein. The City shall also pay to such persons as are entitled thereto such amounts ("*Additional Payments*") as shall be required for the payment of all administrative and other costs relating to the 2024 Project, any Additional Project or the Bonds, including, without limitation, (i) all expenses and compensation of the Trustee, the LGC, the provider of any credit facility or liquidity facility relating to any Bonds and any fiscal agents required to administer the terms of any Bonds (such as remarketing agents, auction agents, tender agents or paying agents); (ii) fees of auditors, accountants, attorneys or engineers; (iii) all other necessary administrative costs of the City or to indemnify any Indemnified Party; and (iv) any other payments specified as Additional Payments under a Supplemental Trust Agreement or a Bond Purchase and Advance Agreement.

The City Manager of the City (or any other officer at any time charged with the responsibility for formulating budget proposals) shall include in the budget proposals for review and consideration by the City Council in each Fiscal Year, items for all payments of principal of, premium, if any, and interest due on the Bonds (reasonably estimated in the case of any Bonds issued bearing interest at a variable interest rate) and reasonably estimated Additional Payments required for such Fiscal Year. Any such budget item shall be deleted from the applicable budget by the City Council only by the adoption of a resolution to such effect containing a statement of its reasons therefor, which resolution shall be adopted by roll-call vote. The City shall furnish to the Trustee within 30 days of the adoption by the City of its annual budget a certificate of an Authorized Officer certifying that such annual budget includes items for all payments of principal of, premium, if any, and interest on the Bonds and the reasonably estimated Additional Payments for the Fiscal Year to which the annual budget relates. In addition, the City shall promptly provide to the Trustee notice of any amendments to its annual budget affecting appropriations for payments of principal of, premium, if any, and interest on the Bonds or Additional Payments. The City shall promptly provide notice of any Event of Nonappropriation to the Trustee, the LGC and each Rating Agency.

Trust Agreement

Under the Master Trust Agreement, the City has granted to the Trustee a security interest in all money and securities held by or on behalf of the Trustee in all of the funds, accounts or subaccounts established pursuant to the Master Trust Agreement, except those funds, accounts and subaccounts that are expressly pledged in a Supplemental Trust Agreement as security only for a specified series of Bonds.

Deed of Trust

General. As security for payment of the Bonds and the performance by the City of its obligations under the Trust Agreement, the City has executed and delivered to the Deed of Trust Trustee for the benefit of the Trustee, the Deed of Trust granting a lien of record on the Mortgaged Property, subject only to Permitted Encumbrances. The Deed of Trust has been duly recorded and constitutes a lien of record on the Mortgaged Property, subject only to Permitted Encumbrances. The Trustee is the beneficiary under the Deed of Trust, for the benefit of the Owners, to secure payment of the Bonds.

The Mortgaged Property consists of approximately 17.82 acres upon which the City's new fleet servicing garage constituting a portion of the 2024 Project will be located. See "**THE 2024 PROJECT**" herein.

The Deed of Trust authorizes future obligations evidenced by Additional Bonds issued under the Trust Agreement, as described below, to be secured by the Deed of Trust, provided that the total amount of present and future obligations secured by the Deed of Trust at any one time does not exceed $150,000,000 and such future obligations are incurred not later than 30 years from the date of the Deed of Trust.

If the City fails to make payments of principal of or interest on the Bonds, the Trustee may declare the entire unpaid principal of the Bonds to be immediately due and payable and direct the Deed of Trust Trustee to institute foreclosure proceedings under the Deed of Trust and proceed in accordance with law to attempt to dispose of the Mortgaged Property and apply the proceeds of such disposition toward any balance owing by the City on the Bonds. No assurance can be given that such proceeds will be sufficient to pay all principal of and interest on the 2024 Bonds. In addition, Section 160A-20 of the General Statutes of North Carolina provide that no deficiency judgment may be rendered against the City for breach of any contractual obligation the Trust Agreement or the Deed of Trust, and that the taxing power of the City is not and may not be pledged directly or indirectly to secure any moneys due from the City. See "**SUMMARY OF PRINCIPAL LEGAL DOCUMENTS - Summary of the Master Trust Agreement – Acceleration and – Remedies**" in Appendix C hereto.

Grant and Release of Easements; Release of Mortgaged Property. Under the Deed of Trust, If no Event of Default under the Deed of Trust shall have occurred and shall continue to exist, the City may at any time or times grant easements, licenses, rights of way, air rights and other rights or privileges of a similar nature with respect to any part of the Mortgaged Property, and the City may release existing easements, licenses, rights of way, air rights and other rights or privileges, with or without consideration, and the Beneficiary agrees it shall execute and deliver and shall cause, request or direct the Deed of Trust Trustee to execute and deliver, any instrument necessary or appropriate to grant or release any such easement, license, right of way, air rights or other right or privilege and, if required, to subordinate the lien created by the Deed of Trust to any such easement, license, right of way, air rights or other right or privilege; provided, however, that in the event that the City desires the lien created by the Deed of Trust to be subordinated to such easement, license, right of way, air rights or other right or privilege, the City shall provide to the Trustee a (i) a copy of the instrument of grant or release to be executed, (ii) a copy of the subordination agreement providing for subordination of the Deed of Trust and the lien created hereby to any such easement, license, right of way, air rights or other right or privilege, (iii) a written request signed by an authorized officer of the City requesting the execution and delivery of any such instruments and (iv) a certificate executed by an authorized officer of the City that such grant or release (A) will not impair the effective use of, or interfere with, the operations of the Mortgaged Property by the City and (B) will not impair the effective use of or interfere with the operations of the City at the Mortgaged Property or materially impair the value of the security under the Deed of Trust in contravention of the provisions hereof.

See "**SUMMARY OF PRINCIPAL LEGAL DOCUMENTS - Summary of the Deed of Trust - Grant and Release of Easements**" in Appendix C hereto.

Under the Master Trust Agreement, at any time and from time to time, so long as no Event of Default under the Master Trust Agreement or the Deed of Trust has occurred and is continuing, the Deed of Trust Trustee and the Trustee (as Beneficiary under the Deed of Trust) shall be required to release a portion of the Mortgaged Property from the lien and security interest created by the Deed of Trust when and if the following requirements have been met:

(a) there is filed with the Trustee a certified copy of a resolution of the City Council stating that the City desires the release of such portion of the Mortgaged Property, giving an adequate legal description of the portion of the Mortgaged Property to be released, requesting such release and providing for the payment by the City of all expenses in connection with such release;

(b) there is filed with the Trustee evidence that either (i) the value of the Mortgaged Property remaining after the proposed release (as such value is evidenced by or derived from (A) an appraisal of the remaining Mortgaged Property prepared by a certified MAI-approved appraiser selected by the City, (B) the insured value of the remaining Mortgaged Property or (C) the property tax valuation of the remaining Mortgaged Property) is not less than 50% of the aggregate principal amount of Bonds then Outstanding or (ii) the City (A) provides for the substitution of other property (the "Substitute Property") that will be made subject to the lien of the Deed of Trust that has a value such that the combined value of the remaining Mortgaged Property and the Substitute Property (as such value is evidenced by or derived from (1) an appraisal of the remaining Mortgaged Property and the Substitute Property prepared by a certified MAI-approved appraiser selected by the City, (2) the insured value of the remaining Mortgaged Property and the Substitute Property or (3) the assessed tax valuation of the remaining Mortgaged Property and the Substitute Property) is not less than the value of the Mortgaged Property immediately before the proposed substitution or is not less than 50% of the aggregate principal amount of Bonds then Outstanding, (B) delivers to the Deed of Trust Trustee and the Trustee an opinion of bond counsel to the City to the effect that the substitution of such property is permitted by law and is permitted under the terms of the Master Trust Agreement and the Deed of Trust and for any Bonds with respect to which interest is intended to be excludable from the gross income of the owners thereof for federal or state income tax purposes, that such release and substitution will not adversely affect the exclusion of interest on such Bonds from the gross income of the owners thereof for federal or state income tax purposes and (C) records a release, amendment or modification to the Deed of Trust or such other instruments necessary to reflect such release and substitution of the Mortgaged Property at the place and in the manner required by the laws of the State; and

(c) there is filed with the Trustee a certificate of an authorized officer stating that such release shall not prohibit the City's ingress, egress and regress to and from the remainder of the Mortgaged Property not being released, or materially interfere with the use of the remainder of the Mortgaged Property not being released.

See "**SUMMARY OF PRINCIPAL LEGAL DOCUMENTS - Summary of the Master Trust Agreement - Release of Mortgaged Property**" in Appendix C hereto.

Title Insurance

A mortgagee title insurance policy insuring title to the Mortgaged Property, subject to certain listed exceptions and naming the Trustee as the beneficiary, will be issued and delivered to the Trustee on the date of issuance of the 2024 Bonds. The insured amount under such policy will be equal to $30,000,000. Generally, a claim against a title insurance policy may only be made in an amount which is the lesser of the actual value of the mortgaged property and the amount of the title insurance policy.

Enforceability

The Trust Agreement and the Deed of Trust are subject to bankruptcy, insolvency, reorganization and other laws related to or affecting the enforcement of creditors' rights and, to the extent that certain remedies under such instruments require or may require enforcement by a court, to such principles of equity as the court having jurisdiction may impose.

NOTWITHSTANDING ANYTHING THEREIN TO THE CONTRARY, THE DELIVERY OF THE 2024 BONDS SHALL NOT BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE FAITH AND CREDIT OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. IN ADDITION, NEITHER THE 2024 BONDS NOR THE TRUST AGREEMENT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE CITY TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED IN THE SOLE DISCRETION OF THE CITY COUNCIL FOR ANY FISCAL YEAR IN WHICH THE 2024 BONDS ARE OUTSTANDING. IF THE CITY FAILS TO MAKE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS, THE TRUSTEE MAY DECLARE THE ENTIRE UNPAID PRINCIPAL OF THE BONDS TO BE IMMEDIATELY DUE AND PAYABLE AND DIRECT THE DEED OF TRUST TRUSTEE TO INSTITUTE FORECLOSURE PROCEEDINGS UNDER THE DEED OF TRUST AND PROCEED IN ACCORDANCE WITH LAW TO ATTEMPT TO DISPOSE OF THE MORTGAGED PROPERTY AND APPLY THE PROCEEDS OF SUCH DISPOSITION TOWARD ANY BALANCE OWING BY THE CITY ON THE BONDS. NO ASSURANCE CAN BE GIVEN THAT SUCH PROCEEDS WILL BE SUFFICIENT TO PAY ALL OF THE PRINCIPAL OF AND INTEREST ON THE BONDS. IN ADDITION, SECTION 160A-20(f) OF THE NORTH CAROLINA GENERAL STATUTES PROVIDES THAT NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE CITY FOR BREACH OF ANY CONTRACTUAL OBLIGATION AUTHORIZED UNDER SECTION 160A-20 AND THAT THE TAXING POWER OF THE CITY IS NOT AND MAY NOT BE PLEDGED DIRECTLY OR INDIRECTLY TO SECURE ANY MONEYS DUE FROM THE CITY. See "**SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Summary of the Master Trust Agreement - Acceleration and - Additional Remedies on Default**" in Appendix C hereto.

Additional Bonds

Under the conditions described in the Master Trust Agreement, without the approval or consent of the Owners of the then outstanding 2024 Bonds, Additional Bonds may be issued under the Master Trust Agreement and secured on a parity with the 2024 Bonds to provide funds for paying (1) the Project Costs for completion of the 2024 Project, (2) the Project Costs for any Additional Project and (3) the costs (including financing costs) of refunding any Bonds or, to the extent permitted by law, indebtedness other than Bonds. See "**SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Summary of the Master Trust Agreement - Terms and Conditions for Issuance of Bonds**" in Appendix C hereto.

THE 2024 PROJECT

The proceeds of the 2024 Bonds will be used to provide funds, together with any other available funds, to pay (a) the costs of the 2024 Project and (b) pay the fees and expenses incurred in connection with the sale and issuance of the 2024 Bonds.

The 2024 Project consists of (a) the acquisition, construction and equipping of a new fleet servicing garage and (b) various capital improvement projects and equipment acquisitions including, without limitation, yard waste collection carts, parks and recreational facilities improvement and equipment, improvements to the Greensboro Science Center, the Cultural Arts Center and the Heritage House, library improvements, solid waste transfer station improvements, police facility security improvements, streetscape and crosswalk improvements, including lighting and other corridor improvements, office renovations and other miscellaneous items. The fleet servicing garage will consist of 323 parking spaces, including the servicing bays. The fleet servicing garage will service City vehicles, not including Greensboro Transit Agency buses or fire trucks.

ESTIMATED SOURCES AND USES OF FUNDS

The City estimates the sources and uses of funds for the plan of finance to be approximately as follows:

SOURCES:	
Par Amount of 2024 Bonds	$ 40,580,000
Original Issue Premium	4,895,731
Total	$ 45,475,731
USES:	
2024 Project Costs	$ 45,001,905
Issuance Costs[1]	473,826
Total	$ 45,475,731

[1] Includes legal fees, underwriters' discount, financial advisor fees, rating agency fees, fees and expenses of the Trustee, printing costs and miscellaneous fees and expenses.

AVAILABLE SOURCES FOR PAYMENT OF THE 2024 BONDS

The City may pay the principal of and interest on the 2024 Bonds and its other obligations under the Trust Agreement from any legally available source available to it in each Fiscal Year and appropriated therefor until final maturity of the 2024 Bonds. The City is planning to pay such amounts from general government revenues.

The City's general fund revenues (excluding fund balance appropriations) for the fiscal year ended June 30, 2024 were approximately $399 million (unaudited). For the fiscal year ended June 30, 2024, the City levied an ad valorem tax of $0.6725 per $100 assessed value and for the fiscal year ending June 30, 2025, the City will levy an ad valorem tax of $0.6725 per $100 assessed value. For the fiscal year ending June 30, 2025, $0.01 per $100 of assessed value will generate approximately $3.9 million. The General Statutes of North Carolina permit cities to levy ad valorem taxes of up to $1.50 per $100 of assessed value for certain purposes without the requirement of voter approval. See Appendix B hereto for a detailed description of the sources and uses of the City's general fund revenues for the fiscal year ended June 30, 2023.

ANNUAL DEBT SERVICE SCHEDULE

The following schedule sets forth for each fiscal year of the City ending June 30 the amount of principal of and interest on the 2024 Bonds payable under the Trust Agreement.

FISCAL YEAR ENDING JUNE 30	PRINCIPAL	INTEREST	TOTAL
2025	$ -	$1,306,890	$1,306,890
2026	2,100,000	1,958,100	4,058,100
2027	2,100,000	1,853,100	3,953,100
2028	2,100,000	1,748,100	3,848,100
2029	2,100,000	1,643,100	3,743,100
2030	2,090,000	1,538,350	3,628,350
2031	2,090,000	1,433,850	3,523,850
2032	2,090,000	1,329,350	3,419,350
2033	2,090,000	1,224,850	3,314,850
2034	2,090,000	1,120,350	3,210,350
2035	2,090,000	1,015,850	3,105,850
2036	2,090,000	911,350	3,001,350
2037	2,090,000	806,850	2,896,850
2038	2,090,000	702,350	2,792,350
2039	2,085,000	597,975	2,682,975
2040	2,085,000	493,725	2,578,725
2041	1,840,000	395,600	2,235,600
2042	1,840,000	303,600	2,143,600
2043	1,840,000	211,600	2,051,600
2044	1,840,000	119,600	1,959,600
2045	1,840,000	36,800	1,876,800
Total	$40,580,000	$20,751,340	$61,331,340

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CERTAIN RISKS OF 2024 BOND OWNERS

Insufficiency of Payments; Value of Collateral

If the City fails to pay any payments as the same becomes due or if another event of default occurs under the Trust Agreement, the Trustee may accelerate the principal of the Bonds, direct the Deed of Trust Trustee to foreclose on the Mortgaged Property under the Deed of Trust, take possession of the Mortgaged Property and attempt to dispose of it under the terms of the Deed of Trust. See "**SUMMARY OF PRINCIPAL LEGAL DOCUMENTS - SUMMARY OF THE MASTER TRUST AGREEMENT**" in Appendix C hereto. THE REMEDIES AFFORDED TO THE TRUSTEE AND THE OWNERS OF THE 2024 BONDS ON A DEFAULT OR A NONAPPROPRIATION BY THE CITY ARE LIMITED TO THOSE OF A SECURED PARTY UNDER THE LAWS OF THE STATE OF NORTH CAROLINA. THERE CAN BE NO ASSURANCE THAT THE MONEYS AVAILABLE IN THE FUNDS AND ACCOUNTS HELD BY THE TRUSTEE AND THE PROCEEDS OF ANY SUCH DISPOSITION OF THE MORTGAGED PROPERTY WILL BE SUFFICIENT TO PROVIDE FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE 2024 BONDS. SECTION 160A-20(f) OF THE GENERAL STATUTES OF NORTH CAROLINA PROVIDES THAT NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE CITY FOR ANY AMOUNTS THAT MAY BE OWED BY THE CITY UNDER THE TRUST AGREEMENT, AND THE TAXING POWER OF THE CITY IS NOT AND MAY NOT BE PLEDGED DIRECTLY OR INDIRECTLY OR CONTINGENTLY TO SECURE ANY MONEYS OWING BY THE CITY UNDER THE TRUST AGREEMENT OR THE DEED OF TRUST.

Nonappropriation

The appropriation of moneys to make payments of the principal of and interest on the 2024 Bonds is within the sole discretion of the City Council. If an Event of Nonappropriation occurs, the only sources of payment of the Bonds will be the moneys, if any, available in the funds and accounts held by the Trustee under the Trust Agreement and the proceeds of any attempted disposition of the Mortgaged Property under the Deed of Trust. The amount of such proceeds could be affected by (1) the condition of the Mortgaged Property, (2) periodic releases of portions of the Mortgaged Property from the lien as provided in the Master Trust Agreement and the Deed of Trust and (3) the occurrence of any damage, destruction or loss of the Mortgaged Property which is not repaired or replaced and for which there are not received or appropriated moneys from insurance policies or from the City's risk management program.

Uninsured or Underinsured Casualty; Loss of Value

If all or any part of the Mortgaged Property is partially or totally damaged or destroyed by any casualty or taken by any governmental authority, the City may apply any Net Proceeds from insurance or condemnation to repair, restore or rebuild the Mortgaged Property or apply the related Net Proceeds to the redemption of the Bonds. If the Net Proceeds are not sufficient to repair, restore or rebuild the Mortgaged Property to its condition prior to such damage, destruction or taking or to redeem the 2024 Bonds in full or if the City elects only to make partial efforts to repair, restore or rebuild the Mortgaged Property or to make a partial redemption of the 2024 Bonds, the only other source of payment of the 2024 Bonds will be proceeds of the disposition of the Mortgaged Property, the amount of which may be reduced by the condition of the Mortgaged Property. The Master Trust Agreement requires that certain insurance be maintained with respect to the Mortgaged Property. Such insurance may not, however, cover all perils to which the Mortgaged Property is subject.

Environmental Risks

The City has owned the Mortgaged Property since 1989. The City has not obtained a Phase I environmental site assessment for the Mortgaged Property. Due to the Mortgaged Property's history of industrial use, there is a potential for contamination of the site. Existing reports indicate that the Mortgaged Property was previously investigated by the U.S. Environmental Protection Agency ("*EPA*") as part of the Superfund Program, and EPA determined that no further remedial action was warranted at that time. The reports also indicate that the North Carolina Department of Environmental Quality evaluated the Mortgaged Property as an inactive hazardous site and determined that no further action was necessary at that time. Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real property may be liable for the cost of removal or remediation of hazardous or toxic substances on such property. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Environmental laws also may impose restrictions on the manner in which properties may be used, and these restrictions may require unanticipated expenditures. Such laws may be amended in the future to impose requirements regarding currently unregulated substances and to require compliance with stringent standards that could require the City to make unexpected expenditures, some of which could be substantial. Environmental laws provide for sanctions in the event of noncompliance and may be enforced by governmental agencies or, in certain circumstances, by private parties. The City may be potentially liable for such costs in connection with the ownership of the Mortgaged Property. The cost of defending against claims of liability, insuring against such liability, complying with environmental regulatory requirements, or remediating any contaminated property could substantially and materially adversely affect the value of the Mortgaged Property.

Value of Collateral

No special appraisal thereof has been obtained and the amount of proceeds received through foreclosure of the City's interest in the Mortgaged Property may be affected by a number of factors, including (1) the costs and expenses in enforcing the lien and security, (2) the condition of the Mortgaged Property, (3) the occurrence of any damage, destruction, loss or theft of the Mortgaged Property which is not repaired or replaced and for which there are not received from insurance policies or appropriated moneys from any risk management program, (4) problems relating to the paucity of alternative uses of the facilities arising from their design, zoning restrictions, use restrictions, easements and encumbrances on the Mortgaged Property and (5) environmental problems and risks with respect to the Mortgaged Property. No representation is made as to the value of the Mortgaged Property in foreclosure.

The Mortgaged Property is subject to a Co-Location Communication Town License Agreement (the "Cell Tower Agreement") with a cellular communications provider (the "Licensee") which grants to the Licensee a license to install certain communications equipment on a communications tower owned by the City that is located on the Mortgaged Property, together with the right to use an equipment building also located on the Mortgaged Property. The Cell Tower Agreement also provides to the Licensee certain non-exclusive access and utilities easements necessary for the Licensee to access, operate and maintain its equipment. The Cell Tower Agreement is for an initial five-year term (which began May 20, 2023), with four automatic extensions of five years each unless otherwise terminated by the Licensee as provided in the Cell Tower Agreement. Annual license payments to the City range from $50,000 to $73,205 per year during the term of the Cell Tower Agreement, including extensions. Upon foreclosure of the Mortgaged Property, the purchaser at foreclosure would acquire the Mortgaged Property subject to the Cell Tower Agreement.

Bankruptcy

Chapter 9 of Title 11 of the United States Code (as amended, the "*Bankruptcy Code*") provides a process for a political subdivision of a state to voluntarily adjust its debts. An involuntary bankruptcy case may not be commenced against a political subdivision under Chapter 9. Section 109(c) of the Bankruptcy Code sets forth certain conditions that must be met for an entity to be a debtor under Chapter 9, including that the entity is specifically authorized to be a debtor under Chapter 9 by state law (or by a governmental officer or organization empowered by state law to authorize the entity to be a debtor under Chapter 9). Section 23-48 of the North Carolina General Statutes (the "*NC Authorizing Statute*") authorizes any county or city in the State of North Carolina to file a Chapter 9 bankruptcy case, but only with the approval of the LGC. While the 2024 Bonds are outstanding, the provisions of the Bankruptcy Code and applicable North Carolina law, including the NC Authorizing Statute, may be amended, supplemented or repealed; therefore, it is not possible to predict whether and under what conditions the City may be authorized to become a debtor in a bankruptcy case and how any such bankruptcy case might affect holders of the 2024 Bonds in the future.

If the City were to initiate bankruptcy proceedings under Chapter 9 with the consent of the LGC, the bankruptcy proceedings could have material and adverse effects on the owners of the 2024 Bonds, including (1) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the City or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the City; (2) the incurrence of additional debt, including the claims of those supplying good and services to the City after the initiation of bankruptcy proceedings and the expenses of administering the bankruptcy case, which may have a priority of payment superior to that of the bondholders; and (3) the possibility of the adoption of a plan for the adjustment of the City's debt without the consent of all of the bondholders, which plan may restructure, delay, compromise or reduce the amount of the claim of the bondholders. In addition, the Bankruptcy Code might invalidate any provision of the bond documents that makes the bankruptcy or insolvency of the City an event of default.

A debtor in a bankruptcy proceeding that has given a security interest in property in connection with a financing arrangement may retain such property, provided that it make payments over time giving the secured party the economic value of the security interest. If such economic value is less than the balance due on the secured debt, the difference is treated as an unsecured debt. Pursuant to the Deed of Trust, the Trustee holds a security interest in the Mortgaged Property for the benefit of the owners of the Bonds. In a bankruptcy case of the City, the City would likely be permitted to remain in possession of the Mortgaged Property if it made payments for that right, but the amount required to be paid would be based on the value of the Mortgaged Property (as determined by the bankruptcy court), not the payment terms of the Bonds or the Trust Agreement.

The effect of the Bankruptcy Code on the rights and remedies of the bondholders cannot be predicted with certainty and may be affected significantly by judicial interpretation, general principles of equity, and considerations of public policy.

Regardless of any specific adverse determinations in a bankruptcy case of the City, the fact of such a bankruptcy case could have an adverse effect on the liquidity and value of the 2024 Bonds.

General Obligation Debt of the City

The City has general obligation bonds outstanding and may also issue additional general obligation bonds and notes in the future. The City has pledged and may pledge its faith and credit and taxing power to the payment of its general obligation bonds and notes issued or to be issued. See "Debt Information" in

Appendix A for a description of the City's outstanding general obligation indebtedness. Funds which may otherwise be available to pay the principal of and interest on the 2024 Bonds or to make other payments to be made by the City under the Trust Agreement may be subject to such faith and credit pledge by the City and therefore may be required to be applied to the payment of its general obligation indebtedness.

Cybersecurity

The City, like many other large public and private entities, faces multiple cybersecurity threats including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and other digital networks and systems. These threats could result in adverse consequences to the City, including but not limited to, operational disruption and misappropriation of assets or information. The City has implemented multiple operational safeguards and cybersecurity procedures. However, no assurances can be given that such measures will protect against, or mitigate the impact of, the financial or operational damages that could result from a cybersecurity attack.

CONTINUING DISCLOSURE

In the First Supplemental Trust Agreement, the City will undertake, for the benefit of the beneficial owners of 2024 Bonds to provide to the Municipal Securities Rulemaking Board (the "*MSRB*"):

(a) by not later than seven months from the end of each Fiscal Year, beginning with the Fiscal Year ended June 30, 2024, audited financial statements of the City for such Fiscal Year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements of the City are not available by seven months from the end of such Fiscal Year, unaudited financial statements of the City for such Fiscal Year to be replaced subsequently by audited financial statements of the City to be delivered within fifteen (15) days after such audited financial statements become available for distribution;

(b) by not later than seven months from the end of each Fiscal Year of the City, beginning with the Fiscal Year ended June 30, 2024, the financial and statistical data as of a date not earlier than the end of the preceding Fiscal Year for the type of information included under the following headings "THE CITY – Debt Information" and – Tax Information" (excluding any information on overlapping units) in Appendix A hereto, to the extent that such items are not included in the audited financial statements referred to in (a) above;

(c) in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the 2024 Bonds:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on any debt service reserves reflecting financial difficulties;

(4) unscheduled draws on any credit enhancements reflecting financial difficulties;

(5) substitution of any credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability; Notices of Proposed Issue (IRS Form 5701-

TEB) or other material notices or determinations with respect to the tax status of the 2024 Bonds, or other material events affecting the tax status of the 2024 Bonds;

(7) modification to the rights of the beneficial owners of the 2024 Bonds, if material;

(8) bond calls if material, and tender offers;

(9) defeasances;

(10) release, substitution or sale of any property securing repayment of the 2024 Bonds, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the City;

(13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional Trustee or the change of name of the Trustee, if material;

(15) incurrence of a financial obligation (as defined below) of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which beneficial owners of the 2024 Bonds, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties; and

(d) in a timely manner, notice of a failure of the City to provide required annual financial information described in (a) or (b) above on or before the date specified.

All information provided to the MSRB as described above is required to be provided in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB. The City may meet the continuing disclosure filing requirement described above by complying with any other procedure that may be authorized or required by the United States Securities and Exchange Commission.

For purposes of this undertaking, "financial obligation" means (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of either clause (a) or (b) above. The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12 issued under the Securities Exchange Act of 1934 ("*Rule 15c2-12*").

At present, Section 159-34 of the General Statutes of North Carolina requires the City's financial statements to be prepared in accordance with generally accepted accounting principles and to be audited in accordance with generally accepted auditing standards.

The First Supplemental Trust Agreement will also provide that if the City fails to comply with the undertaking described above, the Trustee or any beneficial owner of the 2024 Bonds may take action to protect and enforce the rights of all beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that failure to comply with such undertaking will not be an Event of Default under the Trust Agreement and will not result in any acceleration of the 2024 Bonds. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners of the 2024 Bonds.

Pursuant to the First Supplemental Trust Agreement, the City will reserve the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the City, provided that:

(a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the City;

(b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 as of the date of this Official Statement, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and

(c) any such modification does not materially impair the interests of the beneficial owners of the 2024 Bonds, as determined by the Trustee or Bond Counsel, or by the approving vote of the Owners of a majority in principal amount of the 2024 Bonds then Outstanding pursuant to the terms of the Master Trust Agreement at the time of the amendment.

In the event that the City makes such a modification, the annual financial information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The undertaking described above will terminate upon payment, or provision having been made for payment in a manner consistent with Rule 15c2-12, in full of the principal of and interest on all of the 2024 Bonds.

To the best of the City's knowledge, it has complied in all material respects with its previous continuing disclosure undertakings under Rule 15c2-12 for the past five fiscal years.

LEGAL MATTERS

Certain legal matters relating to the authorization, execution, sale and delivery of the 2024 Bonds are subject to the approval of Womble Bond Dickinson (US) LLP, Raleigh, North Carolina, and McKenzie & Associates, Washington, D.C., Co-Bond Counsel. The proposed forms of the approving legal opinions of Co-Bond Counsel are included in Appendix D hereto. Certain legal matters will be passed upon for the City by Charles D. Watts, Esq., Greensboro, North Carolina, City Attorney, and for the Underwriters by Robinson, Bradshaw & Hinson, P.A. Charlotte, North Carolina, counsel to the Underwriters.

TAX TREATMENT

Opinion of Co-Bond Counsel

In the opinion of Womble Bond Dickinson (US) LLP, Co-Bond Counsel, under existing law and assuming continuing compliance by the City with certain covenants to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "*Code*") regarding, among other matters, the use, expenditure and investment of proceeds of the 2024 Bonds, and the timely payment of certain investment earnings to the United States Treasury, interest on the 2024 Bonds will not be includable in the gross income of the owners thereof for purposes of federal income taxation and will not be a specific preference item for purposes of the alternative minimum tax imposed by the Code; however, interest on the 2024 Bonds held by certain corporations will be included in the computation of "adjusted financial statement income" for purposes of the federal alternative minimum tax imposed on such corporations. Such Co-Bond Counsel is also of the opinion, under existing law, that interest on the 2024 Bonds will be exempt from all State of North Carolina income taxes.

The Code and other laws of taxation, including the laws of taxation of the State of North Carolina, of other states and of local jurisdictions, may contain other provisions that could result in tax consequences, upon which such Co-Bond Counsel renders no opinion, as a result of the ownership or transfer of the 2024 Bonds or the inclusion in certain computations of interest that is excluded from gross income for purposes of federal and North Carolina income taxation.

Original Issue Premium

The initial public offering prices of the 2024 Bonds maturing on October 1, 2025 to 2043, inclusive (the "*Premium Bonds*"), are greater than the amounts payable at maturity. The difference between (a) the initial offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents, wholesalers or other intermediaries) at which a substantial amount of each maturity of the Premium Bonds is sold and (b) the principal amount payable at maturity of such Premium Bonds constitutes original issue premium. In general, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond based on the owner's yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Premium Bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period and subtract such bond premium from the owner's basis in such Premium Bond. If the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost.

Owners and prospective purchasers of Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences in connection with the ownership and disposition of Premium Bonds.

Other Tax Consequences

Ownership or transfer of, or the accrual or receipt of interest on, the 2024 Bonds may result in collateral federal, State of North Carolina, other state or local tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, taxpayers who may be eligible for the federal earned income tax credit and taxpayers subject to franchise, estate, inheritance, gift or capital gains taxes. Prospective purchasers of the 2024 Bonds should consult their tax advisors as to any such possible tax consequences. Except to the extent covered in its legal opinion, Co-Bond Counsel expresses no opinion regarding any such collateral tax consequences.

No assurance can be given that future legislation, including amendments to the Code or interpretations thereof, if enacted into law, or certain litigation or judicial decisions, if upheld, will not contain provisions or produce results which could, directly or indirectly, reduce the benefit of the excludability of interest on the 2024 Bonds from gross income for federal income tax purposes.

The Internal Revenue Service (the "*Service*") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the 2024 Bonds.

Interest paid on tax-exempt obligations, such as the 2024 Bonds, will be subject to information reporting in a manner similar to interest paid on taxable obligations. Although such reporting requirement does not, in and of itself, affect the excludability of interest on the 2024 Bonds from gross income for federal income tax purposes, such reporting requirement causes the payment of interest on the 2024 Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (a) are not "exempt recipients" and (b) either fail to provide certain identifying information (such as the beneficial owner's taxpayer identification number) in the required manner or have been identified by the Service as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or credit against such beneficial owner's federal income tax liability provided the required information is furnished to the Service.

LITIGATION

No litigation is now pending in any court seeking to restrain or enjoin the authorization, execution or delivery of the 2024 Bonds or contesting the authority of proceedings for the authorization, execution or delivery of the 2024 Bonds or the validity thereof, or the creation, organization, corporate existence or powers of the City, or the title of any of the present officers thereof to their respective titles or the authority or proceedings for the execution and delivery of the Trust Agreement or the Deed of Trust by the City.

RELATED PARTIES

Womble Bond Dickinson (US) LLP and McKenzie & Associates serve as Co-Bond Counsel for the City and, from time to time they and Robinson, Bradshaw & Hinson, P.A., counsel to the Underwriters, have represented the Underwriters as counsel in other financing transactions. Neither the City nor the Underwriters have conditioned the future employment of any of these firms in connection with any proposed financing issues for the City or for the Underwriters on the successful issuance of the 2024 Bonds.

FINANCIAL ADVISOR

First Tryon Advisors is serving as financial advisor (the "*Financial Advisor*") to the City with respect to the sale of the 2024 Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the 2024 Bonds is contingent on the issuance of the 2024 Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and the Appendices hereto.

RATINGS

Moody's Investors Service, Inc. and S&P Global Ratings have assigned ratings of "Aa1" and "AA+,"respectively, to the 2024 Bonds. These ratings reflect only the view of such rating agencies, and an explanation of the significance of such ratings may be obtained from such rating agencies. Certain information and materials not included in this Official Statement were furnished to such rating agencies. There is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely if, in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2024 Bonds.

UNDERWRITING

The Underwriters have entered into a Bond Purchase Agreement to purchase all of the 2024 Bonds, if any of the 2024 Bonds are to be purchased, at a purchase price equal to 100% of the principal amount thereof, plus an original issue premium of $4,895,730.55 and less an underwriters' discount of $178,825.99. The obligation of the Underwriters to pay for the 2024 Bonds is subject to certain terms and conditions set forth in the Bond Purchase Agreement.

The Underwriters may offer and sell the 2024 Bonds to certain dealers (including dealers depositing the 2024 Bonds into investment trusts) and others at prices lower than the initial public offering prices stated on the inside cover hereof. The public offering prices may be changed from time to time by the Underwriter.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Finance Group ("WFBNA"), one of the underwriters of the 2024 Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the 2024 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the 2024 Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the 2024 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. The delivery of this Official Statement and its distribution and use by the Underwriters have been duly authorized and approved by the City.

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APPENDIX A

INFORMATION RELATING TO THE
CITY OF GREENSBORO, NORTH CAROLINA

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APPENDIX A

CERTAIN INFORMATION CONCERNING THE CITY OF GREENSBORO, NORTH CAROLINA

General Description

The City, incorporated in 1808, is the county seat of Guilford County (the "County") and covers an area of approximately 139 square miles. The City is located approximately midway between Washington, D.C. and Atlanta, Georgia in the central piedmont region of North Carolina. As of December 31, 2022, the estimated population of the City of Greensboro was 301,118 and as of April 1, 2020, the Greensboro-Winston-Salem-High Point combined statistical area ("CSA") was 1,695,306, according to the United States Census Bureau. Over one million people live within a 30-mile radius of the City, and more than five million people live within a 90-mile radius of the City stretching to Charlotte to the southwest, through Winston-Salem to the west and to Durham and Raleigh to the east. In January 2023, construction of the Greensboro Urban Loop, a 49-mile State-constructed beltway around the City comprised of four major interstates (73, 85, 785 and 840) was completed.

The City is empowered by statute to extend its corporate limits by annexation through voluntary petition or City-initiated actions. Involuntary annexations require compliance with various statutory requirements, including a requirement that persons subject to an involuntary annexation have the opportunity to approve or reject the involuntary annexation initiated by the municipality by referendum. Annexed areas are also required to be guaranteed fire, police and solid waste services immediately upon annexation and provisions for water and sewer service within three and one-half years of annexation. Factors the City considers when evaluating annexations include the location of new developments, environmental constraints, availability of water and sewer and other City services, transportation accessibility, land use patterns and development regulations and policies. The City annually reviews areas eligible for City-initiated annexation, reviews the pros and cons of annexing different areas and decides whether to pursue voluntary or City-initiated annexations at appropriate times.

Minor annexations occur each year through the voluntary petition procedure. The last major City-initiated annexation was in 2008 and included twelve separate areas of the City, which contain seven square miles (more than 4,400 acres) and an estimated population of 10,141.

The City Council adopted its most recent comprehensive plan known as the GSO2040 Comprehensive Plan (the "Plan") in June 2020. The Plan notes several trends impacting the City, including but not limited to, projected growth, housing affordability challenges, an aging population, loss of industrial land, a shift to service sector employment and an increase in the number of people living in poverty. The Plan includes a vision statement with six focus areas: (1) promoting infill development, (2) creating great places, (3) becoming car optional, (4) prioritizing sustainability, (5) building community connections and (6) growing economic competitiveness. Plan elements include goals and policies pertaining to land use, transportation, economic development and capital improvement plans, as well as small area redevelopment and neighborhood plans. The Plan provides: (a) a common touch point to align projects, programs and policies with the City's vision for the future, including a cohesive set of policies organized to promote broad community ownership; (b) a land use guide based on desired development patterns; (c) measures of success with checkpoints to ensure course corrections and needed updates are identified and addressed; and (d) an implementation guide that identifies action steps and methods for achieving the City's vision.

The City is empowered to levy a property tax on the appraised value of all real property and certain categories of tangible personal property located within the City. The County is the only other unit levying such taxes within the City's corporate limits. Taxation for operating purposes may not exceed $1.50 per

$100 assessed valuation unless the voters approve a higher rate, except for debt service, deficits and civil disorders, for which unlimited taxes may be levied. The City's adopted tax rate for the fiscal year ended June 30, 2024 is $0.6725 per $100 assessed valuation and for the fiscal year ending June 30, 2025 also remains at $0.6725 per $100 assessed valuation. The City also has the authority to levy an ad valorem tax of up to $0.0350 per $100 assessed valuation to improve and expand its public transit system. The City's current tax rate includes a public transit system ad valorem tax of $0.0350 per $100 assessed valuation.

The North Carolina General Statutes require a revaluation of real property at least every eight years. The most recent revaluation was completed in February 2022, which became effective in the fiscal year ending June 30, 2023.

The United States Department of Commerce, Bureau of the Census, has recorded the population of the City to be as follows:

2000	2010	2020
223,891	269,666	299,035

The North Carolina Office of State Budget and Management has estimated the population of the City as of July 1 of the following years to be as follows (latest data available):

2020	2021	2022
296,881	298,870	301,532

Per capita income figures for the County, the State and the United States are presented in the following table (latest data available):

Year	County[1]	State	United States
2018	$44,885	$46,040	$53,309
2019	47,020	48,366	55,547
2020	49,900	51,781	59,153
2021	54,117	56,705	64,430
2022	55,008	58,109	65,470

Source: United States Department of Commerce, Bureau of Economic Analysis.
[1] Separate data for the City are not available.

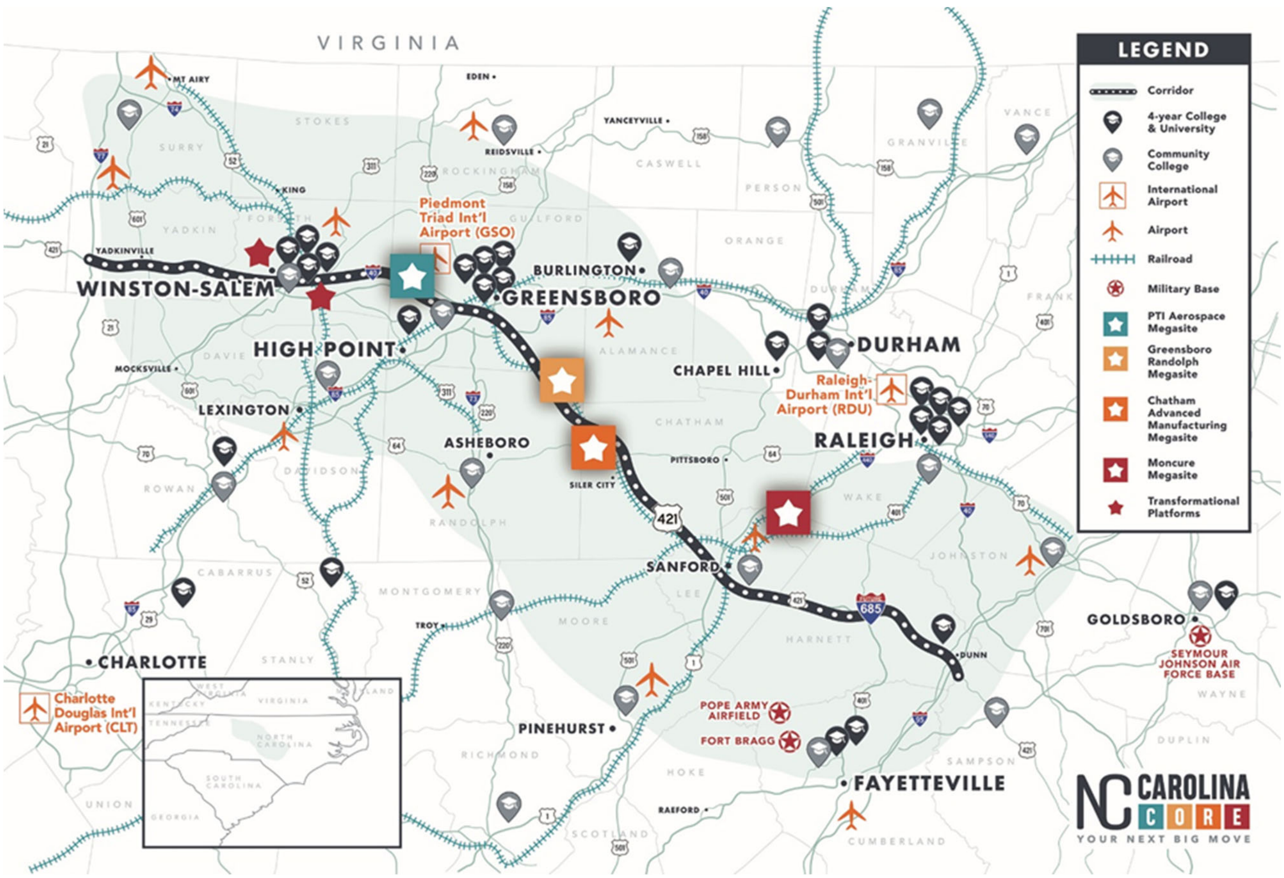
Commercial, Industrial and Institutional Profile

The City's diversified economy can be attributed to its unique blend of service, trade and manufacturing businesses, as well as local government and educational institutions. For ten out of the past eleven years, the Greensboro Metro Area has placed in the top ten nationally for *Site Selection* magazine's annual Top Metro rankings for populations of 200,000 to 1 million. The ranking is based on the number of projects with capital investments of at least $1 million, related floor-space expansion, and the number of new jobs created.

Local industry is characterized by the production of a wide range of products, including aircraft, machinery, electronic equipment, textiles, apparel and tobacco, as well as expansion in the industries of aircraft maintenance and development, logistics and distribution, innovative manufacturing and technology, life sciences and research, and financial services. Several Fortune 500 companies have major operations in the City, including AT&T, Procter & Gamble, FedEx, UnitedHealth Group and United Parcel Service (UPS).

Also, the principal offices of manufacturing companies such as Volvo Trucks North American Corporation/Mack Trucks, Inc., Honda Aircraft Company and Qorvo Inc. are located in the City and surrounding area. Major plants for ITG Brands (Lorillard Tobacco Company) and Unifi, Inc. are also located in the area. In addition to the largest major employers, over 200 international companies have a presence in the Triad region of the State. These retail and wholesale companies provide a variety of goods and services in the areas of technology, manufacturing, pharmaceuticals, medical equipment, insurance, food products, chemicals and furniture.

Carolina Core, a 120-mile corridor that stretches along U.S. Highway 421 from Winston-Salem, through the City and then southeast to the City of Fayetteville, is home to four industrial megasites totaling 7,200 acres of certified land. Megasites, consisting of approximately 1,000 acres or more, are properties that can house a large manufacturing facility. Three of the four megasites along the Carolina Core are within 35 miles of the City's downtown, including the Piedmont Triad International ("PTI") Aerospace megasite, the Greensboro-Randolph megasite and the Chatham Advanced Manufacturing megasite ("CAM"). A fourth megasite, Triangle Innovation Point, is located approximately 30 miles southeast of the CAM megasite. During 2022 and 2023, significant advanced manufacturing projects were announced at each of the four megasite locations. The Carolina Core provides growing economic synergy among aerospace, vehicle electrification, renewable energy and semiconductor manufacturing industries. With these projects comes extensive economic growth for builders, suppliers, service providers, workers and government entities.



The PTI Aerospace megasite is located 10 miles west of the City's downtown and is connected to the Piedmont Triad International Airport. In January 2022, Boom Technology, Inc., doing business as Boom Supersonic ("Boom"), announced plans to locate its first manufacturing plant at the PTI Aerospace megasite. Boom is developing a sustainable, supersonic aircraft capable of speeds twice as fast as today's commercial airliners. The company plans to invest $500 million in the project and have the Overture aircraft ready to begin service in 2029. In June 2024, Boom completed construction of its 180,000 square foot main assembly facility, which is valued at $60 million. Boom plans to employ approximately 1,750 workers at an average annual salary above $60,000 in the project by 2030 and 2,400 employees by 2032. With an additional 1,000 acres available at the megasite and nearly 200 aerospace companies nearby, the area is positioned for continued growth. As of June 2023, Boom has 130 aircrafts on order or pre-order from three major airlines.

The Greensboro-Randolph megasite is approximately 1,800 acres and is located 20 miles southeast of the City's downtown. In December 2021, Toyota Battery Manufacturing, Inc. ("Toyota") announced that it would develop a battery manufacturing facility at the Greensboro-Randolph megasite. The site has been conveyed to Toyota, and site grading and infrastructure improvements are underway. Golden Leaf, a nonprofit foundation, awarded $7 million for water and sewer line construction for the Greensboro-Randolph megasite. Construction has begun for two hybrid electric vehicle (HEV) battery productions buildings to support four HEV lines and one battery electric vehicle (BEV) production building to support two BEV lines. Plant production is expected to begin in 2025. The three building manufacturing campus covers 1,000 acres of the 1,800-acre property. The total planned investment is expected to be approximately $13.9 billion, with the creation of over 5,000 new jobs. Toyota's new battery manufacturing facility adds to the growing synergy of regional entities involved with electric vehicles and power production, including Thomas Built Buses in High Point, Volvo Trucks North America's headquarters in Guilford County, and Wolfspeed and VinFast, both in Chatham County. Toyota's facility is expected to significantly contribute to the growth of electric vehicle manufacturing and development and have a substantial impact on overall economic growth for builders, suppliers, service providers, workers and governments in the Triad region and across the State.

The CAM megasite is located within 25 miles of the City and consists of approximately 1,800 acres. Golden Leaf awarded $4 million for water and wastewater infrastructure at the CAM megasite. In September 2022, Wolfspeed, based in Durham, announced plans for a new semiconductor factory with 1,800 employees and a total anticipated $5 billion investment by the end of 2030 at the CAM megasite near Siler City. Wolfspeed would occupy 445 acres of the 1,802-acre CAM megasite, leaving space available for other major industrial projects. The project's economic impact is expected to be $17.5 billion through 2045 and generate a net gain of $312 million in State revenue. The average annual salary at Wolfspeed is projected at $77,553, while Chatham County's average annual wage is $41,638. The company's silicon carbide materials plant is under construction and is expected to produce 10 times the amount currently manufactured at the company's Durham facility, which already produces the world's largest volume of silicon carbide.

The fourth megasite, Triangle Innovation Point, is located approximately 30 miles southeast of the CAM megasite. In March 2022, VinFast LLC, a Vietnamese automaker, announced plans to develop a significant electric vehicle and battery manufacturing operation and broke ground on the facility in Summer 2023. The project is expected to create 7,500 jobs with production beginning in 2025. The company plans to invest $4 billion by 2026 with salaries expected to average more than $51,000.

During the past several years, the City's downtown area has benefitted from a variety of activities and programs including new housing development, business location loans, business façade improvement programs, landscaping programs and public safety.

In the City's downtown area, a Business Improvement District ("BID") was established in 2005 with the support of business owners within the BID. The BID sets forth a separate tax assessment for properties within the BID that supports revitalization projects and services benefiting the district. The district tax increased from $0.08 to $0.09 per $100 valuation in fiscal year ended June 30, 2022 and has remained at $0.09 per $100 valuation in fiscal year ended June 30, 2023. The BID contributed approximately $1,494,000 and $1,213,000 in the fiscal years ended June 30, 2023 and 2022, respectively, for downtown improvement projects.

First National Bank Field, a minor league baseball stadium with a 7,499 seat capacity, opened in the City's downtown in 2005 and is the home of the Greensboro Grasshoppers, a Class A affiliate team of the Miami Marlins. Since the opening of the stadium, mixed-use development projects have been underway in the area surrounding the stadium, including a $140 million mixed-use impact project, Carroll South of Ballpark, that will include a proposed 8 story hotel, 384 apartment units, restaurants, conference center, and street level retail shops. Phase I of this project will include a hotel and 80 apartment units, with construction expected to begin in 2024. Carroll at Bellemeade, a luxury mid-rise hotel and apartment project also located next to the stadium, opened on March 15, 2019 with a 110-room Hyatt Hotel and 300 apartment units. Both projects include upscale apartments and amenities with millennials in mind and are within walking distance of the stadium and the Steven Tanger Center for the Performing Arts discussed below. Additionally, a new nine-story, 110,000-square-foot office tower in the City's downtown opened at the end of 2020. The $24 million project, named "Project Slugger," overlooks the baseball stadium and maintains many of the thematic elements of the ballpark. First National Bank has its new market headquarters in the tower.

The City built the Eugene Street Parking Deck in order to meet the needs of current mixed-use development projects in the stadium area, as well as additional office, residential and hotel space in the general downtown area. The deck was completed and opened for use in June 2021.

The Steven Tanger Center for the Performing Arts, a $94 million, 3,000 seat arts center located in the City's downtown area, was funded with approximately $43.4 million in public funds provided by the City, approximately $41.8 million in private funds raised by the Community Foundation of Greater Greensboro and approximately $8.8 million in other contributions. This facility is owned by the City and is a multi-use venue with diverse programming for all ages, extending educational opportunities for families through exposure to high quality performances in a local setting. Donor pledges toward funding of this project have exceeded the original $35 million goal, including a single private pledge of $7.5 million for naming rights for the facility. The facility was completed in March 2020, but the opening of this facility was delayed until September 2021 due to the COVID-19 pandemic. In its first two years, the Tanger Center has hosted over 700,000 patrons, 382 events and performances and 146 sold-out shows. The City issued bonds for its share of the project costs and plans to pay the debt service associated with such financing from a portion of the County's hotel/motel occupancy tax, facility fees and parking-related revenues.

North of the City's downtown area, Phase 1 of an approximately $100 million redevelopment project on the historic 45-acre Revolution Mill campus was completed in 2019. Phase 2 was completed in September 2023. Notable as the first flannel textile mill in the South and registered on the National Register of Historic Places, Phase 1 of the mixed-use site includes 150 apartment units, 240,000 square feet of office space, four restaurants, 40 artist studios and open outdoor spaces for live music and movies. Two event centers were also completed with accommodations for up to 475 guests. The $40 million, 130,000-square-foot Phase 2 includes 33 apartments, 60,000 square feet of office space and 10,000 square feet of retail and restaurant space. The extensive historic restoration project will also connect the campus to downtown Greensboro via the City's greenway trails. LT Apparel Group, a New York based apparel designer and marketer, was the first major business tenant to locate on the Revolution Mill campus, occupying 12,000 square-feet with approximately 30 employees.

Another nearby historic mill was purchased in 2018 with similar plans for conversion to a mixed-use development on 18 acres of land just east of Revolution Mill. The former Proximity Printworks Mill, now on the National Register of Historic Places, served as the first textile printer in the South. A Wisconsin company specializing in urban redevelopment has used federal historic tax credits and invested an estimated $54 million to convert the mill into a mixed-use development with over 200 apartments, retail and restaurant spaces and a climate-controlled storage business. Printworks Mill has completed construction on all of the apartments and all units are fully occupied.

In July 2023, Honda Aircraft announced its investment of $55.7 million to build its HondaJet 2600 aircraft, a new, larger light jet, at its Piedmont Triad International Airport facility in the City. The aircraft will be the first light jet built for transcontinental flights with seating for up to eleven people. The project is expected to create 280 high-skilled jobs through 2027 at an average wage of just over $88,000. This project brings Honda Aircraft's total investment in the State to more than $335 million. The company currently employs approximately 900 people at its Piedmont Triad International Airport campus.

In February 2020, Publix Super Markets broke ground on the first phase of a new 1.8 million-square-foot distribution center in the City, making it the largest distribution center in the area. In October 2020, Publix announced a 1.2 million-square-foot dry goods expansion, increasing the total facility to 3.0 million-square-feet. By November 2022, the facility was open and fully operational. To secure the estimated $400 million investment, the NC State Economic Investment Committee approved a $15.9 million incentive package requiring a $300 million investment and 1,000 new jobs created by 2025. In addition, the County has committed to an estimated $17 million in property tax incentives, and the City Council has approved up to $20 million in similar incentives. The distribution center will produce an estimated incremental increase in tax revenue of $19.9 million over 10 years and have an economic impact of $1.38 billion over 12 years. Publix is a privately held, employee-owned company with operations throughout the southeastern United States, including nine distribution centers. In 2018, and 2020 to 2022, Fortune magazine named Publix number one on its list of World's Most Admired Companies in the food and drug stores sector and in 2019, Publix was named number two on the list.

In July 2020, Amazon began operations in its newly constructed one million-square-foot fulfillment center at Triad Business Park, situated between the City and Winston-Salem. The 94-acre facility is valued at $110 million and created approximately 1,000 new jobs. The new facility is within a few miles of the FedEx Ground operation and within 10 miles of the Federal Express air and sorting hub at Piedmont Triad International Airport in Greensboro. Additionally, Amazon signed a second lease in April 2019 for 38 acres in the Piedmont Corporate Park. The ten-year lease began in August 2019 and includes five additional options to extend the lease by five years. Since fall 2019, Amazon has opened last-mile delivery facilities in Kernersville and High Point, employing between 100 to 200 employees at each location. A third last-mile center in Whitsett, 14 miles east of the City, opened in July 2021.

In fiscal year 2015, NC A&T State University ("A&T"), the University of North Carolina – Greensboro ("UNC-G"), Guilford Technical Community College ("GTCC") and Cone Health created Union Square Campus, Inc., a nonprofit tasked with developing a university campus in the City's downtown area. This approximately $34 million nursing education facility includes a four-story, 85,000 square foot facility that houses bachelor and doctor of nursing programs and a simulated surgical lab. A 7.5-acre site was selected in the City's South Elm Redevelopment area for this project, of which two acres were donated by the City. Phase I of this project was completed and the facility opened in August 2016. City leaders also authorized funding up to $500,000 in other infrastructure improvements as well as building parking spaces associated with the building. Plans for additional development at the site are underway. The fully developed project is envisioned to involve seven educational institutions and to be funded with public, private, State and federal grant contributions. The estimated long-term economic impact of this project is expected to be more than $500 million according to a recent economic analysis study.

In 2016, A&T and UNC-G were together approved to receive $195 million in bond funding from the State. A&T invested approximately $90 million for construction of a new 130,000 square-foot, four-story Engineering Research and Innovation Complex (ERIC). The bidding process was completed in April 2019 and the complex had its grand opening in February 2022. UNC-G has completed the construction of a new $105 million, five-story nursing and instructional building which opened for faculty and students in December 2020.

Cone Health, the City's largest private employer, with approximately 13,335 employees, received State approval in 2016 for an approximately $100 million project to relocate its stand-alone Women's Hospital to a 196,000 square foot, 6-story addition on the south side of the existing Moses H. Cone Memorial Hospital. The new facility brings together both women's and children's services to the same campus with its own entrance, separate elevators and parking area. The Women's & Children's Center at Moses Cone Hospital opened in February 2020.

The following table lists the largest employers in the City and its surrounding area as of May 2024:

Company or Institution	Product or Service	Approximate Number of Employees
Cone Health	Health Care	13,335
Guilford County School System	Education	9,476
City of Greensboro	Government	3,755
U.S. Postal Service	Postal Service	3,600
Volvo Group	Truck Manufacturing	3,600
UnitedHealthcare	Health Care	3,040
Guilford County Government	Government	2,566
North Carolina A&T State University	Education	2,077
University of North Carolina at Greensboro	Education	1,957
Unifi Inc.	Textile Manufacturing	1,685
Lincoln Financial Group	Insurance	1,570
Qorvo Inc. (RF Micro Devices)	Semiconductor Products	1,450
Gilbarco Veeder-Root	Manufacturing	1,381
HAECO Americas	Aviation Products	1,280
Koury Corporation	Builder & Developer	927

Source: Triad Business Journal, Book of Lists.

The following table reflects the total taxable sales for the County for each of the fiscal years ended June 30, 2019 through June 30, 2023 and the nine-month period ending March 30, 2024:

Fiscal Year Ended or Ending June 30	Total Taxable Sales	Increase Over Previous Year
2019	$7,936,833,387	6.8%
2020	7,827,599,063	(1.4)
2021	8,744,857,835	11.7
2022	10,091,509,685	15.4
2023	10,871,340,236	7.7
2024 (9 months)	7,470,373,016[1]	--

Source: North Carolina Department of Revenue.
[1] The comparable number for the nine-month period ended March 30, 2023 was $7,246,430,636.

Construction activity in the City for the five calendar years ended December 31, 2019 through 2023 is shown in the following table:

	Non-Residential		Residential		
Calendar Year	Number of Permits	Value	Number of Permits	Value	Total Value
2019	1,174	$323,425,188	2,604	$188,153,654	$511,578,842
2020	1,124	306,119,235	2,751	261,421,908	567,541,143
2021	1,149	426,367,282	3,546	390,991,105	817,358,387
2022	1,170	546,141,717	2,810	257,155,651	803,297,368
2023	1,029	762,360,843	3,265	341,422,315	1,103,783,158[1]

Source: City Engineering and Inspections Department.
[1] The increase in the value of non-residential permits primarily represents six school building projects totaling approximately $231 million. Additionally, the increase in residential permits primarily relates to apartment and townhouse projects.

Employment

The North Carolina Department of Commerce, Labor and Economic Analysis Division has estimated the percentage of unemployment in the City to be as follows:

	2020	2021	2022	2023	2024		2020	2021	2022	2023
January	4.2%	7.4%	4.6%	4.3%	4.3%	July	12.3%	6.4%	4.7%	4.5%
February	4.0	7.2	4.4	4.3	4.3	August	9.0	5.9	5.0	4.4
March	5.0	6.6	4.1	4.1	4.4	September	8.3	5.2	4.1	3.8
April	16.5	6.2	3.8	3.5	3.9	October	7.0	5.2	4.2	3.9
May	14.8	6.5	4.1	4.0	4.1	November	7.0	4.7	4.1	3.9
June	12.6	6.8	4.6	4.3	N/A	December	6.8	4.0	3.7	3.8

The following is a comparison of average annual unemployment rates for the City, County, State and United States:

Year	City	County	State	United States
2019	4.2%	4.1%	3.9%	3.7%
2020	8.9	8.4	7.2	8.1
2021	6.0	5.7	4.9	5.3
2022	4.3	4.1	3.7	3.7
2023	4.1	3.9	3.5	3.6

Source: North Carolina Department of Commerce, Labor and Economic Analysis Division.

Government and Major Services

GOVERNMENT STRUCTURE

The City has a Council-Manager form of government. The City Council is the legislative body of City government and includes a Mayor and eight Council members who serve four-year terms. The Mayor and three Council members are elected at-large and the remaining five Council members are elected from districts. The Mayor is a voting member and the presiding officer of the City Council, and a Mayor Pro Tempore is elected by the City Council from among its members.

The City Manager is appointed by the City Council and administers the daily operations and programs of the City through appointed department heads and staff members. The City provides services to its citizens in the following areas: police, fire, public transit, solid waste collection and disposal, streets, water and sewer service, public improvements, parks and recreation, libraries and general administrative services.

The City was ranked 35th Best-Run City in America for 2023 by *WalletHub.* This is the fourth straight year the City has been ranked in the top 40. The operating efficiency was evaluated for 149 of the largest U.S. cities to determine which cities were best managed. This process included 36 metrics grouped into six key categories: financial stability, education, health, safety, economy and infrastructure and pollution. In addition, the quality of services received by the residents was then analyzed relative to the per capita budget.

EDUCATION

The County has a consolidated school system, financial support for which is provided by County, State and federal sources. The following table shows the number of public elementary, middle and secondary schools and average daily membership for the five most recent school years:

	Elementary (Grades K-5)		Middle (Grades 6-8)		High (Grades 9-12)		Other (Grades K-12)	
School Year	Number	ADM	Number	ADM	Number	ADM	Number	ADM
2019-20	68	31,053	23	17,122	18	20,350	13	2,378
2020-21	68	25,725	23	14,670	18	20,047	15	2,074
2021-22	68	25,854	23	15,769	18	20,543	15	2,164
2022-23	68	27,529	23	15,329	18	20,098	13	2,360

Note: Average Daily Membership ("ADM") (determined by the actual records at the school) is computed by the North Carolina Department of Public Instruction on a uniform basis for all public schools in the State. The ADM computation is used as a basis for teacher allotments and for distribution of local funds if there is more than one school unit within the County. Other (Grades K-12) includes Virtual Schools, Choice/Magnet Middle and High schools, and Specialty schools all grades.

Source: North Carolina Department of Public Instruction and Guilford County Schools.

Seven institutions of higher education, three of which offer night classes at the undergraduate and graduate levels, are located in the City. Student enrollments for these institutions for the 2023-24 academic year, based on a survey of such colleges and universities, are approximately as follows:

The University of North Carolina at Greensboro	17,743
North Carolina A&T State University	13,883
Guilford Technical Community College	10,067
Elon University	7,207[1]
Guilford College	1,429
Greensboro College	1,000[2]
Bennett College	168

[1] Includes the undergraduate campus enrollment that is not located in the City.
[2] Approximate number.
Note: Guilford Technical Community College and Bennett College enrollment numbers are from the 2022-23 academic year (latest data available).

Sustainability

In December 2019, the City Council passed the 100 percent Renewable Energy Resolution to guide the City's transition to using renewable energy sources. In 2022, the City created the Greensboro Office of Sustainability and Resilience ("OSR") to oversee and support a variety of City sustainability efforts, including executing the Strategic Energy Plan ("SEP"), a guide to how the City will reduce its greenhouse gas footprint and transition to 100% renewable energy by 2040.

OSR has a staff of 11 full-time employees with over 75 years of combined environmental experience in brownfields, underground and aboveground storage tanks, solid waste management, groundwater/surface water and soil remediation, vapor intrusion, and air quality. OSR staff assist all City departments to best manage the City's resources.

The SEP goals include: (1) reducing greenhouse gas emissions from City government operations by at least 40% from estimated 2005 levels by 2025; (2) reducing energy consumption per square foot in City government-owned buildings by at least 40% from estimated 2005 levels by 2025; (3) reaching 100% renewable energy in City government operations by 2040; and (4) addressing cost burdens to ensure a just transition to renewable energy for all and prioritize at-risk populations.

In 2020, the City earned the LEED Silver® certification from the US Green Building Council for its sustainability efforts. In 2022, the City received the Bronze designation in the SolSmart program, which is funded by the US Department of Energy's Solar Energy Technologies Office. SolSmart recognizes local and regional governments that foster the growth of solar energy development and adoption by reducing unnecessary paperwork, red tape, and other burdensome requirements that increase the time and cost to deliver solar projects.

In 2023, the OSR and other City departments made progress on a wide range of SEP recommendations, goals, and strategies. The OSR launched new programs to reduce food waste, encourage sustainable landscaping, and honor residents, businesses, and nonprofits that use sustainable practices. Additionally, the City departments worked toward reducing electrical demands in City buildings, converting fleet vehicles to all electric, and securing grant funding for a tree canopy audit.

Downtown; Sports and Cultural Activities

RECREATION AND SPORTS

The City has over 3,000 acres of developed park sites and over 8,000 acres of undeveloped land from open space dedications. There are five regional parks and two public golf courses that represent over one-half of the City's park system at over 3,500 acres. The City's parks, gardens, lakes, and recreational areas receive over 4.5 million visitors annually. The City's Parks and Recreation Department has been accredited by the Commission for Accreditation of Parks and Recreation Agencies ("CAPRA") since 2006. The Department is currently one of only 206 agencies in the United States to receive the national accreditation, which shows the City's high level of commitment to developing a standard of excellence throughout the organization that meets or exceeds National Recreation and Park Association and CAPRA national standards. The City's Parks and Recreation Department won the 2020 National Gold Medal Awards for Excellence in Park and Recreation Management, presented by The American Academy for Parks and Recreation Administration. The City is also a three-time winner of the National Gold Medal for Excellence in Leisure Services.

The Greensboro Sportsplex is a multi-sport facility owned and operated by the City offering hockey, basketball, volleyball, badminton and soccer. This 106,000 square foot facility contains eight basketball and volleyball courts, three indoor soccer fields and two roller hockey rinks. The facility has meeting room space and areas for special events available on a rental basis.

The City's Parks and Recreation Department received the 2019 North Carolina Marvin Collins Planning Award in the "Outstanding Planning Award - Innovation in Planning Services, Education and Public Involvement" category for its Plan2Play plan. This system-wide comprehensive master plan was adopted in February 2019. The plan provides not only the vision, goals, strategies and recommendations for enhancing and expanding park and recreational opportunities for residents, but also includes a maintenance management plan for the next 20 years. As part of the master plan, the City's Downtown Greenway, a "linear park", allows residents to walk or bike safely across the City using a 4-mile downtown pedestrian and cycling loop funded through a public-private partnership. The Downtown Greenway will connect the 100-plus miles of greenways and trails that already exist within the City and also connect to a broader network of trails and parks, including statewide efforts such as the Mountains to the Sea Trail. The $50 million project includes $13 million in private donations and $37 million in public funds. Several portions of the loop are already open. The final installation of the Downtown Greenway is underway, and the full project is expected to be completed by mid-2025.

In addition, a large private bequest donating LeBauer Park, a $10 million public park, opened in 2016 in close proximity to the Steven Tanger Center for the Performing Arts Center site. The park features a commissioned sculpture funded by a $1 million grant and designed by internationally recognized artist, Janet Echelman. The park includes a 17,000 square-foot event lawn with aerial sculpture, an interactive water feature plaza, a children's play area, a dog park and a putting green. Adjacent to the park inside the Greensboro Cultural Center, the Van Dyke Performance Space opened in 2016 and was made possible by a $1 million gift from the bequest of Jan Van Dyke to create a dance-centric performance space in the City's downtown area.

The Greensboro Science Center ("GSC"), owned by the City and operated by a non-profit 501(c)(3) organization, is a three-in-one science destination that includes an aquarium, zoo, and science museum. The City has continued to fund the construction of extensive projects for the GSC. In June 2021, GSC opened a 13-acre expansion, Revolution Ridge: Life on the Edge, which is its largest project since inception in 1957. In addition to various improvements made over the past few years, the expansion doubles the size of the zoo and adds an animal health center, butterfly house and monarch conservation project, endangered cat complex, okapi and giraffe forest, aquatic water garden, and greenhouse. In April 2021, GSC opened its Treehouse Adventure, a treetop science exploration playground connecting the existing Animal Discovery Zoo to Revolution Ridge. The July 2022 bond referendum included $20 million for GSC's further expansion which includes two major additions. The first project, "Expedition Rainforest: Greensboro Biodome," will be comprised of an interconnected complex with rockscapes, waterfalls and tropical foliage, swinging bridges and replicas of ancient art from around the world. Animal encounters include sloths, toucans, clouded leopards, caiman, capybaras, giant tortoises, birds of the Amazon and more. The second project, "The Rehabilitation and Care Complex," will be part of the Wiseman Aquarium with an ocean lab designed to propagate threatened species and rehabilitate sea turtles, sharks, ray and other fish. Visitors will be able to observe and interact with biologists, veterinarians and aquarists.

The July 2022 bond referendum included $50 million for the Windsor-Chavis-Nocho Community Complex, a joint use facility which will provide the City with diverse recreation, leisure and learning opportunities. The estimated $75 million complex will include a modern library, recreation center, aquatic facility and expansive community park. The project is currently in the design and development phase and construction is expected to occur between 2025 and 2027.

MEDICAL FACILITIES

Cone Health is a private, not-for-profit healthcare delivery system based in the City. Cone Health operates more than 150 locations, including five hospitals, six ambulatory care centers, three outpatient surgery centers, eight urgent care centers, two retirement communities and more than 120 physician practice sites. The three Cone Health hospitals in the City are Moses H. Cone Memorial Hospital, now including the Cone Health Women's & Children's Center at Moses Cone Hospital, Wesley Long Hospital and Cone Health Behavioral Health Hospital, with a fourth hospital in Burlington, Alamance Regional Medical Center, and a fifth hospital in Reidsville, Annie Penn Hospital. Cone Health's current active bed count is as follows:

Moses H. Cone Memorial Hospital	628
Alamance Regional Medical Center	238
Wesley Long Hospital	175
Annie Penn Hospital	110
Moses H. Cone Behavioral Health Hospital	80
Total	1,231

Other major facilities of Cone Health include HealthTeam Advantage, Triad HealthCare Network and Cone Health Medical Group, a physician-led network of specialty and primary care medical practices of more than 700 doctors and health care professionals at nearly 150 locations in the Triad. The City is also strategically located in a medical research corridor within an hour's distance of large teaching and research facilities associated with Wake Forest University, the University of North Carolina at Chapel Hill and Duke University.

Several medical and retirement facilities for the elderly are also located in the City and surrounding area. These facilities are classified according to the needs of the elderly, including skilled nursing care, intermediate nursing care and assisted living. Principal facilities offering a continuum of care include Kindred Hospital, Golden Living Center - Starmount, Evergreens Senior Healthcare System, Britthaven of Guilford, Blumenthal Jewish Nursing and Rehab Center, Heartland Living, Carolina Commons, Heritage Greens, Well-Spring, Whitestone, Hearthside and Friends Homes. Assisted living facilities include Carriage House, Abbotswood at Irving Park, Brighton Gardens, Brookdale, Woodland Place, Wellington Oaks, and Morningview at Irving Park, Spring Arbor and Holden Heights.

ARTS AND CULTURE

Several organizations in the City provide a variety of cultural programs for the enjoyment of its residents. The United Arts Council of Greensboro provides financial support and actively promotes the many theatrical, musical and art programs in the City, including the Center for Creative Arts, the Eastern Music Festival, Triad Stage and the Carolina Theatre.

The Festival Arts Center, a multi-million-dollar facility in the City's downtown area, includes art galleries, an outdoor performance theatre, rehearsal studios and offices of the City's Performing Arts Section and the United Arts Council. Programs of the City Parks and Recreation Department's Performing Arts Section include the Livestock Players Musical Theatre, the Greensboro Children's Theater, Razz-MaTazz Musical Revue and Music for a Sunday Evening in the Park. Additional facilities for the visual and performing arts are located on the campuses of UNC-G and A&T. The Weatherspoon Art Gallery at The University of North Carolina at Greensboro and the H. C. Taylor Art Gallery at A&T offer nationally recognized collections of contemporary art.

The City held the North Carolina Folk Festival in person in September 2018 and September 2019 and held a virtual festival in 2020 due to the COVID-19 pandemic. The festival returned to an in-person festival in September 2021, 2022 and 2023. The outdoor three-day event features approximately 300 artists, musicians, dancers, storytellers and craftspeople with more than 30 different musical groups performing on as many as seven outdoor performance venues throughout downtown Greensboro. The North Carolina Folk Festival takes the place of the National Folk Festival which the City hosted from 2015 to 2017.

TRANSPORTATION

Major expansion and maintenance of primary and secondary highways of the State system within the City limits are the responsibility of the State. As of June 30, 2023, the State highway system within the City included 405 linear miles. The City is responsible for the maintenance, expansion and improvement of the local street system. As of June 30, 2023, the local street system included 1,277 paved linear miles.

The City is served by rail, air and highways. Interstate Highways 40 (east-west) and 85 (north-south) presently serve the City, as well as the newly completed portion of Interstate Highway 73 (north-south), which runs through the City. A network of U.S. Highways, including U.S. Highways 29-29A, 70-70A, 220 and 421, link the City with points in the southern, northern and mid-western United States.

The Piedmont Improvement Program is a North Carolina Department of Transportation ("NCDOT") initiative to update rail service and facilities on the State's rail network. These projects were largely funded through federal stimulus money through the American Recovery and Reinvestment Act. The Federal Railroad Administration awarded the State a $546 million grant from that program in 2010. A cooperative agreement with the Federal Railroad Administration specifies that $520 million of the money goes directly to the Piedmont Improvement Program. To complete the work, NCDOT is partnering with the North Carolina Railroad Company, the owner of the Raleigh to Charlotte railroad corridor, and Norfolk Southern Railway and CSX Transportation, which are performing the track construction.

The Greensboro Urban Loop, Interstate Highway 840, a 44-mile State-constructed beltway around the City, was recently completed at a total cost of approximately $1 billion. This entire project has been fully funded by the State.

Piedmont Triad International Airport ("PTIA"), located eight miles from the City's downtown area, is a major commercial and private aviation center that is owned and operated by the Piedmont Triad Airport Authority (the "Authority"). Situated along an aerospace-heavy corridor of Interstate 40, PTIA is at the center of a job-rich region for aircraft, manufacturing, aircraft parts supply and aviation repair and maintenance. The Piedmont Triad is home to nearly 200 aerospace companies, including Honda Aircraft, HAECO Americas, Cessna, North State Aviation, B/E Aerospace, Honda Aero and Federal Express. The Authority provides a complete line of aviation services, including air taxi service, aviation training and aircraft sales. Major passenger carriers include Delta, United, American, Allegiant and Spirit. For the calendar year ended December 31, 2023, PTIA carried 881,316 enplaned passengers.

In June 2012, the Authority developed plans for $350 million in capital projects, including building a taxiway over a future interstate, buying more land, moving roads, relocating a radar tower and grading large tracts of land. The capital projects will open approximately 900 acres for aviation-related development. The projects will be partially funded by the Authority with existing revenues and federal grants, but additional funding will be needed from federal, State and local assistance, with participation from both the public and the private sector. A $34 million taxiway featuring a 214-foot wide bridge over future Interstate Highway 73 was completed in the summer of 2017. This taxiway connects PTIA to hundreds of acres within a mile of the runway and will help attract large aviation tenants.

Various major industrial and business parks with fully developed infrastructure, covering about 700 acres, are located in the vicinity of the PTIA. Existing office and industrial facilities located within 2.5 miles of the airport exit off Interstate Highway 40 include more than three million square feet of office, office/showroom, warehouse/distribution, light industrial and hotel space.

Federal Express began operating its Mid-Atlantic Hub, a major U.S. air hub and cargo handling facility, in 2009. The one million square foot cargo handling facility is located at PTIA on an approximately 160-acre site that has been leased by the Authority to Federal Express for an initial term of 25 years. The cost of the $500 million cargo handling facility was funded by Federal Express, and the Authority constructed a new 9,000-foot public runway parallel to an existing runway, as well as related taxiway, airfield and road improvements. The Mid-Atlantic air hub has nearly doubled existing operations, adding eight net new flights. This facility features the latest in automated handling technology and at full operations can process 24,000 packages per hour. In nearby Kernersville, the $110 million, 415,000 square-foot Federal Express Ground "super hub" sorting and distribution center opened in 2011 and expanded to 493,000 square-feet in 2015. At full capacity, the ground hub is capable of sorting 45,000 packages per hour serving the Southeast Region. The extensive FedEx air and ground distribution centers in the area are part of an ongoing nationwide network expansion and transit time acceleration plan to boost daily package volume capacity and further enhance the speed and service capabilities of its network.

PUBLIC SERVICE ENTERPRISES

The City furnishes water, sanitary sewer and solid waste collection and disposal services to its residents and those of adjacent areas. City enterprises also include the Greensboro Coliseum Complex, a sports arena, entertainment, exhibition and convention center. The City provides central business district parking through municipally owned and operated parking facilities and the Greensboro Transit Authority provides public transit service. Piedmont Natural Gas Company provides natural gas service and Duke Power Company provides electrical service, while telecommunications services are provided by AT&T and other service providers.

Water and Sewer System

The City's water distribution system provides service to approximately 109,146 metered accounts with major users including Procter & Gamble, Stockhausen Inc., UNC-G, A&T, American Express, Cone, Qorvo (RF Micro Devices), Precision Fabrics and Elastic Fabrics of America. The City's sanitary sewer system provides wastewater collection, treatment and disposal for approximately 104,986 metered accounts with major users including Procter & Gamble, Shamrock Environmental, A&T, UNC-G, Stokhausen/Evonik, Cone, Qorve (RF Micro Devices), Kay Chemical and Precision Fabrics.

The City currently draws raw water from three impoundments: Lake Brandt, Lake Townsend and Lake Higgins. These impoundments capture water from approximately 105 square miles of watershed. The usable impounded volume of the lakes is approximately 7.9 billion gallons and provides a safe yield of 35 million gallons per day ("*MGD*"). Average daily water consumption for calendar year 2023 was 34.6 MGD. The City has a 30 million gallon ("MG") finished water storage capacity, consisting of 17.5 MG of clearwell storage and 12.5 MG of elevated storage capacity.

In 2010, the Piedmont Triad Regional Water Authority ("PTRWA") jointly sponsored by six area local governments, including the City, completed the $140 million Randleman Dam, Water Plant and Lake Project that is designed to meet anticipated 21st century water needs. This project serves Randolph County and five municipalities located in Guilford and Randolph Counties: the City, High Point, Jamestown, Archdale and Randleman. In 2008, PTRWA members authorized the construction of a water treatment plant to provide finished water to its members, and the plant was completed and put into service in October

2010. Such plant is designed to be ultimately expanded to 48 MGD in additional phases to be constructed as needed. PTRWA is planning an approximately $175 million expansion and improvement of its 26.7 MGD water treatment plant and facilities. The City will receive additional allocation from and make additional contributions towards this project.

The City maintains emergency connections to the High Point, the Winston-Salem/Forsyth County Utility Commission ("WSFCUC"), Reidsville and Burlington. While the High Point and WSFCUC agreements are available on an "as needed" basis, the Reidsville and Burlington agreements contain mandatory minimum purchase levels. In addition, in order to ensure its future water supply, the City purchased a dam on the Haw River and built an emergency pipeline from the river to Lake Townsend. The 30-inch line runs approximately 13 miles and can be used in emergencies to supplement the City's other water sources.

The City operates one wastewater treatment plant using the activated sludge process, and it is a tertiary plant employing nitrification. The T. Z. Osborne Wastewater Treatment Plant has a total capacity of 56 MGD, and its average daily sewage treatment during calendar year 2023 was 33.5 MGD.

Solid Waste System

The City provides weekly curbside solid waste, recyclable and yard waste collection. The City also provides collection services to certain commercial customers and multi-family residences within City limits. Private haulers collect all waste not collected by the City, including commercial waste and household waste in certain areas of the County.

The City operates a refuse transfer station, a yard waste processing facility and a construction and demolition ("C&D") landfill. The yard waste facility and C&D landfill are located at the White Street landfill facility, which also includes a methane gas recovery system from the inactive landfill. The recovered gas is currently flared off according to permit. In addition, the City contracts services for the operation of a household hazardous waste ("HHW") facility and for recyclable material processing at a privately-owned material recovery facility. Solid waste collection, disposal and recycling activities of the City are supported by tipping fees, HHW fees, recycling material revenue and commercial collection fees.

The White Street Landfill consists of approximately 980 acres, substantially all of which is owned by the City. Approximately 94 acres of the landfill site have been leased by the County to the City. Phase I of the landfill was closed in 1978, and Phase II of the landfill was closed in December 1997 in accordance with federal regulations. In May 1997, the City financed the construction of three cells of Phase III of the landfill, of which the first cell was completed in 1997 and reached full capacity in 2001. The second cell began filling in the fiscal year ended June 30, 2002 and reached full capacity during fiscal year 2005. The third cell began filling in May 2005 and is approximately 69% filled. In November 2005, the City constructed a solid waste refuse transfer station in lieu of further expansion of the White Street Landfill. By policy, disposal activities at the landfill are limited. The landfill currently includes disposal of construction and demolition debris and composting activities. The landfill will also be used as a back-up disposal site in the event the transfer station is not operational or when there are disruptions in the transport of waste to other landfills.

Greensboro Coliseum Complex

The Greensboro Coliseum Complex (the "Coliseum Complex") is a multi-building facility designed to serve the citizens of the City and the surrounding area through a broad range of activities, including athletic events, cultural arts, concerts, theater, educational activities, fairs, exhibits and public and private events of all kinds, including conventions, convocations and trade and consumer shows. The Coliseum Complex has been in service since 1959, with over 75 million in attendance over that time period. The Coliseum Complex is one of the most actively booked facilities in the country, hosting more than 1,100 events annually. Beginning in July 2024, the Oak View Group ("OVG") will manage and operate both the Coliseum Complex and the Steven Tanger Center for the Performing Arts. OVG is currently the food and beverage service provider for the Coliseum Complex.

The Coliseum Complex consists of nine venues, including the 22,000-seat Greensboro Coliseum, which has a long and distinguished history of hosting ACC and NCAA basketball championships, as well as concerts by some of the top names in the recording industry, including Paul McCartney, Garth Brooks, Bruce Springsteen, Beyoncé and Jay-Z.

The Coliseum Complex venues also include the 167,000-square foot Special Events Center that includes three exhibition halls, a 4,500-seat mini-arena and eight meeting rooms, the 300-seat Odeon Theatre, The Terrace, White Oak Amphitheatre, Greensboro Aquatic Center ("GAC"), ACC Hall of Champions and The Fieldhouse.

Located in the western portion of the Greensboro Coliseum Complex's Special Events Center, the ACC Hall of Champions celebrates past, present and future conference success through the design and use of interactive displays, unique institutional exhibits and multi-purpose program space that showcases the league's storied history.

The 78,323-square-foot indoor GAC has become one of the top aquatic venues in the nation. Built at a cost of nearly $19 million in 2011, the state-of-the-art, multi-purpose, three-pool facility has provided the City the opportunity to host high school and collegiate events, USA Swimming meets, Masters swimming and U.S. Water Polo events, as well as many local, regional, national and international competitions. In September 2019, the GAC opened a new $8.2 million fourth pool to accommodate increased demand. The 19-lane pool, housed in a 27,600 square-foot building attached to the existing GAC by a breezeway corridor, is being funded by hotel tax revenue. The GAC operates 15 hours per day, and the estimated economic impact of GAC events to date has exceeded $130 million. The GAC hosted the 2021 NCAA Division I Men and Women's Swimming and Diving Championships. The NCAA Division III Men and Women's Swimming and Diving Championships will be hosted at the GAC from 2023 to 2025.

Formerly known as the Pavilion, The Fieldhouse debuted in 2016. This newly renovated, state-of-the-art structure is the home of the Charlotte Hornets' NBA G League franchise, the Greensboro Swarm. The Fieldhouse features a 30,000-square-foot, column-free area along with 8,500 square feet of support space that includes locker rooms, dressing rooms and its own box office. In addition to 24 annual Swarm home basketball games, The Fieldhouse also hosts other sporting events including roller derby, boxing, gymnastics and wrestling, as well as meetings, tradeshows, graduation ceremonies and concerts.

In August 2021, the Coliseum Complex finished the final phase of construction on $20 million in capital improvements and renovations financed with bonds issued by the City.

Event attendance at the Coliseum Complex for the past five fiscal years is presented in the following table:

Fiscal Year Ended June 30,	Attendance
2019	1,267,680
2020	1,224,764
2021	392,730[1]
2022	1,548,313
2023	1,828,641

[1] Event attendance numbers for fiscal year 2021 were lower than previous years due to attendance and event restrictions implemented as a result of COVID-19.

Since 2000, the Greensboro Coliseum has hosted the ACC Men's Basketball Tournament in 2003, 2004, 2006, 2010, 2011, 2013, 2014 and 2015, returned in 2020 but was suspended mid-tournament due to COVID-19. The tournament was held at the Greensboro Coliseum in 2021, with limited fans in attendance due to COVID-19 restrictions, and in 2023. The Greensboro Coliseum has also hosted the ACC Women's Basketball Tournament every year from 2000-2016 and 2018-2024. In addition, the Greensboro Coliseum hosted the NCAA Women's Basketball Tournament in 2006, 2007, 2019 and 2022, and the NCAA Men's Basketball Tournament in 2001, 2006, 2009, 2012 and 2023. The Greensboro Coliseum is also home to an arena football franchise, the Carolina Cobras of the National Arena League, which began their inaugural season in April 2018.

The Steven Tanger Center for the Performing Arts, a state-of-the-art facility with seating capacity of approximately 3,000, opened in fall of 2021. This venue is located in the City's downtown area. This facility hosts a diverse variety of events, including concerts, touring Broadway productions, Guilford College's Bryan Series, Greensboro Symphony Orchestra performances, comedy shows and all types of family entertainment.

Parking System

The parking system of the City provides both on-street and off-street parking in the central business district. On-street parking is provided on a metered basis and off-street parking by surface lots and four parking decks. These decks provide 3,762 spaces and are supplemented by 817 on-street metered parking spaces and several parking lots providing 3,631 spaces. In June 2021, the City completed a parking deck in the City's downtown area adjacent to First National Bank Baseball Park, the Eugene Street Parking Deck. The Eugene Street Parking Deck has helped to meet the parking needs of future office/residential/hotel projects, as well as development currently underway. In addition, a second new parking facility, the February One Parking Deck, opened in early June 2024 and will connect to planned hotel and or office, residential and retail space, and will provide approximately 718 spaces.

Transit System

Greensboro Transit Authority ("GTA") operates a "timed-transfer" bus system consisting of 19 routes. The system utilizes 54 fixed-route buses, of which 100% are handicapped accessible, 11 of which are hybrid electric diesel buses and 17 of which are electric. GTA also operates the Higher Education Area Transit service consisting of five routes using 10 buses, of which 100% are handicapped accessible. In addition, GTA provides an Americans with Disabilities Act ("ADA") supplemental paratransit service for persons with disabilities by utilizing a fleet of 60 handicapped-accessible vans. GTA contracts with RATP DEV to operate both the fixed bus route and ADA supplemental paratransit services seven days per week. Before October 1991, Duke Power Company had operated the bus system under a 50-year franchise agreement. In consideration for being relieved of this obligation, Duke Power Company agreed to pay the City $1.5 million annually over the term of 37 years, with four years currently remaining. In addition to the annual payment from Duke Power Company, the City finances the bus system operations with additional funds from federal Urban Mass Transit grants, State grants, fare box revenues and a special tax of $.0350 per $100 assessed valuation.

Debt Information

LEGAL DEBT LIMIT

In accordance with the provisions of the State Constitution and The Local Government Bond Act, as amended, the City had the statutory capacity to incur additional net debt in the approximate amount of $2,845,550,183 as of June 30, 2024.

OUTSTANDING GENERAL OBLIGATION DEBT

General Obligation Bonds and Notes	Principal Outstanding as of June 30, 2021	2022	2023	2024
Refunding	$ 89,830,000	$ 77,275,000	$ 65,765,000	$ 56,630,000
Housing	5,090,000	2,125,000	15,420,000	12,395,000
Other	181,665,000	173,195,000	228,585,000	217,570,000
Bond Anticipation Notes	0	0	0	0
Total Debt Outstanding	$276,585,000[1]	$252,595,000[1]	$309,770,000[1]	$286,595,000[1]

Bonds and Notes Issued:

2019-20	$13,440,000 Taxable General Obligation Housing and Refunding Bonds, Series 2020A, maturing April 1, 2021 to 2024, inclusive, 2.00% interest rates.
	$36,105,000 General Obligation Public Improvement Bonds, Series 2020B, maturing April 1, 2024 to 2040, inclusive, 2.00% - 5.00% interest rates.
	$27,035,000 General Obligation Refunding Bonds, Series 2020C, maturing February 1, 2021 to 2028, inclusive, 1.125% - 4.00% interest rates.
2020-21	$16,755,000 General Obligation Refunding Bonds, Series 2020D, maturing October 1, 2021 to 2030, inclusive, 5.00% interest rate.
2022-23	$26,000,000 Taxable General Obligation Public Improvement Bonds, Series 2022A, maturing April 1, 2024 to 2030, inclusive, 4.75% interest rate.
	$52,460,000 General Obligation Public Improvement Bonds, Series 2022B, maturing April 1, 2030 to 2043, inclusive, 5.00% interest rate.

[1] This amount does not include refunded bonds with respect to which an escrow agent holds in trust certain obligations of or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, which mature at such times and in such amounts and bear interest payable at such times and in such amounts so that sufficient moneys will be available, together with cash deposited with such escrow agent, to pay when due all principal of, premium, if any, and interest on the refunded bonds to and including their respective maturities or dates of redemption.

GENERAL OBLIGATION DEBT RATIOS

At June 30,	Total GO Debt[1]	Assessed Valuation	Total GO Debt to Assessed Valuation	Population[2]	Total GO Debt Per Capita	Total Assessed Valuation Per Capita
2020	$303,680,000	$29,095,112,529	1.04%	296,881	$1,023	$ 98,003
2021	276,585,000	29,692,728,008	0.93	298,870	925	99,350
2022	252,595,000	29,750,834,729	0.85	301,532	838	98,667
2023	309,770,000	38,549,202,027	0.80	301,532[3]	1,027	127,844
2024	286,595,000	39,151,814,786	0.73	301,532[3]	950	129,843

[1] Does not include refunded bonds as described under "Outstanding General Obligation Debt" above.
[2] Estimate of North Carolina Office of Budget and Management.
[3] Population estimate from 2022 North Carolina Office of Budget and Management, most recent available.

GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ending June 30,	Principal	Interest	Principal and Interest
2025	$23,230,000	$11,911,756	$35,141,756
2026	23,125,000	10,879,719	34,004,719
2027	21,925,000	9,807,431	31,732,431
2028	21,920,000	8,868,125	30,788,125
2029	18,510,000	7,828,775	26,338,775
2030	18,535,000	6,974,013	25,509,013
2031	18,555,000	6,152,937	24,707,937
2032	16,770,000	5,423,450	22,193,450
2033	16,270,000	4,766,275	21,036,275
2034	16,270,000	4,119,544	20,389,544
2035	15,590,000	3,485,750	19,075,750
2036	15,590,000	2,881,400	18,471,400
2037	15,590,000	2,294,544	17,884,544
2038	13,415,000	1,724,831	15,139,831
2039	13,415,000	1,213,156	14,628,156
2040	6,125,000	833,613	6,958,613
2041	3,920,000	588,000	4,508,000
2042	3,920,000	392,000	4,312,000
2043	3,920,000	196,000	4,116,000
Total	$286,595,000	$90,341,319	$376,936,319

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OTHER LONG-TERM COMMITMENTS

The City has issued certain limited obligation bonds and entered into certain installment financing agreements and land purchase agreements for land, buildings and equipment payable through the fiscal year ending June 30, 2046. The following sets forth the future payments with respect to those financings:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$7,162,000	$4,808,845	$11,970,845
2026	7,287,000	4,643,801	11,930,801
2027	7,387,000	4,456,255	11,843,255
2028	7,477,000	4,264,189	11,741,189
2029	7,627,000	4,068,294	11,695,294
2030	7,801,000	3,860,400	11,661,400
2031	7,981,000	3,640,139	11,621,139
2032	7,606,000	3,407,256	11,013,256
2033	7,796,000	3,185,192	10,981,192
2034	7,986,000	2,951,816	10,937,816
2035	8,186,000	2,707,200	10,893,200
2036	8,401,000	2,453,069	10,854,069
2037	8,636,000	2,187,997	10,823,997
2038	8,886,000	1,909,213	10,795,213
2039	9,141,000	1,622,872	10,763,872
2040	9,215,000	1,329,903	10,544,903
2041	7,330,000	1,040,719	8,370,719
2042	7,580,000	793,130	8,373,130
2043	7,835,000	535,680	8,370,680
2044	5,245,000	269,267	5,514,267
2045	3,605,000	106,565	3,711,565
2046	1,905,000	25,498	1,930,498
Total	$162,075,000	$54,267,300	$216,342,300

Note: The table above does not include liability related to the City's lease and IT subscription financing agreements. The current amount outstanding under such agreements as of April 30, 2024 is $25,437,808, of which $23,987,695 is principal and $1,450,113 is interest.

Additionally, the City has issued several series of water and sewer combined enterprise system revenue and revenue refunding bonds to finance or refinance various water and sewer infrastructure projects, $425,615,000 principal amount of which was outstanding as of June 30, 2024. Net revenues of the City's water and sanitary sewer system are pledged to retire these bonds. The debt service requirements on these bonds for the fiscal year ended June 30, 2024 totaled $27,795,101. The total debt service requirements through the final maturity of these bonds in the fiscal year ending June 30, 2054 is $698,432,510. Additionally, on June 20, 2024, the City issued combined enterprise system revenue bonds in the aggregate principal amount of $126,530,000 (the "2024 Revenue Bonds"). On June 25, 2024, the City also issued combined enterprise system revenue bond anticipation notes in the aggregate principal amount not to exceed $275,000,000 (the "2024 BANs"), which is secured by the net revenues of the City's water and sanitary sewer system, which are structured as draw-down notes.

GENERAL OBLIGATION BONDS AUTHORIZED AND UNISSUED

Purposes	Date Authorized	Remaining Authorization
Housing	7/26/2022	$22,000,000
Fire Fighting Facilities	7/26/2022	8,480,000
Law Enforcement Facilities	7/26/2022	480,000
Parks and Recreation	7/26/2022	45,150,000
Transportation	7/26/2022	15,000,000

GENERAL OBLIGATION DEBT INFORMATION FOR OVERLAPPING UNIT AS OF JUNE 30, 2024

				GO Debt Authorized and Unissued		Total GO Debt		
Unit	2023 Estimated Population	Assessed Valuation (Projected)	Tax Rate Per $100	Utility	Other	Utility	Other	Total GO Debt Per Capita
Guilford County	549,866	$71,073,137,749	$0.7305	--	$1,700,000,000	--	$691,905,000	$1,258.32

Sources: North Carolina Office of State Budget and Management; County Budget and Finance Office.

DEBT OUTLOOK

The City's ten-year Capital Improvement Plan ("CIP") includes approximately $2.1 billion for projects expected to be undertaken during fiscal years 2025 through 2033 and outlines a future financing plan to maintain the City's current infrastructure and develop new facilities where needed to help achieve the City Council's strategic service priorities. A substantial portion of the CIP relates to street improvements and water resources projects. Additional amounts are planned for parks and recreation projects, libraries, law enforcement renovations and fire stations. Unauthorized general obligation bonds funding represents approximately 31% of the current plan. The CIP also includes $133 million from grant funding. In addition to the 2024 Revenue Bonds, the 2024 BANs and the 2024 Bonds being offered hereby, the City also plans to issue approximately $50 million of general obligation bonds in February 2025.

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Tax Information

GENERAL INFORMATION

	2020	2021	2022	2023	2024 (Estimated)
Assessed Valuation:					
Assessment Ratio[1]	100%	100%	100%	100%	100%
Real Property[2]	$22,830,973,771	$23,086,778,095	$23,091,897,903	$31,050,020,570	$31,435,218,915
Personal Property	5,545,733,397	5,857,727,428	5,945,631,283	6,642,403,787	6,849,394,384
Public Service Companies[3]	718,405,361	748,222,485	713,323,543	856,754,130	867,201,487
Total Assessed Valuation	$29,095,112,529	$29,692,728,008	$29,750,834,729	$38,549,202,027	$39,151,814,786
Rate per $100	.6625	.6625	.6625	.6325	.6725
Levy[4]	$192,755,121	$196,714,323	$197,099,280	$243,823,703	$263,295,954

[1] Percentage of appraised value has been established by statute.

[2] Property is revalued every five years and the most recent revaluation was performed in 2022, effective in January 2023. The next revaluation will be performed in 2025 and will be effective in January 2026.

[3] Valuation of railroads, telephone companies, and other utilities as determined by the North Carolina Property Tax Commission.

[4] Excludes levy of the Business Improvement District tax as described under "Commercial, Industrial and Institutional Profile" above.

TAX COLLECTIONS

Fiscal Year Ended June 30,	Prior Years' Levy Collected	Current Year's Levy Collected	Percentage of Total Year's Levy Collected
2020	$796,400	$194,247,239	99.85%
2021	505,096	200,450,042	99.85
2022	460,975	202,744,248	99.69
2023	302,580	239,998,628	99.67
2024	-	262,865,034	99.42

Note: Taxes collected for prior year's levy, current year's levy and the percentage of the current year's levy are updated as actual collections occur for taxes in the respective year of the levy. These amounts have been updated based on preliminary June 30, 2024 numbers.

TWENTY LARGEST TAXPAYERS FOR FISCAL YEAR 2022-2023

Name	Type of Enterprise	Assessed Valuation	Tax Levy
Proctor & Gamble Mfg. Co.	Consumer Goods Company	$405,066,207	$2,562,044
Duke Energy Corporation	Electric Utility	359,942,728	2,276,638
Koury Corp./Koury Ventures Ltd.[1]	Real Estate	349,763,457	2,212,254
ITG Brands LLC	Tobacco Manufacturing	299,979,340	1,897,369
Lincoln Financial Group	Insurance	259,635,849	1,642,197
CBL, LLC	Real Estate	190,618,900	1,205,665
Qorvo Inc.	Semiconductor Company	143,453,664	907,344
Kontoor Brands Inc.	Textile and Apparel Company	118,723,566	750,927
Colonial Pipeline Co.	Petroleum Carrier	118,441,699	749,144
The Carroll Companies	Real Estate	108,391,994	685,579
Greensboro Auto Auction	Auction Company	103,312,975	653,455
GGP Four Seasons, LLC	Real Estate	79,226,400	501,107
TF Connectivity LTD.	Technology Company	77,169,757	488,099
Penry Property Owner LP	Real Estate	73,538,200	465,129
Piedmont Natural Gas	Natural Gas Utility	70,808,880	447,866
Ecolab Inc.	Energy Technology	68,830,914	435,356
Spectrum Southeast, LLC	Communication/Entertainment	66,040,697	417,707
Pleasant Garden Apartments LLC	Real Estate	58,696,211	371,254
CLK Greensboro Owner LLC	Real Estate	57,075,291	361,001
7029 West Gardens LP	Real Estate	56,062,725	354,597

[1] Koury Corporation is a privately owned builder, developer, owner and manager of a diversified real estate portfolio. Most of Koury Corporation's holdings were built by the construction division of the company. Koury Ventures, LTD is an arm of Koury Corporation, which is the sole developer of Grandover, a 600-acre residential and commercial development.

Fiscal Year 2023-2024 Budget Commentary

For the eleven-month period ended May 31, 2024, General Fund revenues were $345.1 million, a decrease of $34.0 million over the prior year, and approximately 86.8% of budget. General Fund expenditures were $373.8 million, a decrease of $1.4 million over the prior year, and approximately 88.1% of budget.

Fiscal Year 2024-2025 Budget Outlook

The City's annual net budget for fiscal year 2024-2025 has been approved for $802.0 million. This budget includes a property tax rate of 67.25 cents per $100 property value, which is unchanged from the fiscal year 2023-2024 property tax rate.

Water and sewer rates are increasing by 8.5% for the fiscal year 2024-2025 for both customers inside and outside the City limits. Water and sewer rates increased by the same rate for fiscal year 2023-2024.

Pension Plans

The following information on the pension plans is presented on the calendar year basis, whereas the information in the independent auditor's footnote is presented on the fiscal year basis.

The City participates in the North Carolina Local Governmental Employees' Retirement System (the "System"). The System is a service agency administered through a board of trustees by the State for public employees of counties, cities, boards, commissions and other similar governmental entities. While the State Treasurer is the custodian of System funds, administrative costs are borne by the participating employer governmental entities. The State makes no contributions to the System.

The System provides, on a uniform System-wide basis, retirement and, at each employer's option, death benefits from contributions made by employers and employees. Employee members contribute six percent of their individual compensation. Each new employer makes a normal contribution plus, where applicable, a contribution to fund any accrued liability over a 24-year period. The employer contribution rate for fiscal year 2022-23 was 12.10% for general employees and 13.10% for law enforcement officers. The employer contribution rate for fiscal year 2023-24 was 12.90% for general employees and 14.04% for law enforcement officers. The accrued liability contribution rate is determined separately for each employer and covers the liability of the employer for benefits based on employees' service rendered prior to the date the employer joins the System.

Members qualify for a vested deferred benefit at age 50 with at least 20 years of service or at age 60 after at least five years of creditable service to the unit of local government. Unreduced benefits are available: at age 65, with at least five years of creditable service; at age 60, with at least 25 years of creditable service; or after 30 years of creditable service, regardless of age. Benefit payments are computed by taking an average of the annual compensation for the four consecutive years of membership service yielding the highest average. This average is then adjusted by a percentage formula, by a total years of service factor, and by an age service factor if the individual is not eligible for unreduced benefits.

Contributions to the System are determined on an actuarial basis.

For information concerning the City's participation in the System and the Supplemental Retirement Income Plan of North Carolina, see the Notes to the City's audited financial statements included in Appendix B to this Official Statement.

Financial statements and required supplementary information for the System are included in the Comprehensive Annual Financial Report for the State. Please refer to the State's Comprehensive Annual Financial Report for additional information.

Other Post-Employment Benefits

The City provides certain post-employment health care and other benefits ("OPEB") as part of the total compensation package offered to attract and retain the services of qualified employees. These benefits are available to retirees who participate in the System and who, at the time of their retirement, meet certain service requirements.

To meet the post-employment health care and other benefits reporting requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, the City obtained an actuarial valuation of its OPEB based on data for June 30, 2018. The total OPEB liability was then rolled forward to the measurement date of June 30, 2020, using standard actuarial roll forward techniques. The actuarial valuation quantified a net OPEB liability of $114,680,147, to be amortized over 23 years, and an actuarially determined contribution of $11,356,420 for the fiscal year ended June 30, 2023. The valuation was computed using a 4.11% discount rate.

The City largely funds OPEB on an annual pay-as-you-go basis under a self-insured plan, with actual benefits paid of approximately $6,975,988, net of retiree contributions, for the fiscal year ended June

30, 2023, with investments administered by the State Treasurer's Office. The City had $34,410,458 and $30,231,036 on deposit in the OPEB Trust as of June 30, 2021 and 2022, respectively, which represents 20.31% and 20.30% funded of the total OPEB liability, respectively.

For additional information concerning OPEB and the City's requirements, see the Notes to the City's audited financial statements included in Appendix B hereto.

Contingent Liabilities

The City has no litigation pending which, in the opinion of the City Attorney, would materially and adversely affect the City's ability to meet its financial obligations. Furthermore, the City has no other contingent liabilities which would materially and adversely affect the City's ability to meet its financial obligations.

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APPENDIX B

FINANCIAL STATEMENTS OF THE CITY OF GREENSBORO, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Greensboro, we offer readers of our financial statements this narrative overview and analysis of the financial activities of the City of Greensboro for the fiscal year ended June 30, 2023. The Management Discussion and Analysis (MD&A) section is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial condition, identify material deviations from the financial budget, and identify individual fund issues or concerns.

Since the MD&A is structured to focus on the current year's activities, resulting changes and currently known facts, we encourage readers to consider the information presented here in conjunction with the transmittal letter, which can be found beginning on page I of this report, and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City of Greensboro exceeded its liabilities and deferred inflows at the close of the fiscal year by $1.3 billion *(net position)*.

  The City's net position increased by $102.9 million (8.5%) compared to FY 2022. The governmental net position increased $81.2 million (26.3%) primarily due to continued increases in local sales tax revenue and an increase in investment income. Business-type net position increased $21.7 million (2.4%) primarily due to increases in water and sewer revenues and $2.0 million in local sales taxes. Transit also received $1.3 million less in operating and capital grants than in FY 2022, however still a substantial amount at $21.3 million.

- The governmental activities program revenue was higher than last year's results by approximately $31.0 million at $135.7 million. The difference is primarily related to a FY 2023 increase of $55.6 million in General Government largely related to a transfer from the American Rescue Plan Act Fund to support governmental and community projects. General governmental revenues increased by $51.4 million (17.0%), primarily due to increased property tax collected. Property tax receipts increased by 18.4% or approximately $34.5 million for FY 2023 due to a revaluation conducted by Guilford County. Even though the property tax rate decreased from prior year to $.6325 per $100 assessed valuation, it was over 8 cents above the "revenue neutral" rate following revaluation. Investment income increased by $27.4 million over FY 2022, mainly due to an increase in fair market value. Investment earnings (excluding changes in fair market value) were the equivalent of 3.23 cents on the property tax rate compared to 1.01 cents last year. For budgeting purposes, management projects interest earnings to have conservative growth for the near-term planning cycle. In the City's business-type activities, total general revenues and transfers increased by about $12.6 million from the prior year. The increase comes primarily from local sales taxes and an increase in investment income.

- During the year, the City's governmental expenses at the entity-wide level were $396.9 million, an increase of $30.0 million or 8.2% more than last year, primarily due to increases of expenses related to general government and public safety for added staffing and support. Environmental services expenditures increased by $2.6 million due to the Camp Burton capital project. In all, expenses increased $43.8 million or 7.0% citywide with increases of approximately $13.8 million affecting business-type activity. Increased expenditures in the proprietary funds were primarily due to increased personnel costs in both coliseum and transit departments resulting from an increase of services post pandemic.

- ❖ As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $323.1 million, a net increase of approximately $130.0 million in comparison with the prior year fund balance. Approximately 59.9% of this total amount or $193.5 million is restricted or non-spendable and 40.1% or $129.6 million is Committed, Assigned or Unassigned, including $6.5 million appropriated for next year's budget.

- ❖ At the end of the current fiscal year, the total fund balance for the General Fund specifically was $126.6 million. Approximately 36.6% or $46.3 million of this balance is restricted for accounts receivable and encumbrances and $6.5 million is assigned for appropriation next year. It is also the City's policy to hold aside 9% of the subsequent year's General Fund budget as "unassigned" to remain available for working capital, but it may also be appropriated for emergencies. This amounted to $36.3 million as of June 30, 2023. Amounts remaining that are either non-spendable, committed or assigned for other purposes totaled approximately $44.0 million.

- ❖ Charges for services at the fund level, for the City's largest enterprise activity, the Water Resources Fund, comprising water and sewer operations increased $8.6 million or 6.7% in FY 2023. Rate increases of 4.5% for customers both inside and outside the city limits were in effect as of July 1, 2022. The cost of the City's water supply purchased from three neighboring municipalities in the current year was approximately $3.2 million compared to $3.1 million last year, and is budgeted at $3.8 million in FY 2023 for purchases from Reidsville, Winston-Salem, Burlington and Randolph County. These interlocal arrangements will continue to be in place to keep the water lines "fresh" and to ensure additional supply in emergency or drought conditions. Current year contributions of $962,945 were made to the Piedmont Triad Regional Water Authority ("PTRWA") for certain ongoing administration and operations associated with the Randleman Dam, which is fully operational. This project is being funded by a group of local government units and will supplement Greensboro's water supply needs for the long term. The City's total water rights in the Randleman Dam project, recorded as an Intangible Asset, are approximately $71.5 million, net of $23.2 million in amortization, as of June 30, 2023. Amortization of the water rights is calculated over a 50 year period. The City began receiving water from the PTRWA in October 2010, culminating a 20-year project that will ensure the City's long-term water supply. Water purchases totaling $2.9 million were paid to the PTRWA in Fiscal Year 2023 and are budgeted at $2.8 million in FY 2023. At June 30, 2023, Revenue Bond debt service coverage was 2.3 times, meeting the targeted goal.

- ❖ Certain deficit fund balances were reported in the Workforce Investment Act ($1,044,048), State, Federal and Other Grants Fund ($9,836,462), State and Federal (ARRA) ($24,714), Emergency Rental Assistance-Guilford County ($230,407), Opioid Settlement Fund ($1,582) and Fire Station Series 2019 Bond Fund ($70,386), respectively, as of the end of the fiscal year. The grant-related project fund deficits are from current expenses that were incurred at the end of the fiscal year but reimbursement had not yet been received from the federal and state granting agencies. These project fund deficits will be eliminated with the future reimbursements of federal and state grants. The bond fund deficit will be addressed with a contractual reimbursement agreement.

- ❖ The General Fund budget for the fiscal year ended June 30, 2023 was adopted with a $.5875 per $100 assessed valuation property tax rate compared to $.6206 per $100 in the prior year. The total FY 2023 general levy tax rate decreased from $.6625 in the prior year to $.6325 per $100 and includes $.0100 for housing initiatives and $.0350 for public transit. Two special historic district taxes and a downtown business district tax for certain additional improvements are also taxed as "special district" rates. Rate adjustments reflected an approximate 24% growth in assessed property values due to revaluation by the County.

- As of June 30, 2023, the City had collected approximately $433.8 million or 103.0% of its amended budgeted General Fund revenues (excluding appropriated fund balance) and had incurred $409.9 million or 94.0% of its amended budgeted expenditures. The net effect on General Fund fund balance was an increase of approximately $23.9 million this year.

- The City spent the remaining $56.0 million received of the original $59.4 million American Rescue Plan Act award from the United States Treasury as of June 30, 2023 for revenue replacement purposes.

- The City's net OPEB liability was $114,680,147 at June 30, 2023, as reflected in the Statement of Net Position. The plan's fiduciary net position increased by $4 million primarily due to the increase in the fair value of investments over the prior year.

- The State of North Carolina's pension system, a multi-employer defined benefit plan in which the City participates, had an overall net pension liability as of June 30, 2023. The City's total prorata share was $131,886,996 as reflected in Note I-1 on page 40qq.

- The City's Law Enforcement Special Separation Allowance (LEOSSA) net pension liability was $29,497,172 at June 30, 2023, as reflected in Note I-1 on page 40tt.

- In FY 23 the City spent $98.8 million and $10.9 million for federal and state-funded grant programs, respectively, compared to $62.9 million in federal and $13.7 million in state funding last year.

Key Ratios

	2023	2022
$ Bonded Debt Per Capita	$1,102	$912
Legal Debt Margin as a % of Debt Limit	84.04%	81.05%
% of Property Tax Levy Collected	99.43%	99.39%
% Increase (Decrease) in Assessed Property Valuation	29.6%	0.2%

- Guilford County property tax revaluation normally occurs every five years. The most recent revaluation occurred in 2022, effective in FY 2023, noting a gain in the property base of approximately 23.8% above FY 2022 values. The next revaluation will occur in four years, as required by state regulations when certain valuation calculations are met.

- The City's governmental general obligation bonded debt increased by $58.5 million following the issuance of $78.46 million of 2016 and 2022 referendum bonds offset by scheduled annual debt service payments; increasing the debt per capita to $1,102.

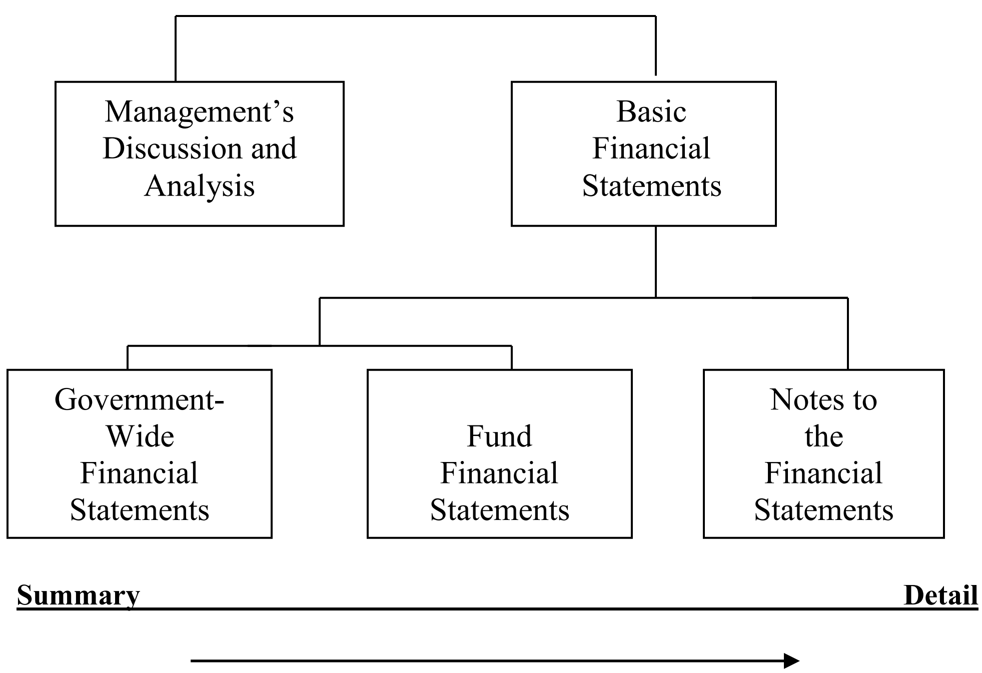
- The City of Greensboro maintained its AAA general obligation credit rating from Standard and Poor's and Fitch Ratings along with its Aaa rating from Moody's Investors Service.

S&P Global Ratings (S&P)		
General Obligation Bonds	Currently AAA	Target AAA
Enterprise System Revenue Bonds	Currently AAA	Target AAA
Limited Obligation Bonds	Currently AA+	Target AA+
Moody's Investors Service (Moody's)		
General Obligation Bonds	Currently Aaa	Target Aaa
Enterprise System Revenue Bonds	Currently Aa1	Target Aaa
Limited Obligation Bonds	Currently Aa2	Target Aa1
Fitch Ratings (Fitch)		
General Obligation Bonds	Currently AAA	Target AAA
Enterprise System Revenue Bonds	Currently AAA	Target AAA
Limited Obligation Bonds	Currently AA+	Target AA+

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Greensboro's basic financial statements. The financial statements include two kinds of statements that present different views of the City: 1) Government-Wide Financial Statements and 2) Fund Financial Statements. Both perspectives, however, are essential and complementary components that allow the user to address relevant questions, broaden a basis for comparison, and enhance the City's accountability. Another element of the basic financial statements is the notes to the financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Greensboro. (See Figure 1)

Figure 1
Required Components of Annual Financial Report



A. Government-Wide Financial Statements

The government-wide statements report both short-term and long-term information about the financial condition of the City as a whole, focusing on the government's operational accountability. The accounting methods of these statements reflect that of private sector companies in that all governmental and business-type activities are consolidated into columns that add to a total for the primary government. The statement of net position reports the City's net position and includes all, both current and non-current, assets, deferred outflows of resources, liabilities and deferred inflows of resources of the government. The difference between the two is reported as net position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will also need to consider other non-financial factors, such as changes in the City's property tax base, local economy and service levels, to assess the overall health of the City. On the other hand, the statement of activities reports how net position has changed and includes all of the current year's revenues and expenses regardless of when cash is received or paid.

The government-wide financial statements of the City are divided into three categories:

Governmental Activities - Most of the City's basic services are included here, such as police, fire, transportation, environmental services, libraries, planning, neighborhood development, public improvements, parks and recreation and general administration. Property taxes along with sales and certain state-shared taxes and state and federal grants finance most of these activities.

Business-Type Activities - The City charges fees to customers to help cover the costs of certain services it provides. The City's water and sewer system and other stormwater resources, parking facilities, solid waste facilities, coliseum, and transit activities are included here.

Component Units - The City includes three discretely presented component entities in its report—Greensboro Housing Development Partnership, Inc., the Alcoholic Beverage Control Board (ABC), and the Redevelopment Commission of Greensboro. Although legally separate, these "component units" are important because of certain financial transactions that exist between the entities and the City and from extensive board member appointments by City officials.

The government-wide financial statements can be found on pages 3-6 of this report.

B. Fund Financial Statements

The fund financial statements provide more detailed information about the City's major funds while focusing on fiscal accountability. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes, as required by state law and bond covenants. City Council establishes many funds to assure control as well as good management and to exhibit proper usage of certain taxes and grants. The City of Greensboro, like all other governmental entities in North Carolina, also uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or City ordinances.

The City has three types of funds:

Governmental Funds - Most of the City's basic services are included in governmental funds, which focus on 1) how cash and other financial assets can readily be converted to cash flow in and out (that is, their liquidity) and 2) the balances left at year-end that are available for spending. This is the manner in which the financial budget is typically developed. Because this information provides a short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs, as opposed to the government-wide statements which provides both a short and a long-term focus, a reconciliation is provided on the page following the fund statements that explains the relationship or differences between the two views.

The governmental fund financial statements can be found on pages 7-22 of this report.

Proprietary Funds - Services for which the City charges customers a fee are generally reported in proprietary funds. Accounted for like the government-wide statements, proprietary funds provide both long and short-term financial information and in addition include the statement of cash flows. A reconciliation statement is once more provided following these funds to explain the differences between them. The Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. Because these services predominantly benefit governmental rather than business-type functions, they have all been included within governmental activities in the government-wide statements. Individual fund data for the Internal Service Funds is provided in the form of combining statements located on pages 150-167.

The proprietary fund financial statements can be found on pages 23-34 of this report.

Fiduciary Funds - The City is the trustee, or fiduciary, for its LEOSSA Pension Trust, with all assets held and administered in a trust account invested with the State Treasurer. In addition, the Other Post-Employment (OPEB) Trust Fund was established as an irrevocable trust in FY 2009. The City is responsible for ensuring that the assets reported in these funds are used only for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the government-wide financial statements because the City cannot use these assets to finance its operations. The basic fiduciary fund financial statements can be found on pages 35-36 of this report.

C. Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 40a of this report.

D. Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Greensboro's progress in funding its obligation to provide pension benefits and other post-employment benefits other than pensions to certain of its retirees. Required supplementary information can be found on pages 41-54 of this report.

E. Other Supplementary Information

The combining statements referred to earlier in connection with nonmajor governmental funds and Internal Service Funds are presented immediately following the required supplementary information on pensions and other post-employment benefits. Combining and individual fund statements and schedules can be found starting on page 55 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Greensboro, assets and deferred outflows exceeded liabilities and deferred inflows by $1,309,146,197 at the close of June 30, 2023 compared to $1,206,264,495 in the previous year. The net position for the City as a whole increased 8.5% at June 30, 2023, or $102.9 million. The increase in governmental activities was primarily driven by the $4.8 million increase in local sales tax revenue, due to the continued increase in robust consumer spending, and a $37 million increase from prior year in property tax receipts following a rate increase above the "revenue neutral" after property revaluation conducted by the County.

The largest portion of the City of Greensboro's net position $1,086,736,147 (83.0%) represents its investment in capital assets (e.g. land, building, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The resources needed to repay the debt must be provided from sources other than capital assets, since they cannot be used to liquidate the liabilities.

An additional portion of the City of Greensboro's net position $242,057,713 (18.5%), represents resources that are subject to enabling legislation or external restrictions on how they may be used. Unrestricted net position, the residual amount of assets that can be used without constraints established by debt covenants, enabling legislation, or other legal requirements changed from ($106,622,762) at June 30, 2022 to ($19,647,663), up approximately $87 million at the end of this year, with the increase largely attributable to an increase in investment income recorded for the city's fair market value adjustment at June 30, 2023 and increased property tax receipts. Investment income increased $27.4 million from the prior year. The City's overall unrestricted cash levels increased by approximately $98.5 million to approximately $354.7 million. However, it should be noted that of the total reported "unrestricted" amount, only approximately $36.3 million is available and unobligated in the General Fund to provide working capital to finance day-to-day governmental activities and fund unforeseen circumstances in the future.

Table A-1
City of Greensboro's Net Position
(In thousands of dollars)

	Governmental Activities		Business-Type Activities		Total		% change
	2023	2022	2023	2022	2023	2022	2022-2023
Current and Other Assets	$ 458,960	$ 374,248	$ 289,107	$ 298,535	$ 748,067	$ 672,783	11.2%
Capital Assets, Net	606,286	587,230	1,270,927	1,200,920	1,877,213	1,788,150	5.0%
Total Assets	1,065,246	961,478	1,560,034	1,499,455	2,625,280	2,460,933	6.7%
Deferred Outflows of Resources	93,295	68,210	19,268	13,596	112,563	81,806	37.6%
Long-Term Debt Outstanding	427,653	363,582	487,592	459,150	915,245	822,732	11.2%
Other Liabilities	304,120	280,456	156,839	133,238	460,959	413,694	11.4%
Total Liabilities	731,773	644,038	644,431	592,388	1,376,204	1,236,426	11.3%
Deferred Inflows of Resources	37,336	77,432	15,157	22,617	52,493	100,049	-47.5%
Net Position	$ 389,432	$ 308,218	$ 919,714	$ 898,046	$ 1,309,146	$ 1,206,264	8.5%
Net Investment in Capital Assets	$ 300,428	$ 268,028	$ 786,309	$ 774,204	$ 1,086,737	$ 1,042,232	4.3%
Restricted	146,401	179,714	95,656	90,941	242,057	270,655	-10.6%
Unrestricted	(57,397)	(139,524)	37,749	32,901	(19,648)	(106,623)	81.6%
Total Net Position	$ 389,432	$ 308,218	$ 919,714	$ 898,046	$ 1,309,146	$ 1,206,264	8.5%

For more detailed information, see the Statement of Net Position on pages 3-4.

Table A-2
City of Greensboro's Changes in Net Position
(In thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	$ 39,209	$ 35,554	$ 237,324	$ 224,848	$ 276,533	$ 260,402
Operating Grants and Contributions	81,576	50,279	7,604	5,647	89,180	55,926
Capital Grants and Contributions	14,971	18,780	14,054	19,801	29,025	38,581
General Revenues:						
Property Taxes	221,782	187,298	12,836	10,333	234,618	197,631
Other Taxes	119,031	114,127	3,082	1,073	122,113	115,200
Investment Income	6,940	(7,677)	6,041	(6,781)	12,981	(14,458)
Other	6,553	9,192	2,925	2,575	9,478	11,767
Total Revenues	490,062	407,553	283,866	257,496	773,928	665,049
Expenses:						
General Government	37,321	28,563			37,321	28,563
Public Safety	188,510	164,167			188,510	164,167
Transportation	32,451	27,060			32,451	27,060
Engineering and Building Maintenance	13,078	12,425			13,078	12,425
Field Operations	40,655	40,744			40,655	40,744
Environmental Services	6,267	3,657			6,267	3,657
Culture and Recreation	40,998	42,997			40,998	42,997
Neighborhood Development	20,065	31,860			20,065	31,860
Economic Opportunity	6,646	5,965			6,646	5,965
ARPA-Enabled Projects	729				729	
Interest, Fees on Long Term Debt	10,198	9,492			10,198	9,492
Water Resources			124,874	108,236	124,874	108,236
Stormwater Management			12,480	10,919	12,480	10,919
Coliseum			75,761	71,515	75,761	71,515
Solid Waste Management			22,068	34,767	22,068	34,767
Greensboro Transit Advisory Commission			33,424	29,534	33,424	29,534
Parking Facilities			5,521	5,376	5,521	5,376
Total Expenses	396,918	366,930	274,128	260,347	671,046	627,277
Net, Before Transfers	$ 93,144	$ 40,623	$ 9,738	$ (2,851)	$ 102,882	$ 37,772

(Continued)	Governmental Activities 2023	Governmental Activities 2022	Business-Type Activities 2023	Business-Type Activities 2022	Total 2023	Total 2022
Transfers	$ (11,930)	$ (16,976)	$ 11,930	$ 16,976	$	$
Change in Net Position	81,214	23,647	21,668	14,125	102,882	37,772
Beg. Net Position	308,218	281,938	898,046	883,921	1,206,264	1,165,859
Prior Period Restatement		2,633				2,633
Beg. Net Position, Restated	308,218	284,571	898,046	883,921	1,206,264	1,168,492
Ending Net Position	$ 389,432	$ 308,218	$ 919,714	$ 898,046	$ 1,309,146	$ 1,206,264

Table A-3
Summary of Financing/Interest Earnings - Governmental Activities
(In thousands of dollars)

	FY 2023	FY 2022	$ Change	% Change
Interest Revenue	$ 6,940	$ (7,677)	$ 14,617	190.4%
Interest Expense	10,198	9,492	706	7.4%
Net	$ (3,258)	$ (17,169)	$ 13,911	81.0%

Summary of Financing/Interest Earnings - Business Activities
(In thousands of dollars)

	FY 2023	FY 2022	$ Change	% Change
Interest Revenue	$ 6,041	$ (6,781)	$ 12,822	(189.1%)
Interest Expense	12,017	9,261	2,756	29.8%
Net	$ (5,976)	$ (16,042)	$ 10,066	62.7%

A. Governmental Activities

Governmental activities increased the City’s net position by approximately $81.2 million, compared to an approximate $23.6 million increase last year. Contributing to the increase was increases in property tax revenue, sales tax revenue, ABC profits, and investment income. The Internal Service Funds are combined with governmental activities at the entity-wide level.

Figure 2
Expenses and Program Revenues – Governmental
(In thousands of dollars)

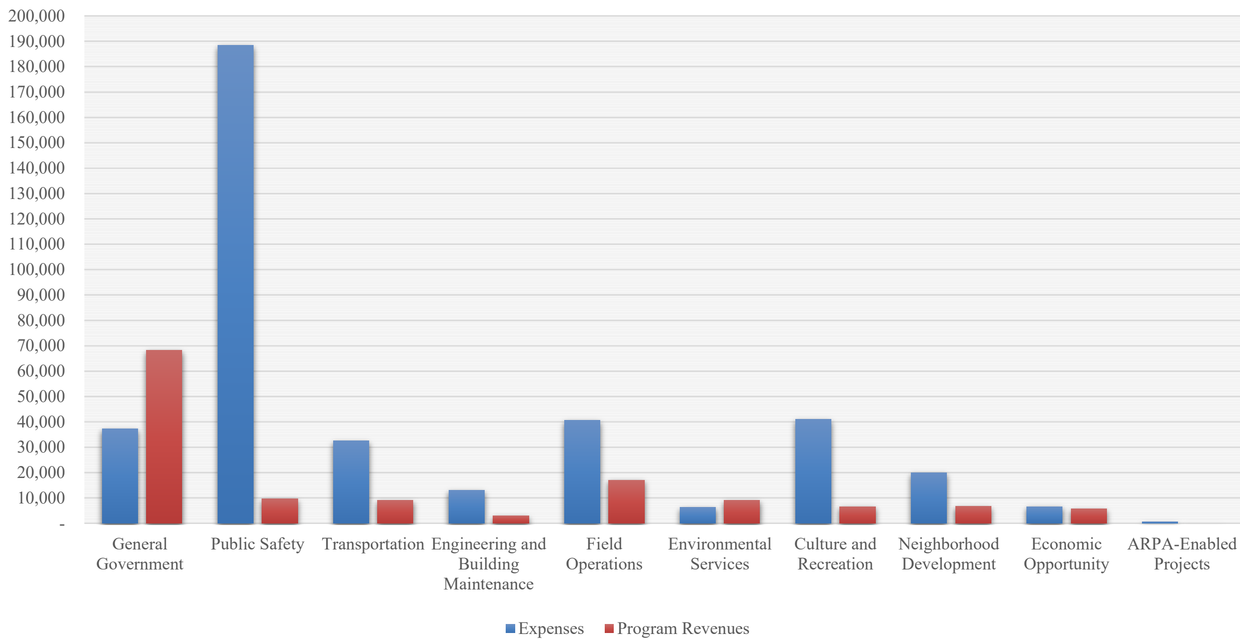


Table A-4
Net Cost – Governmental Activities
(In thousands of dollars)

	Total Cost of Services 2023	Total Cost of Services 2022	% Change	Net Cost of Services 2023	Net Cost of Services 2022	% Change
General Government	$ 37,321	$ 28,563	30.7%	$ 30,942	$ (15,908)	294.5%
Public Safety	188,510	164,167	14.8%	(178,811)	(155,429)	-15.0%
Transportation	32,451	27,060	19.9%	(23,363)	(13,055)	-79.0%
Engineering and Building Maintenance	13,078	12,425	5.3%	(10,042)	(5,445)	-84.4%
Field Operations	40,655	40,744	-0.2%	(23,560)	(24,395)	3.4%
Environmental Services	6,267	3,657	71.4%	2,884	102	2727.5%
Culture and Recreation	40,998	42,997	-4.6%	(34,345)	(25,866)	-32.8%
Neighborhood Development	20,065	31,860	-37.0%	(13,125)	(11,523)	-13.9%
Economic Opportunity	6,646	5,965	11.4%	(815)	(1,307)	37.6%
ARPA-Enabled Projects	729			(729)		
Total	$ 386,720	$ 357,438	8.2%	$ (250,964)	$ (252,826)	0.7%

B. Business-Type Activities

Business-type activities increased the City of Greensboro's net position by $21.7 million, largely attributable to Water Resources charges for services, sales tax revenue, and investment income. The General Fund continued to support the coliseum, solid waste operations, and parking facilities; water and sewer revenues were sufficient to cover operations.

1) *Enterprise Funds*

There are six separate and distinct operations accounted for in the Enterprise Funds: the Water Resources Utility Operations, Stormwater Management Services, Coliseum Complex, Solid Waste Management, Greensboro Transit Advisory Commission and Parking Facilities (Other Non-Major Fund).

Depreciation is computed on all depreciable plant and equipment and is reflected as an operating expense. Depreciation expense also includes amortization of software and licenses and other intangible assets, such as water rights. The following schedule reflects the change in net position before and after depreciation/amortization for each of the enterprises compared to the preceding year.

Table B-1
Change in Net Position– Business-Type Activities
(In thousands of dollars)

	Change in Net Position Before Depreciation/Amortization*		Change in Net Position After Depreciation/Amortization*	
Enterprise Activities	2023	2022	2023	2022
Water Resources	$ 56,253	$ 53,595	$ 22,052	$ 20,348
Stormwater Management	397	1,490	(1,580)	(469)
Coliseum	3,209	14,453	(3,178)	8,364
Solid Waste Management	(4,845)	(19,508)	(5,331)	(19,980)
Greensboro Transit Advisory Commission	11,132	10,524	7,250	6,985
Parking Facilities	2,878	(731)	1,702	(1,858)
Total	$ 69,024	$ 59,823	$ 20,915	$ 13,390

*Excludes the effect of Internal Service Fund chargebacks.

Major activities and/or changes in the Enterprise Fund operations are presented in the following comments.

2) *Water Resources Fund*

Charges for current services totaled $137,823,798 compared to $129,175,386 for the preceding year, an increase of 6.7%. Operating expenses (excluding depreciation) increased by 19.6% and totaled $81,863,234 as compared to $68,420,760 for the preceding year. On July 1, 2022, water and sewer rates for average residential customers increased 8.5% for customers both inside and outside the City limits, largely causing the improved revenue results. On July 1, 2023, water and sewer rates for average residential customers increased 8.5% for customers both inside and outside the City limits as necessary to maintain debt service coverage covenant targets of 2.0x coverage. Actual debt service coverage has exceeded 2.0x coverage in each of the past ten years, with a current coverage of 2.26x as of June 30, 2023.

The City continues to make a significant investment in water resource needs to replace and expand existing infrastructure and to meet new environmental regulations. The Water and Sewer utility comprises approximately one-third of the City's overall capital improvement plan, with estimated $1.2 billion in planned capital expenditures over the next ten year period. Ongoing system improvements are expected and are included in our long-range planning. Major projects include installation of an elevated water tank in Liberty to aid the Greensboro-Randolph Megasite; Sandy Creek Sewer improvements, water line extensions and sewer upgrades around Liberty Road, Camp Burton, N. Buffalo Trunkline replacement and an upgrade to the lagoon at the Townsend Waste Treatment Plant. The City utilizes the issuance of revenue bonds and pay-go funding to fund these projects. The City has also established a capital reserve account to provide for future needs of the water and sewer system, with an account balance of approximately $25.1 million available in the restricted assets total of the Water Resources Fund as of June 30, 2023.

The Randleman Dam, Lake and Water Plant Project (managed by the Piedmont Triad Regional Water Authority, "PTRWA") is designed to meet long-term future water needs. PTRWA constructed a 14.7 MGD Water Treatment Plant (expandable to 48 MGD) which began pumping treated water to Greensboro in early October 2010. Approximately $2.9 million was paid to PTRWA in FY 2022 for current water purchases from this supply. Greensboro has acquired certain water rights in this project, along with five other governmental units. Due to ongoing interlocal water purchase agreements with neighboring communities, conservation measures, the purchase of a small dam on the Haw River, along with water that is available to be piped from Randleman, the City has been able to adequately manage its water supply.

3) *Stormwater Management Fund*
Charges for current services totaled $10,302,998 as compared to $10,223,520 for the preceding year, an increase of 0.8%. Operating expenses (excluding depreciation) increased by 17.2% and totaled $10,503,212 as compared to $8,959,812 for the preceding year. The stormwater program monitors and manages the quality and quantity of stormwater runoff and helps protect limited water resources throughout the City. Residential stormwater fees range from $1.50 to $3.90 based on the square footage of impervious property area owned and fund program operations as well as related capital improvement projects.

4) *Coliseum Fund*
Charges for current services totaled $66,452,742 as compared to $64,787,803 for the preceding year, an increase of 2.6%. Event attendance numbers increased due to the Coliseum hosting both the ACC and NCAA basketball tournaments. Operating expenses (excluding depreciation) totaled $68,068,385 as compared to $63,878,637 for the preceding year, an increase of 6.6%. The General Fund contributed $3,400,000 toward Coliseum activities this year, mainly for operations. The Performing Arts Center brought in $30.3 million of the $66.4 million charges for current services during the fiscal year. Revenues and expenses for a given year may fluctuate based on the number of events and nature of the associated event agreements.

5) *Solid Waste Management Fund*
Charges for current services totaled $14,061,093 as compared to $13,740,188 for the preceding year, an increase of 2.3%. Operating expenses (excluding depreciation) totaled $21,665,107 as compared to $34,541,476 for the preceding year, a decrease of 37.3% primarily due to decreases in adjustments for closure and post closure of the landfill.

6) *Greensboro Transit Advisory Commission*
Charges for current services totaled $1,806,396 as compared to $1,493,159 in the preceding year, an increase of 21.0% primarily due fare service collection continuing to return to post-pandemic normalcy. Operating expenses (excluding depreciation) totaled $29,541,869 as compared to $25,995,048, an increase of 13.6%, primarily due to increased personnel costs and increases in contracted transportation due to a full year of operation. This operation is primarily funded with grants and property and motor vehicle tax.

7) *Parking Facilities Fund*
Charges for current services totaled $3,222,407 as compared to $2,823,567 in the preceding year, an increase of 14.1%. The increase in parking fee revenue is due to the increasing return of downtown activities and events after the peak of the pandemic. Operating expenses (excluding depreciation) totaled $2,793,481 as compared to $2,637,110 for the preceding year, an increase of 5.9% due to increased maintenance and operation expenses due to coverage needed for more events downtown. In addition, construction of a new parking deck is in progress with anticipated completion in early 2024.

Figure 3
Expenses and Program Revenues – Business-Type
(In thousands of dollars)

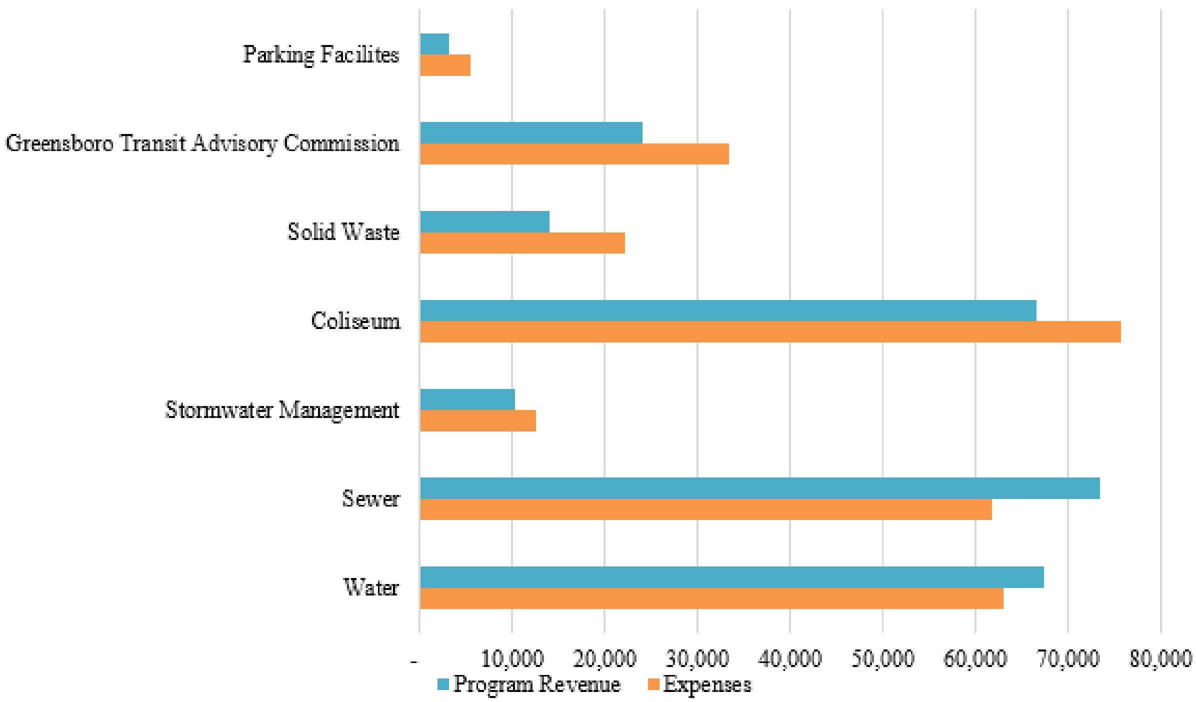
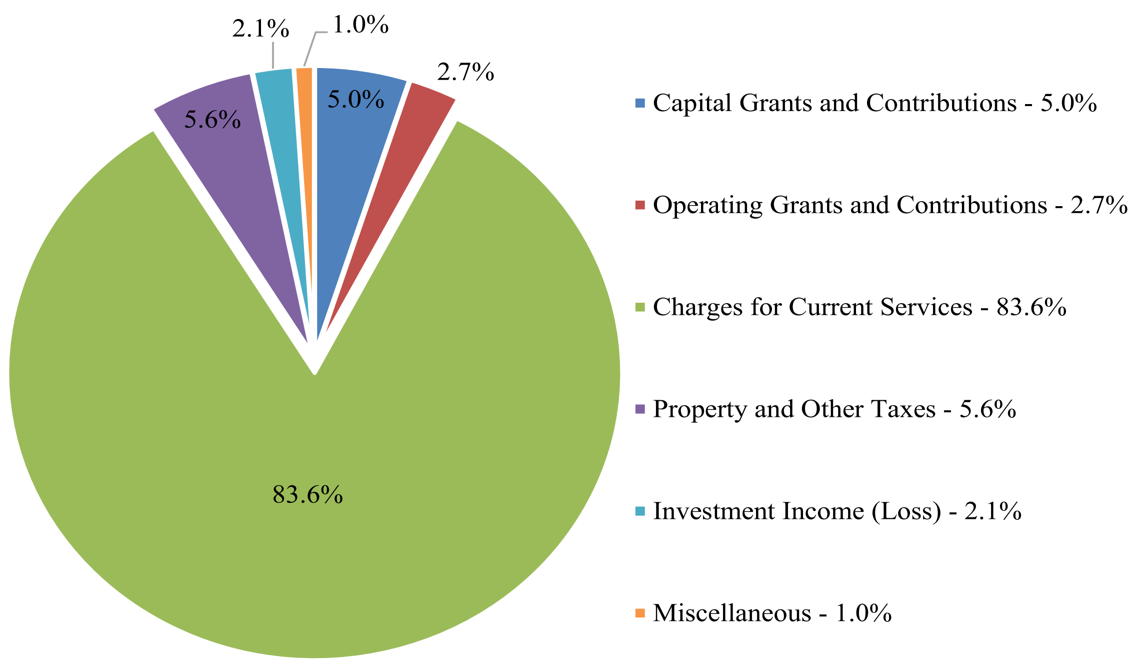


Figure 4
Revenues by Source – Business-Type Activities



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

A. <u>Governmental Funds</u>

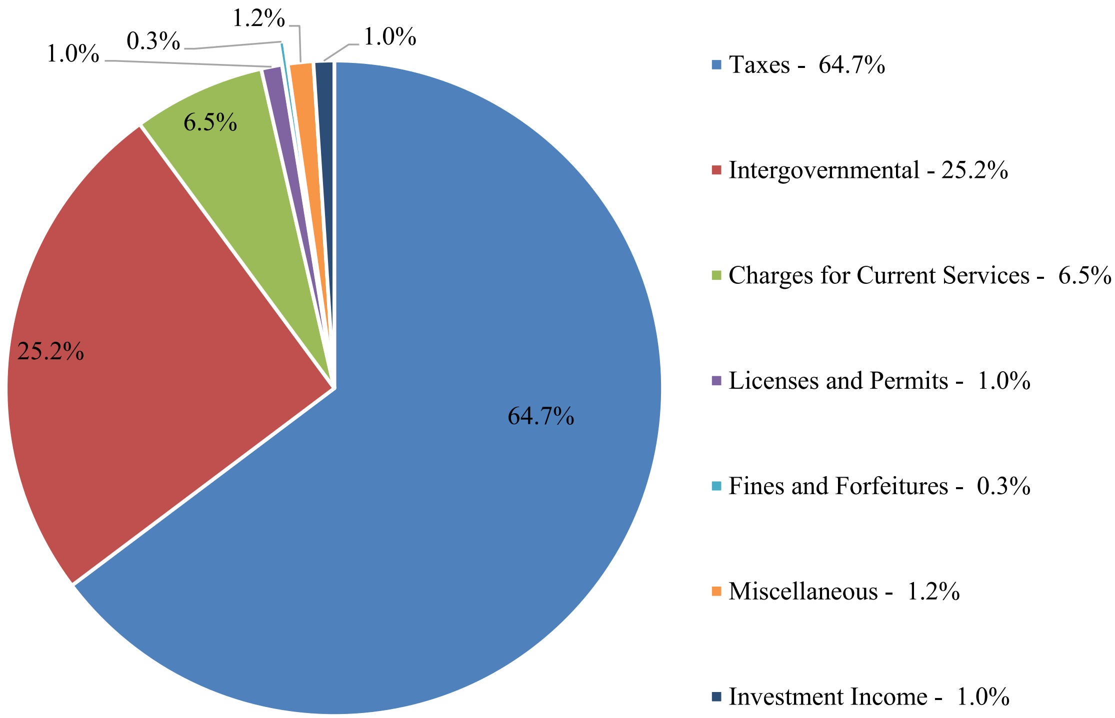
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As of June 30, 2023, governmental funds reported a combined fund balance of $323.1 million, an increase of approximately $129.7 million or 67.0% of the FY 2022 amount. The General Fund net results increased fund balance by $23.9 million, due primarily to increases in property tax and local sales tax revenues and approximately $14.3 million designated for American Rescue Plan Act (ARPA)-enabled projects. Internal Service Funds are reported with the governmental activities in the Statement of Net Position. Overall operating expenditures (excluding debt service) increased approximately $7.4 million or 2.0%. General Government and Public Safety expenditures were up 6.7 million and 10.2 million respectfully, primarily due to increased personnel costs associated with merit and market adjustments. Debt service expenditures at $39.1 million are down $1.9 million from the previous year. The current year transfers out exceeded transfers in by $25.0 million to support other operations including transfers to support Coliseum, Solid Waste Management and Parking enterprise funds and to support ARPA-enabled projects. Fund balance of $193.5 million or 59.9% of the total amount is non-spendable or restricted to indicate that it is not available for spending due to GASB No. 54 classifications of (1) Non-Spendable which includes inventories, prepaid expenses, leases, perpetual maintenance or assets held for resale (2) Restricted which includes amounts to liquidate contracts and purchase orders of the previous year, adherence to Stabilization for State Statute, amounts bound by debt covenants and third party grantor requirements. The adherence to State Statute limits the amount that may be appropriated by the governing board or for other restricted purposes. The remainder of fund balance represents amounts committed 3.9%, assigned 29.1% and unassigned 7.1% funds.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance of the General Fund was $126.6 million. Of this amount, $2.2 million is non-spendable, $46.3 million is restricted, $6.5 million is assigned for appropriation in next year's budget, $20.9 million is assigned for capital projects, $14.3 is assigned for ARPA enabled projects, and $36.4 million or 9% of the subsequent years' budget is unassigned and retained for working capital purposes as well as unforeseen emergencies. General fund balance increased by $23.9 million due primarily to an increased amount of property taxes collected and funds held for ARPA-enabled projects.

The Debt Service Fund has a fund balance of $13.8 million, $12.3 million more than last year. The fund covered debt service expenditures (principal and interest) of approximately $33.7 million, amounting to approximately 8.7 cents of the general property tax rate. The total fund balance at June 30, 2023, less amounts restricted by state statue, is assigned for debt service in next year's budget with the balance to be used to stabilize property tax rates from year to year for future increases in debt service amounts due to new voter-approved bonds, as well as to support the City's fund balance goals.

Revenues for general governmental functions (General, Special Revenue, Capital Project and Debt Service Funds) amounted to $479,528,814 for the fiscal year ended June 30, 2023 and are comprised of various sources as shown in the following graph:

Figure 5
Revenues by Source – Governmental Activities



Property tax collections for the current City levy amounted to $239,998,628. The rate of collection as of the end of the fiscal year was 99.43% for the current year levy, with collections for levies in previous years approximating close to 100%. We expect the collection rate to remain at high levels due to the statewide motor vehicle "Tax and Tag Together" system, implemented by North Carolina effective July 1, 2013. The State of North Carolina now collects property taxes on motor vehicles and remits to the City rather than collected by Guilford County under the old system.

The overall property tax rate for the FY 2023 budget is $.6325 per $100 valuation, a $0.03 decrease from the adopted rate of FY 2022. The FY 2023 budget was adopted with $0.010 directly recorded in the Housing Partnership Fund and $.035 for transit-related purposes. In addition, Guilford County performed a property revaluation which resulted in an approximate 24% increase in property values. The adopted tax rate was approximately $.08 above the calculated revenue neutral rate.

Tax rates for the current and three preceding fiscal years were adopted, as follows, at the same overall rate, however, different allocations among purposes are noted:

	2023	2022	2021	2020
General Fund	$.5875	$.6206	$.6206	$.6156
Economic Development	.0000	.0000	.0000	.0050
Housing Partnership	.0100	.0069	.0069	.0069
Transit Authority	.0350	.0350	.0350	.0350
Total Tax Rate	$.6325	$.6625	$.6625	$.6625

The *local option sales tax* collection amounted to $82,246,041 as compared to the previous year's collection of $79,446,418, an increase of $2.8 million or 3.5% from last year, however, we note a 103.0% gain in the ten year trend for this revenue source. Guilford County uses the "ad valorem" (property tax) method to distribute its allocated sales tax receipts to municipalities within the County and as a result, sales tax receipts for Greensboro may fluctuate from year to year, depending on the proportion of property tax levies of each of the municipalities within the County, compared to the total collected. Local option sales taxes represent approximately 18.9% of overall general fund revenues in FY 2023.

The total sales tax rate in Guilford County is 6.75% with 4.75% charged for the general state rate and 2.00% charged for the local option. The local option sales tax currently in effect is distributed by the State to the County as follows, with subsequent distribution to Greensboro and the other municipalities in the County, based on the "ad valorem" method:

Article 39 (1%)	Point of Origin
Article 40 (1/2%)	Per Capita
Article 42 (1/2%)	Point of Origin

Greensboro's occupancy tax collection of $5,867,088 has increased 68.8% over the ten-year period ending June 30, 2023 and 21.6% increase from the prior year. The increases in both periods resulted from increased travel after the peak of the pandemic in FY 2021.

Intergovernmental Revenues amounted to $120,802,811 as compared to previous year revenues of $92,759,183. State-shared and grant revenues are a major source of funding for municipal operations and services, with intergovernmental revenues comprising 25.2% of total governmental revenues, as compared to 23.1% in the previous year.

Licenses and permits amounted to $4,924,461 compared to previous year revenues of $5,091,713 a decrease of 3.3%. The decrease is primarily due to a decrease in the number of construction permits during FY 2023.

Fines and forfeitures amounted to $1,376,495 as compared to the previous year's collection of $1,035,774, an increase of 32.9% over last year. The increase was primarily due to an increase in false burglar alarm fines and parking violations in FY 2023.

Charges for current services amounted to $31,217,323 as compared to the previous year's revenue of $29,473,019 an increase of 5.9%.

Cash Management

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held either by the City or its agent. All investments held by the City during the year and at June 30, 2023 are classified in various levels of fair value hierarchy as defined by the Governmental Accounting Standards Board.

The City's cash management program provided the City with interest earnings excluding fair market value adjustments totaling $12,348,440 for the fiscal year ended June 30, 2023 as compared to $2,991,574 in the prior year. Cash balances are analyzed daily to forecast the amount of funds required and amounts available for investment. The average amount of funds invested per month totaled $509,248,188 during the year. The City's average yield on investments for the year was

2.43%, up from 0.68% in the prior year. Interest earnings were the equivalent of nearly 3.23 cents on the tax rate for FY 2023 compared to 1.01 cents last year.

B. Proprietary Funds

Proprietary Funds provide the same type of information found in the government-wide financial statements but in more detail. Other factors concerning the finances of the proprietary funds have already been addressed in the discussion of the City of Greensboro's business-type activities.

General Fund Budgetary Highlights

The General Fund budget for FY 2023 was adopted at $371,906,514 (excluding carry-forward encumbrances) and represents an increase of approximately 13.0% compared to the adopted FY 2022 budget. Encumbrances of $7,062,792 were carried forward from FY 2022 commitments. There were a few significant variances from the *original* and *final amended* budgets for FY 2023. The largest of these was a $15.4 million dollar increase in ARPA-Enabled Projects expenditures.

As of June 30, 2023, the City had collected $433.8 million or 103% of its budgeted General Fund revenues and had incurred $409.9 million or 94.0% of its budgeted expenditures. Significant differences between *actual results* and the *final amended* budget are highlighted below:

- Overall General Fund revenues were more than the final amended budget (excluding appropriated fund balance) by approximately $10.9 million primarily due to increased property and sales taxes collected.

- Actual expenditures compared to final budget were less by $26.1 million or approximately 6.0%, noting approximately $1.0 million savings in general government, $1.9 million savings in police operations, $2.7 million savings in engineering and building maintenance, $4.2 million in field operations relating to stormwater maintenance and materials recovery, and approximately $1.6 million savings in culture and recreation and $14.6 million of unspent appropriations for ARPA-enabled projects.

- FY 2023 included a 2% base market adjustments and a 3% average merit increase for general employees, along with funding to advance sworn policy and fire personnel to the appropriate next steps in the Public Safety Step Compensation Program. In addition, City Council approved various other salary adjustments for public safety and general employees during the year.

Capital Asset and Debt Administration

A. Capital Assets

The City's investment in capital assets including intangible assets for both its governmental and business-type activities as of June 30, 2023, amounts to $1,877,213,791 (net of accumulated depreciation/amortization). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, vehicles and intangible assets such as easements, software and licenses and water rights among other types of assets. This investment represents an increase of $110,985,238 or 6.3% over the prior year.

Table C-1
Capital Assets
(Net of Depreciation/Amortization - in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	$ 119,981	$ 118,437	$ 62,454	$ 62,047	$ 182,435	$ 180,484
Construction in Progress	25,761	16,848	258,463	186,942	284,224	203,790
Intangible Assets - Easements			27,491	27,230	27,491	27,230
Land Improvements	26,753	26,870	23,828	21,924	50,581	48,794
Buildings	118,663	120,387	315,818	327,232	434,481	447,619
Improvements other than Buildings	73	75	23,138	23,926	23,211	24,001
Furniture, Fixtures, Machinery and Equipment	50,160	48,644	60,673	57,432	110,833	106,076
Infrastructure	234,062	233,927	425,911	420,957	659,973	654,884
Intangible Assets - Other	346	581	71,726	72,769	72,072	73,350
Right to Use Lease Assets	20,284	21,461	306	460	20,590	21,921
Right to Use IT Subscription Assets	10,203		1,120		11,323	
Total Capital Assets	$ 606,286	$ 587,230	$ 1,270,928	$ 1,200,919	$ 1,877,214	$ 1,788,149

This year's major capital asset additions included:

- Business Activities asset net additions totaled over $96.9 million, with most of the increase due to new construction in progress and infrastructure in Water Resources. Developers also donated approximately $403 thousand of the additional water and sewer infrastructure line improvements.

- General government net additions were mainly $27.3 million for increases in right to use IT Subscription assets, and general construction in progress for bond-funded projects.

Construction in progress for governmental-type and business-type capital assets totaled $25,761,075 and $258,463,345 respectively as of June 30, 2023 compared to $16,848,296 and $186,942,136 last year.

The City adopted the FY 2024-2033 Capital Improvements Program (CIP) totaling $2,066,258,329 for projects as outlined below:

Table C-2
CIP Expenditures – 10 Year Plan

CIP Expenditure Category by Service Area	% of Total CIP
Infrastructure	75.7%
Community Services	17.9%
Public Safety	6.4%
	100.0%

Table C-3

CIP Funding Sources – 10 Year Plan

CIP Funding Source	% of Total CIP
Revenue Bonds	41.4%
Enterprise Funds	18.3%
Grants/Other	18.0%
Unauthorized Bonds	22.3%
	100.0%

Additional information on the City's capital assets can be found in Note I.D.6 and IV.D of this report.

B. Long-Term Debt

As of June 30, 2023, the City had total bonded debt outstanding (at par) of $840,280,450 with $309,770,000 backed by the full faith, credit and taxing power of the City, $52,690,000 backed by Hotel/Motel occupancy tax of the City, $39,505,000 backed by Tanger Center parking fees, ticket fees, and hotel motel tax from the County, $62,395,000 backed by revenue generated from parking fees and property and sales tax generated from the new downtown development, $10,835,000 backed by property tax revenue, $365,085,450 backed by a revenue pledge of the Combined Enterprise System (currently Water Resources utility system).

Table D-1
General Obligation, Limited Obligation, Special Obligation and Revenue Bonds – Outstanding Debt
(In thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	$ 309,770	$ 252,595	$	$	$ 309,770	$ 252,595
Limited Obligation Bonds	63,525	66,600	101,900	105,425	165,425	172,025
Revenue Bonds			314,290	328,930	314,290	328,930
Revenue BANS			50,795		50,795	
Total	$ 373,295	$ 319,195	$ 466,985	$ 434,355	$ 840,280	$ 753,550

The City's total overall outstanding bonded long-term liabilities increased approximately $86.7 million during the current fiscal year due to the issuance of $78.5 million General Obligation Bonds for public improvements. As of June 30, 2023 the City had one outstanding construction period type note agreement that provides a privately placed commitment to fund capital projects as the expenditures are being incurred, effectively delaying actual long-term debt issuances for several years and better matching cash flows. A $175 million Combined Enterprise System Revenue BAN having a variable interest rate is expected to be refinanced in fiscal year 2024. $50.8 million of the note capacity was drawn as of June 30, 2023.

The City of Greensboro has a general obligation bond rating of Aaa from Moody's Investors Service and a AAA rating from both S&P Global Ratings and Fitch Ratings. These bond ratings are a clear indication of the sound financial condition of the City of Greensboro. Greensboro's credit worthiness is a major factor in securing the highest possible general obligation bond rating. This credit worthiness, according to recent rating reports, is the result of diversifying businesses, a stable and consistent growth in the taxpayer base, the conservative fiscal policies for reserve and debt management and the operating performance, as well as financial flexibility. Other factors considered and affecting the high-grade credit position is the history of budgeting, the moderate debt position and the oversight provided by the North Carolina Local Government Commission.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the City of Greensboro is $2,592,430,771. The City has $108,095,000 in authorized, but unissued bonds at June 30, 2023 which includes $17.590 million for Transportation Bonds, $48.540 million for Parks and Recreational Facilities, $22.000 million for Housing Bonds, $8.480 million for Firefighting Facilities, $480,000 for Law Enforcement Facilities, $3.235 million for Community and Economic Development, and $7.770 of Refunding Debt. Each referendum item was voted on separately.

More detailed information about the City's long-term liabilities is presented in Note IV.J.

Economic Factors and Next Year's Budgets and Rates

The Greensboro area economy continued to gain strength in several areas including median household income and housing activity. Unemployment decreased from 4.8% in June 2022 to 4.1% in June 2023, hotel/motel occupancy taxes increased 21.6% to $5.9 million from $4.8 million in FY 2022 due to continued rebound of travel after the pandemic. Sales taxes grew 6.0% compared to FY 2022.

The City's adopted FY 2024 budget for all funds increased $63 million or 9.1% to approximately $751.3 million, primarily in the infrastructure area for Water Resources improvements, and field operations funding associated with solid waste due to inflationary and tonnage increases. The assessed base value of all real and personal property is projected to grow approximately 1.75% in FY 2024 compared to FY 2023 values. The FY 2024 budget was adopted with a property tax rate of $.6725 cents per $100 of assessed value and includes allocations of $.0350, $.0100 and $.6275 to fund transit, housing and general government initiatives, respectively. The total rate is 4 cents higher than FY 2023.

City Council has reaffirmed its intention to continue to maintain the unassigned fund balance of the General Fund at 9% of the 2024 fiscal year budget, or approximately $36.3 million.

Budget Highlights for the Fiscal Year Ending June 30, 2024

Governmental Activities:

The General Fund budget for FY 2024 was adopted at approximately $403.9 million (up 8.5%) with approximately $31.3 million in increased appropriations over the amended FY 2023 budget. Overall the General Fund budget shows a net increase of 14.5 full-time equivalent positions, several position changes are included in a variety of General Fund departments, including 7 positions being added to the fire department to increase capacity in meeting state mandated inspection requirements. The budget projects increases in projected revenue for property and sales taxes and user charges. User charges in solid waste are increasing to improve cost recovery and service cost increases.

Appropriated General Fund fund balance is $6.5 million, or 1.61% of the total budget, but has historically been mostly unused.

The budget includes funds for the continuation of compensation increases in order to be in line with the market. The budget includes a 4% merit increase for all eligible employees, increases for starting salaries for public safety and the minimum wage for benefitted employees to increase to $18.00 per hour.

The budget for FY 2024 is balanced with a 67.25 cent tax rate, a four cent increase from the adopted FY 2023 rate.

In FY 2024, the Debt Service Fund budget increased from the prior adopted budget to approximately $46.9 million to allow for initial principal and interest payments for 2022 referendum bonds issued in FY2023.

Business-Type Activities:

The Water Resources budget increased approximately $17.6 million or 11.8% for the FY 2024 budget as compared to the previous budget. Transfers of $32.7 million to the Water Resources Capital Improvements Fund are budgeted to allow for capital expenditure needs in accordance with the long-term Capital Improvement Plan as well as improve the City's water and sewer system, including rehabilitation of older water and sewer lines. The budget includes an average water/sewer rate increase in FY 2024 of 8.5% for residents inside and outside of city limits. Water Resources overall staffing levels are projected to increase by 7 full time equivalents (FTEs), one laboratory coordinator to assist with additional state mandated water testing, and a new sewer construction crew. Debt service payments will increase from $26.2 million to $33.9 million, supporting the enterprise's planned debt program. Greensboro has the second lowest water rates among comparable North Carolina cities, (January 2023) with a water bill of 0.53% of the Median Household Income (MHI). Rates of less than 2% of MHI are considered to be favorable. Approximately 94% of all of the utility's customers reside within the City limits.

Requests for Information

This financial report is designed to provide a general overview of the City of Greensboro's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any information provided in this report or requests for additional information should be addressed to City of Greensboro Financial and Administrative Services Department, P.O. Box 3136, Greensboro, North Carolina 27402-3136 or by calling (336) 373-2077, or by visiting our website at www.greensboro-nc.gov.

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City of Greensboro
Statement of Net Position
June 30, 2023

	Primary Government			
ASSETS	**Governmental Activities**	**Business-Type Activities**	**Total**	**Component Units**
Cash and Cash Equivalents/Investments	$ 236,811,195	$ 117,938,618	$ 354,749,813	$ 4,936,108
Receivables, Net				
Taxes	3,424,737	243,580	3,668,317	
Accounts, Notes and Mortgages	37,039,832	22,698,355	59,738,187	5,004
Rent	862		862	
Intergovernmental	46,035,163	4,422,666	50,457,829	244,220
Interest	1,242,402	1,155,045	2,397,447	
Leases	447,912	571,928	1,019,840	
Real Estate Foreclosed	1,085,286		1,085,286	
Internal Balances	(10,208,577)	10,208,577		
Due from Component Unit	1,189,212		1,189,212	
Inventories	3,048,200	6,626,899	9,675,099	10,038,247
Miscellaneous	92,965	288,355	381,320	354,512
Assets Held for Resale	695,179		695,179	4,670,329
Self-Funded Retention Deposits	13,396,372		13,396,372	
Note Receivable		6,037,330	6,037,330	1,631,962
Lease Receivable, Noncurrent	9,554,200	8,207,574	17,761,774	
Restricted Assets:				
Temporarily Restricted:				
Cash and Cash Equivalents/Investments	112,420,141	106,238,830	218,658,971	160,870
Receivables, (Net):				
Assessments		433,564	433,564	
Intergovernmental	2,253	3,632,873	3,635,126	
Interest		402,526	402,526	
Permanently Restricted:				
Cash and Cash Equivalents/Investments	2,682,576		2,682,576	
Capital Assets, Net				
Non-Depreciable:				
Land	119,980,563	62,453,489	182,434,052	5,242,017
Construction in Progress	25,761,075	258,463,345	284,224,420	858,748
Intangible Assets - Easements		27,490,908	27,490,908	
Depreciable/Amortizable:				
Land Improvements	59,513,893	57,583,835	117,097,728	429,282
Accumulated Depreciation	(32,760,464)	(33,756,066)	(66,516,530)	(141,384)
Buildings	229,752,376	548,766,182	778,518,558	8,684,203
Accumulated Depreciation	(111,089,708)	(232,948,358)	(344,038,066)	(1,960,567)
Improvements Other than Buildings	94,000	31,682,873	31,776,873	530,273
Accumulated Depreciation	(21,150)	(8,545,297)	(8,566,447)	(526,749)
Furniture, Fixtures, Machinery and Equipment	188,668,311	141,397,097	330,065,408	2,716,302
Accumulated Depreciation	(138,508,338)	(80,723,974)	(219,232,312)	(1,896,485)
Infrastructure	429,847,725	846,630,416	1,276,478,141	
Accumulated Depreciation	(195,785,907)	(420,719,004)	(616,504,911)	
Intangible Assets:				
Software & Licenses and Water Rights	4,866,786	101,118,043	105,984,829	
Accumulated Amortization	(4,520,188)	(29,391,579)	(33,911,767)	
Right to Use Lease Assets, Net of Accum. Amortization	20,283,621	305,796	20,589,417	2,870,816
Right to Use IT Subscription Assets, Net of Accum. Amortization	10,203,651	1,119,839	11,323,490	
Total Assets	1,065,246,156	1,560,034,265	2,625,280,421	38,847,708
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Bond Refunding Charges	4,239,360	1,141,766	5,381,126	
Pension Deferrals	57,391,532	11,270,090	68,661,622	1,317,444
Current Year Pension Contributions	21,673,537	4,369,952	26,043,489	221,330
OPEB Deferrals	9,990,197	2,486,433	12,476,630	179,732
Total Deferred Outflows of Resources	93,294,626	19,268,241	112,562,867	1,718,506

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

	Primary Government			
LIABILITIES	**Governmental Activities**	**Business-Type Activities**	**Total**	**Component Units**
Accounts Payable	$ 29,471,546	$ 28,057,318	$ 57,528,864	$ 4,346,985
Payroll Accrual	2,862,558	573,200	3,435,758	
Contracts/Retainage Payable	2,760,537	3,385,751	6,146,288	
Intergovernmental Payable	6,746,360	44,569	6,790,929	1,189,212
Customer Deposits Payable	1,065,957	5,195,388	6,261,345	
Pollution Remediation Payable	1,449,346	150,004	1,599,350	
Accrued Interest Payable	3,971,306	1,942,279	5,913,585	
Miscellaneous	86,174	223	86,397	1,179,577
Prepaid Privilege License Fees/Permits	16,658		16,658	
Unearned Grant Revenues	3,491,304		3,491,304	
Unearned Contributions/Donations	316,612		316,612	
Unearned Revenues	440,336	1,068,325	1,508,661	1,631,962
Liabilities Payable from Restricted Assets:				
Accounts Payable	70,386	104,748	175,134	
Contracts/Retainage Payable	2,924,377	13,115,477	16,039,854	
Miscellaneous	1,859,682		1,859,682	
Noncurrent Liabilities:				
Due Within One Year:				
General Obligation Bonds Payable	27,024,461		27,024,461	
Leases Liabilites	5,297,835	206,789	5,504,624	440,980
IT Subscription Financing Agreements	2,106,302	468,828	2,575,130	
Other Financing Agreements		50,000	50,000	
Revenue Bonds/BANs Payable		71,069,566	71,069,566	
Limited Obligation Bonds Payable	3,359,311	3,590,000	6,949,311	
Accrued Landfill Liability		500,000	500,000	
Compensated Absences	8,552,585	1,841,348	10,393,933	
Notes Payable				665,901
Due in More Than One Year:				
General Obligation Bonds Payable	304,679,231		304,679,231	
Limited Obligation Bonds Payable	61,901,647	98,310,000	160,211,647	
Leases Liabilties	15,579,940	105,887	15,685,827	2,542,303
IT Subscription Financing Agreements	7,704,504	597,364	8,301,868	
Other Financing Agreements		100,000	100,000	
Revenue Bonds Payable		313,093,372	313,093,372	
Notes Payable				6,800,997
Compensated Absences	8,552,725	1,287,153	9,839,878	
Pollution Remediation Payable		5,950,106	5,950,106	
Accrued Landfill Liability		47,040,223	47,040,223	
Net OPEB Liability	91,825,873	22,854,274	114,680,147	
Net Pension Liability	137,655,058	23,729,110	161,384,168	2,359,809
Total Liabilities	731,772,611	644,431,302	1,376,203,913	21,157,726
DEFERRED INFLOWS OF RESOURCES				
Prepaid Taxes	643,243		643,243	
Prepaid Assessments	30,838		30,838	
Leases	9,909,702	8,613,106	18,522,808	
Pension Deferrals	1,774,272	326,895	2,101,167	11,860
OPEB Deferrals	24,978,337	6,216,785	31,195,122	556,674
Total Deferred Inflows of Resources	37,336,392	15,156,786	52,493,178	568,534
NET POSITION				
Net Investment in Capital Assets	300,427,623	786,308,524	1,086,736,147	8,346,004
Restricted for:				
Assets Held for Resale	695,179		695,179	3,053,617
Stabilization by State Statute	81,666,276		81,666,276	
Highway Improvements	5,263,596		5,263,596	
Culture and Recreation	1,695,321		1,695,321	
Capital Projects		95,656,549	95,656,549	
Neighborhood Development	11,083,259		11,083,259	244,220
Economic Opportunity	29,918,585		29,918,585	
Public Safety				
General Government				
Self-Funded Retention Deposits	13,396,372		13,396,372	
Perpetual Care: Perpetual Maintenance - nonexpendable	2,682,576		2,682,576	
Greensboro ABC Board Working Capital				3,149,282
Unrestricted	(57,397,008)	37,749,345	(19,647,663)	4,046,831
Total Net Position	$ 389,431,779	$ 919,714,418	$ 1,309,146,197	$ 18,839,954

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

City of Greensboro
Statement of Activities
For the Fiscal Year Ended June 30, 2023

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	$ 37,321,237	$ 12,179,248	$ 56,083,846	$
Public Safety	188,510,208	6,308,255	2,457,168	933,396
Transportation	32,450,748	1,906,906	997,327	6,183,755
Engineering and Building Maintenance	13,078,330	4,881,263		(1,844,877)
Field Operations	40,654,779	8,833,574	8,261,458	
Environmental Services	6,267,482	1,124,791	259,330	7,767,703
Culture and Recreation	40,997,966	2,824,902	2,382,770	1,445,183
Neighborhood Development	20,064,536	1,059,253	5,594,133	286,239
Economic Opportunity	6,645,957	90,906	5,540,448	200,000
ARPA-Enabled Projects	729,373			
Interest, Fees on Long-Term Debt	10,197,879			
Total Governmental Activities	396,918,495	39,209,098	81,576,480	14,971,399
Business-Type Activities:				
Water Operations	63,055,666	67,273,596		201,879
Sewer Operations	61,818,401	73,160,630		201,879
Stormwater Management	12,480,356	10,296,857		
Coliseum Operations	75,760,831	66,452,742		2,322
Solid Waste Management	22,067,669	14,061,093		
Greensboro Transit Advisory Commission	33,423,835	2,856,404	7,604,738	13,648,288
Parking Facilities	5,521,336	3,222,407		
Total Business-Type Activities	274,128,094	237,323,729	7,604,738	14,054,368
Total Primary Government	$ 671,046,589	$ 276,532,827	$ 89,181,218	$ 29,025,767
Component Units	$ 61,627,208	$ 62,922,311	$ 1,823,736	$

General Revenues:
Property Tax
Local Option Sales Tax
Vehicle Gross Receipts Tax
Motor Vehicle Tax
Hotel/Motel Occupancy Tax
Electric Utility Sales Tax
Piped Natural Gas Sales Tax
Telecommunications Sales Tax
Beer and Wine Tax
ABC Profit Distribution-unrestricted
Intergovernmental - unrestricted
Investment Income
Miscellaneous
Total General Revenues

Transfers In (Out)

Total General Revenues Including Transfers

Change in Net Position

Net Position - July 1

Prior Period Restatement
Net Position - July 1, (restated)

Net Position - June 30

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

Net (Expenses) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
$ 30,941,857	$	$ 30,941,857	$
(178,811,389)		(178,811,389)	
(23,362,760)		(23,362,760)	
(10,041,944)		(10,041,944)	
(23,559,747)		(23,559,747)	
2,884,342		2,884,342	
(34,345,111)		(34,345,111)	
(13,124,911)		(13,124,911)	
(814,603)		(814,603)	
(729,373)		(729,373)	
(10,197,879)		(10,197,879)	
(261,161,518)		(261,161,518)	
	4,419,809	4,419,809	
	11,544,108	11,544,108	
	(2,183,499)	(2,183,499)	
	(9,305,767)	(9,305,767)	
	(8,006,576)	(8,006,576)	
	(9,314,405)	(9,314,405)	
	(2,298,929)	(2,298,929)	
	(15,145,259)	(15,145,259)	
(261,161,518)	(15,145,259)	(276,306,777)	
			3,118,839
221,781,918	12,835,784	234,617,702	
82,246,041	2,000,000	84,246,041	
557,246		557,246	
5,356,084	1,082,156	6,438,240	
5,867,088		5,867,088	
17,849,666		17,849,666	
1,764,185		1,764,185	
4,033,368		4,033,368	
1,356,060		1,356,060	
5,223,377		5,223,377	
32,423		32,423	
6,940,280	6,040,630	12,980,910	29,623
1,297,082	2,925,091	4,222,173	24,674
354,304,818	24,883,661	379,188,479	54,297
(11,929,747)	11,929,747		
342,375,071	36,813,408	379,188,479	54,297
81,213,553	21,668,149	102,881,702	3,173,136
308,218,226	898,046,269	1,206,264,495	15,545,781
			121,037
308,218,226	898,046,269	1,206,264,495	15,666,818
$ 389,431,779	$ 919,714,418	$ 1,309,146,197	$ 18,839,954

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

BALANCE SHEET

Governmental Funds
June 30, 2023

ASSETS	GENERAL	DEBT SERVICE
Cash and Cash Equivalents/Investments	$ 103,943,443	$ 13,321,414
Receivables:		
Taxes	3,199,597	
Accounts, Notes and Mortgages	4,254,660	
Rent		
Intergovernmental	30,695,131	491,562
Real Estate Foreclosed	1,085,286	
Interest Receivable - Lease	75,433	
Internal Receivables	27,500	
Due from Component Unit	1,189,212	
Inventories	1,985,031	
Miscellaneous	92,965	
Assets Held for Resale		
Lease Receivable	9,973,781	
Restricted Assets:		
Cash and Cash Equivalents/Investments	1,859,682	
Receivables:		
Intergovernmental		
Total Assets	$ 158,381,721	$ 13,812,976
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts Payable	$ 3,486,588	$
Contracts/Retainage Payable	548,521	
Intergovernmental Payable	6,741,657	
Customer Deposits Payable	1,019,907	
Payroll Accrual	2,860,930	1,628
Internal Payables		
Miscellaneous		
Prepaid Privilege License Fees/Permits	16,658	
Unearned Grant Revenues		
Unearned Revenues		
Unearned Contributions/Donations	316,612	
Liabilities Payable From Restricted Assets:		
Accounts Payable		
Contracts/Retainage Payable		
Miscellaneous	1,859,682	
Total Liabilities	16,850,555	1,628
Deferred Inflows of Resources:		
Deferred Inflows for Grants		
Unavailable Property Taxes	3,199,597	
Notes and Mortgages Receivable		
Leases	9,881,755	
Unavailable Housing Code Revenues	1,172,719	
Prepaid Taxes	643,243	
Prepaid Assessments		
Total Deferred Inflows of Resources	14,897,314	
Fund Balances:		
Non-Spendable:		
Inventories	1,985,031	
Miscellaneous Prepaid Expenditures	92,965	
Leases	92,025	
Perpetual Maintenance		
Total Non-Spendable Fund Balance	2,170,021	
Restricted:		
Stabilization by State Statute	46,320,025	504,262
Debt Covenants		
Assets Held for Resale		
Grantor Requirements - Highway Improvements		
Total Restricted Fund Balance	46,320,025	504,262
Committed:		
For 911 Program		
For Cemetery Maintenance		
For Special Tax Districts		
For Neighborhood Development		
For Debt Service/Capital Projects		
Total Committed Fund Balance		
Assigned:		
Appropriated for Subsequent Year's Expenditures	6,534,498	
For Debt Service		13,307,086
Designated for ARPA-Enabled Projects	14,331,791	
For Capital Projects	20,928,335	
For Neighborhood Development		
Total Assigned Fund Balance	41,794,624	13,307,086
Unassigned	36,349,182	
Total Fund Balances	126,633,852	13,811,348
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 158,381,721	$ 13,812,976

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

AMERICAN RESCUE PLAN ACT (ARPA/SLFRF) FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
$	$ 52,642,332	$ 169,907,189
	225,140	3,424,737
	31,520,952	35,775,612
	862	862
	13,751,857	44,938,550
		1,085,286
	36	75,469
	142,000	169,500
		1,189,212
		1,985,031
		92,965
	95,179	95,179
	28,331	10,002,112
	113,243,035	115,102,717
	2,253	2,253
$	$ 211,651,977	$ 383,846,674
$	$ 8,242,311	$ 11,728,899
	2,191,451	2,739,972
	4,703	6,746,360
		1,019,907
		2,862,558
	142,000	142,000
	86,174	86,174
		16,658
	3,491,304	3,491,304
	440,336	440,336
		316,612
	70,386	70,386
	2,924,377	2,924,377
		1,859,682
	17,593,042	34,445,225
	10,065,890	10,065,890
	225,140	3,424,737
	1,085,290	1,085,290
	27,947	9,909,702
		1,172,719
		643,243
	30,838	30,838
	11,435,105	26,332,419
		1,985,031
		92,965
		92,025
	2,682,576	2,682,576
	2,682,576	4,852,597
	34,841,989	81,666,276
	102,629,892	102,629,892
	95,179	95,179
	4,265,342	4,265,342
	141,832,402	188,656,689
	1,879,259	1,879,259
	480,931	480,931
	1,101,933	1,101,933
	2,548,713	2,548,713
	6,432,198	6,432,198
	12,443,034	12,443,034
		6,534,498
		13,307,086
		14,331,791
	37,892,210	58,820,545
	874,090	874,090
	38,766,300	93,868,010
	(13,100,482)	23,248,700
	182,623,830	323,069,030
$	$ 211,651,977	$ 383,846,674

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

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City of Greensboro
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2023

Total fund balances - governmental funds	$	323,069,030
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.		539,216,440
Net pension liability - LGERS Plan.		(100,733,967)
Net pension liability - LEOSSA Plan.		(29,497,172)
Net OPEB liability		(84,708,149)
Contributions and pension administrative costs are deferred outflows of resources on the Statement of Net Position:		
LGERS Plan		18,551,161
LEOSSA Plan		1,755,186
Internal service funds are used by management to charge the costs of equipment services, technical services, information services, metro communications, graphic services, employee risk retention, general risk retention and capital leasing to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		89,549,095
Earned revenues considered deferred inflows of resources and unearned revenues in fund statements due to "availability" criteria.		15,748,636
Long-term liabilities including bonds payable, are not due and payable of long-term debt and principal payments during the year.)		(421,347,696)
Pollution Remediation Payable		(1,449,346)
Pension related deferrals:		
LGERS Plan		46,455,661
LEOSSA Plan		5,737,897
OPEB Plan		(13,826,362)
Miscellaneous adjustments to net position includes investment income receivable not reported in the governmental funds.		911,365
Net position of governmental activities	$	389,431,779

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Governmental Funds
For the Fiscal Year Ended June 30, 2023

	GENERAL	DEBT SERVICE
Revenues:		
Taxes	$ 299,340,562	$
Intergovernmental	34,704,355	
Licenses and Permits	4,924,461	
Fines and Forfeitures	1,376,495	
Charges for Current Services	23,708,647	
Investment Income		5,496,142
Net Increase in the Fair Value of Investments		268,940
Total Investment Income		5,765,082
Miscellaneous	4,961,625	443,357
Total Revenues	369,016,145	6,208,439
Expenditures:		
Current:		
General Government	32,616,247	335,044
Public Safety	165,326,471	
Transportation	11,548,993	
Environmental Services		
Engineering and Building Maintenance	17,208,451	
Field Operations	40,707,473	
Culture and Recreation	34,628,368	
Neighborhood Development	199,776	
Economic Opportunity	2,114,411	
ARPA-Enabled Projects	729,373	
Intergovernmental	2,450,281	
Debt Service:		
Principal Maturities	842,301	21,937,404
Interest, Fees on Long-Term Debt	10,585	11,763,990
Total Expenditures	308,382,730	34,036,438
Excess of Revenues Over (Under) Expenditures	60,633,415	(27,827,999)
Other Financing Sources (Uses):		
Debt Issuances:		
General Obligation Bonds Issued		
Premium on Debt		
IT Subscription Liability Issued	1,976,703	28,422
Transfers In	62,788,845	40,104,000
Transfers Out	(101,505,053)	
Total Other Financing Sources (Uses)	(36,739,505)	40,132,422
Net Change in Fund Balances	23,893,910	12,304,423
Fund Balances - July 1	102,739,942	1,506,925
Fund Balances - June 30	$ 126,633,852	$ 13,811,348

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

AMERICAN RESCUE PLAN ACT (ARPA/SLFRF) FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
$	$ 11,021,293	$ 310,361,855
55,993,843	30,104,613	120,802,811
		4,924,461
		1,376,495
	7,508,676	31,217,323
477,347	(1,356,493)	4,616,996
		268,940
477,347	(1,356,493)	4,885,936
	554,951	5,959,933
56,471,190	47,833,040	479,528,814
	389,571	33,340,862
	3,163,345	168,489,816
	25,002,735	36,551,728
	6,260,061	6,260,061
	241,572	17,450,023
		40,707,473
	4,669,053	39,297,421
	19,699,657	19,899,433
	4,478,670	6,593,081
		729,373
		2,450,281
	2,929,908	25,709,613
	1,642,917	13,417,492
	68,477,489	410,896,657
56,471,190	(20,644,449)	68,632,157
	78,460,000	78,460,000
	4,992,852	4,992,852
	591,818	2,596,943
	49,010,479	151,903,324
(56,538,843)	(18,869,496)	(176,913,392)
(56,538,843)	114,185,653	61,039,727
(67,653)	93,541,204	129,671,884
67,653	89,082,626	193,397,146
$	$ 182,623,830	$ 323,069,030

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

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City of Greensboro
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Fiscal Year Ended June 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances----total governmental funds.	$ 129,671,884
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays and capital contributions exceeded depreciation in the current period, including amounts for disposals.	9,487,226
Contributions to the pension plan in the current fiscal years are not included on the Statement of Activities	
LGERS Plan	18,551,161
LEOSSA Plan	1,755,186
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	12,207,103
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unearned and amortized in the statement of activities. Includes compensated absence activities.	(58,024,427)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported communications, graphic services, employee risk retention, general risk retention, and internal charges to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	3,653,287
This amount represents the change in pension asset for funds contributed to the special separation allowance for law enforcement officers in in governmental funds, as well as certain deferred inflows and outflows:	
LGERS Plan Expense	(27,751,557)
LEOSSA Plan Expense	(2,624,932)
OPEB Plan Expense	2,842,714
Pollution Remediation	48,627
Revenues earned in prior year that first became available in the current year in the government funds.	(8,602,719)
Change in net position of governmental activities	$ 81,213,553

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

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General Fund

The General Fund is the principal fund of the City from which the major portion of the City's operations are financed. This fund finances the regular operation of all departments except Enterprise Fund and Internal Service Fund departments.

A summary of revenues and other financing sources and expenditures and other financing uses for the fiscal year ended June 30, 2023 is presented below:

	Amount	Percent of Total
Revenues and Other Financing Sources		
Taxes	$ 299,340,562	69.1%
Intergovernmental	34,704,355	8.0%
Licenses and Permits	4,924,461	1.1%
Fines and Forfeitures	1,376,495	0.3%
Charges for Current Services	23,708,647	5.5%
Miscellaneous	4,961,625	1.1%
Other Financing Sources	64,765,548	14.9%
Total Revenues and Other Financing Sources	$ 433,781,693	100.0%

	Amount	Percent of Total
Expenditures and Other Financing Uses		
General Government	$ 32,616,247	8.0%
Public Safety	165,326,471	40.4%
Transportation	11,548,993	2.8%
Engineering and Building Maintenance	17,208,451	4.2%
Field Operations	40,707,473	9.9%
Culture and Recreation	34,628,368	8.4%
Neighborhood Development	199,776	0.0%
Economic Opportunity	2,114,411	0.5%
Intergovernmental	2,450,281	0.6%
Community Outreach ARPA-Enabled Projects	729,373	0.2%
Principal Maturities	842,301	0.2%
Interest Expense	10,585	0.0%
Other Financing Uses	101,505,053	24.8%
Total Expenditures and Other Financing Uses	$ 409,887,783	100.0%

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Revenues:				
Taxes:				
Ad Valorem Taxes-Current Year	$ 198,985,000	$ 198,985,000	$ 199,178,058	$ 193,058
Ad Valorem Taxes-Prior Year	918,000	918,000	509,679	(408,321)
State of NC RMV Taxes-Current Year	15,408,000	15,408,000	16,837,970	1,429,970
Interest on Past Due Taxes	400,000	400,000	372,701	(27,299)
Local Option Sales Tax	78,340,000	78,340,000	81,884,908	3,544,908
Vehicle Gross Receipts Tax	425,000	425,000	557,246	132,246
Total Taxes	294,476,000	294,476,000	299,340,562	4,864,562
Intergovernmental:				
Federal Grants				
State Grants:				
Libraries	347,457	347,457	368,866	21,409
State-Shared:				
Utility Taxes:				
Electric Utility Sales Tax	17,000,000	17,000,000	17,849,666	849,666
Piped Natural Gas Sales Tax	1,100,000	1,100,000	1,764,185	664,185
PEG Channel Support	102,000	102,000	76,923	(25,077)
Telecommunications Sales Tax	2,000,000	2,000,000	1,613,527	(386,473)
Video Programming/Telecommunications Service Sales Tax	2,446,075	2,446,075	2,342,918	(103,157)
Beer and Wine Tax	1,300,000	1,300,000	1,356,060	56,060
State Reimbursements/Other:				
Court Fees	40,000	40,000	32,423	(7,577)
Payment In Lieu of Taxes	567,184	567,184	565,361	(1,823)
Local Grants:				
Libraries	1,647,558	1,647,558	1,647,558	
School Resource Officer Programs	1,680,091	1,680,091	1,604,161	(75,930)
Environmental Programs	335,000	335,000	259,330	(75,670)
ABC Board Profit Distribution	5,200,000	5,200,000	5,223,377	23,377
Total Intergovernmental	33,765,365	33,765,365	34,704,355	938,990
Licenses and Permits:				
Privilege Licenses:				
Privilege Licenses-Current Year	18,400	18,400	20,190	1,790
Privilege Licenses-Prior Years	1,500	1,500	1,769	269
Business Permits	3,500	3,500	3,300	(200)
Motor Vehicle Tax	1,420,000	1,420,000	1,393,187	(26,813)
Other Licenses and Permits	109,100	109,100	99,223	(9,877)
Construction Permits:				
Building Permits	1,671,025	1,671,025	1,742,054	71,029
Electrical Permits	901,500	901,500	682,218	(219,282)
Plumbing Permits	377,874	377,874	300,287	(77,587)
Mechanical Permits	820,527	820,527	682,233	(138,294)
Total Licenses and Permits	5,323,426	5,323,426	4,924,461	(398,965)

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

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Fines and Forfeitures:				
Parking Violations	$ 300,000	$ 300,000	$ 321,726	$ 21,726
City Code Violations	60,000	60,000	50,910	(9,090)
False Burglar Alarm Fines	700,000	700,000	1,003,859	303,859
Total Fines and Forfeitures	1,060,000	1,060,000	1,376,495	316,495
Charges for Current Services:				
Planning:				
Preliminary Plan Reviews	372,395	372,395	372,733	338
Final Plats/Declarations	85,335	85,335	52,606	(32,729)
Rezoning Applications	143,425	143,425	113,615	(29,810)
Other Planning Fees	60,435	60,435	59,363	(1,072)
Police Department:				
Police Department Services	51,000	51,000	44,753	(6,247)
Tow-In Services	34,482	34,482	11,769	(22,713)
Off-Duty Employment	400,000	400,000	303,612	(96,388)
Contracted Services	309,700	309,700	309,700	
Fire Department:				
Hazardous Material Fees	20,000	20,000	48,531	28,531
Fire Department Plan Reviews	75,000	75,000	228,070	153,070
Miscellaneous Permits	619,300	619,300	971,655	352,355
Inspections:				
Vacant Lot Cleaning Fees	192,000	192,000	221,153	29,153
Junked Auto Fees	14,000	14,000	4,072	(9,928)
Boarding Vacant Houses	30,000	30,000	22,389	(7,611)
Housing Civil Penalties	50,000	50,000	(22,280)	(72,280)
Re-inspection Fees	7,200	7,200	655	(6,545)
Illegal Dumping Civil Penalty			3,500	3,500
Transportation:				
State Highway System:				
Signals, Signs and Lights	780,000	780,000	1,348,651	568,651
Monthly Parking Fees	73,900	73,900	57,223	(16,677)
Field Operations:				
State Highway System:				
Highway Maintenance	420,000	420,000	299,300	(120,700)
Mowing Services	88,560	88,560	111,551	22,991
Waste/Trash Collection	8,258,410	8,258,410	8,141,953	(116,457)
ABC Recycling Fees	84,000	84,000	78,136	(5,864)
Engineering and Building Maintenance:				
Plan Review/Water and Sewer/Roadways	230,000	230,000	254,467	24,467
Environmental Services:				
Hazardous Waste Disposal Fees	1,105,000	1,105,000	1,124,791	19,791
Parks and Recreation:				
Admissions and Charges	1,563,560	1,563,560	1,329,320	(234,240)
Rental and Lease	593,890	593,890	505,269	(88,621)

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

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Charges for Current Services (Continued):				
Concessions	$ 101,085	$ 101,085	$ 93,371	$ (7,714)
Concessions-Alcoholic Beverages			7,139	7,139
Fishing, Hunting and Boating Fees	39,800	39,800	54,546	14,746
Other Parks and Recreation Revenue	303,990	303,990	238,895	(65,095)
Library Fees	21,850	21,850	25,647	3,797
Interdepartmental Charges:				
Administrative Charges	4,576,032	4,576,032	4,582,566	6,534
Engineering Services	1,536,000	1,536,000	1,536,000	
Rents	777,948	777,948	1,173,926	395,978
Total Charges for Current Services	23,018,297	23,018,297	23,708,647	690,350
Miscellaneous:				
Sale of Assets	40,600	40,600	1,586,754	1,546,154
Miscellaneous Receivables Revenue	32,500	32,500	29,265	(3,235)
Donations and Private Contributions	159,600	159,600	49,616	(109,984)
Contracted Construction Projects	1,488,123	1,488,123	1,703,327	215,204
Disaster Recovery			71,066	71,066
Principal/Interest - Notes And Mortgages			33,035	33,035
Interest - Leases			174,704	174,704
Other Revenue	778,260	778,260	1,313,858	535,598
Total Miscellaneous	2,499,083	2,499,083	4,961,625	2,462,542
Appropriated Fund Balance	12,461,135	13,103,735		(13,103,735)
Total Revenues	372,603,306	373,245,906	369,016,145	(4,229,761)

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

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Expenditures:				
General Government:				
Legislative:				
Governing Body	$ 493,062	$ 482,062	$ 460,427	$ 21,635
Clerk of Governing Body	654,583	665,583	569,044	96,539
Elections	300,000	300,000	369,157	(69,157)
Community Relations			391	(391)
Total Legislative	1,447,645	1,447,645	1,399,019	48,626
Executive:				
City Manager	2,177,032	2,080,579	2,366,976	(286,397)
Community Relations	316,442	316,442	307,398	9,044
Arts and Cultural Affairs	2,018,307	2,018,307	1,690,407	327,900
Internal Audit	484,330	484,330	472,222	12,108
Minority and Women's Business Enterprises	910,757	910,757	720,901	189,856
Office of Sustainability	137,986	137,986	156,416	(18,430)
Office of Equity & Inclusion	1,025,302	363,315	360,238	3,077
Office of Community Safety		916,940	988,401	(71,461)
Total Executive	7,070,156	7,228,656	7,062,959	165,697
Human Relations	872,573	872,573	773,304	99,269
Human Resources:				
Administration	801,854	801,854	683,171	118,683
Employment	606,956	606,956	615,609	(8,653)
Benefits	599,570	599,570	611,273	(11,703)
HRIS/Compensation/Compliance	766,437	766,437	780,015	(13,578)
Learning and Development	814,986	814,986	754,200	60,786
Total Human Resources	3,589,803	3,589,803	3,444,268	145,535
Budget and Evaluation	881,888	881,888	720,667	161,221
Planning	2,954,988	2,954,988	2,717,216	237,772
Finance:				
Administration	931,247	931,247	910,611	20,636
Accounting	804,201	804,201	739,549	64,652
Financial Reporting	436,191	436,191	379,862	56,329
Procurement Services	1,036,011	1,036,011	982,519	53,492
Collections	1,355,802	1,355,802	1,356,802	(1,000)
Treasury Management	576,273	576,273	435,950	140,323
Total Finance	5,139,725	5,139,725	4,805,293	334,432
Legal	1,595,652	1,595,652	1,621,251	(25,599)
Communications	2,366,300	2,366,300	2,319,002	47,298
Information Technology:				
Administration	830,056	830,056	823,003	7,053
Geographic Information Services	837,090	837,090	841,948	(4,858)
Application Development	748,608	748,608	788,277	(39,669)
Enterprise Business Solutions	2,364,933	2,364,933	2,260,013	104,920
Total Management Information Systems	4,780,687	4,780,687	4,713,241	67,446
Other General Government:				
NC Metropolitan Coalition	16,400	16,400	16,339	61
Nondepartmental	2,948,732	2,759,964	3,023,688	(263,724)
Total Other General Government	2,965,132	2,776,364	3,040,027	(263,663)
Total General Government	33,664,549	33,634,281	32,616,247	1,018,034

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

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Public Safety:				
Police:				
Administration	$ 5,124,755	$ 5,155,506	$ 5,152,454	$ 3,052
Resource Management	14,766,821	14,733,261	14,394,502	338,759
Information Services	3,575,351	3,575,351	3,406,373	168,978
Field Operations	42,258,041	42,758,041	40,659,502	2,098,539
Criminal Investigations	12,020,395	12,020,395	11,187,061	833,334
Special Operations	4,621,060	4,621,060	3,530,782	1,090,278
Investigative Support	3,384,639	3,375,888	4,492,259	(1,116,371)
Vice/Narcotics	3,830,313	3,830,313	3,370,230	460,083
Professional Standards	1,206,401	1,229,961	1,261,583	(31,622)
Organizational Development	1,338,743	1,326,743	3,293,127	(1,966,384)
Total Police	92,126,519	92,626,519	90,747,873	1,878,646
Fire:				
Administration	2,613,857	2,613,857	2,410,116	203,741
Training	1,266,443	1,266,443	2,444,065	(1,177,622)
Fire Prevention	2,534,123	2,569,123	2,788,692	(219,569)
Emergency Services	52,186,888	52,183,528	52,329,282	(145,754)
Regulatory/Fleet Repair Service	6,399,532	6,957,624	7,256,614	(298,990)
Stations and Buildings	519,583	1,084,712	1,120,549	(35,837)
Total Fire	65,520,426	66,675,287	68,349,318	(1,674,031)
Inspections:				
Building Inspections	3,601,653	3,601,653	3,635,127	(33,474)
Code Compliance	2,742,587	2,742,587	2,324,445	418,142
Local Ordinance Enforcement	267,267	267,267	269,708	(2,441)
Total Inspections	6,611,507	6,611,507	6,229,280	382,227
Total Public Safety	164,258,452	165,913,313	165,326,471	586,842
Transportation:				
Administration	1,621,950	1,621,950	1,554,427	67,523
Traffic Operations	4,077,623	4,077,623	4,144,966	(67,343)
Traffic Engineering	4,643,095	4,643,095	4,944,956	(301,861)
Transportation Planning	345,915	345,915	393,436	(47,521)
Galyon Depot	746,445	746,445	511,208	235,237
Total Transportation	11,435,028	11,435,028	11,548,993	(113,965)
Engineering and Building Maintenance:				
Administration	461,014	461,014	450,106	10,908
Engineering	5,194,925	5,194,925	4,800,928	393,997
Business and Technology	1,012,195	1,012,195	917,724	94,471
Central City Maintenance	3,573,266	4,503,904	3,851,303	652,601
Building Maintenance	6,391,047	7,440,928	6,970,386	470,542
Energy	4,513,296	1,278,058	218,004	1,060,054
Total Engineering and Building Maintenance	21,145,743	19,891,024	17,208,451	2,682,573

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

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Field Operations:				
Administration	$ 4,685,283	$ 4,630,283	$ 4,970,226	$ (339,943)
Materials Recovery Facility	2,747,540	2,672,540	631,106	2,041,434
Stormwater Utility Fee	1,960,104	1,960,104	1,961,702	(1,598)
Solid Waste Collections	20,416,788	20,621,788	20,977,908	(356,120)
Streets - Stormwater Maintenance	7,433,365	7,358,365	5,369,446	1,988,919
Right of Way Maintenance	5,887,826	5,887,826	5,436,461	451,365
Environmental Services	1,745,107	1,745,107	1,360,624	384,483
Total Field Operations	44,876,013	44,876,013	40,707,473	4,168,540
Culture and Recreation:				
Parks and Recreation:				
Administration	2,062,858	1,987,858	1,635,437	352,421
Planning	264,780	249,780	239,507	10,273
Gillespie Golf Course	782,346	826,346	887,642	(61,296)
Greensboro Sportsplex	618,558	651,256	568,199	83,057
City Arts	4,608	16,800	16,799	1
Program and Community Services	1,320,627	1,239,382	1,179,738	59,644
Neighborhood Playgrounds and Centers	2,998,775	3,259,606	3,071,509	188,097
Swimming Pools	452,367	452,367	329,139	123,228
Memorial Stadium	4,678	3,478	3,478	
Hester Park	421,156	451,156	454,593	(3,437)
Country Park	625,329	625,329	678,289	(52,960)
Jaycee Park	308,398	298,398	180,646	117,752
Athletics	831,894	825,894	717,020	108,874
Turf/Athletic Field Maintenance	1,149,028	1,149,028	1,201,985	(52,957)
Regional Parks	177,242	177,242	122,311	54,931
Lake Wardens	834,881	877,881	1,008,258	(130,377)
Barber Park	868,569	862,895	958,308	(95,413)
Equipment Maintenance	173,820	173,820	188,508	(14,688)
Development and Maintenance	2,400,225	2,449,225	1,897,387	551,838
Landscape and Beautification	1,994,059	2,091,878	1,744,772	347,106
Carolyn Allen Park	724,009	714,009	686,485	27,524
Price Park	3,190	3,190	3,083	107
Keeley Park Operations	684,055	654,055	668,579	(14,524)
Trails and Greenways	342,162	342,162	334,668	7,494
LeBauer Park	199,214	286,079	262,245	23,834
Tennis	134,931	134,931	148,614	(13,683)
Simkins Indoor Sports Pavilion	115,660	125,660	161,168	(35,508)
Senior Programs	645,281	679,749	748,573	(68,824)
Bryan Park Operations	1,083,542	1,088,550	1,027,924	60,626
Youth First	501,210	501,347	418,292	83,055
Volunteer Services	455,875	466,875	473,524	(6,649)
Total Parks and Recreation	23,183,327	23,666,226	22,016,680	1,649,546

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

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Library:				
Administration	$ 3,301,686	$ 3,011,686	$ 3,352,208	$ (340,522)
Main Library	2,121,491	2,107,491	1,993,219	114,272
Extension Services	6,615	6,615	8,299	(1,684)
Collection Inventory	1,043,673	973,673	871,887	101,786
Benjamin Branch Library	454,045	470,371	390,523	79,848
Northeast Branch Library	459,599	495,602	478,685	16,917
Vance H. Chavis Branch Library	537,538	545,919	503,521	42,398
Hemphill Branch Library	474,707	502,064	510,086	(8,022)
Glenwood Branch Library	461,701	480,562	454,582	25,980
Kathleen Clay Edwards Branch Library	663,428	702,362	678,466	23,896
McGirt-Horton Branch Library	566,390	584,219	547,803	36,416
Historical Museum	1,081,321	1,067,321	856,136	211,185
Total Library	11,172,194	10,947,885	10,645,415	302,470
Other Culture and Recreation:				
Greensboro Science Center	1,085,000	1,085,000	1,085,000	
Fun Fourth - Grassroots	32,000	32,000	25,942	6,058
Greensboro Jaycees	11,000	11,000		11,000
Festival of Lights	54,884	54,884	42,900	11,984
Downtown Greensboro Parks, Inc.	431,550	431,550	374,396	57,154
International Civil Rights Museum	250,000	250,000	250,000	
Public Access - GCTV	193,985	193,985	188,035	5,950
Total Other Culture and Recreation	2,058,419	2,058,419	1,966,273	92,146
Total Culture and Recreation	36,413,940	36,672,530	34,628,368	2,044,162
Neighborhood Development				
Administration	61,154	61,154	20,606	40,548
Non Governmental Contributions	60,665	60,665	55,683	4,982
Greensboro Housing Authority	120,000	120,000	123,487	(3,487)
Total Neighborhood Development	241,819	241,819	199,776	42,043
Economic Opportunity:				
Economic Development	4,506,015	3,963,615	1,983,911	1,979,704
Chamber of Commerce	130,500	130,500	130,500	
Total Economic Opportunity	4,636,515	4,094,115	2,114,411	1,979,704

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

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Intergovernmental:				
Guilford County:				
Tax Collections	$ 874,500	$ 874,500	$ 1,028,775	$ (154,275)
Animal Shelter and Animal Control	804,597	804,596	694,355	110,241
Environmental Health Control	5,500	5,500		5,500
State of NC RMV Collections	525,000	525,000	606,234	(81,234)
Educational Access Guilford County Schools	65,200	65,200	58,120	7,080
Piedmont Triad Regional Council	61,000	61,000	62,797	(1,797)
National Guard Armory	10,500	10,500		10,500
Total Intergovernmental	2,346,297	2,346,296	2,450,281	(103,985)
Other:				
ARPA-Enabled Projects		15,364,289	729,373	14,634,916
Principal Maturities			842,301	(842,301)
Interest			10,585	(10,585)
Total Other		15,364,289	1,582,259	13,782,030
Total Expenditures	319,018,356	334,468,708	308,382,730	26,085,978
Excess of Revenues Over Expenditures	53,584,950	38,777,198	60,633,415	21,856,217
Other Financing Sources (Uses):				
Debt Issuances:				
IT Subscription Liability Issued			1,976,703	1,976,703
Transfers In:				
State Highway Allocation Fund	5,646,000	5,646,000	5,646,000	
American Rescue Plan Act		56,356,997	56,422,845	65,848
Street Improvements Bond Fund	720,000	720,000	720,000	
Total Transfers In	6,366,000	62,722,997	62,788,845	65,848
Transfers Out:				
Cemetery Operating Fund	479,276	479,276	479,276	
State and Federal Grants Fund		131,537	136,395	(4,858)
Debt Service Fund	40,104,000	40,104,000	40,104,000	
General Capital Improvements Fund	362,361	38,972,013	38,972,013	
Coliseum Fund	3,400,000	3,400,000	3,400,000	
Parking Facilities Fund	3,563,273	3,563,273	3,563,273	
Solid Waste Management Fund	1,830,537	1,830,537	1,830,537	
Employee Risk Retention Fund		990,000	990,000	
General Risk Retention Fund		1,818,056	1,818,056	
Capital Leasing Fund	1,500,000	1,500,000	1,500,000	
Guilford Metro Communications Fund	8,711,503	8,711,503	8,711,503	
Total Transfers Out	59,950,950	101,500,195	101,505,053	(4,858)
Total Other Financing Sources (Uses)	(53,584,950)	(38,777,198)	(36,739,505)	2,037,693
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	$	$	23,893,910	23,893,910
Fund Balance - July 1			102,739,942	102,739,942
Fund Balance - June 30			$ 126,633,852	$ 126,633,852

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

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American Rescue Plan Act (ARPA/SLFRF) Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Revenues:				
Intergovernmental:				
Federal Grants	$ 59,430,051	$ 3,436,208	$ 55,993,843	$ 59,430,051
Investment Income	545,000	67,653	477,347	545,000
Total Revenues	59,975,051	3,503,861	56,471,190	59,975,051
Expenditures:				
Miscellaneous	51,648,081			
Excess of Revenues Over Expenditures	8,326,970	3,503,861	56,471,190	59,975,051
Other Financing (Uses):				
Transfers Out	(8,326,970)	(3,436,208)	(56,538,843)	(59,975,051)
Excess of Revenues Over (Under) Other Financing (Uses)	$	67,653	(67,653)	
Fund Balance - July 1			67,653	
Fund Balance - June 30		$ 67,653	$	$

Statement of Net Position

Proprietary Funds

June 30, 2023

	Business-Type Activities - Enterprise Funds			
	Water Resources	Stormwater Management	Coliseum	Solid Waste Management
ASSETS				
Current Assets:				
Cash and Cash Equivalents/Investments	$ 44,217,517	$ 8,560,576	$ 27,878,494	$ 7,491,599
Receivables (Net):				
Taxes				
Accounts, Notes and Mortgages	19,062,612	852,038	2,131,230	545,004
Intergovernmental	1,193,999	21,240	347,176	125,095
Interest	291,068	34,444	139,234	33,705
Leases	121,472		429,334	
Inventories	6,562,143		38,199	26,557
Prepaid Insurance Charges			45,872	
Miscellaneous	1,017		241,466	
Total Current Assets	71,449,828	9,468,298	31,251,005	8,221,960
Noncurrent Assets:				
Restricted:				
Cash and Cash Equivalents/ Investments	81,626,143	10,930,356	1,558,225	5,536,263
Receivables (Net):				
Assessments	433,564			
Intergovernmental	1,006,276		13,297	
Interest	331,412	50,336	2,309	25,755
Assets Held for Resale				
Self-Funded Retention Deposits				
Note Receivable				
Lease Receivable	2,526,526		5,570,993	
Capital Assets:				
Non-Depreciable:				
Land	21,992,096	1,853,504	19,457,741	5,971,264
Construction in Progress	223,263,532	2,605,026	303,998	
Intangible Assets:				
Easements	25,722,406	1,677,897		
Depreciable/Amortizable:				
Land Improvements	30,104,397	6,795,837	2,741,570	17,656,208
Buildings	279,835,126	1,734	183,995,790	7,809,422
Improvements Other than Buildings	31,127,825		358,695	21,327
Furniture, Fixtures, Machinery and Equipment	74,628,709	684,161	23,343,189	1,301,706
Infrastructure	727,580,480	119,049,936		
Less Accumulated Depreciation	(545,488,463)	(78,387,396)	(80,217,632)	(19,581,668)
Intangible Assets:				
Software and Licenses	5,744,570	441,548		
Water Rights	94,746,402			
Less Accumulated Amortization	(28,764,508)	(441,548)		
Right to Use Lease Assets, Net of Accum. Amortization	50,662		126,961	104,437
Right to Use IT Subscription Assets, Net of Accum. Amort.	703,652	18,405	222,027	11,518
Total Noncurrent Assets	1,027,170,807	65,279,796	157,477,163	18,856,232
Total Assets	1,098,620,635	74,748,094	188,728,168	27,078,192
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Bond Refunding Charges	1,141,766			
Pension Deferrals	5,882,471	994,088	3,198,997	579,415
Current Year Pension Contributions	2,280,915	385,455	1,240,403	224,667
OPEB Deferrals	1,442,258	320,332	427,797	135,558
Total Deferred Outflows of Resources	10,747,410	1,699,875	4,867,197	939,640

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

Greensboro Transit Advisory Commission	Other Enterprise Fund	Totals	Internal Service Funds
$ 24,861,258	$ 4,929,174	$ 117,938,618	$ 66,904,006
243,580		243,580	
11,789	95,682	22,698,355	1,264,220
2,592,849	142,307	4,422,666	1,096,613
633,301	23,293	1,155,045	255,568
	21,122	571,928	
		6,626,899	1,063,169
		45,872	
		242,483	
28,342,777	5,211,578	153,945,446	70,583,576
	6,587,843	106,238,830	
		433,564	
2,613,300		3,632,873	
(17,369)	10,083	402,526	
			600,000
			13,396,372
5,842,054	195,276	6,037,330	
	110,055	8,207,574	
1,670,606	11,508,278	62,453,489	1,840,011
177,685	32,113,104	258,463,345	3,118,629
	90,605	27,490,908	
228,883	56,940	57,583,835	974,506
36,688,272	40,435,838	548,766,182	3,289,783
9,805	165,221	31,682,873	94,000
40,105,020	1,334,312	141,397,097	157,415,292
		846,630,416	
(33,847,026)	(19,170,514)	(776,692,699)	(121,480,864)
136,305	49,218	6,371,641	1,181,969
		94,746,402	
(136,305)	(49,218)	(29,391,579)	(1,181,969)
23,736		305,796	13,384,162
	164,237	1,119,839	8,434,287
53,494,966	73,601,278	1,395,880,242	81,066,178
81,837,743	78,812,856	1,549,825,688	151,649,754
		1,141,766	
382,727	232,392	11,270,090	3,525,975
148,402	90,110	4,369,952	1,367,190
94,648	65,840	2,486,433	774,373
625,777	388,342	19,268,241	5,667,538

(Continued)

Statement of Net Position (continued)

Proprietary Funds
June 30, 2023

	Enterprise Funds			
	Water Resources	Stormwater Management	Coliseum	Solid Waste Management
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ 1,790,553	$	$ 26,238,937	$ 22,770
Payroll Accrual	342,975	57,975	95,855	40,646
Contracts/Retainage Payable	507,055	8,739	73	1,330,070
Intergovernmental Payable	5,401		27,943	
Unearned Revenues			1,068,325	
Revenue Bonds/BANS Payable	71,069,566			
Limited Obligaton Bonds Payable			1,390,000	
Lease Liabilities	21,916		78,498	101,248
IT Subscription Financing Agreements	332,417	8,905	66,948	3,920
Other Financing Agreements			50,000	
Accrued Pollution Remediation Liability				150,004
Interest Payable	1,066,083	342	617,933	77
Internal Payable				
Customer Deposits Payable	4,634,373	498,908		
Accrued Landfill Liability				500,000
Compensated Absences Payable	1,178,036	220,104	245,495	110,688
Miscellaneous			223	
Total Current Liabilities	80,948,375	794,973	29,880,230	2,259,423
Noncurrent Liabilities:				
Payable from Restricted Assets:				
Accounts Payable				
Contracts/Retainage Payable	10,510,978	525,232	800	
Revenue Bonds Payable	313,093,372			
Limited Obligaton Bonds Payable			38,115,000	
Leases Liabilites	29,270		49,333	8,496
IT Subscription Financing Agreements	353,047	9,458	138,168	
Other Financing Agreements			100,000	
Accrued Landfill Liability				47,040,223
Accrued Pollution Remediation Liability	3,041,967			2,908,139
Compensated Absences Payable	529,332	91,303	507,854	76,777
Net OPEB Liability	13,256,650	2,944,365	3,932,134	1,245,990
Net Pension Liability	12,385,508	2,093,047	6,735,469	1,219,955
Total Noncurrent Liabilities	353,200,124	5,663,405	49,578,758	52,499,580
Total Liabilities	434,148,499	6,458,378	79,458,988	54,759,003
DEFERRED INFLOWS OF RESOURCES				
Leases	2,586,146		5,898,021	
Pension Deferrals	170,624	28,834	92,789	16,806
OPEB Deferrals	3,606,054	800,922	1,069,613	338,932
Total Deferred Inflows of Resources	6,362,824	829,756	7,060,423	355,738
NET POSITION				
Net Investment in Capital Assets	558,408,034	54,280,741	110,344,392	13,180,550
Restricted for:				
Capital Projects	71,967,447	10,455,460	1,573,031	5,562,018
Assets Held for Resale				
Self-Funded Retention Deposits				
Unrestricted	38,481,241	4,423,634	(4,841,469)	(45,839,477)
Total Net Position	$ 668,856,722	$ 69,159,835	$ 107,075,954	$ (27,096,909)

(1) After internal receivables and payables have been eliminated.

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

Greensboro Transit Advisory Commission	Other Enterprise Fund	Totals (1)	Internal Service Funds
$ 5,058	$	$ 28,057,318	$ 17,742,647
22,914	12,835	573,200	
1,503,814	36,000	3,385,751	20,565
11,225		44,569	
		1,068,325	
		71,069,566	
	2,200,000	3,590,000	
5,127		206,789	4,660,228
	56,638	468,828	1,402,313
		50,000	
		150,004	
	257,844	1,942,279	181,894
			27,500
	62,107	5,195,388	46,050
		500,000	
45,195	41,830	1,841,348	697,636
		223	
1,593,333	2,667,254	118,143,588	24,778,833
	104,748	104,748	
702,913	1,375,554	13,115,477	
		313,093,372	
	60,195,000	98,310,000	
18,788		105,887	8,889,107
	96,691	597,364	6,803,949
		100,000	
		47,040,223	
		5,950,106	
69,364	12,523	1,287,153	507,664
869,962	605,173	22,854,274	7,117,724
805,830	489,301	23,729,110	7,423,919
2,466,857	62,878,990	526,287,714	30,742,363
4,060,190	65,546,244	644,431,302	55,521,196
	128,939	8,613,106	
11,101	6,741	326,895	102,273
236,646	164,618	6,216,785	1,936,151
247,747	300,298	15,156,786	2,038,424
45,033,066	5,061,741	786,308,524	45,314,209
1,893,018	4,205,575	95,656,549	
			600,000
			13,396,372
31,229,499	4,087,340	27,540,768	40,447,091
$ 78,155,583	$ 13,354,656	$ 909,505,841	$ 99,757,672

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City of Greensboro
Reconciliation of the Statement of Net Position-Proprietary Funds
To the Statement of Net Position
June 30, 2023

Net position - proprietary funds	$ 909,505,841
Amounts reported for business-type activities in the statement of net position are different because:	
Internal service funds	10,208,577
Net position of business-type activities	$ 919,714,418

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

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds
For the Fiscal Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds			
	Water Resources	Stormwater Management	Coliseum	Solid Waste Management
Operating Revenues:				
Charges for Current Services	$ 137,823,798	$ 10,302,998	$ 66,452,742	$ 14,061,093
Other Operating Revenues	2,609,914	22,420	2,348,895	408,282
State and Federal Grants				
Total Operating Revenues	140,433,712	10,325,418	68,801,637	14,469,375
Operating Expenses:				
Personal Services	20,615,081	3,480,575	11,264,925	2,022,522
Fringe Benefits	10,018,203	1,550,760	3,479,006	860,526
Maintenance and Operations	51,229,950	5,471,877	53,324,454	18,736,386
Claims and Expenses				45,673
Depreciation/Amortization	34,201,333	1,976,756	6,386,929	485,794
Total Operating Expenses	116,064,567	12,479,968	74,455,314	22,150,901
Operating Income (Loss)	24,369,145	(2,154,550)	(5,653,677)	(7,681,526)
Nonoperating Revenues (Expenses):				
Investment Income	2,577,915	341,200	664,121	234,709
Net Increase (Decrease) in the Fair Value of Investments	894,144	231,487	(102,450)	193,884
Total Investment Income	3,472,059	572,687	561,671	428,593
Miscellaneous Nonoperating Revenue	515			
Property Tax				
Motor Vehicle Tax				
Local Option Sales Tax				
Grants/In Kind Services				
Donations and Contributions			2,322	
Interest Expense	(8,975,578)	(388)	(1,501,995)	(1,207)
Inventory Gain (Loss)	(67,530)		111	(52,038)
Gain (Loss) on Disposal of Capital Assets	(17,984)	(6,141)		
Miscellaneous Nonoperating Expense	(147,691)		(2,750)	
Total Nonoperating Revenues (Expenses)	(5,736,209)	566,158	(940,641)	375,348
Income (Loss) Before Contributions and Transfers	18,632,936	(1,588,392)	(6,594,318)	(7,306,178)
Capital Contributions	403,757			
Transfers In	3,050,209	8,299	3,416,428	2,275,026
Transfers Out	(35,000)			(300,000)
Change in Net Position	22,051,902	(1,580,093)	(3,177,890)	(5,331,152)
Net Position - July 1	646,804,820	70,739,928	110,253,844	(21,765,757)
Net Position - June 30	$ 668,856,722	$ 69,159,835	$ 107,075,954	$ (27,096,909)

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

Greensboro Transit Advisory Commission	**Other Enterprise Fund**	**Totals**	**Internal Service Funds**
$ 1,806,396	$ 3,222,407	$ 233,669,434	$ 93,146,416
1,047,985	132,403	6,569,899	1,912,275
7,604,738		7,604,738	
10,459,119	3,354,810	247,844,071	95,058,691
1,293,617	807,160	39,483,880	12,602,936
1,073,045	424,284	17,405,824	4,954,597
27,175,207	1,431,104	157,368,978	20,827,513
	130,933	176,606	53,931,452
3,881,966	1,176,278	48,109,056	18,217,661
33,423,835	3,969,759	262,544,344	110,534,159
(22,964,716)	(614,949)	(14,700,273)	(15,475,468)
915,569	277,860	5,011,374	865,524
(232,639)	44,830	1,029,256	436,626
682,930	322,690	6,040,630	1,302,150
13,557	2,762	16,834	5,170,677
12,835,784		12,835,784	
1,082,156		1,082,156	
2,000,000		2,000,000	
13,648,288		13,648,288	
		2,322	
(466)	(1,537,692)	(12,017,326)	(337,856)
		(119,457)	58,157
2,023	1,225	(20,877)	608,874
	(36,563)	(187,004)	
30,264,272	(1,247,578)	23,281,350	6,802,002
7,299,556	(1,862,527)	8,581,077	(8,673,466)
		403,757	
	3,564,671	12,314,633	13,135,824
(49,886)		(384,886)	(55,503)
7,249,670	1,702,144	20,914,581	4,406,855
70,905,913	11,652,512	888,591,260	95,350,817
$ 78,155,583	$ 13,354,656	$ 909,505,841	$ 99,757,672

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City of Greensboro
Reconciliation of the Statement of Revenues,
Expenses, and Changes in Net Position-Proprietary Funds
To the Statement of Activities
For the Fiscal Year Ended June 30, 2023

Amounts reported for business-type activities in the statement of activities are different because:

Net change in fund balances----total proprietary funds.	$	20,914,581
Internal service funds are used by management to charge the costs of fleet management and management information systems to individual funds. The net revenue (loss) of certain activities of internal service funds is reported with business-type activities.		753,568
Change in net position of business-type activities	$	21,668,149

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

Statement of Cash Flows

Proprietary Funds
For the Fiscal Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds			
	Water Resources	Stormwater Management	Coliseum	Solid Waste Management
Cash Flows from Operating Activities:				
Receipts from Customers	$ 134,995,898	$ 10,154,251	$ 72,995,766	$ 14,200,763
Payments to Suppliers	(52,715,131)	(5,466,444)	(52,828,985)	(17,059,581)
Payments to Employees	(26,836,541)	(4,970,489)	(14,544,767)	(2,808,827)
Other Operating Revenues	2,609,914	22,420	2,444,398	408,282
Other Receipts	515			
Net Cash Provided by (Used for) Operating Activities	58,054,655	(260,262)	8,066,412	(5,259,363)
Cash Flows from Noncapital Financing Activities:				
Subsidies and Transfers In	3,050,209	8,299	3,416,427	2,275,026
Subsidies and Transfers Out	(35,000)			(300,000)
Net Cash Provided by (Used for) Noncapital Financing Activities	3,015,209	8,299	3,416,427	1,975,026
Cash Flows from Capital and Related Financing Activities:				
Debt Issued	50,795,451			
Acquisition and Construction of Capital Assets	(100,912,506)	(1,566,411)	(3,169,887)	774,854
Acquisition of Intangible Assets	(962,945)			
Proceeds from Sale of Capital Assets	32,485			
Principal Maturities	(15,000,842)	(8,905)	(1,521,250)	(115,279)
Interest and Fiscal Charges Paid on Debt	(13,575,309)	(46)	(1,517,312)	(1,222)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(79,623,666)	(1,575,362)	(6,208,449)	658,353
Cash Flows from Investing Activities:				
Investment Income	2,132,705	513,513	467,336	387,957
Net Increase (Decrease) in the Fair Value of Investments	894,144			
Net Cash Used by Investing Activities	3,026,849	513,513	467,336	387,957
Net Increase (Decrease) in Cash and Cash Equivalents	(15,526,953)	(1,313,812)	5,741,726	(2,238,027)
Balances - July 1	141,370,613	20,804,744	23,694,993	15,265,889
Balances - June 30	$ 125,843,660	$ 19,490,932	$ 29,436,719	$ 13,027,862
Reconciliation of Cash and Cash Equivalents/Investments:				
Cash and Cash Equivalents/Investments - Current	$ 44,217,517	$ 8,560,576	$ 27,878,494	$ 7,491,599
Cash and Cash Equivalents/Investments - Restricted	81,626,143	10,930,356	1,558,225	5,536,263
Total Cash and Cash Equivalents/Investments - June 30	$ 125,843,660	$ 19,490,932	$ 29,436,719	$ 13,027,862

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

Greensboro Transit Advisory Commission	Other Enterprise Fund	Totals	Internal Service Funds
$ 2,733,077	$ 3,305,461	$ 238,385,216	$ 92,824,693
(26,456,711)	(1,379,469)	(155,906,321)	(72,081,033)
(1,733,046)	(1,133,905)	(52,027,575)	(17,354,511)
38,232,508	132,403	43,849,925	
		515	7,082,952
12,775,828	924,490	74,301,760	10,472,101
	3,564,671	12,314,632	13,135,824
(49,886)		(384,886)	(55,503)
(49,886)	3,564,671	11,929,746	13,080,321
		50,795,451	
(5,856,388)	(8,492,307)	(119,222,645)	(13,708,650)
		(962,945)	
2,023	1,225	35,733	957,812
(2,922)	(2,234,250)	(18,883,448)	(6,345,368)
(466)	(1,574,318)	(16,668,673)	(156,652)
(5,857,753)	(12,299,650)	(104,906,527)	(19,252,858)
917,518	301,030	4,720,059	
(232,639)		661,505	1,116,601
684,879	301,030	5,381,564	1,116,601
7,553,068	(7,509,459)	(13,293,457)	5,416,165
17,308,190	19,026,476	237,470,905	61,487,841
$ 24,861,258	$ 11,517,017	$ 224,177,448	$ 66,904,006
$ 24,861,258	$ 4,929,174	$ 117,938,618	$ 66,904,006
	6,587,843	106,238,830	
$ 24,861,258	$ 11,517,017	$ 224,177,448	$ 66,904,006

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2023

(continued)	Business-Type Activities - Enterprise Funds Water Resources	Stormwater Management	Coliseum	Solid Waste Management
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	$ 24,369,145	$ (2,154,550)	$ (5,653,677)	$ (7,681,526)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation/Amortization	34,201,333	1,976,756	6,386,929	485,794
Change in Assets, Deferred Outflows, Deferred Inflows and Liabilities:				
(Increase) Decrease in Receivables	(2,827,900)	(997)	(74,838)	139,670
(Increase) Decrease in Inventories	(1,474,134)		692	(55,228)
Increase (Decrease) in Deferred Inflow - Leases	1,468,783		(364,771)	
(Increase) Decrease in Intergovernmental Receivables		5,433	(141,364)	23,320
Decrease in Miscellaneous Assets			471,656	
Increase (Decrease) in Accounts Payable	123,888	(147,750)	171,735	9,141
Increase in Accrued Payroll	342,975	57,975	95,855	40,646
Increase in Landfill Liability				49,289
Increase in Deferred Outflows of Resources - Pensions	(3,140,470)	(483,976)	(1,957,649)	(294,432)
Decrease in Deferred Inflows of Resources - Pensions	(4,739,074)	(846,547)	(2,333,023)	(481,357)
Increase in Net Pension Liability	9,091,785	1,505,788	5,108,088	885,757
(Increase) Decrease in Deferred Outflows of Resources - OPEB	51,968	42,304	58,465	17,990
Increase (Decrease) in Deferred Inflows of Resources - OPEB	187,801	(28,660)	(42,781)	(12,330)
Increase (Decrease) in Net OPEB Liability	284,087	(203,968)	(289,495)	(87,081)
Increase (Decrease) in Compensated Absences Payable	124,773	17,930	121,951	5,028
Increase (Decrease) in Pollution Remediation Liability	(102,060)			1,695,956
Increase (Decrease) in Intergovernmental Payable	5,401		(197,475)	
Decrease in Internal Payable				
Increase in Customer Deposits Payable	118,714			
(Decrease) in IT Subscription reclassification				
Increase (Decrease) in Miscellaneous Payable	(32,875)		6,712,189	
Increase (Decrease) in Other Receipts (Disbursements)	515		(6,075)	
Total Adjustments	33,685,510	1,894,288	13,720,089	2,422,163
Net Cash Provided by (Used for) Operating Activities	$ 58,054,655	$ (260,262)	$ 8,066,412	$ (5,259,363)
Noncash Investing, Capital and Financing Activities:				
Principal Paid by Other Funds on Debt Obligations	$	$	$	$
IT Subscription Liability Issued	1,055,591	27,239	296,500	23,294
Lease Liability Issued	29,752			
Donated Assets	403,757			
Total Noncash Investing, Capital and Financing Activities	$ 1,489,100	$ 27,239	$ 296,500	$ 23,294

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

Greensboro Transit Advisory Commission	Other Enterprise Fund	Totals	Internal Service Funds
$ (22,964,716)	$ (614,949)	$ (14,700,273)	$ (15,475,468)
3,881,966	1,176,278	48,109,056	18,217,661
926,681	83,054	(1,754,330)	394,941
		(1,528,670)	172,002
	(9,105)	1,094,907	
267,999	86,925	242,313	281,070
		471,656	2,586,965
450,497	104,748	712,259	(717,904)
22,914	12,835	573,200	
		49,289	
(356,159)	(102,834)	(6,335,520)	(1,582,891)
(159,926)	(207,975)	(8,767,902)	(3,133,387)
691,095	345,256	17,627,769	5,253,242
(32,763)	94	138,058	96,980
95,075	13,785	212,890	(57,193)
332,687	32,749	68,979	(447,188)
40,693	(3,093)	307,282	89,663
		1,593,896	
		(192,074)	
			(27,000)
		118,714	
	6,722	6,686,036	
29,579,785		29,574,225	4,820,608
35,740,544	1,539,439	89,002,033	25,947,569
$ 12,775,828	$ 924,490	$ 74,301,760	$ 10,472,101
$	$	$	$ 321,723
	212,579	1,615,203	9,793,407
26,837		56,589	4,704,396
		403,757	
$ 26,837	$ 212,579	$ 2,105,301	$ 14,819,526

Statement of Fiduciary Net Position

Fiduciary Funds
June 30, 2023

		Pension and Benefit Trust Funds
ASSETS		
Cash and Cash Equivalents/Investments		
Demand Deposits	$	5,000
Mutual Funds:		
NC Short Term Investment Fund		17,542
NC Equity Index Fund		28,558,676
NC Bond Index Fund		14,637,927
Miscellaneous Receivable		16
Total Assets	$	43,219,161
LIABILITIES		
Accounts Payable	$	16
NET POSITION		
Net Position Restricted for:		
Pension Benefit - Law Enforcement Officers Special Separation Allowance	$	8,976,031
Net Position Restricted for:		
Other Postemployment Benefits Other Than Pensions		34,243,114
Total Net Position	$	43,219,145

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

Statement of Changes in Fiduciary Net Position

Fiduciary Funds
For the Fiscal Year Ended June 30, 2023

	Pension and Benefit Trust Funds
ADDITIONS	
Employer Contributions	$ 9,759,191
Employee Contributions	2,177,456
Interest Earnings:	
Investment Income	(154,473)
Net Increase (Decrease) in the Fair Value of Investments	4,057,831
Total Investment Income	3,903,358
Total Additions	15,840,005
DEDUCTIONS	
Benefits Paid	10,933,401
Administrative Expenses	11,609
Total Deductions	10,945,010
Change in Net Position	4,894,995
Net Position Restricted for Pension and Benefits - July 1	38,324,150
Net Position Restricted for Pension and Benefits - June 30	$ 43,219,145

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

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Statement of Net Position

Component Units
June 30, 2023

ASSETS	Greensboro Housing Dev. Partnership	Greensboro Redevelopment Commission	Greensboro ABC Board	Total Component Units
Cash and Cash Equivalents/Investments	$ 82,154	$ 31,168	$ 4,822,786	$ 4,936,108
Receivables, Net				
Accounts, Notes and Mortgages			5,004	5,004
Intergovernmental		244,220		244,220
Inventories			10,038,247	10,038,247
Miscellaneous			354,512	354,512
Assets Held for Resale	1,616,712	3,053,617		4,670,329
Long-Term Note Receivable		1,631,962		1,631,962
Investment in Joint Venture				
Restricted Assets:				
Temporarily Restricted:				
Cash and Cash Equivalents/Investments	160,870			160,870
Capital Assets:				
Non-Depreciable:				
Land			5,242,017	5,242,017
Construction in Progress			858,748	858,748
Depreciable:				
Land Improvements			429,282	429,282
Accumulated Depreciation			(141,384)	(141,384)
Buildings			8,684,203	8,684,203
Accumulated Depreciation			(1,960,567)	(1,960,567)
Improvements Other than Buildings			530,273	530,273
Accumulated Depreciation			(526,749)	(526,749)
Furniture, Fixtures, Machinery and Equipment			2,716,302	2,716,302
Accumulated Depreciation			(1,896,485)	(1,896,485)
Right to Use Lease Assets, Net of Accumulated Amortization			2,870,816	2,870,816
Total Assets	1,859,736	4,960,967	32,027,005	38,847,708
DEFERRED OUTFLOW OF RESOURCES				
Current Year Pension Contributions			221,330	221,330
Pension Deferrals			1,317,444	1,317,444
OPEB Deferrals			179,732	179,732
Total Deferred Outflow of Resources			1,718,506	1,718,506
LIABILITIES				
Accounts Payable			4,346,985	4,346,985
Due to Primary Government			1,189,212	1,189,212
Miscellaneous			254,494	254,494
Due Within One Year:				
Note Payable	186,423		479,478	665,901
Leases and Other Financing Agreements			440,980	440,980
Due in More Than One Year:				
Note Payable	1,690,839		5,110,158	6,800,997
Leases and Other Financing Agreements			2,542,303	2,542,303
Unearned Revenue		1,631,962		1,631,962
Miscellaneous			925,083	925,083
Net Pension Liability			2,359,809	2,359,809
Total Liabilities	1,877,262	1,631,962	17,648,502	21,157,726
DEFERRED INFLOW OF RESOURCES				
Pension Deferrals			11,860	11,860
OPEB Deferrals			556,674	556,674
Total Deferred Inflows of Resources			568,534	568,534
NET POSITION				
Net Investment in Capital Assets			8,346,004	8,346,004
Restricted for:				
Assets Held for Resale		3,053,617		3,053,617
Neighborhood Development		244,220		244,220
Greensboro ABC Board Working Capital			3,149,282	3,149,282
Unrestricted	(17,526)	31,168	4,033,189	4,046,831
Total Net Position	$ (17,526)	$ 3,329,005	$ 15,528,475	$ 18,839,954

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

Statement of Activities
Component Units
For the Fiscal Year Ended June 30, 2023

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Greensboro Housing Dev. Partnership				
Governmental Activities:				
Neighborhood Development	$ 200,870	$ 200,870	$	$
Total Greensboro Housing Dev. Partnership	200,870	200,870		
Greensboro Redevelopment Commission				
Governmental Activities:				
Redevelopment Commission Operations	1,749,053		1,823,736	
Total Greensboro Redevelopment Commission	1,749,053		1,823,736	
Greensboro ABC Board				
Business -Type Activities:				
ABC Board Operations	59,677,285	62,721,441		
Total Greensboro ABC Board	59,677,285	62,721,441		
Total	$ 61,627,208	$ 62,922,311	$ 1,823,736	$

General Revenues:
Investment Income
Miscellaneous

Total General Revenues

Change in Net Position

Net Position - July 1
Prior Period Adjustment
Net Position - July 1, (restated)

Net Position - June 30

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

Net (Expenses) Revenue and Changes in Net Position			
Greensboro Housing Dev. Partnership	**Greensboro Redevelopment Commission**	**Greensboro ABC Board**	**Totals**
$	$	$	$
	74,683		74,683
	74,683		74,683
		3,044,156	3,044,156
		3,044,156	3,044,156
	74,683	3,044,156	3,118,839
	3	29,620	29,623
		24,674	24,674
	3	54,294	54,297
	74,686	3,098,450	3,173,136
(17,526)	3,254,319	12,308,988	15,545,781
		121,037	121,037
(17,526)	3,254,319	12,430,025	15,666,818
$ (17,526)	$ 3,329,005	$ 15,528,475	$ 18,839,954

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I. Summary of Significant Accounting Policies

The accounting policies of the City of Greensboro (City) and its component units conform to US Generally Accepted Accounting Principles ("GAAP") as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies of the City:

A. The Financial Reporting Entity

The City is a municipal corporation governed by an elected Mayor and eight–member Council. As required by GAAP, these financial statements present the City (the primary government) and its component units (entities for which the City is considered to be financially accountable). 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.

Discretely Presented Component Units

The component unit column in the basic financial statements includes the financial data of the City's other component units. The units are reported in a separate column to emphasize that they are legally separate from the City. Separate statements of net position and activities for the component units are presented in Exhibits A-16 and A-17.

Greensboro Housing Development Partnership, Inc (GHDP) provides first-time buyers, with low to moderate income, affordable financing. GHDP also serves as a conduit to sell surplus land to builders to develop affordable housing for City citizens. The City appoints the voting majority of the Board and guarantees support for any deficits for certain programs and loan obligations. The City also influences the operations of the GHDP by providing loan initiatives and rehabilitation of properties. City Neighborhood Development program transactions support many of the same initiatives as GHDP.

The Greensboro Redevelopment Commission (Commission) conducts studies, formulates plans, purchases and sells properties and oversees redevelopment projects in the City. The Commission performs legislative duties such as defining a redevelopment area and carries out delegated activities, subject to the consent, approval and policies of the City. The governing board is composed of five residents of the City who are appointed by City Council. No property transactions may be taken without City approval. City Council must agree before any expenditures or contracts are made by the board or any debt entered into for which the City could be liable. Budgets for the Commission are set by City Council and any changes require City approval through normal budget procedures. The City provides all staff and other resources necessary for operations and administration of the Commission. All funding is derived from City sources and federal grants and loans. The Commission's inventory of properties and associated notes receivable are recorded as "Assets Held for Resale" and "Accounts, Notes and Mortgages" and "Unearned Revenues". The Commission's financial activity is recorded in the Housing Partnership Revolving Fund. The Commission is considered to almost exclusively benefit the City even though it does not provide services directly to it.

Greensboro ABC Board operates alcoholic beverage stores, regulates the sale of such beverages and enforces alcoholic beverage laws in the City. Members of the governing body are appointed by City Council. Financial benefit is provided to the City as a portion of the Greensboro ABC Board's profits are distributed to the City, quarterly.

Each of the discretely presented component units has a June 30 year-end. Complete financial statements for the GHDP and Greensboro ABC Board component units may be obtained at their respective administrative offices. Financial transactions of the Commission are reported and audited during the City's annual audit. No separate financial statements are prepared for this entity.

ADMINISTRATIVE OFFICES

Greensboro ABC Board
Attention: Niegel Sullivan
P.O. Box 16905
Greensboro, North Carolina 27416-0905

Greensboro Housing Development Partnership, Inc.
Attention: Sue Schwartz
P.O. Box 3136
Greensboro, North Carolina 27402-3136

Greensboro Redevelopment Commission
Attention: Sue Schwartz
P.O. Box 3136
Greensboro, North Carolina 27402-3136

B. Governmental-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and a fiduciary fund, even though the latter is excluded from the government-wide statements. The focus of the governmental and proprietary fund financial statements is on major funds. The City's determination of reporting major funds considered the criteria prescribed by GASB and consistency of presentation from year to year. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are summarized into a single column. Internal service funds, funds that provide goods and services to other City departments and certain outside agencies on a cost-reimbursement basis, have also been eliminated to prevent "double reporting" of their transactions. Internal service funds primarily perform services for the City's governmental funds.

The government-wide financial statements and the fund financial statements report the City's operational and fiscal accountability. Operational accountability refers to the reporting of efficiency and effectiveness of achieved operating objectives using all resources available for that purpose, and whether additional objectives can be met in the foreseeable future. Fiscal accountability is demonstrated through additional fund information detailing compliance with finance-related legal and contractual provisions.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or non-current) associated with these activities are included in the government-wide financial statements, resulting in net position.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are measurable and available, or when susceptible to accrual. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers sales taxes to be available if they are collected within 90 days after year-end and ad valorem taxes, profit distributions from the ABC Board and all other distributions to be available if collected within 60 days after year-end. Certain intergovernmental revenues, licenses and permits, fines and forfeitures, and charges for current services are recognized when cash is received, unless they are subject to deferral to a future period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include accumulated unpaid sick pay which is not accrued and debt service on general long-term debt and claims and judgments which are recognized when the liability is normally expected to be liquidated with available financial resources.

Operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position. Accordingly, the reported fund balance presents a summary of sources and uses of "available spendable resources" during a period. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the governmental activities column in the government-wide statements, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to transform the fund-based financial statements into the governmental activities column of the government-wide presentation.

Proprietary funds distinguish operating revenues and expenses from non-operating items. It is the City's policy that operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds and of the Internal Service Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds and Internal Service Funds include the cost of sales and services, administrative expenses, claims payments, depreciation, and amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The government reports the following major governmental funds:

General Fund - The General Fund is the primary operating fund of the City. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

American Rescue Plan Act Fund (ARPA/SLFRF) - The purpose of the American Rescue Plan Act Fund is to account for federal funds awarded to assist with recovery of the economic and health effects of the COVID-19 pandemic.

The government reports the following major proprietary funds:

Enterprise Funds - Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Water Resources Fund provides water and sewer services to more than 109,000 active accounts and is designed to be self-supporting. This fund also provides for principal and interest on all water and sewer debt. Outstanding Combined Enterprise System revenue bonds are recorded in this fund.

The Stormwater Management Fund was established to account for the federally mandated program of stormwater system management, which is supported by a City-wide stormwater fee.

The Coliseum Fund administers operations of a complex that brings top artists in entertainment, education, and sports to the City. The Coliseum Fund operation supports debt service on the financing agreements for energy improvements at the facility as well as the bonds issued for the Steven Tanger Center for the Performing Arts. The Performing Arts Operating Fund as well as the Performing Arts Center Capital Project Fund are included in the Coliseum Fund.

The Solid Waste Management Fund accounts for waste disposal and recycling operations of the City, as well as solid waste landfill improvements. Outstanding special obligation bonds are recorded and supported in this fund.

Greensboro Transit Advisory Commission is responsible for the operation of the mass transit system in the municipal area. These functions include Fixed Route operations, as well as specialized ADA paratransit services and HEAT, which provides transportation for students attending local colleges and universities. This fund is supported by transit taxes, which are levied under the taxing authority of the City.

The City's parking operations are included in "Other Enterprise Fund", a non-major fund.

Additionally, the government reports the following fund types:

Internal Service Funds - Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City also accounts for its risk-retention transactions and equipment purchases financed with lease-purchase agreements in the Internal Service Funds. Internal Service Funds of the City government (which traditionally provide services primarily to other funds of the government) are presented in summary form as part of the proprietary fund financial statements. Since the principal users of the Internal Service Funds are associated with the City's governmental activities, financial statements of Internal Service Funds are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the costs of these services are reflected in the appropriate functional activity. All of the City's Internal Service Funds are considered to be governmental in nature and are recorded in the Governmental Type Activities statements.

Fiduciary Funds - The Law Enforcement Officers Special Separation Allowance Pension Benefit Trust (LEOSSA) and the Other Postemployment Benefit (OPEB) Trust Funds account for assets held by the City in a fiduciary capacity and accumulate funds to provide pension and certain health and life benefit payments to qualified law enforcement officers and retirees. Since by definition these assets are being held for the benefit of a third party (pension and retiree participants) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. These funds use the accrual basis of accounting and have an economic resources measurement focus. They are accounted for in essentially the same manner as Proprietary Funds.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to the rule are payments between the water resources and solid waste disposal funds and the General Fund. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. <u>Assets, Liabilities, Deferred Outflows/Deferred Inflows of Resources, and Net Position or Fund Balance</u>

1. Cash and Cash Equivalents/Investments

The City maintains a cash and investment pool that is used by all funds except the following, which maintain separate deposits and investments: Capital Project Bond Funds, Water Resources Bond Funds, Performing Arts Center Capital Project Fund and Parking Facilities Bond fund. Each fund type's cash and cash equivalents/investments are displayed separately on a combined balance sheet. Interest is distributed to the various funds proportionate to its share in the cash and cash equivalent/investments pool and individual fund investments. For purposes of the statement of cash flows, investments (including restricted assets) are considered to be cash equivalents, since they represent highly liquid deposits of the cash and investment pool.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the Fiscal Year are referred to as "internal receivables/internal payables" (i.e., the current portion of interfund loans) and are reported "net". Residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

City ad valorem taxes are billed by the Guilford County Tax Collector after July 1, the beginning of the Fiscal Year, and are due on September 1. No penalties or interest are assessed until the following January 6. The taxes levied (other than motor vehicles) are based on assessed property values as of January 1, which is the statutory lien date on real property. Liens against personal property are coincident with action taken to levy or garnish. Collections of City taxes are made by the County and remitted to the City as collected. In accordance with State law, property taxes on certain registered motor vehicles are assessed and collected throughout the year based on a staggered registration system. Motor vehicle taxes become due at the time the vehicles are registered. Vehicle taxes are collected by the State of North Carolina and remitted to the City. The taxes receivable amount for the General Fund is reduced by an allowance for uncollectible of $384,049. The net General Fund receivable of $3,199,597 is shown as a deferred inflow of resources on the Governmental Funds Balance Sheet.

3. Lease Receivable

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

4. Inventories/Assets Held for Resale and Prepaid Items

Inventories consist primarily of materials and supplies held for consumption. They are stated at cost, determined principally by a moving average method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. Inventories of the Greensboro ABC Board are valued at the lower of cost (FIFO) or market.

Assets Held for Resale in the amount of $3,053,617 and $1,616,712 as of June 30, 2023, can be found in the statement of net position for component units, Exhibit A-16 on page 37, for the Greensboro Redevelopment Commission and the Greensboro Housing Development Partnership, respectively. Assets Held for Resale amounting to $95,179, and $600,000 are recorded in the Street and Sidewalk Capital Project Fund, and the Capital Leasing Fund, respectively, for certain other properties held by the City.

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

5. Restricted Assets

Certain proceeds of the City's bonds, certain grant receipts, as well as other funds are classified as restricted assets on the statement of net position because their use is limited by applicable bonds covenants, grantor or other third party and enabling legislative restrictions and state statutes.

Powell Bill funds are classified as restricted cash because they can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4.

6. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks and similar items) and intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000. One exception is intangible assets, for internally generated software, which is capitalized if greater than $100,000. All purchased capital assets of the City are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add value to the asset or materially extend assets lives are not capitalized.

General capital assets and the related accumulated depreciation are reported for the City using the straight-line method over the following estimated useful lives: Buildings, 40 years; Improvements, 20 years; Equipment, 5-20 years and Infrastructure as follows: Streets, 50 years; Sidewalks, 40 years; Bridges, 50 years; Water/Sewer, 40 years and Stormwater Improvements, 30-75 years. Depreciation of all exhaustible capital assets used by Proprietary Funds is charged as an expense against their operations.

Capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the City reports a lease (only applies when the City is the lessee) or agreements where the City reports an Information Technology (IT) Subscription. The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

The right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The right to use subscription assets are amortized on a straight-line basis over the subscription term.

Intangible Assets of $94,746,402 as of June 30, 2023 are recorded in the Water Resources Enterprise Fund and represent rights to future raw water allocations from the Randleman Dam and reservoir project, in accordance with a joint venture agreement established in September 1987 with five other governmental entities to form a regional water supply.

The intangible asset is based on City contributions to the Piedmont Triad Regional Water Authority for construction of the dam, reservoir, water treatment plant and surrounding infrastructure improvements as well as $962,945 of contributions recorded in Fiscal Year 2023, toward the City's administrative and operating allocation. In Fiscal Year 2011, the City began amortizing the water rights over a period of 50 years with current year related amortization expense totaling $1,894,928. Accumulated amortization totals $23,199,807.

Property and equipment of the Greensboro ABC Board are stated at cost and are depreciated over their useful lives on a straight-line basis as follows: Buildings, 50 years; Equipment, 3-5 years. Leasehold improvements of the Greensboro ABC Board are depreciated over the term of the lease agreement.

Property, furniture and equipment of the GHDP are stated at cost and are depreciated over their useful lives on a straight-line basis as follows: Buildings, 27 years; Furniture and Equipment, 3-5 years.

7. Deferred Outflows/Inflows of Resources and Unearned Revenues

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate statement of net position, *Deferred Outflows of Resources*, represents a consumption of net assets 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, an unamortized loss on bond defeasance for General Obligation and Water and Sewer Refunding bonds and pension and OPEB deferrals. In addition to liabilities, the statement of financial 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 assets that applies to a future period and so will not be recognized as revenue until then. The City has certain items that meet the criterion for this category – prepaid taxes, prepaid assessments, deferrals of pension expense, leases and deferrals of Other Post Employment Benefit expense. In addition, revenue related to property tax, notes, and other accounts receivable that does not meet the availability criterion are reported in deferred inflows of resources in the governmental fund financial statements.

The City reports unearned revenue on its government-wide and fund financial statements. Deferred Inflows for Grants arise when potential revenue does not meet both the "measureable" and "available" criteria for recognition in the current period (fund financial statements). Unearned revenues arise when resources are unearned by the City and received before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unearned revenue is removed from the applicable financial statement and revenue is recognized.

8. Long-Term Liabilities

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 in the government-wide financial statements, and proprietary fund-types in the fund financial statements. Bond premiums and discounts amortized over the life of the bonds using the effective interest rate method. Gains or losses on refundings are deferred and recognized as resource flows over the life of the bonds. Bond issuance costs are expensed in the reporting period in which they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance cost during the current period. The face amount of debt issued is reported as an "Other Financing Source". Premiums received on debt issuances are reported as "Other Financing Sources" while discounts on debt issuances are reporting as "Other Financing Uses". Issuance cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures as "Fees and Other".

9. Fund Balance

In the governmental fund financial statements, the fund balances are composed of five classifications designed to disclose the spending hierarchy of constraints placed on how fund balance can be spent. The City reports nonspendable funds, restricted, committed, assigned and unassigned fund balances. Fund balances are further segregated into the following classifications:

Nonspendable Fund Balance - This classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Amounts that cannot be spent due to form, include inventories, prepaid amounts, long-term amounts of loans and notes receivable funds permanently held for cemetery care and property held for resale, unless future property sale proceeds are restricted, committed or assigned.

Inventories and Miscellaneous Prepaids - This represents that portion of fund balance segregated for year-end inventories of supplies and prepaid items such as rent and postage; these are current assets and do not represent available spendable resources.

Leases – portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

Perpetual Maintenance – This represents Cemetery resources that are required to be retained in perpetuity for maintenance of the City's three cemeteries.

Restricted Fund Balance – This classification can be spent only for specific purposes, as stipulated by external resource providers and creditors, by constitution or through enabling legislation that is legally enforceable by an external party. Enabling legislation that creates a revenue stream must also stipulate the purposes for which that revenue can be used. Restrictions may only be changed by parties external to the entity 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. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Restricted for Debt Covenants – This fund balance is derived from debt proceeds and is governed by certain covenants contained in financing agreements and is mainly restricted to finance major capital improvements.

Assets Held for Resale - This represents that portion of fund balance segregated for assets that are intended to be resold and not used in operation.

Restricted for Grantor Requirements - Highway Improvements – This represents the amount of fund balance which can only be spent on streets, such as Powell Bill. The Powell Bill Fund is reported as a Special Revenue Fund for reporting purposes and related capital expenditures are also reported in the State Highway Allocation Capital Project Fund. These funds were established to account for Powell Bill Funds which are derived from a one and three-fourths cents per gallon motor fuel tax. The State of North Carolina collects these monies and returns a proportionate share to local governments based on local street mileage and population. Expenditures from this fund are restricted to specific highway construction and maintenance costs.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes imposed by a formal action in a majority vote by a quorum of the City of Greensboro's governing body (highest level of decision–making authority). The governing body can, by adoption of a resolution prior to the end of the year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. These amounts are not subject to legal enforceability by external parties, as in restricted; however, amounts cannot be used for any other purpose unless the governing body removes or changes the limitation by taking the same form of action employed to previously impose the limitation. Formal action to commit an amount to a specific purpose must be made prior to the end of the Fiscal Year. The actual amount, however, may be computed after the year end as part of the preparation of the financial statements.

Committed for 911 Program – This portion of fund balance represents amounts committed to the continued operations of the Guilford Metro 911 Emergency Telephone System.

Committed for Special Tax Districts – This represents the portion of fund balance committed by the board for special tax districts, primarily derived from specific property taxes.

Committed for Neighborhood Development - This portion of fund balance represents amounts committed to housing partnership and community development to fund low and moderate income housing initiatives, primarily derived from a specific property tax.

Committed for Economic Opportunity – This portion of fund balance represents amounts committed to various economic opportunity.

Committed for Cemetery Maintenance – This amount represents the portion of fund balance to be used for the maintenance and operation of the three cemeteries that are owned and operated by the City, primarily derived from cemetery lot sales.

Committed for Debt Service/Capital Projects – This represents amounts held for the future payment of general long-term debt principal and interest.

Assigned Fund Balance can be assigned either by any action of the governing body, or by designees with authority to assign. Amounts can be unassigned by the same process. Assignments calculations may be made after the end of the fiscal year during the process of preparation of the financial statements. The City may delegate to the City Manager (or his designee) the authority to assign amounts of a fund balance to promote sound financial operations of the City or to meet a future obligation.

Assigned for Subsequent Year's Expenditures – This represents the amount of fund balance appropriated by the City Council to balance the budget for the year ending June 30, 2024.

Assigned for Debt Service – This represents amounts held for the future payment of general long-term debt principal and interest.

Assigned for Capital Projects – This represents funds used to finance all major capital improvements. The governing body approves the appropriation.

Assigned for Neighborhood Development – This represents funding to process new loans and assist with loan servicing.

Assigned for ARPA Enabled Projects – This represents funding held for projects using American Rescue Plan Act enabled dollars.

Unassigned Fund Balance represents the residual classification for the General Fund, which has not been restricted committed, or assigned to specific purposes within the General Fund. Council action is needed to affect the Unassigned Fund Balance

(Unappropriated Fund Balance) in the General Fund. The ordinance must be approved by seven Council members unless an emergency exists (Section 3.23 of Greensboro City Charter). The minimum fund balance policy for the General Fund is 9% of budgeted expenditures of the subsequent year, with the remaining amounts, if any, recorded as "Assigned for Capital Projects". Unassigned residual deficits may apply to other governmental funds to the extent fund balances are insufficient to satisfy restricted and committed balances.

The City of Greensboro's revenue spending policy provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy; bond proceeds, federal funds, state funds, local non-City funds, and then City funds when directing expenditures of the City.

Fund balance determination of order of expenditures – In determining the classification of total fund balance remaining at the end of the Fiscal Year when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, expenditures will be applied first to restricted fund balance and then to unrestricted fund balance. The Finance Director has the authority to deviate from this policy if it is in the best interest of the City and promotes sound financial practices. Within unrestricted fund balance, the order in which the expenditures will be applied is as follows: Committed, Assigned, Unassigned, if multiple fund balances are reported for the same program.

10. Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets is intended to reflect the portion of net position which is associated with non-liquid capital assets less outstanding capital asset-related debt.

Restricted Net Position represents liquid assets (typically generated from certain revenues and bond proceeds) which have third-party (statutory, bond covenant or granting agency) limitations on their use. Restrictions may also be imposed by law through constitutional provisions or enabling legislation.

At June 30, 2023, net position restricted by enabling legislation includes:

Water Resources Capital Reserve	$	25,053,936
Solid Waste Capital Reserve		1,023,359
Parking Facilities Capital Reserve		2,273

Unrestricted Net Position represents net position that does not meet the definitions of "Restricted" or "Net Investment in Capital Assets". Unrestricted net position may be assigned or committed for management's or the Board's specific internal purposes. Unrestricted net position does not equate to net position available for appropriation which is calculated using statutory guidelines.

11. Defined Benefit Pension and OPEB Plans

The City participates in one cost-sharing, multiple-employer, defined benefit pension plan that is administered by the State: the Local Governmental Employees' Retirement System (LGERS). The LEOSSA Plan and the OPEB Plan are single-employer Trusts administered by the City.

For purposes of measuring the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 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 Greensboro's employer contributions are recognized when due and the City of Greensboro has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS.

For purposes of measuring the net liabilities, deferred outflows and inflows of resources related to the LEOSSA and OPEB Plans and LEOSSA and OPEB expense, information about the fiduciary net position of the LEOSSA and OPEB Plans and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the

LEOSSA and OPEB Plans. For this purpose, the LEOSSA and OPEB Plans recognize benefit payments when due and payable in accordance with the benefit terms.

Investments for all plans are reported at fair value.

	Government-Wide Financial Statements	
	Governmental Activities	Business-Type Activities
Deferred Outflows of Resources		
Pension Deferrals - LGERS	$ 51,369,359	$ 11,270,090
Pension Deferrals - LEOSSA	6,022,173	
Subtotal Pension Deferrals	$ 57,391,532	$ 11,270,090
Current Year Pension Contributions - LGERS	$ 19,918,351	$ 4,369,952
Current Year Pension Contributions - LEOSSA	1,755,186	
Subtotal Current Year Pension Contributions	$ 21,673,537	$ 4,369,952
Liabilities		
Net Pension Liability - LGERS	$ 108,157,886	$ 23,729,110
Net Pension Liability - LEOSSA	29,497,172	
Subtotal Net Pension Liability	$ 137,655,058	$ 23,729,110
Deferred Inflows of Resources		
Pension Deferrals - LGERS	$ 1,489,996	$ 326,895
Pension Deferrals - LEOSSA	284,276	
Subtotal Pension Deferrals	$ 1,774,272	$ 326,895
Pension Expense		
Pension Expense - LGERS	$ 29,655,713	$ 6,894,299
Pension Expense - LEOSSA	3,958,016	
	$ 33,613,729	$ 6,894,299
OPEB Expense	$ 2,335,648	$ 1,810,152

12. Accounting Changes and Reclassifications

In May, 2020, the Governmental Accounting Standards Board (GASB) issued a new accounting standard, GASB 96, to more accurately portray subscription-based information technology arrangements and increase the usefulness of governmental financial statements. Under this standard, the City is required to evaluate subscription contracts and recognize a right-to-use subscription asset and a corresponding subscription and liability for each subscription meeting certain criteria. The City adopted this standard on July 1, 2022.

II. Reconciliation of Government-Wide and Fund Financial Statements

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

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government – wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds."

The details of this $421,347,696 difference (including Premium of $23,669,650 and bond refunding charges of $4,239,360) are as follows:

Bonds and Notes Payable	$	327,464,332
Limited Obligation Bonds		65,260,958
Lease and Other Financing Agreements Payable		8,932,984
Compensated Absences Payable		15,900,010
Accrued Interest Payable		3,789,412
Combined Adjustment	$	421,347,696

B. <u>Explanation of certain differences between the governmental fund statement of revenues, expenditures, and change in fund balances and the government-wide statement of activities</u>.

The governmental fund statement of revenues, expenditures, and changes in fund balances include reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense".

The details of this $9,487,226 difference are as follows:

Capital Outlay	$	28,653,493
Contributed Capital		1,839,852
Disposal		(1,107,021)
Depreciation/Amortization Expense		(19,899,098)
Combined Adjustment	$	9,487,226

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unearned and amortized in the statement of activities. Also included are compensated absences activities."

The details of this $(58,024,427) difference are as follows:

Issuance of Debt	$	(85,906,366)
Principal Expenditure		25,783,547
Bond-Related Amortization		(383,463)
Interest Expenditures/Premium Amortization		3,940,933
Compensated Absences Expense		(1,459,078)
Combined Adjustment	$	(58,024,427)

III. Stewardship, Compliance and Accountability

A. <u>Budgetary Information</u>

In accordance with the General Statutes of the State of North Carolina, the City prepares and adopts its budgets on the modified accrual basis. The General Statutes also require balanced budgets for all funds for which a budget is required. The City adopts annual budgets for all funds except Capital Projects Funds, Grant Project Funds and Trust Funds. Annual budgets must be adopted no later than July 1, the beginning of the Fiscal Year. The following Special Revenue Funds have legally adopted annual budgets: State Highway Allocation, Cemetery, Hotel/Motel Occupancy Tax, Special Tax Districts, Housing Partnership Revolving, Economic Development Fund, and Emergency Telephone System Fund. Capital and Grant Project budgets are adopted for the duration of the project which may encompass several years. Appropriations for funds that adopt annual budgets lapse at the end of the budget year. Capital and Grant Project budget appropriations do not lapse until the completion of the project.

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation:

Total Fund Balance - General Fund	$126,633,852
Less:	
Designated for ARPA-Enabled Projects	14,331,791
Inventories	1,985,031
Prepaid Expenditures	92,965
Leases	92,025
Stabilization by State Statute	46,320,025
Appropriated Fund Balance in 2024 Budget	6,534,498
Capital Projects	20,928,335
Working Capital/Fund Balance Policy	36,349,182

Budgets are adopted at a fund level and are amended as necessary during the Fiscal Year in one of two ways. First, the City Manager, as delegated by City Council, may make line-item transfers within individual fund budgets with subsequent monthly notice to City Council. Such transfers can neither increase nor decrease the overall budget at the fund level. Secondly, the budget may be increased or decreased at the fund level as changing circumstances dictate, subject to City Council approval. The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) is the fund level.

As required by North Carolina General Statutes, appropriations in Governmental Funds are encumbered upon issuance of purchase orders, contracts or other forms of legal commitments. Even though goods and services have not been received, the transactions are accounted for as a reservation of fund balance in the year that the commitment is made. While appropriations lapse at the end of the Fiscal Year, the succeeding year's budget ordinance specifically provides for the re-appropriation of year-end encumbrances.

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end are as follows:

Encumbrances	General Fund	Debt Service Fund	Non-Major Funds
$ 76,362,882	$ 10,165,522	$ 12,700	$ 66,184,660

Supplemental budgetary amendments increased the General Fund appropriation by $56,999,597 for programs being funded by the American Rescue Plan Act and appropriated fund balance. No expenditures exceeded appropriations at the legal level of control during Fiscal Year 2023.

B. <u>Deficit Fund Equity</u>

The following funds report deficit fund balances as of June 30, 2023:

Workforce Investment Act	$ (1,044,048)
State, Federal and Other Grant Funds	(9,836,462)
Stimulus Grants Project Fund	(24,714)
Emergency Rental Assistance - Guilford County	(230,407)
Opioid Settlement Fund	(1,582)
Fire Station Bonds Series 2019	(70,386)

The project fund deficits are from current expenses that were incurred at the end of the fiscal year but reimbursement had not yet been received from the federal and state agencies. These project fund deficits will be eliminated with the future reimbursements of federal and state grants. The bond fund deficit will be addressed with a contractual reimbursement agreement.

IV. Detailed Notes on all Funds

A. <u>Deposits and Investments</u>

1. Deposits

All deposits of the City of Greensboro are either insured or collateralized by using one of the 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 agents in the City's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City, the deposits are considered to be held by the City's agent in the City's name.

The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the City under the Pooling Method, the potential exists for under collateralization, and the 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 does not have a formal investment policy regarding custodial credit risk for deposits.

At June 30, 2023, the City's deposits had a carrying amount of $4,273,769 and a bank balance of $9,306,485. Of the bank balance, $341,223 was covered by federal depository insurance and the remainder was covered by the collateral held under the Pooling Method. At June 30, 2023, the City had $151,034 cash on hand, included in the carrying amount above. Additional deposits of $91,223 are held with local banks for the Better Building program.

Negative cash and investment amounts in the following funds are reflected in the financial statements as "Accounts Payable" to denote the amount owed to the City's internal "pool" that aggregates cash/investments Citywide.

Fire Bond Fund	$	70,386
Emergency Rental Assistance - Guilford County Fund		230,407
Workforce Investment Act Fund		848,913
State and Federal Grants Fund		6,926,160

The Greensboro ABC Board, a discretely presented component unit, held deposits in Pooling Method banks only. At June 30, 2023, the ABC Board's carrying amount of deposits was $3,760,304 and the bank balance was $3,390,298. All of the bank balances were covered by federal depository insurance, as well.

The Greensboro Housing Development Partnership, a discretely presented component unit, had a bank balance at June 30, 2023 of $82,154. All of the bank balance was covered by federal depository insurance.

The Greensboro Redevelopment Commission, a discretely presented component unit, had a bank balance at June 30, 2023 of $31,168. All of the bank balance was covered by federal depository insurance.

2. Investments

North Carolina General Statute 159-30 (c) authorizes the City to invest in obligations of the U. S. Treasury and obligations of certain federal agencies; prime quality commercial paper and bankers' acceptances bearing the highest rating of the nationally recognized statistical rating services (NRSRS); repurchase agreements with respect to either direct obligations of the United

States or obligations of which the principal and interest are guaranteed by the United States; and SEC-registered mutual funds certified by the N.C. Local Government Commission. The City typically holds investments to maturity in order to realize full book value and interest earnings. As required for periods beginning after June 15, 1997 by GASB Statement No. 31*, Accounting and Financial Reporting for Certain Investments and for External Investment Pools,* the City's investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value determined annually by quoted market prices, using the specific identification method. Money market instruments that have a remaining maturity at time of purchase of one year or less are reported at amortized cost. The securities of the NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. Ownership interest of the State Treasurer's Short Term Investment Fund (STIF) is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. Valuation of the underlying assets is performed by the custodian.
General Statute 159-30.1 allows the City to establish an Other Postemployment Benefit (OPEB) Trust managed by the staff of the Department of the State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC and G.S. 159-30(g) allows the City to make contributions to the Trust. The State Treasurer in his discretion may invest the proceeds in equities of certain publicly held companies and long or short-term fixed income investments as detailed in G.S. 147-69.2 (1-6), (6c) and (8). Funds submitted are managed in three different sub-funds, the STIF consisting of short to intermediate treasuries, agencies and corporate issues authorized by G.S. 147-69.1, the Bond Index Fund (BIF) consisting of high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6), and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund (EIF) authorized under G.S. 147-69.2(b)(8).

Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund. The BIF is also valued at $1 per share. The MSCI ACWI EQ Index Non-Lendable Class B Fund is priced at $31.81579 per share at June 30, 2023.

General Statute 159-30.2 allows the City to establish a Law Enforcement Special Separation Allowance Trust and G.S. 147-69.2 (65) allows the State Treasurer to invest deposits by the City into this Trust in the same manner as the OPEB Trust in the same three sub-funds outlined above.

Interest income earned in the Capital Projects funds, amounting to $3,765,226 was assigned to the Debt Service Fund.

Investment Type	Valuation Measurement Method	Reported/Fair Value	Weighted Average Maturity (Year)
U.S. Government Agencies	Fair Value - Level 2	$ 402,680,934	0.50158
U.S. Government Treasuries	Fair Value - Level 2	23,790,660	0.12492
Commercial Paper	Fair Value - Level 2	5,924,100	0.16982
OPEB - STIF	Amortized Cost	8,550	0.00001
OPEB - BIF	Fair Value - Level 2	12,010,796	0.01952
OPEB - EIF	Fair Value - Level 1	22,223,768	0.03611
LEOSSA - STIF	Amortized Cost	8,992	0.00001
LEOSSA - BIF	Fair Value - Level 2	2,627,131	0.00427
LEOSSA - EIF	Fair Value - Level 1	6,334,908	0.01029
NCCMT Government Portfolio	Fair Value - Level 1	129,399,311	0.00058
US Bank Trust Account:			
US Government Agencies	Fair Value - Level 2	1,860,496	0.00302
Total Fair Value		$ 606,869,646	
Portfolio Weighted Average Maturity			0.87013

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

Interest Rate Risk

In accordance with the formal approved City of Greensboro's Charter, Article III, Section 4.71, the Investment Manager (Assistant Treasurer) prepares a memo describing investment transactions in detail as they are purchased. This memo is sent to the Mayor, the City Manager and the Finance Director (Treasurer) for signature approval and then returned to the Investment Manager. Although the investment policy has not been formally approved by the City Council, the City has an investment policy guideline, an internally approved Finance Department document that follows North Carolina General Statute 159-30. As a means of limiting the City's exposure to declines in fair market values from rising interest rates, the City limits the weighted average maturity of its investments to less than 2.0 years. Also, the City purchases securities in a structured ladder with stated maturity dates to limit interest rate risk. The State Treasurer's STIF is unrated and had a weighted average maturity of 0.7 years at June 30, 2023. The State Treasurer's BIF is unrated and had an average maturity of 8.70 years at June 30, 2023.

Credit Risk

North Carolina General Statute 159-30 limits investments in U.S. Governmental Agencies and commercial paper to those with top ratings issued by NRSRS. The City has no formal investment policy regarding credit risk, however in practice, it follows NCGS 159-30, and in effect the City limits its investment types to those with top ratings issued by NRSRS. As of June 30, 2023, the City had investments in the NCCMT Government Portfolio, which is rated AAAm by Standard and Poor's, and in U. S. Government Agencies, all of which were rated AAA by Standard and Poor's. Investments in commercial paper by the City are rated either A1/P1 by Standard and Poor's or Moody's Investors Service. The State Treasurer's STIF is unrated and authorized under NC General Statute 147-69.1. The State Treasurer's STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate term treasuries, agencies, and money market instruments. The BIF is unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The State Treasurer's BIF is invested in high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6).

Custodial Credit Risk

For an investment, the custodial 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 has no formal policy on custodial credit risk, but the City utilizes a separate third party custodial trust agent for all book-entry transactions, all of which are held in the City's name.

Concentration of Credit Risk

The City's investment policy does not restrict the level of investment in money markets or federal agencies, but it restricts investment in commercial paper or bankers' acceptances of a single issuer to no more than 10% of the total investment portfolio. As of June 30, 2023, the City owned the following investments, which exceed 5% of the City's total investments, along with the percentage noted for each compared to the total portfolio:

Federal National Mortgage Association	11.43%
Federal Home Loan Bank	27.82%
Federal Home Loan Mortgage Corporation	7.49%
Federal Farm Credit Bank	19.82%
NCCMT Government Portfolio	21.39%

At June 30, 2023, the City's OPEB Trust had $34,243,114 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Trust; additionally at June 30, 2023 the City's LEOSSA Trust had $8,971,031 invested in the State Treasurer's Local Government Law Enforcement Officer's Special Separation Allowance (LEOSSA) Trust. Both of the State Treasurer's OPEB and LEOSSA Trust are pursuant to G.S. 159-30.1. The State Treasurer's OPEB Trust and LEOSSA Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. An additional $5,000 in demand deposits are held in the City's LEOSSA Trust for liquidity purposes.

At year-end, the State Treasurer's OPEB Trust was invested as follows: State Treasurer's Short Term Investment Fund (STIF) 0.02%, which is reported as cash and cash equivalents; State Treasurer's Bond Index Fund (BIF) 35.08% and BlackRock's MSCI ACQI EQ Index Non-Lendable Class B Fund (EIF) 64.90%.

At year-end, the State Treasurer's LEOSSA Trust was invested as follows: State Treasurer's Short Term Investment Fund (STIF) 0.10%, which is reported as cash and cash equivalents; State Treasurer's Bond Index Fund (BIF) 29.28% and BlackRock's MSCI ACQI EQ Index Non-Lendable Class B Fund (EIF) 70.62%.

At June 30, 2023 the State Treasurer's BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund (EIF) equities were split with 62.20% in domestic securities and 37.80% in international securities.

Level of the fair value hierarchy

Ownership of the STIF is determined on a fair market valuation basis as of the fiscal year end in accordance with STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at $1 per share.

Ownership of the BIF is determined monthly at fair value using the same Level 2 inputs as the STIF and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings.

The BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be comingled in nature. The Fund's fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2023 the fair value of the Fund was $31.81579 per share. Fair value for this BlackRock fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation technique

North Carolina Department of State Treasurer's OPEB Trust and LEOSSA Trust investments are measured using the market approach: using prices and other relevant information generated by market transaction involving identical or comparable assets or liabilities.

B. Lease Receivable

At June 30, 2023, the City was the lessor in various lease contracts for certain properties and equipment. . The lease receivable is measured as the present value of the future rent payments expected to be received during the lease term at the determined incremental borrowing rate based on the terms of the agreements. Lease receivable of $10,002,112 and $8,779,502 was recognized in the Governmental and Business-Type activities in the Statement of Net Position, respectively, as of June 30, 2023.

C. Notes Receivable

The City entered into an agreement with Duke Power Company, effective July 1, 1991, which authorized the discontinuance of transit services provided by Duke Transit in Greensboro, pursuant to a franchise agreement scheduled to expire on July 1, 2028. In exchange, the City is to receive $55,500,000 in 37 equal annual installments of $1,500,000 from Duke Power Company with the first installment on July 1, 1991 and the final installment on July 1, 2027, to assist in financing operations of the Greensboro Transit Advisory Commission. The annual payment is secured by a First and Refunding Mortgage Bond issued by Duke Power Company to the City. The present value of the note receivable as of June 30, 2023 is $5,842,054. Interest income of $1,135,082 will be recognized by the effective yield method over the remaining 4-year term of the note, based on an imputed interest rate of 8.95%.

Terms of certain of the notes receivable of the Redevelopment Commission are such that principal and interest may be forgiven upon meeting certain conditions. In addition, corresponding revenue was not recognized at the government-wide financial statement level because the loans were not considered substantially collectible.

D. Capital Assets

Capital asset activity of the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Non-depreciable:				
Land	$ 118,436,755	$ 1,543,808	$	$ 119,980,563
Construction in Progress	16,848,296	15,681,674	(6,768,895)	25,761,075
Total Capital Assets Non-Depreciable	135,285,051	17,225,482	(6,768,895)	145,741,638
Capital Assets, Depreciable:				
Buildings	226,039,325	3,735,567	(22,516)	229,752,376
Improvements Other Than Buildings	57,262,264	2,345,629		59,607,893
Furniture, Fixtures, Machinery and Equipment	179,083,568	14,892,529	(5,307,786)	188,668,311
Infrastructure	420,981,281	9,989,574	(1,123,130)	429,847,725
Intangible Assets - Right to Use Lease Assets	27,017,609	4,788,445	(1,891,472)	29,914,582
Intangible Assets - Software & Licenses	4,915,004		(48,218)	4,866,786
Intangible Assets - Right to Use IT Subscription Assets		12,390,350		12,390,350
Total Capital Assets, Depreciable/Amortizable	915,299,051	48,142,094	(8,393,122)	955,048,023
Less Accumulated Depreciation/Amortization For:				
Buildings	(105,652,049)	(5,446,672)	9,013	(111,089,708)
Improvements Other Than Buildings	(30,317,537)	(2,464,077)		(32,781,614)
Furniture, Fixtures, Machinery and Equipment	(130,439,874)	(13,053,752)	4,985,288	(138,508,338)
Infrastructure	(187,054,144)	(8,771,030)	39,267	(195,785,907)
Intangible Assets - Right to Use Lease Assets	(5,556,580)	(5,965,853)	1,891,472	(9,630,961)
Intangible Assets - Software & Licenses	(4,333,631)	(228,676)	42,119	(4,520,188)
Intangible Assets - Right to Use IT Subscription Assets		(2,186,699)		(2,186,699)
Total Accumulated Depreciation/Amortization	(463,353,815)	(38,116,759)	6,967,159	(494,503,415)
Total Capital Assets, Depreciable, Net	451,945,236	10,025,335	(1,425,963)	460,544,608
Capital Assets, Net Governmental Activities	$ 587,230,287	$ 27,250,817	$ (8,194,858)	$ 606,286,246

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Non-Depreciable:				
Land	$ 62,046,993	$ 406,496	$	$ 62,453,489
Construction in Progress	186,942,136	98,360,652	(26,839,443)	258,463,345
Intangible Assets - Easements	27,229,947	260,961		27,490,908
Total Capital Assets Non-Depreciable	276,219,076	99,028,109	(26,839,443)	348,407,742
Capital Assets, Depreciable:				
Buildings	544,364,735	4,402,743	(1,296)	548,766,182
Improvements Other Than Buildings	85,385,641	3,881,067		89,266,708
Furniture, Fixtures, Machinery and Equipment	130,677,236	11,884,062	(1,164,201)	141,397,097
Infrastructure	823,424,247	23,206,169		846,630,416
Intangible Assets - Right to Use Lease Assets	659,248	56,589	(6,955)	708,882
Intangible Assets - Water Rights, Software & Licenses	100,155,098	962,945		101,118,043
Intangible Assets - Right to Use IT Subscription Assets		1,615,203		1,615,203
Total Capital Assets, Depreciable	1,684,666,205	46,008,778	(1,172,452)	1,729,502,531
Less Accumulated Depreciation/Amortization for:				
Buildings	(217,132,986)	(15,816,473)	1,101	(232,948,358)
Improvements Other Than Buildings	(39,535,907)	(2,765,456)		(42,301,363)
Furniture, Fixtures, Machinery and Equipment	(73,245,112)	(8,562,866)	1,084,004	(80,723,974)
Infrastructure	(402,466,847)	(18,252,157)		(420,719,004)
Intangible Assets - Right to Use Lease Assets	(198,994)	(211,047)	6,955	(403,086)
Intangible Assets - Water Rights, Software & Licenses	(27,385,886)	(2,005,693)		(29,391,579)
Intangible Assets - Right to Use IT Subscription Assets		(495,364)		(495,364)
Total Accumulated Depreciation/Amortization	(759,965,732)	(48,109,056)	1,092,060	(806,982,728)
Total Capital Assets, Depreciable, Net	924,700,473	(2,100,278)	(80,392)	922,519,803
Capital Assets, Net Business-Type Activities	$ 1,200,919,549	$ 96,927,831	$ (26,919,835)	$ 1,270,927,545

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

Governmental Activities:	
General Government	$ 1,382,585
Public Safety	3,027,686
Transportation, including depreciation of general infrastructure assets	9,169,547
Field Operations	151,647
Engineering and Building Maintenance	852,742
Culture and Recreation	5,671,504
Capital assets held by the government's Internal Service Funds are charged to the various functions based on their usage of the assets	17,861,048
Total depreciation, amortization expense - Governmental Activities	$ 38,116,759
Business-Type Activities:	
Water Resources Fund, including depreciation of infrastructure assets	$ 34,201,333
Stormwater Management Fund	1,976,756
Coliseum Fund	6,386,929
Parking Facilities Fund	1,176,278
Solid Waste Management Fund	485,794
Greensboro Transit Advisory Commission	3,881,966
Total depreciation, amortization expense - Business-Type Activities	$ 48,109,056

Other Intangible Assets are recorded as follows:

		Easements		Software & Licenses		Accumulated Amortization
Governmental Activities:						
General Government Assets	$		$	3,684,817	$	3,338,219
Capital Leasing Fund				1,181,969		1,181,969
Total	$		$	4,866,786	$	4,520,188
Business-Type Activities:						
Water Resources Fund	$	25,722,406	$	5,744,570	$	5,564,701
Stormwater Fund		1,677,897		441,548		441,548
GTAC				136,305		136,305
Other Non-Major Enterprise Fund		90,605		49,218		49,218
Total	$	27,490,908	$	6,371,641	$	6,191,772

Software and Licenses are amortized over an estimated useful life of 3 to 7 years. Easements represent non-depreciable assets.

Right to Use Lease Assets activity for the City for the year ended June 30, 2023, was as follows:

Governmental Activites:

		Beginning Balance		Increases		Decreases		Ending Balance
Right to Use Lease Assets								
Equipment	$	15,174,154	$	3,729,534	$	(1,342,538)	$	17,561,150
Buildings		8,205,596						8,205,596
Computer Equipment		3,627,667		1,058,911		(548,934)		4,137,644
Furniture		10,192						10,192
Total Right to Use Lease Assets		27,017,609		4,788,445		(1,891,472)		29,914,582
Less Accumulated Amortization for:								
Equipment		(3,830,390)		(3,924,431)		1,342,538		(6,412,283)
Buildings		(740,786)		(783,850)				(1,524,636)
Computer Equipment		(982,421)		(1,254,589)		548,934		(1,688,076)
Furniture		(2,983)		(2,983)				(5,966)
Total Accumulated Amortization		(5,556,580)		(5,965,853)		1,891,472		(9,630,961)
Right to Use Lease Assets, Net	$	21,461,029	$	(1,177,408)	$		$	20,283,621

Business-Type Activites:

		Beginning Balance		Increases		Decreases		Ending Balance
Right to Use Lease Assets								
Equipment	$	370,039	$	56,589	$	(6,955)	$	419,673
Vehicles		289,209						289,209
Total Right to Use Lease Assets		659,248		56,589		(6,955)		708,882
Less Accumulated Amortization for:								
Equipment		(110,625)		(114,644)		6,955		(218,314)
Vehicles		(88,369)		(96,403)				(184,772)
Total Accumulated Amortization		(198,994)		(211,047)		6,955		(403,086)
Right to Use Lease Assets, Net	$	460,254	$	(154,458)	$		$	305,796

Right to Use IT Subscription Assets activity for the City for the year ended June 30, 2023, was as follows:

Governmental Activites:

		Beginning Balance		Increases		Decreases		Ending Balance
Right to Use IT Subscription Assets								
Software	$		$	12,390,350	$		$	12,390,350
Less Accumulated Amortization for:								
Software				(2,186,699)				(2,186,699)
Right to Use IT Subscription Assets, Net	$		$	10,203,651	$		$	10,203,651

Business-Type Activites:

		Beginning Balance		Increases		Decreases		Ending Balance
Right to Use IT Subscription Assets								
Software	$		$	1,615,203	$		$	1,615,203
Less Accumulated Amortization for:								
Software				(495,364)				(495,364)
Right to Use IT Subscription Assets, Net	$		$	1,119,839	$		$	1,119,839

Construction Commitments

The City has construction commitments on capital projects at June 30, 2023 as follows:

Governmental Funds:		
Special Revenue	$	894,383
Capital Projects		20,534,826
Total Governmental Funds		21,429,209
Enterprise Funds:		
Water Resources		54,984,200
Stormwater Management		1,196,013
Solid Waste		4,117,749
Other Non-Major Enterprise		1,772,355
Greensboro Transit Advisory Commission		154,412
Total Enterprise Funds		62,224,729
	$	83,653,938

Activity for ABC Board for the year ended June 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Non-depreciable:				
Land	$ 4,179,181	$ 1,062,836	$	$ 5,242,017
Construction in Progress		858,748		858,748
Total Capital Assets, Non-depreciable	4,179,181	1,921,584		6,100,765
Capital Assets, Depreciable:				
Buildings	8,669,051	15,152		8,684,203
Improvements Other Than Buildings	391,907	40,375	(3,000)	429,282
Furniture, Fixtures, Machinery and Equipment	3,451,871	677,749	(1,413,318)	2,716,302
Lease Hold Improvements	530,273			530,273
Right to Use Lease Assets	1,957,158	1,778,223	(31,668)	3,703,713
Total Capital Assets, Depreciable	15,000,260	733,276	(1,447,986)	16,063,773
Less Accumulated Depreciation/Amortization for:				
Buildings	(1,720,838)	(239,729)		(1,960,567)
Improvements Other Than Buildings	(115,089)	(29,295)	3,000	(141,384)
Furniture, Fixtures, Machinery and Equipment	(3,034,921)	(203,798)	1,342,234	(1,896,485)
Lease Hold Improvements	(523,612)	(3,137)		(526,749)
Right to Use Lease Assets	(301,646)	(531,251)		(832,897)
Total Accumulated Depreciation	(5,696,106)	(1,007,210)	1,345,234	(5,358,082)
Total Capital Assets, Depreciable-Net	9,304,154	(273,934)	(102,752)	10,705,691
ABC Board Capital Assets, Net	$ 13,483,335	$ 1,647,650	$ (102,752)	$ 16,806,456

Right to use asset activity for the ABC Board for the year ended June 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Right to Use Assets				
Building	$ 1,957,158	$ 1,778,223	$ (31,668)	$ 3,703,713
Less Accumulated Amortization for:				
Building	(301,646)	(531,251)		(832,897)
Right to Use Assets, Net	$ 1,655,512	1,246,972	$	$ 2,870,816

E. Closure and Postclosure Care Cost – White Street Landfill

The City owns and operates a regional landfill site located in the northeast portion of the City. State and federal laws require the City to place a final cover on its White Street landfill site and to perform certain maintenance and monitoring functions at the site for thirty years after closure. 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 June 30. The $47,540,223 reported as landfill closure and postclosure care liability at June 30, 2023 is based on 100% use of the estimated capacity of Phase II and Phase III, Cells 1 and 2. Phase III, Cell 3 is estimated at 60% of capacity. In November 2005, the City issued $8.4 million in Special Obligation bonds for the purpose of constructing a solid waste transfer facility. This facility, which opened in 2006, is located in an industrial section of western Greensboro and accepts waste from the City's solid waste collection services and from private haulers, with waste transported off-site daily to a private site outside of the City. It is expected that White Street Landfill will only be utilized for disposal of construction, demolition debris, yard waste and certain incinerated waste and in the event that the transfer station is not operational.

The estimated liability amounts are based on what it would cost to perform all closure and postclosure care in the current year. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. At June 30, 2023, the City had expended $3,876,035 to complete closure of the White Street facility, Phase II and $2,535,980 to begin closure activities at the construction and demolition site located on top of the municipal waste filled space. The balance of closure costs, estimated at $26,117,282 and an estimated $21,422,941 for postclosure care will be funded over the remaining life of the landfill, estimated to be 20 to 25 years.

F. Pollution Remediation Obligations

Greensboro staff have identified specific City-owned properties where either it is known or reasonably believed that the sites contain certain pollutants. Most of the properties have not completed an environmental assessment of the impact or have active remediation systems in place, however each site has been reported to a North Carolina regulatory agency as having a current or reportable incident, thus voluntarily obligating the City for certain remediation activities. In addition, the City entered an administrative agreement with a state agency to voluntarily assess a site. None of the reported pollution creates an imminent endangerment to public health or welfare and many of the sources of impact have already been eliminated, as reasonably appropriate.

An estimated pollution remediation obligation of $3,058,143 is recorded in the Statement of Net Position in the Solid Waste Management Enterprise Fund. This amount reflects current estimates for groundwater pollution remediation noted at the City's White Street landfill, in an active part of the disposal site, not associated with closure and postclosure activities. City staff has voluntarily worked with appropriate State regulators to assess the environmental impact and to develop a corrective action plan. The estimated cost of remediation is based on an external consultant's estimate for the corrective action plan, which involves phyto-remediation and monitored natural attenuation activities. Should further activities become necessary, such as constructing a pump and treat system, cost estimates would then be re-evaluated. Remediation activities began in Fiscal Year 2010 and are ongoing.

Additional pollution remediation activities have been identified by the City relating to a former industrially-impacted property purchased in 1999 to house certain public safety and Water Resources operations. A Phase I Remedial Assessment was prepared by an external consultant in 2019 that focused on groundwater contamination. As of June 30, 2023, the City recorded an estimated pollution remediation obligation of $3,041,967 in the Water Resources Enterprise Fund and an additional $1,449,346 in the government-wide financial statements for public safety operations. City officials deem use of biobarrier methods to be the probable course of remediation action.

Certain other sites associated with pollution activity within the City have been identified, primarily pertaining to former waste disposal or prior property use; however, costs for remediation activities are not estimable as of June 30, 2023.

In addition, we estimate no future recoveries to potentially reduce the recorded pollution liabilities in Fiscal Year 2023.

G. Opioid Settlement Funds

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health finalized a $26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

North Carolina' Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 15% directly to the State ("State Abatement Funds")
- 80% to abate funds established by Local Governments ('Local Abatement Funds")
- 5% to a County Incentive Funds

The City received $309,843 as part of this settlement in Fiscal Year 2023. Per the terms of the MOA, the City created a special revenue fund, the Opioid Settlement Funds, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are unearned until expended. No funds have been expended as of June 30, 2023. The MOA offered the City two options of expending the funds. The City opted for Option A, which allows the City to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic.

H. Reimbursement for Pandemic-Related Expenditures

In FY2020-2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The City was allocated $59,430,051 of fiscal recovery funds to be paid in two equal installments. The first installment of $29,715,025 was received in June 2021and the second installment was received in June 2022. City Council has elected to use $55,993,840 in FY2023 of the ARPA funding for revenue replacement. This followed previous Council directive of usage in the amounts of $2,577,157 in FY2022 and $859,054 in FY2021 of the ARPA funding for revenue replacement. The $55,993,840 used for revenue replacement was transferred to the appropriate funds of the intended use of the funds.

I. Interfund Receivables, Payables and Transfers

The following is a schedule of interfund receivables and payables due to/from primary government and component units at June 30, 2023:

1. Internal Receivables/Payables:

Receivable by:		
General Fund	$	27,500
Non-Major Governmental Funds		142,000
Total	$	169,500
Current Payable From:		
Internal Service Fund	$	27,500
Non-Major Governmental Funds		142,000
Total	$	169,500

2. Due To/From Primary Government and Component Unit:

	Receivable By: General Fund
Payable From: Component Unit - ABC Board	$ 1,189,212

Internal receivables and payables were recorded due to timing lags in receipt of funds from outside parties. Current internal balances represent amounts advanced to the Graphic Services Fund ($27,500) and Community Development Fund ($142,000).

3. Interfund Transfers:

	General Fund	American Rescue Plan Act Fund	Non-Major Governmental Funds	Water Resources
Operating Transfers From:	$ (101,505,053)	$ (56,538,843)	$ (18,869,496)	$ (35,000)
Operating Transfers To:				
General Fund	$	$ 56,422,845	$ 6,366,000	$
Debt Service Fund	40,104,000			
Non-Major Governmental Funds	39,587,684	1,988	9,035,921	35,000
Enterprise Funds:				
Coliseum	3,400,000	16,428		
Solid Waste Management	1,830,537	6,909	437,580	
Parking Facilities	3,563,273	1,398		
Stormwater		8,299		
Water Resources		50,209	3,000,000	
Internal Service Funds	13,019,559	30,767	29,995	
Total	$ 101,505,053	$ 56,538,843	$ 18,869,496	$ 35,000

	Solid Waste Management	Greensboro Transit Advisory Commission	Internal Service Funds	Total
Operating Transfers From:	$ (300,000)	$ (49,886)	$ (55,503)	$ (177,353,781)
Operating Transfers To:				
General Fund	$	$	$	$ 62,788,845
Debt Service Fund				40,104,000
Non-Major Governmental Funds	300,000	49,886		49,010,479
Enterprise Funds:				
Coliseum				3,416,428
Solid Waste Management				2,275,026
Parking Facilities				3,564,671
Stormwater				8,299
Water Resources				3,050,209
Internal Service Funds			55,503	13,135,824
Total	$ 300,000	$ 49,886	$ 55,503	$ 177,353,781

Transfers are used 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 matching funds for various grant programs.

During the fiscal year ended June 30, 2023, the remaining American Rescue Plan Act ("ARPA") funds of $56.4 million, out of the total $59.4 million awarded to the City from the U.S. Treasury, were transferred from the ARPA Fund into the General Fund. In addition, ARPA funds of $33.7 million and $8.0 million representing ARPA Community Asset Renewal projects and a Transformative Community Project, respectively, were transferred out of the General Fund. The remaining $14.7 million in ARPA funds will remain and be expended out of the General Fund for additional ARPA projects.

`The Greensboro ABC Board transferred 5,223,377 to the General Fund in Fiscal Year 2023, which was recorded as Intergovernmental Revenue.

J. Long-Term Debt

Long-term Bonded Debt of the City consists of General Obligation Bonds, which are collateralized by the full faith, credit and taxing power of the City and are issued for both general governmental improvements. The City's legal debt margin as of June 30, 2023 is $2,592,430,771. Long-term Bonded Debt consists of the following:

1. General Governmental Improvement General Obligation Bonds

These outstanding tax-exempt and taxable bonds bear interest, payable monthly at fixed rates from 2.00% to 5.00%. Principal is payable annually in varying amounts through 2043.

General Obligation Bonds	$309,770,000

2. Defeased Bonds

In prior years, the City defeased General Obligation Bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2023, $39,200,000 of General Obligation Bonds outstanding are considered defeased. For details of all General Obligation outstanding bond issues refer to the ***Schedule of General Long Term Bonds/BANs Debt on pages 176-179.***

3. General Obligation Bonds Debt Service Requirements to Maturity are:

	Governmental Activities		
	Annual Requirements		
Fiscal Year	Principal	Interest	Total
2023-24	$ 23,175,000	$ 12,855,581	$ 36,030,581
2024-25	23,230,000	11,911,756	35,141,756
2025-26	23,125,000	10,879,719	34,004,719
2026-27	21,925,000	9,807,431	31,732,431
2027-28	21,920,000	8,868,125	30,788,125
2029-2033	88,640,000	31,145,450	119,785,450
2034-2038	76,455,000	14,506,069	90,961,069
2039-2043	31,300,000	3,222,769	34,522,769
	$ 309,770,000	$ 103,196,900	$ 412,966,900

4. Limited Obligation Bonds

On February 14, 2018, the City issued $43,450,000 in Limited Obligation Bonds Series 2018 bearing interest payable semiannually at fixed rates from 2.0% to 4.0% on February 1 and August 1, with final maturity in 2043. The proceeds of these bonds were used to retire the 2014 Installment Financing Agreements with PNC Bank issued in November 2014, and additional proceeds needed for acquiring, constructing and equipping the Steven Tanger Center for the Performing Arts.

On October 29, 2019, the City issued $29,685,000 in Taxable Limited Obligation Bonds Series 2019 bearing interest payable semiannually at fixed rates from 1.88% to 3.51% on May 1 and November 1, with final maturity in 2044. The proceeds of these bonds were used to build a new downtown parking deck.
On February 27, 2020, the City issued $12,755,000 in Limited Obligation Bonds Series 2020A bearing interest payable semiannually at fixed rates from 2.25% to 5.00 on May 1 and November 1, with final maturity in 2039. The proceeds are being used to fund two new fire stations as well as improved firefighting training facilities and equipment.

On January 28, 2021, the City issued $35,780,000 in Taxable Limited Obligation Bonds Series 2021 bearing interest payable semiannually at fixed rates from 0.20% to 2.68% on May 1 and November 1, with final maturity in FY2046. The proceeds of these bonds are being used to build a new downtown parking deck.

On October 19, 2021, the City issued $22,705,000 in Taxable Limited Obligation Refunding Bonds (Coliseum Complex Project), Series 2021A bearing interest payable semiannually at fixed rates from 0.21% to 2.99% on April 1 and October 1, with final maturity in FY2040. The proceeds of these bonds were used to refund the Limited Obligation Tax-Exempt Bonds Series 2014 issued on October 7, 2014. The prior net cash flow was $29,326,778 and the net cash flow on the refunding bonds is $28,516,780. The net present value savings as a result of the refunding was $661,953.

On October 19, 2021, the City issued $25,140,000 in Taxable Limited Obligation Refunding Bonds (Coliseum Complex Project), Series 2021B bearing interest payable semiannually at fixed rates from 0.23% to 3.05% on April 1 and October 1, with final maturity in FY2044. The proceeds of these bonds were used to refund the Limited Obligation Tax-Exempt Bond Series 2018A issued on November 1, 2018. The prior net cash flow was $35,316,838 and the net cash flow on the refunding bonds is $35,172,931. The net present value savings as a result of the refunding was $135,070.

The property is pledged as collateral for the debt while the debt is outstanding. In the event of 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 Limited Obligation Bond agreement.

	Governmental Activities Annual Requirements		Business-Type Activities Annual Requirements		
Fiscal Year	Principal	Interest	Principal	Interest	Total
2023-24	$ 3,120,000	$ 1,836,838	$ 3,590,000	$ 2,989,850	$ 11,536,688
2024-25	3,175,000	1,760,764	3,655,000	2,923,733	11,514,497
2025-26	3,225,000	1,677,559	3,730,000	2,850,498	11,483,057
2026-27	3,300,000	1,579,723	3,805,000	2,769,393	11,454,116
2027-28	3,375,000	1,484,590	3,900,000	2,681,066	11,440,656
2029-33	16,740,000	5,974,887	21,065,000	11,822,462	55,602,349
2034-38	16,690,000	3,564,521	24,400,000	8,494,934	53,149,455
2039-43	12,155,000	1,173,418	28,745,000	4,144,606	46,218,024
2044-46	1,745,000	53,223	9,010,000	348,107	11,156,330
	$ 63,525,000	$ 19,105,523	$ 101,900,000	$ 39,024,649	$ 223,555,172

5. Combined Enterprise System Revenue Bonds and Anticipation Notes

The City has participated in the capital markets by issuing over $500 million Combined Enterprise System Revenue Bonds since 1995, to fund the on-going capital improvement program of the City's water and sanitary sewer utility. Certain maturities of the debt through 2012 have been defeased, by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased bonds are not reflected in the City's financial Statements. At June 30, 2023, $103,980,000 of Combined Enterprise System Revenue Bonds is considered defeased. The Combined Enterprise System is currently comprised of only the City's water and sanitary sewer system. Principal and interest requirements will be provided by an appropriation in the year in which they become due. In the event of 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 Revenue Bonds or Note agreements.

On September 29, 2022, the City entered into two agreements with Truist Bank for direct placement Combined Enterprise System Revenue Bond Anticipation Notes drawdown program in the amount of $25,000,000 (Series 2022A) and $150,000,000 (Series 2022B). As of June 30, 2023, $5,328,800 has been drawn on Series 2022A and $45,466,650 has been drawn on Series 2022B for improvements to the City's water and sewer systems.

On June 28, 2022 the City issued $87,935,000 Series 2022A Combined Enterprise System Revenue Bonds payable semiannually at a fixed rate ranging from 3.63% to 5.00% on June 1 and December 1. The final maturity is June 1, 2052; the bond was issued to refund the variable rate 2020 Bond Anticipation Note and the Series 2012 Refunding bonds. The prior net cash flow was $9,488,250 and the net cash flow on the refunding bonds is $8,847,063. The net present value savings as a result of the refunding was $552,292.

On June 25, 2020 the City issued $116,290,000 Series 2020A Combined Enterprise System Revenue Bonds payable semiannually at a fixed rate ranging from 2.13% to 5.00% on June 1 and December 1. The final maturity is June 1, 2050; the bond was issued to refund the variable rate 2018 Bond Anticipation Note and the variable rate Series 2014A Refunding bonds.

On June 30, 2020 the City entered into an agreement with PNC Bank, N.A. for a direct placement Combined Enterprise System Revenue Bond Anticipation Note drawdown program in the amount of $85,000,000. An additional $26,365,453 was drawn down during FY2022 for improvements to the City's water and sewer systems. The total outstanding balance of $63,021,999 was refunded with the Series 2022A Refunding CES bonds on June 28, 2022.

On August 17, 2017, the City issued $90,690,000 Series 2017 A&B Refunding Combined Enterprise System Revenue Bonds payable semiannually at a fixed rate ranging from 3.25% to 5.0% on June 1 and December 1. The $64,700,000 Series 2017A matures on June 1, 2047; the bond was issued to redeem in whole $43,316,551 of the City's Combined Enterprise System Revenue Bond Anticipation Note, Series 2016, and the remaining cost of improvements of the 2017 Water & Sewer projects. The $25,990,000 Series 2017B matures on December 1, 2030; the bond was issued to defease $29,600,000 of the City's Combined Enterprise System Revenue Green Bonds, Series 2009A. The net proceeds of $31,673,412 (after payment of $701,122 in underwriting fees and other issuance cost) were placed in escrow in an irrevocable trust to provide for all future debt service payments on the old certificates. As a result, a portion of the liability for the 2016 Bond Anticipation Note and 2009A Series has been removed from the Water Resources Fund.

On February 1, 2016, the City issued $29,310,000 Series 2016 Refunding Combined Enterprise System Revenue Bonds payable semiannually at a fixed rate ranging from 2.0% - 5.0% on June 1 and December 1, with a final maturity in 2045. This bond was issued to redeem in whole the City's Combined Enterprise System Revenue Bond Anticipation Note Series 2014 which had an outstanding principal amount of $30,000,000 and has been removed from the Water Resources Fund.

On June 23, 2015, the City issued $33,985,000 Series 2015 Refunding Combined Enterprise System Revenue Bonds payable semiannually at a fixed rate ranging from 3.0% - 5.0% on June 1 and December 1, with a final maturity in 2029. This bond was issued to defease $35,810,000 of certain Series 2007A and 2014A Combined Enterprise System Revenue Bonds. The net proceeds of $37,983,527 (after payment of $439,177 in underwriting fees and other issuance cost) were placed in escrow in an irrevocable trust to provide for all future debt service payments on the old certificates. As a result, a portion of the liability for the 2007A and 2014A Series Revenue Bonds have been removed from the Water Resources Fund.

On May 23, 2012, the City issued $35,185,000 Series 2012A Refunding Combined Enterprise System Revenue Bonds payable semiannually at a fixed rate ranging from 3.0% - 5.0% on June 1 and December 1, with a final maturity in 2027. This bond was issued to defease $40,885,000 of certain Series 2005A and 2005B Combined Enterprise System Revenue Bonds. The net proceeds of $41,599,354 (after payment of $482,377 in underwriting fees and other issuance cost) were placed in escrow in an irrevocable trust to provide for all future debt service payments on the old certificates. As a result, a portion of the liability for the 2005 Series Revenue Bonds has been removed from the Water Resources Fund. The proceeds of these bonds, along with the $3,200,000 received from the origination of Series 2012B federally taxable

Combined Enterprise System Revenue Refunding Bonds, were used to terminate the associated 2005B interest rate swap agreement.

On December 7, 2006, the City issued $49,480,000 Series 2006 Refunding Combined Enterprise System Revenue Bonds at a fixed rate of 4.0% to 5.25% with a final maturity in 2025. These bonds were issued to defease a portion of Combined Enterprise System Bond Series 1998A, 2001A and 2003A. The amounts were refunded at $13,820,000, $19,290,000 and $19,150,000, respectively for a total defeasance of $52,260,000. The net proceeds of $54,971,117 (after payment of $506,736 in underwriting fees, accrued interest, call premium and other issuance cost) were placed in escrow in an irrevocable trust to provide for all future debt service payments on the old certificates. As a result, the liabilities for a portion of the 1998A, 2001A and 2003A Series Revenue Bonds have been removed from the Water Resources Fund. The proceeds of these bonds were used for improvements to the City's water and sanitary sewer system and other issue costs.
The City has pledged 100% of future water and sewer customer revenues, net of specified operating expenses to the payment of and as security for the Revenue Bonds in the amounts shown below specifically to cover annual debt service through 2052. This pledge relates to all Combined Enterprise Revenue bonds outstanding, issued for the purpose of making water and sewer system improvements. Certain financial covenants are contained in the revenue bond order, among the most restrictive of which provide that the City maintain a long-term debt service coverage ratio, as defined, of not less than 1.50. Pledged revenues exceeded operating expenses by $63,427,802 to provide a coverage ratio of 2.26 at June 30, 2023. The City believes it was in compliance with all such covenants during Fiscal Year 2022-23.

Revenue Bonds/Anticipation Notes Debt Service Requirements to Maturity are:

	Business-Type Activities		
	Annual Requirements		
Fiscal Year	Principal	Interest	Total
2023-24	$ 66,000,451	$ 14,758,683	$ 80,759,134
2024-25	13,855,000	11,900,800	25,755,800
2025-26	14,915,000	11,280,513	26,195,513
2026-27	12,630,000	10,600,113	23,230,113
2027-28	13,740,000	10,026,413	23,766,413
2029-33	54,145,000	41,700,138	95,845,138
2034-38	47,495,000	31,307,263	78,802,263
2039-43	55,665,000	22,658,200	78,323,200
2044-48	58,410,000	11,362,975	69,772,975
2049-53	28,230,000	2,209,625	30,439,625
	$ 365,085,451	$ 167,804,721	$ 532,890,172

(1) Includes Direct Placement Bond Anticipation Notes of $50,795,451, principal scheduled to mature in FY24, and includes estimated interest of $2,168,583.

6. Leases

The City has entered into various lease agreements. These lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future lease payments as of the date of their inception.

The future lease obligations and the net present value of these lease payments as of June 30, 2023, were as follows:

Government Activities:

Fiscal Year	Principal	Interest	Total
2023-24	$ 5,297,835	$ 295,115	$ 5,592,950
2024-25	4,841,541	223,509	5,065,050
2025-26	3,978,601	156,342	4,134,943
2026-27	1,467,410	107,419	1,574,829
2027-28	845,264	88,482	933,746
2029-33	2,790,176	288,240	3,078,416
2034-35	1,656,948	32,023	1,688,971
	$ 20,877,775	$ 1,191,130	$ 22,068,905

Business Activities:

Fiscal Year	Principal	Interest	Total
2023-24	$ 206,789	$ 2,648	$ 209,437
2024-25	76,862	1,298	78,160
2025-26	11,892	740	12,632
2026-27	11,991	368	12,359
2027-28	5,142	46	5,188
	$ 312,676	$ 5,100	$ 317,776

The future lease obligations and the net present value of these lease payments for the ABC Board as of June 30, 2023, were as follows:

Fiscal Year	Lease Payments	Interest Payments	Total
2023-24	$ 440,980	$ 85,915	$ 526,895
2024-25	398,132	72,975	471,107
2025-26	412,786	60,070	472,856
2026-27	350,974	48,160	399,134
2027-28	373,477	36,881	410,358
2029-32	1,006,934	54,962	1,061,896
	$ 2,983,283	$ 358,963	$ 3,342,246

7. IT Subscription Financing Agreements

The City has entered into various Right to Use IT Subscription Asset agreements. These IT Subscription agreements qualify as other than short-term IT Subscription Assets under GASB 96 and, therefore, have been recorded at the present value of the future lease payments as of the date of their inception.

The future lease obligations and the net present value of these lease payments as of June 30, 2023, were as follows:

Government Activities:

Fiscal Year	Principal	Interest	Total
2023-24	$ 2,106,302	$ 237,713	$ 2,344,015
2024-25	1,875,705	188,239	2,063,944
2025-26	1,545,023	142,496	1,687,519
2026-27	1,643,722	104,762	1,748,484
2027-28	1,271,083	64,602	1,335,685
2029-30	1,368,971	33,499	1,402,470
	$ 9,810,806	$ 771,311	$ 10,582,117

Business Activities:

Fiscal Year	Principal	Interest	Total
2023-24	$ 468,828	$ 23,222	$ 492,050
2024-25	460,475	13,357	473,832
2025-26	101,982	3,591	105,573
2026-27	34,907	1,101	36,008
	$ 1,066,192	$ 41,271	$ 1,107,463

8. Changes in Long-Term debt are as follows:

Long-term liability activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance[1]	Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General Obligation Bonds	$ 252,595,000	$ 78,460,000	$ (21,285,000)	$ 309,770,000	$ 23,175,000
Premium on General Obligation Bonds	20,576,634	4,992,852	(3,635,794)	21,933,692	3,849,461
Limited Obligation Bonds	66,600,000		(3,075,000)	63,525,000	3,120,000
Premium on Limited Obligation Bonds	1,975,269		(239,311)	1,735,958	239,311
Total Debt Payable	341,746,903	83,452,852	(28,235,105)	396,964,650	30,383,772
Other Liabilities					
Net Pension Liability (LGERS)[3]	29,641,721	78,516,165		108,157,886	
Net Pension Liability (LEOSSA)[3]	26,734,978	2,762,194		29,497,172	
Net OPEB Liability[3]	95,848,364		(4,022,491)	91,825,873	
IT Subscription Financing Agreements		12,198,857	(2,388,051)	9,810,806	2,106,302
Lease Liabilities	21,715,130	4,752,460	(5,589,815)	20,877,775	5,297,835
Other Financing Agreements	120,000		(120,000)		
Compensated Absences[2]	15,556,565	12,439,075	(10,890,330)	17,105,310	8,552,585
Governmental Activity Long-Term Liability[1]	$ 531,363,661	$ 194,121,603	$ (51,245,792)	$ 674,239,472	$ 46,340,494
Business-Type Activities:					
Bonds and Notes Payable:					
Revenue Bonds	$ 328,930,000	$	$ (14,640,000)	$ 314,290,000	$ 15,205,000
Premium on Revenue Bonds	24,329,515		(5,252,027)	19,077,488	5,069,115
Direct Placement Revenue BANS		50,795,451		50,795,451	50,795,451
Limited Obligation Bonds - Performing Arts	40,855,000		(1,350,000)	39,505,000	1,390,000
Limited Obligation Bonds - Parking	64,570,000		(2,175,000)	62,395,000	2,200,000
Total Debt Payable	458,684,515	50,795,451	(23,417,027)	486,062,939	74,659,566
Other Liabilities					
Net Pension Liability (LGERS)[3]	6,101,341	17,627,769		23,729,110	
Net OPEB Liability[3]	22,785,295	68,979		22,854,274	
Accrued Landfill Liability	47,490,934		49,289	47,540,223	500,000
IT Subscription Financing Agreements		1,575,078	(508,886)	1,066,192	468,828
Lease Liabilities	465,620	56,588	(209,532)	312,676	206,789
Other Financing Agreements		150,000		150,000	50,000
Compensated Absences	2,821,221	2,936,739	(2,629,459)	3,128,501	1,841,348
Business-Type Activity Long-Term Liability	$ 538,348,926	$ 73,210,604	$ (26,715,615)	$ 584,843,915	$ 77,726,531

[1] Internal Service Funds predominately serve the governmental funds. Accordingly, the related long term liabilities are included as part of the above totals for governmental activities. The Internal Service Funds debt totals are noted below.

[2]The General Fund primarily is used to liquidate the liabilities for compensated absences associated with governmental activities.
[3]The General Fund primarily is used to liquidate the liabilities for the net pension liabilities and other post-employment benefits associated with governmental activities.

Debt obligations recorded in the Coliseum Enterprise Fund, not contemplated to be repaid with the Fund's own resources, are reported as general government debt for financial reporting purposes, according to guidance in NCGAS Statement No. 1.

	Ending Balance
Internal Service Funds:	
Other Liabilities:	
Lease Liabilities	$ 13,549,335
IT Subscription Financing Agreements	8,206,262
Compensated Absences	1,205,300
Pension & OPEB	14,541,643
Internal Service Fund Long-Term Liability	$ 37,502,540

K. Annual Leave and Sick Leave

The City's policy permits employees to accumulate up to 30 days of earned but unused annual leave, which would be paid to employees upon separation from the City. Accumulated annual leave at June 30, 2023 amounted to $20,233,811 of which $17,105,310 relates to Governmental Activities and $3,128,501 relates to Business-Type Activities. Changes in accumulated annual leave are as follows:

Fund Type	Balance 7/1/2022	Current Year Increase	Current Year Decrease	Balance 6/30/2023	Due Within One Year
Governmental Activities	$ 15,556,565	$ 12,439,075	$ (10,890,330)	$ 17,105,310	$ 8,552,585
Business-Type Activities	2,821,221	2,936,739	(2,629,459)	3,128,501	1,841,348
	$ 18,377,786	$ 15,375,814	$ (13,519,789)	$ 20,233,811	$ 10,393,933

Greensboro ABC Board employees may accumulate up to 30 days earned leave. The balance of the accumulated leave liability is not considered to be material. Operations of the GHDP are performed by employees of the City. Accordingly, there is no recorded liability for employee leave amounts for GHDP at June 30, 2023.

City employees had accumulated sick leave benefits of $96,279,966 at June 30, 2023, based on compensation rates in effect on that date. 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. Since the City has no obligation for the accumulated sick leave until it is actually taken, no accrual has been made for sick leave. The same policy is followed by the Greensboro ABC Board.

V. Other Information

A. 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 purchased commercial insurance for primary and/or excess liability coverage and self-funded risk retention. Self-funded risks are primarily for health, employee workers' compensation, general, professional, law enforcement, vehicle and underground storage tank liabilities.

The City purchases Flood Insurance coverage through the Blanket Property insurance policy with an annual aggregate flood limit of $50,000,000 with deductibles ranging from $100,000 to $500,000 per location depending on the size and location of the facility. One location is covered solely by the City's self-funded insurance plan. The City has not had a flood loss in the past 40 plus years that amounted to more than $100,000.

Bonding in the following amounts is held for City employees involved in financial transactions: Finance Officer, $1,000,000, Tax Collector, $100,000, and Employee Blanket Bond, $100,000. All operating funds of the City participate in the risk

management program and make payments to the Employee Risk Retention Fund and the General Risk Retention Fund based on the funds' historical claims experience. Payments are for prior and current year claims and to establish a reserve for catastrophic losses.
Claims liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but are not reported (IBNR's), based on actuarial computations. Settled claims have not exceeded self–retained or purchased insurance coverage in any of the past three fiscal years.

1. Employee Risk Retention

The City provides for health, dental, life and workers' compensation benefits in its Employee Risk Retention Fund.

The City's health plan currently offers two plan options through a self-funded program, and a dental plan and vision plan is administered for employees and their covered dependents, supplemented by employee contributions.

Term life insurance for employees is provided by the City for the term of employment, at no cost to the employee. The amount of coverage is based on salary. For those dependents covered by the health plan, the City also provides a reduced coverage term life insurance policy at no cost to the employee. For the life plan, the City pays its contribution directly to the insurer.

The City is self-funded for workers' compensation for claims up to $1,250,000 per occurrence. Claims in excess of the retention are covered through a combination of purchased insurance and self-funding participation, with $1,140,382 held in the Local Government Excess Liability Fund, Inc. (ELF) for that purpose at June 30, 2023.

The City's contributions toward employee costs are accounted for as expenditures when the funds are contributed to the Employee Risk Retention Fund.

2. General Risk Retention

The City's General Risk Retention Fund includes three separate funds in the ELF to self-fund certain types of liability claims. Up until December 31, 1999, the ELF was structured to provide varying tiers of funding, with pre-determined contribution rates, limits of coverage, repayment schedules and certain levels of transfer of risk from the five local governments and school members represented by the ELF. Annual contributions by members are periodically reviewed by the Board of Directors and the Executive Director of the ELF.

Effective January 1, 2000, the ELF was reorganized and the resulting structure provides for no transfer of risk from any of the member units to the ELF. Fund balances are segregated by member and in the event of loss, those amounts are available for claims payment by the respective member, on either a loan or withdrawal basis. The new structure of the ELF is considered to be similar to a claims-servicing arrangement. The ELF Revolving Fund – Primary Liability Coverage pays amounts in excess of $100,000 up to $5,000,000 per occurrence, with an aggregated available for the City of $6,300,424 as of June 30, 2023. Additional amounts of $59,887 are recorded in the ELF for payment of City claims.

In addition, a new tier of coverage was established in the ELF in April 2007, to replace purchased Excess Liability coverage and to support General Liability claims. The balance on deposit as of June 30, 2023 is $4,399,363. Accordingly, including these balances, a total of $10,759,674 is included in the City's General Risk Retention Fund as insurance deposits.

The City is also a member of the Local Government Property Insurance Deductible Fund, Inc. The City purchases Replacement Cost property insurance with a $100,000 deductible for most losses. Property losses up to $100,000 per occurrence are paid by the Fund after application of a $10,000 deductible requirement.

Property insurance coverage above the annual retention provides for up to 100% replacement cost, limited to $600,000,000 per occurrence. At June 30, 2023 following distribution of net earnings to individual accounts for respective members, the fund held deposits of $831,281 payable to the City of Greensboro for payment of future claims.

The City has the right to withdraw its contributions in the Revolving Fund – Primary Liability Coverage, the Self-Retention Fund, the Excess Liability Fund and the Revolving Fund – Employers, Liability/Workers' Compensation of the Local Government Excess Liability Fund, Inc. and the Local Government Property Insurance Deductible Fund, Inc. when all claims against the Funds have been settled and all legal obligations have been paid for each claims year.

3. Reconciliation of Claims Liability

	Employee Risk Retention	General Risk Retention	Total 2022-23	Total 2021-22
Balance - July 1	$ 9,963,834	$ 8,283,499	$ 18,247,333	$ 15,200,330
Add: Incurred Claims (including) IBNR's and Changes in Estimates	50,063,084	(2,633,266)	47,429,818	50,680,030
Deduct: Claims Payments	(48,215,175)	(511,507)	(48,726,682)	(47,633,027)
Balance - June 30	$ 11,811,743	$ 5,138,726	$ 16,950,469	$ 18,247,333

B. Subsequent Events

The City has evaluated subsequent events through October 31, 2023 in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

On October 10, 2023, the City entered into a Master Installment Purchasing Agreement with JP Morgan Chase Bank for $3,020,000 to purchase new Self-Contained Breathing Apparatus (SCBA) equipment for the Fire Department. The term of the agreement is 15 years, with a fixed interest rate of 4.26%, resulting in $1,014,214 in future interest expense.

C. Commitments and Contingencies

1. Legalities

The City is party to a number of civil lawsuits and other legal actions. Most of these lawsuits involve construction contracts, public right of way management, and personnel issues. Another matter involving City fees charged to developers for previous utility system capacity use is being vigorously defended. If the City does not prevail in this action, the plaintiff may seek an award as much as $8 million. In the opinion of the City's Attorney and management, the ultimate outcome of these suits is not expected to have significant impact upon the City's financial position.

2. Authorized capital projects at June 30, 2023 are comprised of the following:

	Project Authorization	Expended Through June 30, 2023	Unexpended Authorization
Governmental Funds:			
Special Revenue [1]	$ 181,236,303	$ 147,595,365	$ 33,640,938
Capital Projects	605,671,692	349,639,318	256,032,374
	$ 786,907,995	$ 497,234,683	$ 289,673,312
Enterprise Funds:			
Water Resources	$ 744,374,688	$ 583,145,636	$ 161,229,052
Stormwater Management	29,909,363	14,888,307	15,021,056
Coliseum	154,143,470	152,577,983	1,565,487
Solid Waste Management	7,919,581	3,614,173	4,305,408
Parking Facilities	74,235,067	68,611,886	5,623,181
Greensboro Transit Advisory Commission	59,542,409	54,884,145	4,658,264
	$ 1,070,124,578	$ 877,722,130	$ 192,402,448

[1] Includes Powell Bill Transportation Projects

3. Financial Assistance Programs

The City participates in a number of Federal and State financial assistance programs. For the Fiscal Year ended June 30, 2023 these programs were subject to audit in accordance with the Single Audit Act Amendments of 1996, the new Uniform Grant Guidance and the State Single Audit Implementation Act. The amount, if any, of expenditures which may be disallowed by the granting agencies resulting from this and other audits cannot be determined at this time, although the City expects such amounts if any, to be immaterial.

4. Contingencies

The City is involved in certain lawsuits with former members of the Greensboro Police Department and other matters. The City will defend these suits and claims vigorously, and although no assurances can be given as to the ultimate outcome of these matters, the City's legal counsel is of the opinion that any possible liability of the City resulting from an adverse adjudication in such matters would not have a material adverse effect on the financial position of the City.

D. Joint Venture

Piedmont Triad Regional Water Authority (Authority)

The City in conjunction with five other governmental entities formed the Authority in September 1987 to develop a regional water supply. The Authority's board is composed of ten members, three of which are appointed by the City Council. The joint venture agreement provided that each participant annually contribute funds to acquire land, a reservoir and to construct the Randleman Dam. The reservoir, dam and water treatment plant projects are complete and water began flowing through the system to Greensboro in October, 2010. The City's funding share was originally 59.4%, or $33,858,000, based on a percentage of future raw water allocations. Initial City contributions, funded from the Water and Sewer Capital Reserve Fund, total $34,063,761, including $205,761 for staff administration and equipment fees paid from City operations. Additional cash payments were subsequently made on a pay-as-you-go basis to further fund reservoir, infrastructure, water treatment plant construction and other improvements for a total net Greensboro investment of $71,546,595 net of amortization of $23,199,807 as of June 30, 2023. The City contributed annual member dues in the amount of $962,945 in FY 2023 to cover the Authority's administrative and operating costs.
In December 2004, the City received a reimbursement of $5,244,257 from Randolph County to acquire a portion of Greensboro's future raw water allocation which effectively reduced the City's share of the project to 53.1%.

The City, on average, receives 6.96 million gallons per day from this source. In 2016 the water plant expanded capacity from 12.675 Million Gallons per Day (MGD) to 14.7 MGD, effectively increasing the City's allocation to 7.83 MGD, as authorized by City Council on July 19, 2016. Total planned plant capacity is 48 MGD. The City's investment is reported in the Water Resources Enterprise Fund as an Intangible Asset, representing future water rights, amortized over a 50-year term. According to the joint venture agreement, the participating governments do not have an equity interest in the joint venture, but rather rights to purchase future water from the project. Complete financial statements for the Authority may be obtained from the Authority's administrative office at P.O. Box 1326 Randleman, NC 27317.

E. Jointly Governed Organization

Greensboro/Guilford County Tourism Development Authority (Authority)

The City, in conjunction with Guilford County (County), established the Authority to promote regional tourism. The City appoints five members of the Authority's thirteen-member board. The Authority receives a percentage of room occupancy taxes which are levied on gross receipts from rental accommodations within the County.

The tax is levied at 6% for establishments within the City limits of Greensboro, of which 3% is levied by the City and 3% is levied by the County. The City contributes 20% of its portion to the Authority. During Fiscal Year 2022-23, the City levied $7,257,554 in room occupancy taxes, of which $1,452,104 was remitted to the Authority for travel and tourism promotion, net of a 1% collection fee paid to the County.

Piedmont Triad Regional Council (Council)

The City, in conjunction with 6 counties and 25 other municipalities, established the Piedmont Triad Regional 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 $78,897 to the Council during the fiscal year ended June 30, 2023.

Piedmont Triad Airport Authority (PTAA)

The City has an agreement with the PTAA in which it appoints one member to the board. The City has no financial obligation or investment in the operation of the PTAA. Complete financial statements for the PTAA may be obtained through the PTAA, 100A Ted Johnson Parkway, Greensboro, NC 27409.

Guilford County Economic Development Alliance (Alliance)

The City, in conjunction with Guilford County and the City of High Point founded the Alliance in 2016. The Alliance was founded to coordinate and align all economic development recruitment and retention activities, to enhance economic conditions within the county and the region, and present a united message to all corporate development prospects. All participants have an equal representation on the Alliance's Leadership Council and contribute an equal amount of funding.

F. Related Organization

Greensboro Housing Authority (GHA)

The GHA was created to provide affordable housing for citizens with limited income. Although all of the members of the governing body of the GHA are appointed by the Mayor, the City has no decision in selecting the management of the GHA. Financial transactions between the City and the GHA reflect contractual agreements between the parties for the provision of serviceyus by the City. The City is not responsible for any deficits nor is it entitled to any surpluses of the GHA. The City does not significantly influence the operations of the GHA, and the GHA is not accountable to the City for its fiscal matters.

G. Other Postemployment Benefits (OPEB)

Plan Description and Benefits Provided

In addition to the pension benefits described in Note I, the City also provides postemployment benefits to retirees under a single-employer plan ("The Plan"), provided they participate in the North Carolina Local Governmental Employees Retirement System (NCLGERS), and are actively employed with the City at the time of retirement. In order to receive any benefits, retirees must have achieved 20 years of active service with the City or have reached age 60 with 5 years of active service. Healthcare, prescription drug coverage, as well as retiree and dependent life insurance are provided in the City's Plan. Health and prescription drug coverage ends once the retiree reaches age 65 or becomes Medicare eligible, whichever comes first. The City and retirees share the cost of healthcare, based on years of service at retirement. Approximately 74% is paid by the City for 30 years of service, with less subsidy provided for fewer years of service. Dental coverage is available at full cost to the retiree. Retirees may keep their dental insurance for life. Life insurance benefits of up to $20,000 are provided to retirees until age 65, except for those retirees who were hired before March 1, 1975 (receive $2,000 at age 65 for life). Dependent coverage for each of the benefits in the Plan is available, if enrolled at the time of the employee's retirement, at full cost to the retiree, with the exception of certain life insurance coverage. In addition, if the retiree ceases to have coverage or dies, dependent coverage will terminate. The City Council may amend the benefit provisions with a resolution. The City has elected to partially pre-pay the future overall cost of coverage for these benefits by establishing a Trust arrangement according to General Statutes 159-30.1(b). Management of the plan is vested in three Trustees, the City Manager, the Director of Finance and the Director of Human Resources, appointed by the City Council. The plan which has a June 30, 2023 year end does not issue a standalone financial report and is included in the City's Annual Comprehensive Financial Report as Other Postemployment Benefit Trust Fund.

Plan Membership

Membership of the Plan consisted of the following at June 30, 2022, the date of the latest actuarial valuation:

Membership Group	Number
Inactive Employees or Beneficiaries Currently Receiving Benefits	2,001
Inactive Members Entitled To But Not Yet Receiving Benefits	-
Active Employees	2,911
Total Membership	4,912

Summary of Significant Accounting Policies

Postemployment claims and premiums expenditures are made from the Employee Risk Retention Fund (Internal Service Fund), which is maintained on the accrual basis of accounting. Internal charges are made to various other City funds for the respective active employees, based upon the pre-determined City contribution rate. Short-term money market instruments and deposits are reported at cost or amortized cost, which approximates fair value as of June 30, 2023. Certain longer term securities are valued at estimated market value, as determined by the State Treasurer. Administration costs of the OPEB Investment Fund are determined by inter-agency agreement with the North Carolina Department of State Treasurer.

Contributions

The City will contribute toward the cost of the eligible retiree health and life insurance coverage based on the years of service at retirement. Dental coverage is provided at full cost to the retiree. The City has chosen to fund the healthcare benefits on a pay-as-you-go basis, with additional amounts contributed to prefund benefits, determined annually by management, not as a measure of pay.

The current Actuarially Determined Contribution ("ADC") or $11,356,420 is 6.9% of annual covered employee payroll. For the current year, the City contributed $6,975,988 (or 4.2% of annual covered employee payroll) toward actual benefit payments. The City obtains health care and dental coverage through a self-funded program and through a private insurer for life insurance benefits. The City's obligation to contribute to the Plan is established and may be amended by the City Council during the budget process per the City annual budget ordinance. Determination of the amounts contributed by the City and retirees is made by the Employee Benefit Executive Committee, annually, upon review of current costs and trends. The Plan is accounted for as an OPEB Benefit Trust Fund.

Investment Policy and Long-Term Expected Rate of Return

Investment of the OPEB Trust funds are made pursuant to a Deposit Agreement with the North Carolina Department of State Treasurer. The State Treasurer in his discretion may invest the proceeds in equities of certain publicly held companies and long or short term fixed income investments as detailed in G.S. 147-69.2(b) (1-6) and (8). Funds deposited are held in the State Treasurer's Equity Index Fund, 64.90%, the Bond Index Fund, 35.07%, and the Short Term Money Market Fund, 0.03%. At June 30, 2023, the Plan assets totaled $34,243,114. A separate report was not issued for the Plan.

The Plan's investment policy, adopted by the City Council in April 2017, allows for investment in instruments authorized by G. S. 159-30 as well as investments available to the North Carolina State Treasurer when managing funds with the same purpose. The investment policy may be amended by a majority vote of Council members.

The following was the City Council's adopted asset allocation policy as of June 30, 2023:

Asset Class	Target Allocation	Average Long-Term Expected Return	Long-Term Expected Real Rate of Return
Equity Index Fund	60.0%	6.75%	4.56%
Bond Index Fund	40.0%	2.84%	0.65%
Total	100.0%		

Investments in the Bond Index Fund with concentrations of more than 5% of the total portfolio represented the "Mortgages" sector.

For the year-ended June 30, 2023, the annual money-weighted rate of return on Plan investments, net of investment expense, was 9.85%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Investments are valued at fair value.

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. Best estimate ranges of expected future real rates of return are developed for each major asset class. 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, 2023 are summarized in the table above.

The long-term nominal rates of return underlying the real rates of return are 10-year geometric compounded annualized figures. The real rates of return are calculated from nominal rates by multiplicatively adjusting for a long-term inflation assumption of 2.19%. All rates of return and inflation are annualized.

Net OPEB Liability of the City

The components of the net OPEB liability of the City at June 30, 2023 were as follows:

Total OPEB liability	$ 148,923,261
Plan fiduciary net position	34,243,114
City's net OPEB liability	$ 114,680,147
Plan fiduciary net position as a percentage of the total OPEB liability	22.99%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions applied to periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation	
General employees	3.25% - 8.41%
Firefighters	3.25% - 8.15%
Law enforcement officers	3.25% - 7.90%
Long-term investment rate of return (LIRR), net of OPEB plan investment expense, including price inflation	5.50%
Municipal bond index rate	
Prior measurement date	3.54%
Measurement date	3.65%
Year Fiduciary net position is projected to be depleted	
Prior measurement date	2036
Measurement date	2039
Single equivalent interest rate (SEIR), net of OPEB plan investment expense, including price inflation	
Prior measurement date	4.02%
Measurement date	4.11%
Health care cost trends Pre-medicare	7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2032

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 - December 31, 2019, adopted by the LGERS Board.

Discount rate

The discount rate used to measure the total OPEB liability was based on the LIRR and the SEIR. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made to pay benefits directly to Plan members as they come due and to contribute the average of contributions made during the last five years to the OPEB Benefit Trust each year. Based on these assumptions, the Plan's fiduciary net positon was projected to be available to make all projected future benefit payments of the current Plan members until 2039. Therefore, the long-term expected rate of return on OPEB investments was applied to those periods of projected benefit payments and then the SEIR was used to determine the total OPEB liability.

Sensitivity of the City's net OPEB liability to changes in the discount rate

The following presents the City's net OPEB liability calculated using the discount rate of 4.11 percent, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.11 percent) or one percentage point higher (5.11 percent) than the current rate:

	1% Decrease (3.11%)	Discount Rate (4.11%)	1% Increase (5.11%)
Net OPEB Liability	$ 129,458,407	$ 114,680,147	$ 101,484,331

Sensitivity of the net OPEB liability to changes in healthcare cost trends

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were to calculate healthcare cost trend rates that are 1% point lower or 1% point higher than the current healthcare cost trend rates:

1% Decrease	Healthcare Cost Trend Rate 7.0%-4.5%	1% Increase
$ 97,775,556	$ 114,680,147	$ 134,643,281

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

At June 30, 2023, the City reported a net OPEB liability of $114,680,147. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2023, the components of the net OPEB liability of the City, measured as of June 30, 2022, were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability (a) - (b)**
Balances at June 30, 2022	$ 148,864,695	$ 30,231,036	$ 118,633,659
Changes for the Year:			
Service Cost	6,018,506		6,018,506
Interest	5,865,427		5,865,427
Differences between expected and actual experience	(9,903,527)		(9,903,527)
Changes of assumptions	4,054,148		4,054,148
Contributions		6,975,988	(6,975,988)
Net Investment income		3,012,078	(3,012,078)
Benefit payments	(5,975,988)	(5,975,988)	
Administrative expense			
Net changes	58,566	4,012,078	(3,953,512)
Balance as of June 30, 2023	$ 148,923,261	$ 34,243,114	$ 114,680,147

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 4.02% in 2022 to 4.11% in 2023. Medical claims cost and rates were changed based on most recent experience and changed to the current schedule. The impact of the Affordable Care Act was addressed in the valuation report and continues to be monitored.

For the year ended June 30, 2023, the City recognized OPEB expense of $4,145,800. At June 30, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	$ 17,729,794
Changes of assumptions	11,404,194	13,465,328
Net difference between projected and actual earnings on plan investments	1,072,436	
Total	$ 12,476,630	$ 31,195,122

Amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	$ (5,969,941)
2025	(4,913,773)
2026	(1,616,736)
2027	(4,084,356)
2028	(1,890,743)
Thereafter	(242,943)
	$ (18,718,492)

H. Deferred Compensation

The City offers all of its employees a Deferred Compensation Plan (Plan) in accordance with Internal Revenue Code Section 457 and 401. The Plan, available to permanent City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The City has complied with changes in laws which govern the City's Plan, requiring all assets of the Plan to be held in trust, custodial accounts or into annuity contracts for the exclusive benefit of participants and their beneficiaries. Effective January 1, 1999, the City entered in a trust arrangement. All transactions are administered by third party administrators and accordingly, Plan assets are not included in the City's financial statements.

The City contributes 3.25% of salary for participating full time employees to the 401(a) Plan. The City also contributes an additional 1.75% to a 401(a) plan prior to FICA deduction of salary if applicable, for those engaged in firefighting, if firefighters choose to defer at least 1.75% of their salary, as well. Those employees engaged in law enforcement may participate in the 457 Plan, however, no City contributions are made on their behalf, but instead, the City contributes 5% of salary to the 401(k) Defined Contribution Pension Plan. All employees may defer amounts in the 457 Plan, administered by Mission Square Retirement, and the 401(k) Plan, administered by Empower for the State of North Carolina and its subdivisions, up to the maximum allowed by the Internal Revenue Service each year. The employee receives credit for his contribution as well as the City's, and benefits are based on the total assets owned in the employee's individual accounts. The fair market value of the deferred compensation accounts of employees through the year ended June 30, 2023 was $221,355,104 consisting of $132,237,249 (457), $56,450,497 (401(a)), and $32,667,358 (401(k)).

I. Pension Plan Obligations

1. Local Governmental Employees' Retirement System

Plan Description

The City of Greensboro 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. Benefit provisions are established by GS 128-27. Article 3 of GS Chapter 128 assigns the authority to amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided

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 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. Effective July 1, 2018, LEO plan members are eligible to retire with reduced benefits with 25 years of creditable service at any age. 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 Greensboro 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 Greensboro's contractually required contribution rate for the year ended June 30, 2023, was 13.10% of compensation for law enforcement officers and 12.10% 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. Contributions to the pension plan from the City of Greensboro were $24,288,303 for the year ended June 30, 2023.

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 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, 2023, the City reported a liability of $131,886,996 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2022 (measurement date), the City's proportion was 2.34% which was a decrease of 0.7% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized pension expense of $36,550,012. At June 30, 2023, 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	$ 5,682,891	$ 557,175
Changes of assumptions	13,159,365	
Net difference between projected and actual earnings on pension plan investments	43,590,033	
Changes in proportion and differences between employer contributions and proportionate share of contributions	207,160	1,259,716
City contributions subsequent to the measurement date	24,288,303	
Total	$ 86,927,752	$ 1,816,891

$24,288,303 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, 2024. Other amounts reported as deferred inflows and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	$ 18,787,807
2025	16,291,694
2026	4,975,948
2027	20,767,109
	$ 60,822,558

Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary Increases	3.25 to 8.10 percent, including inflation and productivity factor
Investment rate of return	6.50 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, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019. 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, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Iincome	29.0%	1.1%
Global Equity	42.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	7.5%
Opportunistic Fixed Income	7.0%	5.0%
Inflation Protection	6.0%	2.7%
Total	100.0%	

The information above is based on 30-year expectations developed with the consulting actuary for the 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 2.25%. All rates of return and inflation are annualized.

Discount rate

The discount rate used to measure the total pension liability was 6.5%. 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 6.5 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 (5.50 percent) or one percentage point higher (7.5 percent) than the current rate:

	1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)
City's proportionate share of the net pension liability (asset)	$ 238,039,043	$ 131,886,996	$ 44,411,546

Pension plan fiduciary net position

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

2. Law Enforcement Officers Special Separation Allowance (LEOSSA)

Plan Description

The City is the administrator of a single-employer, defined benefit, retirement system (Separation Allowance) established by the City to provide special separation benefits to its law enforcement officers, as required by state law. Qualified sworn City law enforcement officers are covered by the Separation Allowance. At December 31, 2021 the date of the latest actuarial valuation, the Separation Allowance's membership consisted of:

Retirees currently receiving benefits	154
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	643
Total	797

The Separation Allowance provides separation benefits to all full-time City law enforcement officers who meet the following requirements:

(1) Have (i) completed 30 or more years of creditable service or, (ii) attained 55 years of age and completed 5 or more years of creditable service; and

(2) Have not attained 62 years of age; and

(3) Have completed at least 5 years of continuous service as a law enforcement officer immediately preceding a service retirement

The qualified law enforcement officers are entitled to an annual retirement benefit of 0.85% of the annual equivalent of the base rate of compensation most recently applicable to the covered employee for each year of creditable service. The retirement benefits are paid semi-monthly in equal installments. Payments to retired officers cease at their death or on the last day of the month in which the officer attains 62 years of age or upon the first day of reemployment by any State department, agency, or institution.

Article 12D of G. S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly.

Management of the Separation Allowance is vested in three Trustees, the City Manager, the Director of Finance and the Director of Human Resources, appointed by the City Council.

The Separation Allowance has a June 30, 2023 year end and does not issue a separate stand-alone financial report and is included in the City's Annual Comprehensive Financial Report as a Pension Benefit Trust Fund.

Summary of Significant Accounting Policies

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 Separation Allowance and additions to/deductions from the Separation Allowance's fiduciary net position have been determined on the same basis as they are reported by the Pension Trust Fund, that is, using the full accrual basis of accounting. Employer contributions to the Separation Allowance are recognized when due and when the City has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the Separation Allowance. Investments are reported at fair value.

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 and to also advance fund amounts as available. Contributions are not required to be made by employees, and as such, there were none. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The actuarially determined contribution rate of $4,698,037 for FY2023 is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City contributed $3,088,270 in FY2023. These amounts represent 11.20% and 7.36% of covered employee payroll, respectively. Administrative costs of the Separation Allowance are financed through investment earnings.

The annual required contribution for the current year was determined as part of the December 31, 2021 actuarial valuation using the entry age normal actuarial cost method, amortized over a level dollar closed period. The actuarial assumptions include (a) 5.5% investment rate of return and (b) projected salary increase of 3.25% to 7.75%. Both (a) and (b) included an inflation component of 2.5%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using the market value of investments. The remaining amortization period at December 31, 2020 was 10 years.

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

At June 30, 2023, the City reported a net pension liability of $29,497,172. The total pension liability was measured as of December 31, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was rolled forward to December 31, 2022 utilizing standard actuarial update rollfoward procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the City recognized pension expense of $3,958,016.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources, based on amounts computed as of the December 31, 2022 measurement date.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,652,867	$
Changes of assumptions and other inputs	2,528,931	284,276
Net difference between projected and actual earnings on pension plan investments	840,375	
City contributions subsequent to the measurement date	1,755,186	
Total	$ 7,777,359	$ 284,276

$1,755,186 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, 2024. Other amounts reported as deferred inflows and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	$ 1,619,251
2025	1,783,762
2026	1,436,602
2027	738,143
2028	160,139
	$ 5,737,897

Actuarial Assumptions

The entry age normal actuarial cost method, amortized on a level dollar closed period was used in the December 31, 2021 actuarial valuation. The total pension liability rolled forward to December 31, 2022 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary Increases	3.25 to 7.75 percent, including inflation
Investment rate of return	5.50 percent, net of pension plan investment expense, including inflation

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, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

The rates of mortality for the period after service retirement are according to the Pub-2010 amount-weighted Safety Mortality Table for retirees projected from 2010 using generational improvement with Scale MP-2019.

Investment Policy and Long-Term Expected Rate of Return

The Separation Allowance's investment policy, adopted by the City Council in April 2017, allows for investment in instruments authorized by G.S. 159-30 as well as investments available to the North Carolina State Treasurer when managing funds with the same purpose. The investment policy may be amended by a majority vote of Council members. The following was the City Council's adopted asset allocation policy as of June 30, 2023:

Asset Class	Target Allocation	Average Long-Term Expected Return	Long-Term Expected Real Rate of Return
Equity Index Fund	60.0%	6.75%	4.56%
Bond Index Fund	40.0%	2.84%	0.65%
Total	100.0%		

For the year-ended June 30, 2023, the annual money-weighted rate of return on Separation Allowance investments, net of investment expense, was 10.92%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Investments are valued at fair value.

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. Best estimate ranges of expected future real rates of return are developed for each major asset class. 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 geometric real rates of return for each major asset class as of June 30, 2023 are summarized in the table above.

The long-term nominal rates of return underlying the real rates of return are 10-year geometric compounded annualized figures. The real rates of return are calculated from nominal rates by multiplicatively adjusting for a long-term inflation assumption of 2.19%. All rates of return and inflation are annualized.

Discount rate

The discount rate used to measure the total pension liability was 5.50%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at actuarially determined rates each year. 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 of 5.50% was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's net pension liability to changes in the discount rate

The following presents the City's net pension liability calculated using the discount rate of 5.50 percent, as well as what the City's share of net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.50 percent) or one percentage point higher (6.50 percent) than the current rate:

	1% Decrease (4.50%)	Discount Rate (5.50%)	1% Increase (6.50%)
Net Pension Liability	$ 32,348,943	$ 29,497,172	$ 26,901,217

Changes in the Net Pension Liability

	Total Pension Liability (a)	**Plan Net Position (b)**	**Net Pension Liability (a) - (b)**
Balance as of December 31, 2021	$ 36,020,258	$ 9,285,280	$ 26,734,978
Changes for the year:			
Service Cost	988,773		988,773
Interest	1,897,770		1,897,770
Difference between expected and actual experience	1,564,864		1,564,864
Contributions - employer		3,048,382	(3,048,382)
Net investment income		(1,354,041)	1,354,041
Benefits paid	(3,030,700)	(3,030,700)	
Plan administrative expenses		(5,128)	5,128
Net changes	1,420,707	(1,341,487)	2,762,194
Balance as of December 31, 2022	$ 37,440,965	$ 7,943,793	$ 29,497,172

3. **Supplemental Retirement Income Plan For Law Enforcement Officers**

All law enforcement officers employed by the City participate in the State of North Carolina Supplemental Retirement Income Plan, a 401(k) defined contribution pension plan, administered by the Department of State Treasurer and a Board of Trustees. Participation begins on the first day of the quarter upon reaching sworn status. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Article 5 of G. S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Article 12E of G. S. Chapter 143 requires that the City contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan.

The City's contributions for the year ended June 30, 2023 were calculated using a covered payroll (base salary) in the amount of $43,555,720. The City's total payroll was $211,110,535. Total contributions were $4,697,632, which consisted of $2,117,786 from the City and $2,519,846 from the law enforcement officers. The City's required contributions and the officer's voluntary contributions represented 5.0% and 5.79% of the covered payroll amount, respectively. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. 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.

4. Fiduciary Fund Financial Statements

The following are financial statements for the City of Greensboro's Law Enforcement Officers' Special Separation Allowance Trust Fund and Other Postemployment Benefit Trust Fund included in Exhibits A-14 and A-15 at June 30, 2023 on pages 35 and 36.

	LEOSSA Pension Benefit Trust	Other Postemployment Benefit (OPEB) Trust	Total
Assets			
Cash and Cash Equivalents/Investments			
Demand Deposits	$ 5,000	$	$ 5,000
Mutual Funds:			
NC Short Term Investment Fund	8,992	8,550	17,542
NC Equity Index Fund	6,334,908	22,223,768	28,558,676
NC Bond Investment Fund	2,627,131	12,010,796	14,637,927
Miscellaneous Receivable	4	12	16
Total Assets	8,976,035	34,243,126	43,219,161
LIABILITIES			
Accounts Payable	4	12	16
Net Position			
Restricted for Pension and Benefits	$ 8,976,031	$ 34,243,114	$ 43,219,145

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Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2023

	LEOSSA Pension Benefit Trust	Other Postemployment Benefit (OPEB) Trust	Total
Additions			
Employer Contributions	$ 3,088,270	$ 6,670,921	$ 9,759,191
Employee Contributions		2,177,456	2,177,456
Interest Earnings:			
Investment Income	(28,004)	(126,469)	(154,473)
Net Increase (Decrease) in the Fair Value of Investments	912,676	3,145,155	4,057,831
Total Investment Income	884,672	3,018,686	3,903,358
Total Additions	3,972,942	11,867,063	15,840,005
Deductions			
Benefits Paid	3,085,024	7,848,377	10,933,401
Administrative Expenses	5,001	6,608	11,609
Total Deductions	3,090,025	7,854,985	10,945,010
Change in Net Position	882,917	4,012,078	4,894,995
Net Position Restricted for Pension and Benefits - July 1	8,093,114	30,231,036	38,324,150
Net Position Restricted for Pension and Benefits - June 30	$ 8,976,031	$ 34,243,114	$ 43,219,145

Schedule of Changes in Net Pension Liability and Related Ratios

Law Enforcement Officers' Special Separation Allowance (LEOSSA) Pension Benefit Trust
Required Supplementary Information
Fiscal Years Ending June 30, 2017-2023

	2023	2022	2021
Total Pension Liability:			
Service cost	$ 988,773	$ 942,919	$ 776,071
Interest	1,897,770	1,866,181	1,556,425
Difference between expected and actual experience	1,564,864	774,207	906,019
Changes of assumptions and other inputs			5,349,297
Benefit payments	(3,030,700)	(2,987,228)	(2,924,536)
Net Change in Total Pension Liability	**1,420,707**	**596,079**	**5,663,276**
Total Pension Liability - Beginning	**36,020,258**	**35,424,179**	**29,760,903**
Total Pension Liability -Ending (a)	**$ 37,440,965**	**$ 36,020,258**	**$ 35,424,179**
Plan Fiduciary Net Position:			
Contributions - employer	$ 3,048,382	$ 3,010,140	$ 2,892,187
Net investment income	(1,354,041)	1,023,503	930,797
Benefit payments	(3,030,700)	(2,987,228)	(2,924,536)
Administrative expense	(5,128)	(5,387)	(4,405)
Net Change in Plan Fiduciary Net Position	**(1,341,487)**	**1,041,028**	**894,043**
Plan Fiduciary Net Position - Beginning	**9,285,280**	**8,244,252**	**7,350,209**
Plan Fiduciary Net Position - Ending (b)	**7,943,793**	**9,285,280**	**8,244,252**
Net Pension Liability - Ending (a) - (b)	**$ 29,497,172**	**$ 26,734,978**	**$ 27,179,927**
Ratio of plan fiduciary net position to total pension liability	21.22%	25.78%	23.27%
Covered payroll	**$ 41,945,731**	**$ 40,012,587**	**$ 40,225,185**
Net pension liability as a percentage of covered payroll	70.32%	66.82%	67.57%

All years for which information is available are presented.

2020	2019	2018	2017
$ 782,873	$ 994,926	$ 957,868	$ 1,073,888
1,511,166	1,218,215	1,239,173	1,120,959
1,412,718	803,495	871,112	
	(3,245,486)		(994,754)
(2,843,206)	(2,658,344)	(2,610,122)	(2,546,004)
863,551	**(2,887,194)**	**458,031**	**(1,345,911)**
28,897,352	**31,784,546**	**31,326,515**	**32,672,426**
$ 29,760,903	**$ 28,897,352**	**$ 31,784,546**	**$ 31,326,515**
$ 2,693,239	$ 2,717,911	$ 2,551,831	$ 8,796,931
855,995	(145,470)	482,845	67,929
(2,843,206)	(2,658,344)	(2,610,122)	(2,546,004)
(4,515)	(4,024)	(3,191)	(1,596)
701,513	**(89,927)**	**421,363**	**6,317,260**
6,648,696	**6,738,623**	**6,317,260**	
7,350,209	**6,648,696**	**6,738,623**	**6,317,260**
$ 22,410,694	**$ 22,248,656**	**$ 25,045,923**	**$ 25,009,255**
24.70%	23.01%	21.20%	20.17%
$ 40,543,101	**$ 38,262,529**	**$ 38,475,970**	**$ 38,648,789**
55.28%	58.15%	65.09%	64.71%

Schedule of Employer Contributions

Law Enforcement Officers' Special Separation Allowance (LEOSSA) Pension Benefit Trust
Required Supplementary Information
Fiscal Years Ending June 30, 2017-2023

	2023	2022	2021
Actuarially determined employer contribution	$ 4,698,037	$ 3,694,180	$ 3,562,797
Actual employer contributions	3,088,270	2,992,404	2,974,819
Annual contribution deficiency (excess)	$ 1,609,767	$ 701,776	$ 587,978
Covered payroll	$ 45,491,497	$ 42,336,195	$ 39,034,069
Actual contributions as a percentage of covered payroll	6.79%	7.07%	7.62%

Notes to the Required Schedule:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. The following actuarial methods and assumptions were used to determine the contribution rate for fiscal year 2023:

Actuarial valuation	12/31/2021
Discount rate	5.50%
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	9 years
Asset valuation method	Market value
Inflation	2.50%
Salary Increase	3.25% - 7.75%, including inflation
Investment rate of return	5.50%, net of pension plan investment expense, including inflation

All years for which information is available are presented.

2020	2019	2018	2017
$ 3,251,123	$ 3,482,926	$ 3,406,217	$ 3,924,814
2,906,943	2,711,246	2,671,394	2,528,862
$ 344,180	$ 771,680	$ 734,823	$ 1,395,952
$ 39,012,042	$ 39,758,634	$ 38,197,009	$ 37,437,239
7.45%	6.82%	6.99%	6.75%

Schedule of Investment Returns

Law Enforcement Officers' Special Separation Allowance (LEOSSA) Pension Benefit Trust
Required Supplementary Information
Fiscal Years Ending June 30, 2017-2023

	2023	2022	2021	2020
Annual money-weighted rate of return, net of investment expense	10.92%	(13.83%)	23.82%	4.79%

All years for which information is available are presented.

2019	2018	2017
6.76%	6.43%	0.91%

Schedule of Changes in Net OPEB Liability and Related Ratios

Other Postemployment Benefit (OPEB) Trust
Required Supplementary Information
Fiscal Years Ending June 30, 2016-2023

	2023	2022	2021	2020
Total OPEB Liability:				
Service cost	$ 6,018,506	$ 7,157,351	$ 8,366,046	$ 6,602,339
Interest	5,865,427	4,679,811	4,271,482	5,105,805
Difference between expected and actual experience	(9,903,527)	(1,158,728)	(1,089,271)	(650,693)
Changes of assumptions and other inputs	4,054,148	(14,897,713)	(5,102,962)	14,628,043
Benefit payments [1]	(5,975,988)	(5,776,738)	(5,783,154)	(5,075,180)
Net Change in Total OPEB Liability	**58,566**	**(9,996,017)**	**662,141**	**20,610,314**
Total OPEB Liability - Beginning	**148,864,695**	**158,860,712**	**158,198,571**	**137,588,257**
Total OPEB Liability -Ending (a)	**$ 148,923,261**	**$ 148,864,695**	**$ 158,860,712**	**$ 158,198,571**
Plan Fiduciary Net Position:				
Contributions - employer	6,975,988	$ 6,276,738	$ 7,783,154	$ 7,075,180
Net investment income	3,012,078	(4,679,422)	6,152,066	1,124,968
Benefit payments [1]	(5,975,988)	(5,776,738)	(5,783,154)	(5,075,180)
Administrative expense				
Net Change in Plan Fiduciary Net Position	**4,012,078**	**(4,179,422)**	**8,152,066**	**3,124,968**
Plan Fiduciary Net Position - Beginning	**30,231,036**	**34,410,458**	**26,258,392**	**23,133,424**
Plan Fiduciary Net Position - Ending (b)	**34,243,114**	**30,231,036**	**34,410,458**	**26,258,392**
Net OPEB Liability - Ending (a) - (b)	**$ 114,680,147**	**$ 118,633,659**	**$ 124,450,254**	**$ 131,940,179**
Ratio of plan fiduciary net position to total OPEB liability	22.99%	20.31%	21.66%	16.60%
Covered employee payroll	**$ 176,873,334**	**$ 162,890,962**	**$ 158,579,285**	**$ 156,033,725**
Net OPEB liability as a percentage of covered-employee payroll	64.84%	72.83%	78.48%	84.56%

[1] Benefit payments are net of participant contributions.

Notes to the Required Schedule:

All years for which information is available are presented.

For years following the valuation date (when no new valuation is performed), covered employee payroll has been set to equal covered employee payroll from the most recent valuation.

Changes of Assumptions:

The Plan's Fiduciary Net Position in 2023 was projected to be depleted in 2039 and, as a result, the Municipal Bond Index Rate was used in determination of the discount rate. The long term expected rate of return of 5.5% on Plan investments was applied to periods through 2039 and the Municipal Bond Index Rate at the measurement date of 6/30/2023 (3.65%) was applied to periods on and after 2039, resulting in a discount rate of 4.11% at the measurement date. The discount rate at the prior measurement date of 6/30/22 was 4.02%.

The Total OPEB liability is based upon an actuarial valuation as of 6/30/2022.

Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation:

Prior Measurement Date	4.02%
Measurement Date	4.11%

2019	2018	2017	2016
$ 6,837,447	$ 7,061,048	$ 7,578,219	$
5,963,620	5,336,797	4,569,030	
(28,155,144)	(955,070)		
7,004,212	(3,908,766)	(7,859,644)	
(4,774,220)	(5,224,634)	(4,655,834)	
(13,124,085)	**2,309,375**	**(368,229)**	
150,712,342	**148,402,967**	**148,771,196**	
$ 137,588,257	**$ 150,712,342**	**$ 148,402,967**	**$ 148,771,196**
$ 5,974,220	$ 7,224,634	$ 5,155,834	$
1,379,843	1,176,469	1,700,361	
(4,774,220)	(5,224,634)	(4,655,834)	
	(2,810)		
2,579,843	**3,173,659**	2,200,361	
20,553,581	**17,379,922**	**15,179,561**	
23,133,424	**20,553,581**	**17,379,922**	**15,179,561**
$ 114,454,833	**$ 130,158,761**	**$ 131,023,045**	**$ 133,591,635**
16.81%	13.64%	11.71%	10.20%
$ 152,675,910	**$ 146,948,521**	**$ 141,462,474**	**$ 138,667,895**
74.97%	88.57%	92.62%	96.34%

Schedule of Employer Contributions

Other Postemployment Benefit (OPEB) Trust
Required Supplementary Information
Fiscal Years Ending June 30, 2016-2023

	2023	2022	2021
Actuarially determined employer contribution	$ 11,356,420	$ 11,356,420	$ 11,041,529
Actual employer contributions	6,975,988	6,276,738	7,783,154
Annual contribution deficiency (excess)	$ 4,380,432	$ 5,079,682	$ 3,258,375
Covered employee payroll	$ 176,873,334	$ 162,890,962	$ 158,579,285
Actual contributions as a percentage of covered employee payroll	3.94%	3.85%	4.91%

Notes to the Required Schedule:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. The following actuarial methods and assumptions were used to determine contribution rates:

Valuation Date	6/30/2020
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Remaining amortization period	21 years
Asset valuation method	Market value
Discount rate	4.02%
Actuarial Assumptions:	
Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including inflation	
General employees	3.25%-8.41%
Firefighters	3.25%-8.15%
Law enforcement officers	3.25%-7.90%
Investment rate of return	5.50%
Medical cost trend rate	7.00% - 4.50%
Year of ultimate trend rate	2030

All years for which information is available are presented.

2020	2019	2018	2017	2016
$ 11,041,529	$ 11,780,773	$ 11,780,773	$ 9,701,120	$ 8,711,948
7,075,180	5,974,220	7,224,634	5,155,834	4,734,307
$ 3,966,349	$ 5,806,553	$ 4,556,139	$ 4,545,286	$ 3,977,641
$ 156,033,725	$ 152,675,910	$ 146,948,521	$ 141,462,474	$ 138,667,895
4.53%	3.91%	4.92%	3.64%	3.41%

Schedule of Investment Returns

Other Postemployment Benefit (OPEB) Trust
Required Supplementary Information
Fiscal Years Ending June 30, 2017-2023

	2023	2022	2021
Annual money-weighted rate of return, net of investment expense	9.85%	(13.58%)	23.42%

All years for which information is available are presented.

2020	2019	2018	2017
4.86%	6.73%	6.75%	9.20%

Local Governmental Employees' Retirement System

Required Supplementary Information
Fiscal Years Ending June 30, 2014 -2023*

Employer's Proportionate Share of Net Pension Liability (Asset)

	2023	2022	2021	2020
Greensboro's proportion of net pension liability (asset) (%)	2.34%	2.33%	2.44%	2.50%
Greensboro's proportion of net pension liability (asset) ($)	$131,886,996	$35,743,062	$87,018,641	$68,298,994
Greensboro's covered payroll	$178,905,337	$169,607,978	$167,332,111	$164,497,287
Greensboro's proportion of net pension liability (asset) as a percentage of its covered payroll	73.72%	21.07%	52.00%	41.52%
Plan fiduciary net position as a percentage of the total pension liability	84.14%	95.51%	88.61%	90.86%

Employer Contributions

	2023	2022	2021	2020
Contractually required contribution	$24,288,303	$20,681,122	$17,562,792	$15,345,819
Contributions in relation to the contractually required contribution	$24,288,303	$20,681,122	$17,562,792	$15,345,819
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Greensboro's covered payroll	$196,571,448	$178,905,337	$169,607,978	$167,332,111
Contributions as a percentage of covered payroll	12.36%	11.56%	10.35%	9.17%

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

2019	**2018**	**2017**	**2016**	**2015**	**2014**
2.49%	2.57%	2.56%	2.71%	2.71%	2.65%
$59,030,749	$39,235,440	$54,381,226	$12,141,673	($15,959,838)	$32,000,534
$157,780,855	$152,528,465	$148,676,887	$145,700,616	$141,782,687	$139,078,263
37.41%	25.72%	36.58%	8.33%	(11.26%)	23.01%
91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

2019	**2018**	**2017**	**2016**	**2015**	**2014**
$13,121,579	$12,191,783	$11,430,637	$10,185,674	$10,414,334	$10,100,894
$13,121,579	$12,191,783	$11,430,637	$10,185,674	$10,414,334	$10,100,894
$ -	$ -	$ -	$ -	$ -	$ -
$164,497,287	$157,780,855	$152,528,465	$148,676,887	$145,700,616	$141,782,687
7.98%	7.73%	7.49%	6.85%	7.15%	7.12%

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APPENDIX C

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

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SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

Brief descriptions of certain provisions of the Master Trust Agreement, the First Supplemental Trust Agreement and the Deed of Trust are included in this Appendix C. Such descriptions do not purport to be comprehensive or definitive; all references herein to the Master Trust Agreement, the First Supplemental Trust Agreement and the Deed of Trust are qualified in their entirety by reference to each such document, copies of which are available for review at the offices of the Trustee.

Definitions

The following is a summary of certain definitions set forth in the Master Trust Agreement, the First Supplemental Trust Agreement, the Deed of Trust and used in this Official Statement.

"Additional Payments" means the additional payments required to be made by the City pursuant to the Master Trust Agreement.

"Additional Project" means any building, facility, fixture or other improvement financed with the proceeds of Bonds, other than the 2024 Project.

"Authorized Officer" means the City Manager, the Finance Director or any other person designated by the City from time to time to perform the duties imposed on an Authorized Officer by the Master Trust Agreement pursuant to an Officer's Certificate filed with the Trustee for such purpose and containing the specimen signatures of such persons.

"Beneficiary" means U.S. Bank Trust Company, National Association, and its successors and assigns, as beneficiary under the Deed of Trust.

"Bond" or "Bonds" means the Series 2024 Bonds and any other bonds or notes issued under the provisions of the Master Trust Agreement and secured on a parity with each other by the Master Trust Agreement.

"Bond Fund" means the fund created and designated the "City of Greensboro, North Carolina Limited Obligation Bonds Bond Fund" by the Master Trust Agreement.

"Bond Year" means, with respect to the Series 2024 Bonds, the period commencing on October 1 of any year and ending on September 30 of the following year.

"Business Day" means a day on which the Trustee and the New York Stock Exchange are open for the purpose of conducting their businesses.

"Code" means the Internal Revenue Code of 1986, as amended.

"City" means the City of Greensboro, North Carolina, a municipal corporation duly organized and validly existing under the laws of the State, and any successor thereto.

"City Council" means the City Council of the City.

"Deed of Trust" means the Deed of Trust, dated as of August 1, 2024, from the City to the Deed of Trust Trustee for the benefit of the Trustee, granting a lien on the Mortgaged Property, including any amendment or supplement thereto as permitted thereby and by the Master Trust Agreement.

"Deed of Trust Trustee" means the trustee serving from time to time under the Deed of Trust.

"Defaulted Interest" means any interest on any Bond of any Series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date.

"Defeasance Obligations" means non-callable Government Obligations.

"Event of Default" means each of those events of default set forth in the Master Trust Agreement and described under "SUMMARY OF THE MASTER TRUST AGREEMENT – Events of Default" below.

"Event of Nonappropriation" means (a) the failure by the City Council to budget and appropriate in its budget for any Fiscal Year moneys sufficient to pay all payments of principal and interest on the Bonds (reasonably estimated in the case of any Bonds issued bearing a variable interest rate) and the reasonably estimated Additional Payments coming due in such Fiscal Year or (b) the deletion by the City Council from its duly adopted budget of any appropriation made for the purposes specified in clause (a) above. In the event that during any Fiscal Year, Additional Payments shall become due and payable that were not included in the City's current budget, and if there are no moneys available to pay such Additional Payments within sixty (60) days subsequent to the date upon which such Additional Payments are due and payable, an Event of Nonappropriation will be deemed to have occurred upon notice being given by the Trustee to the City to such effect.

"First Supplemental Trust Agreement" means the First Supplemental Trust Agreement, dated as of August 1, 2024, between the City and the Trustee, setting forth the terms and provisions with respect to the Series 2024 Bonds, including any amendments or supplements thereto.

"Fiscal Year" means the period commencing on the first day of July of any year and ending on the last day of June of the following year.

"Fitch" means Fitch Inc. d/b/a Fitch Ratings, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and if such corporation will be dissolved or liquidated or will no longer perform the functions of a securities rating agency, "Fitch" will be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.

"Government Obligations" means direct obligations of, or obligations the principal of and the interest on which are fully and unconditionally guaranteed by, the United States of America in either certificated or book-entry form, including (a) to the extent permitted by law, evidences of ownership of, or fractional undivided interests in, future interest and principal payments on such obligations and (b) to the extent permitted by law, obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended by Section 511(a) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, and commonly known as "interest strips" of the Resolution Funding Corporation.

"Interest Account" means the account in the Bond Fund created and so designated by the Master Trust Agreement.

"Interest Payment Date" means, with respect to any Series of Bonds, each of the interest payment dates provided for in the Supplemental Trust Agreement relating to such Series. "Interest Payment Date" means, with respect to the Series 2024 Bonds, April 1 or October 1, as the case may be, commencing April 1, 2025.

"Investment Obligations" means any investments which at the time of investment are authorized by Section 159-30 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, except as may otherwise be modified in a Supplemental Trust Agreement.

"Issuance Costs" means and further includes all items of expense directly or indirectly payable by or reimbursable to the City relating to the sale and issuance of the Bonds, including, but not limited to, filing and recording costs, settlement costs, printing costs, word processing costs, reproduction and binding costs, initial fees and expenses of the Trustee, bond insurance premiums, initial credit facility or liquidity facility fees, Trustee, remarketing and tender agent fees, legal fees and expenses, financing and other professional consultant fees, costs of rating agencies and costs of providing information to such rating agencies, fees for execution, transportation and safekeeping of the Bonds and charges, fees and expenses in connection with the foregoing.

"Local Government Commission" means the Local Government Commission, a division of the Department of the State Treasurer of the State.

"Master Trust Agreement" means the Master Trust Agreement, dated as of August 1, 2024, between the City and the Trustee, and any supplements and amendments permitted thereby.

"Moody's" means Moody's Investors Service, Inc. and its successors and assigns, and if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.

"Mortgaged Property" means the property subject to the lien created by the Deed of Trust, initially consisting of the site of the new fleet servicing garage constituting a portion of the 2024 Project, together with all buildings, improvements and fixtures located or to be located thereon.

"Net Proceeds" means any proceeds of insurance or taking by eminent domain or condemnation paid with respect to the Mortgaged Property remaining after payment therefrom of any expenses (including attorneys' fees) incurred in the collection thereof.

"Net Proceeds Fund" means the fund by that name established and held by the Trustee pursuant to the Master Trust Agreement.

"Officer's Certificate" means a certificate signed by an Authorized Officer.

"Outstanding" when used with reference to Bonds means, as of a particular date, all Bonds theretofore authenticated and delivered under the Master Trust Agreement, except:

(a) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(b) Bonds deemed to be no longer Outstanding pursuant to the Master Trust Agreement;

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Master Trust Agreement;

(d) Bonds deemed to have been paid in accordance with the Master Trust Agreement as described under "SUMMARY OF THE MASTER TRUST AGREEMENT – Defeasance" below; and

(e) Bonds deemed to have been purchased in accordance with the provisions of the applicable Supplemental Trust Agreement in lieu of which other Bonds have been delivered under such Supplemental Trust Agreement.

"Owner" means a person or entity in whose name a Bond is registered in the registration books provided for in the Master Trust Agreement.

"Permitted Encumbrances" means and includes (a) liens for taxes, assessments and other governmental charges due but not yet payable; (b) landlord's, warehouseman's, carrier's, worker's, vendor's, mechanic's and materialmen's liens and similar liens incurred in the ordinary course of business remaining undischarged for not longer than sixty (60) days from the filing thereof; (c) attachments remaining undischarged for not longer than sixty (60) days from the making thereof; (d) liens in respect of pledges or deposits under workers' compensation laws, unemployment insurance or similar legislation and in respect of pledges or deposits to secure bids, tenders, contracts (other than contracts for the payment of money), leases or statutory obligations, or in connection with surety, appeal and similar bonds incidental to the conduct of litigation; (e) the lien created by the Deed of Trust or any lease of all or any portion of the Mortgaged Property permitted by the Master Trust Agreement; (f) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the date the property subject to such encumbrance becomes Mortgaged Property and that the City certifies to the Trustee in writing will not materially impair the use of such Mortgaged Property for its intended purpose; (g) easements, licenses, rights of way, air rights and other rights or privileges of a similar nature with respect to any part of the Mortgaged Property that are either subordinate to the lien of the Deed of Trust or otherwise permitted by Section 4 of the Deed of Trust; (h) the Master Trust Agreement or any Supplemental Trust Agreement; and (i) any other encumbrances described in a policy of title insurance required by the Master Trust Agreement.

"Prior Bonds" of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond, and for purposes of this definition, any Bond authenticated and delivered under the Master Trust Agreement in lieu of a lost, destroyed or stolen Bond will be deemed to evidence the same debt as the lost, destroyed or stolen Bond.

"Principal Account" means the account in the Bond Fund created and so designated by the Master Trust Agreement.

"Project Costs" means, with respect to any item or portion of the 2024 Project or any Additional Project, the contract price paid or to be paid therefor upon construction, acquisition, remodeling, improvement or equipping thereof, in accordance with a purchase order or contract therefor. Project Costs include payment or the reimbursement of the City for the payment of the administrative, engineering, legal, financial and other costs incurred by the City in connection with the acquisition, construction or equipping of the 2024 Project or any Additional Project, all costs incurred for the payment of interest on a Series of Bonds during the period of acquisition, construction or equipping of the 2024 Project or any Additional Project, and include all applicable sales taxes and other charges resulting from such acquisition, construction and equipping of the 2024 Project or any Additional Project.

"Project Fund" means the fund created and designated the "City of Greensboro, North Carolina Limited Obligation Bonds Project Fund" by the Master Trust Agreement.

"Rating Agency" means Fitch, Moody's and S&P, but only to the extent that such entity is then maintaining a rating on any of the Bonds.

"Redemption Account" means the account in the Bond Fund created and so designated by the Master Trust Agreement.

"Redemption Price" means, with respect to Bonds, the principal amount of such Bonds called for redemption plus the applicable premium, if any, payable upon redemption thereof.

"Regular Record Date" means, with respect to any Series of Bonds, the regular record date, if any, provided for in the Supplemental Trust Agreement relating to such Series. "Regular Record Date" means, with respect to the Series 2024 Bonds, the 15th day of the month preceding any Interest Payment Date, whether or not a Business Day.

"S&P" means S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, and its successors and assigns, and if such entity will be dissolved or liquidated or will no longer perform the functions of a securities rating agency, "S&P" will be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.

"Securities Depository" means the Depository Trust Company, or any other recognized securities depository selected by the City, which maintains a book-entry system in respect of a Series of Bonds, and will include any substitute for or successor to the securities depository initially acting as Securities Depository.

"Securities Depository Nominee" means, as to any Securities Depository, such Securities Depository or the nominee of such Securities Depository in whose name there will be registered on the registration books maintained by the Trustee the Bond certificates to be delivered to and immobilized at such Securities Depository during the continuation with such Securities Depository of participation in its book-entry system.

"Serial Bonds" means the Bonds of any Series that are stated to mature in consecutive annual installments.

"Series," whenever used in the Master Trust Agreement with respect to Bonds, means all of the Bonds designated as being of the same series.

"Series 2024 Bonds" means the City of Greensboro, North Carolina Limited Obligation Bonds, Series 2024 issued pursuant to the Master Trust Agreement and the First Supplemental Trust Agreement.

"Series 2024 Project Account" means the account created and so designated by the First Supplemental Trust Agreement.

"Series 2024 Subaccount of the Interest Account" means the subaccount created and so designated by the First Supplemental Trust Agreement.

"Series 2024 Subaccount of the Principal Account" means the subaccount created and so designated by the First Supplemental Trust Agreement.

"Series 2024 Subaccount of the Redemption Account" means the subaccount created and so designated by the First Supplemental Trust Agreement.

"Sinking Fund Account" means the account in the Bond Fund created and so designated by the provisions of the Master Trust Agreement.

"Sinking Fund Requirement" means, with respect to any Series of Bonds, the Sinking Fund Requirement provided in the Supplemental Trust Agreement relating to such Series.

"Special Record Date" means a date fixed by the Trustee for determining the Owner of Bonds for the payment of Defaulted Interest pursuant to the Master Trust Agreement.

"State" means the State of North Carolina.

"Supplemental Trust Agreement" means any supplemental trust agreement executed and delivered by the City authorizing the issuance of any particular Series of Bonds that is required to be executed and delivered by the Master Trust Agreement prior to the issuance of any such Series, including the First Supplemental Trust Agreement.

"Term Bonds" means the Bonds of any Series, other than Serial Bonds, which are designated as such in the Supplemental Trust Agreement for such Series.

"Trust Agreement" means collectively, the Master Trust Agreement, each Supplemental Trust Agreement and any supplements and amendments thereto permitted thereby.

"Trustee" means the Trustee serving as such under the Trust Agreement, whether original or successor.

"2024 Project" means the (a) acquisition, construction and equipping of a new fleet servicing garage and (b) various capital improvement projects and equipment acquisitions including, without limitation, yard waste collection carts, parks and recreational facilities improvement and equipment, improvements to the Greensboro Science Center, the Cultural Arts Center and the Heritage House, library improvements, solid waste transfer station improvements, police facility security improvements, streetscape and crosswalk improvements, including lighting and other corridor improvements, office renovations and other miscellaneous items which are to be financed in whole or in part by the City from the proceeds of the Series 2024 Bonds.

SUMMARY OF THE MASTER TRUST AGREEMENT

Details of Bonds

Each Bond will bear interest from the Interest Payment Date next preceding the date on which it is authenticated unless it is (a) authenticated on an Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (b) authenticated prior to the first Interest Payment Date, in which event it will bear interest from its date or such later date as is specified in the Supplemental Trust Agreement providing for its issuance; provided, however, that if at the time of authentication of any Bond interest is in default, such Bond will bear interest from the date to which interest has been paid.

Unless otherwise provided in a Supplemental Trust Agreement, the principal of, premium, if any, and interest on the Bonds will be payable in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. The payment of interest on each Bond will be made (a) by the Trustee on each Interest Payment Date to the person or entity appearing on the registration books of the Trustee as the registered owner thereof as of the Regular Record Date by check mailed to the registered owner at his address as it appears on such registration books, or (b) by such additional or alternative means as is provided in any Supplemental Trust Agreement providing for the issuance of such Bond. Unless otherwise provided in a Supplemental Trust Agreement, payment of the principal of all Bonds (other than pursuant to mandatory sinking fund redemption) will be made upon the presentation and surrender of such Bonds at the designated corporate trust office of the Trustee as the same become due and payable (whether at maturity or by redemption, acceleration or otherwise).

Any Defaulted Interest will forthwith cease to be payable to the Owner on the relevant Regular Record Date solely by virtue of such Owner having been such Owner; and such Defaulted Interest may be paid by the City, at its election in each case, as described in subsection A or B below:

A. The City may elect to make payment of any Defaulted Interest on the Bonds of any Series to the persons or entities in whose names such Bonds (or their respective Prior Bonds) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which will be fixed in the following manner. The City will notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date will be such as will enable the Trustee to comply with the next sentence hereof), and at the same time, the City will deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or will make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons or entities entitled to such Defaulted Interest as described in this paragraph. Thereupon, the Trustee will fix a Special Record Date for the payment of such Defaulted Interest which will be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment and not less than ten (10) days after the receipt by the Trustee of the notice of the proposed payment. The Trustee will promptly notify the City of such Special Record Date and, in the name and at the expense of the City, will cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Owner at his address as it appears in the registration books maintained under the Master Trust Agreement not less than ten (10) days prior to such Special Record Date. The Trustee will, if directed by an Authorized Officer, in the name and at the expense of the City, cause a similar notice to be published at least once in (i) a financial journal distributed in the Borough of Manhattan, City and State of New York, and (ii) a newspaper of general circulation in the City of Greensboro, North Carolina, but such publication will not be a condition precedent to the establishment of such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest will be paid to the persons or entities in whose names the Bonds (or their respective Prior Bonds) are registered on such Special Record Date and will no longer be payable pursuant to the Master Trust Agreement as described in paragraph B below.

B. The City may make payment of any Defaulted Interest on the Bonds of any Series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Bonds may be listed and upon such notice as may be required by such exchange, if, after notice given by the City to the Trustee of the proposed payment pursuant to the Master Trust Agreement, such payment will be deemed practicable by the Trustee.

Subject to the foregoing provisions, each Bond delivered under the Master Trust Agreement upon transfer of or in exchange for or in lieu of any other Bond will carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond will bear interest from such date, that neither gain nor loss in interest will result from such transfer, exchange or substitution.

Exchange of Bonds

Bonds, upon surrender thereof at the designated corporate trust office of the Trustee, together with an assignment duly executed by the Owner or his attorney or legal representative, or legal representative of his estate if the Owner is deceased, in such form as will be satisfactory to the Trustee, may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series and maturity, of any denomination or denominations authorized by the Supplemental Trust Agreement pursuant to which such Bonds were issued, bearing interest at the same rate and in the same form as the Bonds surrendered for exchange.

The City will make provision for the exchange of Bonds at the designated corporate trust office of the Trustee.

Transfer and Registration of Transfer of Bonds

Unless provided to the contrary in a Supplemental Trust Agreement, and as permitted by law, the Trustee will keep books for the registration and the registration of transfer of the Bonds. The registration books will be available at all reasonable times for inspection by the City and any Owner of such Bonds and may be copied by either of the foregoing and their agents or representatives.

The transfer of any Bond may be registered only upon the books kept for the registration and registration of transfer of Bonds upon presentation thereof to the Trustee together with an assignment duly executed by the Owner or his attorney or legal representative, or legal representative of his estate if the Owner is deceased, in such form as will be satisfactory to the Trustee. No transfer of any Bond will alter the ownership of such Bond for purposes of the Master Trust Agreement unless such transfer is registered with the Trustee. Upon any such registration of transfer, the City will, if necessary, execute and the Trustee will authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by the Supplemental Trust Agreement pursuant to which such Bond was issued, in the aggregate principal amount equal to the principal amount of such Bond surrendered or exchanged, of the same maturity and bearing interest at the same rate.

In all cases in which Bonds will be exchanged or the transfer of Bonds will be registered under the Master Trust Agreement, the City will, if necessary, execute and the Trustee will authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of the Master Trust Agreement. All Bonds surrendered in any such exchange or registration of transfer will forthwith be canceled by the Trustee. No service charge will be made for any registration, transfer or exchange of Bonds, but the City and the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds. Unless otherwise required by the applicable Supplemental Trust Agreement, neither the City nor the Trustee will be required (a) to issue, transfer or exchange Bonds during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or (b) to transfer or exchange any Bond so selected for redemption in whole or in part.

Terms and Conditions for Issuance of Bonds

Before any Bonds will be issued, the City will execute and deliver a Supplemental Trust Agreement authorizing the issuance of such Bonds, fixing the amount and the details thereof as provided in the Master Trust Agreement and describing in brief and general terms the purpose for issuing such Bonds. The Series 2024 Bonds will be issued for the purposes set forth in the First Supplemental Trust

Agreement. Additional Bonds may be issued for the purpose of providing funds, with any other available funds, for paying: (a) the Project Costs for completion of the 2024 Project, (b) the Project Costs for any Additional Project, and (c) the costs (including financing costs) of refunding any Bonds or, to the extent permitted by law, indebtedness other than Bonds.

Unless otherwise provided in the Supplemental Trust Agreement, the Bonds of each Series will be designated "City of Greensboro, North Carolina Limited Obligation Bonds, Series ____" (inserting the year such Bonds are issued and any other distinctive letter, number or other identifier as the City may determine), will be stated to mature, subject to the right of prior redemption as therein set forth, on the date or dates specified therein, in such year or years not later than forty (40) years from their date, will bear interest at a rate or rates not exceeding the maximum rate then permitted by law, will be numbered and will have such redemption provisions (subject to the provisions of the Master Trust Agreement), all as provided in the Supplemental Trust Agreement. Except to the extent described in the Master Trust Agreement, all such Bonds will be on a parity with each other and will be entitled to the same benefit and security of the Master Trust Agreement.

When the documents mentioned in the Master Trust Agreement are filed with the Trustee and when the Bonds have been executed and authenticated as required by the Master Trust Agreement, the Trustee will deliver the Bonds at one time to or upon the order of the City for redelivery to or upon the order of the purchasers thereof, but only upon payment to the Trustee or other persons or entities as provided in the Supplemental Trust Agreement of the purchase price of the Bonds and the accrued interest, if any, thereon to the date of issuance. The Trustee will be entitled to rely upon the resolutions and documents set forth in the Master Trust Agreement as to all matters stated therein.

The Master Trust Agreement does not provide for any financial test to be met in order to issue additional Bonds thereunder. The Deed of Trust provides that the maximum principal amount of the obligations which may be secured thereby at any one time is $150,000,000.

Bonds Constitute Installment Contracts Under Act

Bonds issued under and pursuant to the terms of the Master Trust Agreement, together with corresponding obligations under the Trust Agreement and the Deed of Trust relating thereto, will constitute installment contracts or contracts within the meaning of the Act entered into by the City for the purpose of financing or refinancing the acquisition of real or personal property or the construction or repair of improvements thereon. The payment by the City of the Bonds constituting such contracts will be secured on a parity by the lien on the Mortgaged Property created under the Deed of Trust and by the other security provided for under the Master Trust Agreement to the extent provided therein.

Effect of Calling for Redemption

On or before the date upon which Bonds are to be redeemed, the City will deposit with the Trustee money or Defeasance Obligations, or a combination of both, that will be sufficient to pay on the redemption date the Redemption Price of and interest accruing on the Bonds to be redeemed on such redemption date.

On the date fixed for redemption, notice having been given in the manner and under the conditions provided in the applicable Supplement Trust Agreement, the Bonds or portions thereof called for redemption will be due and payable at the Redemption Price provided therefor, plus accrued interest to such date, and if moneys sufficient to pay the Redemption Price of the Bonds or portions thereof to be redeemed plus accrued interest thereon to the date of redemption are held by the Trustee in trust for the Owners of Bonds to be redeemed, interest on the Bonds or portions thereof called for redemption will cease to accrue; such Bonds or portions thereof will cease to be entitled to any benefits or security under the Master Trust Agreement or to be deemed Outstanding; and the Owners of such Bonds or portions thereof will have no rights in respect thereof except to receive payment of the Redemption Price thereof, plus accrued interest to the date of redemption.

Bonds and portions of Bonds for which irrevocable instructions to pay on one or more specified dates or to call for redemption on any one or more dates as determined by the City have been given to the Trustee in form satisfactory to it will not thereafter be deemed to be Outstanding under the Master Trust Agreement and will cease to be entitled to the security of or any rights under the Master Trust Agreement, and the Owners will have no rights in respect of the same other than to receive payment of the principal or Redemption Price thereof and accrued interest thereon, to be given notice of redemption in the manner provided in the Master Trust Agreement, and to the extent hereinafter described, to receive Bonds for any unredeemed portions of Bonds if money or Defeasance Obligations (that have maturity dates or redemption dates which, at the option of the holder of such Defeasance Obligations, will not be later than the date or dates on which moneys will be required to effect such payment or redemption), or a combination of both, sufficient to pay the principal or Redemption Price of such Bonds or portions thereof, together with accrued interest thereon to the date upon which such Bonds are to be paid or redeemed, are held in separate accounts by the Trustee in trust for the Owners of such Bonds.

Any Supplemental Trust Agreement may provide that any notice of redemption, except a notice of redemption in respect of a Sinking Fund Requirement, may state that the redemption to be effected is conditioned upon the receipt by the Trustee on or prior to the redemption date of moneys sufficient to pay the Redemption Price of and interest on the Bonds to be redeemed, and that if such moneys are not so received, such notice will be of no force or effect and such Bonds will not be required to be redeemed. In the event that such notice contains such a condition and moneys or Defeasance Obligations sufficient to pay the Redemption Price of and interest on such Bonds are not received by the Trustee on or prior to the redemption date, the redemption will not be made and the Trustee will within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. The Supplemental Trust Agreement may also provide for the giving of notice of insufficient money prior to the redemption date and such other provisions as the City may determine.

If less than all of an Outstanding Bond is selected for redemption, the Owner thereof or his attorney or legal representative, or legal representative of his estate if the Owner is deceased, will present and surrender such Bond to the Trustee for payment of the principal amount thereof so called for redemption, and the redemption premium, if any, on such principal amount, and the City will, if necessary, execute and the Trustee will authenticate and deliver to or upon the order of such Owner or his attorney or legal representative, without charge, for the unredeemed portion of the principal amount of the Bond so surrendered, a new Bond of the same Series and maturity, bearing interest at the same rate and of any denomination or denominations authorized by Supplemental Trust Agreement for such Bond.

Project Fund

The Trustee will establish a special fund designated as the "City of Greensboro, North Carolina Limited Obligation Bonds Project Fund," will keep such fund separate and apart from all other funds and moneys held by it and will administer such fund as provided in the Master Trust Agreement. When a Series of Bonds is issued under the Master Trust Agreement, the Trustee may establish separate accounts and subaccounts within the Project Fund to account for the proceeds of such Series of Bonds and any other funds. The moneys deposited in the Project Fund will be held and applied by the Trustee in accordance with the provisions of the Master Trust Agreement.

The City has granted to the Trustee for the benefit of the Owners of respective Series of Bonds a lien on and a security interest in all monies and securities in the applicable accounts or subaccounts of the Project Fund relating to that Series of Bonds. The money in each such account or subaccount will be held by the Trustee in trust and, pending application to the payment of the applicable Project Costs and/or Issuance Costs will, to the extent permitted by law, be subject to a lien and charge in favor of the Owners of the respective Series of Bonds issued and Outstanding under the Master Trust Agreement and will be held for the security of such Owners, except as otherwise provided in the Master Trust Agreement or in any Supplemental Trust Agreement.

There will be credited to the applicable account or subaccount of the Project Fund the proceeds of the sale of a Series of Bonds as required to be deposited therein pursuant to the applicable Supplemental Trust Agreement. There will also be credited to the applicable account or subaccount of the Project Fund the proceeds of performance and labor and materials payment bonds paid to the Trustee pursuant to the Master Trust Agreement, all investment earnings on moneys held in the Project Fund and any other funds from time to time deposited with the Trustee for such purposes.

Payment of Project Costs and Issuance Costs will be made from the applicable accounts and/or subaccounts of the Project Fund. All payments from the Project Fund will be subject to the provisions and restrictions set forth in the Master Trust Agreement, and the City will not cause or agree to permit to be paid from the Project Fund any sums except in accordance with such provisions and restrictions.

Establishment of Bond Fund

In addition to the Project Fund, there is established the City of Greensboro, North Carolina Limited Obligation Bonds Bond Fund, in which there are established the Interest Account, the Principal Account, the Sinking Fund Account and the Redemption Account. The Bond Fund and the accounts and subaccounts therein will be established with and held by the Trustee.

Each Supplemental Trust Agreement will provide, to the extent applicable, for the creation of a separate subaccount within the Interest Account, the Principal Account, the Sinking Fund Account and the Redemption Account with respect to each Series of Bonds, which subaccounts will bear the designation of such Series of Bonds.

The money in all of the accounts and subaccounts of the Bond Fund will be held in trust and applied as provided in the Master Trust Agreement and, pending such application, the money in the Bond Fund and the accounts and subaccounts therein, will be subject to a pledge, charge and lien in favor of the Owners of each of the respective Series of Bonds issued and Outstanding under the Master Trust Agreement and for the further security of such Owners, except as otherwise provided in the Master Trust Agreement or in any Supplemental Trust Agreement.

A Supplemental Trust Agreement may provide for the creation of such other funds and accounts, as the City may determine for the Series of Bonds authorized by such Supplemental Trust Agreement.

Payment of Debt Service

Subject to the limitations described in the Master Trust Agreement, the City will make the following payments to the Trustee in the following manner and order:

(a) At such time or times as provided in the Supplemental Trust Agreements, the City will deliver to the Trustee the amounts required by the Supplemental Trust Agreements for deposit in the appropriate subaccounts of the Interest Account, provided that if there will not be sufficient money to satisfy all such deposits then required to be made, such deposits will be made to each such subaccount of the Interest Account ratably according to the amounts so required to be deposited.

(b) At such time or times as provided in the Supplemental Trust Agreements, the City will deliver to the Trustee the amounts required by the Supplemental Trust Agreements for deposit in the appropriate subaccounts of the Principal Account and the Sinking Fund Account, provided that if there will not be sufficient money to satisfy all such deposits then required to be made, such deposits will be made to each such subaccount of the Principal Account and the Sinking Fund Account ratably according to the amounts so required to be deposited.

On or before the 45th day next preceding any date on which Serial Bonds are to mature or Term Bonds are to be redeemed pursuant to Sinking Fund Requirements therefor or are to mature, the City may satisfy all or a portion of its obligation to make the payments required by paragraphs (a) and (b) above by delivering to the Trustee Serial Bonds maturing or Term Bonds maturing or required to be redeemed on such date. The price paid to purchase any such Bond, including accrued interest to the date of purchase, will not exceed the principal or Redemption Price plus accrued interest to the date of purchase; provided, however, that the Trustee will have no duty to confirm the purchase price paid by the City. Upon such delivery, the City will receive a credit against amounts required to be deposited into the Interest Account and the Principal Account or the Sinking Fund Account, as the case may be, on account of such Bonds with respect to all interest payments for the remainder of the Fiscal Year and in the amount of 100% of the principal amount of any such Serial Bonds or Term Bonds so delivered.

Application of Money in Interest Account

Not later than 10:00 A.M. on each Interest Payment Date, the date for the payment of Defaulted Interest or date upon which Bonds are to be redeemed, or on such other date as may be specified in the applicable Supplemental Trust Agreement, the Trustee will withdraw from the applicable subaccount in the Interest Account and remit or otherwise set aside the amount due and payable to the Owners as provided in the Supplemental Trust Agreements.

If there will be deposited in the applicable subaccount of the Interest Account proceeds of a Series of Bonds that are to be used to finance interest payments with respect to such Bonds as provided in a Supplemental Trust Agreement, on the date of issuance of such Series of Bonds, an Authorized Officer will deliver to the Trustee a schedule of payments to be made on Interest Payment Date from the applicable subaccount of the Interest Account for the payment of such interest.

Unless otherwise provided by a Supplemental Trust Agreement, if the City fails to deposit with the Trustee the amounts required to be deposited in the Interest Account as provided in the Master Trust Agreement, or if the balance in the Interest Account on the Business Day next preceding an Interest Payment Date is insufficient to pay interest becoming due on the Bonds on such Interest Payment Date, the Trustee will notify the City of the amount of the deficiency and request the City to immediately cure such deficiency.

Application of Money in Principal Account

Not later than 10:00 A.M. on each principal payment date, the Trustee will withdraw from the applicable subaccount in the Principal Account and remit or otherwise set aside the amount due and payable to the Owners as provided in the Supplemental Trust Agreements.

If on any date there is money in the Principal Account and no Serial Bonds are then Outstanding or if on any principal payment date money remains therein after the payment of the principal of Serial

Bonds then due, the Trustee will withdraw such money therefrom and will apply the same in the following order: (a) deposit into the Sinking Fund Account the amount then required to be paid thereto by the City pursuant to the Master Trust Agreement and (b) deliver all remaining amounts to the City.

Unless otherwise provided in a Supplemental Trust Agreement, if the City fails to deposit with the Trustee the amounts required to be deposited in the Principal Account as provided in the Master Trust Agreement, or if the balance in the Principal Account on the Business Day next preceding a principal payment date is insufficient to pay principal coming due on the Serial Bonds on such principal payment date, the Trustee will notify the City of the amount of the deficiency and request the City to immediately cure such deficiency.

Application of Money in Sinking Fund Account

Money held for the credit of the subaccounts in the Sinking Fund Account will be applied to the retirement, purchase, redemption or payment of Term Bonds in the manner provided in the applicable Supplemental Trust Agreement. Unless otherwise provided in a Supplemental Trust Agreement, if the City fails to deposit with the Trustee the amount required to be deposited in the Sinking Fund Account as provided in the Master Trust Agreement, or if the balance in the Sinking Fund Account on the Business Day next preceding any maturity date or mandatory sinking fund redemption date is insufficient to retire Term Bonds on such date as required by a Supplemental Trust Agreement, the Trustee will notify the City of the amount of the deficiency and request the City to immediately cure such deficiency.

Application of Money in the Redemption Account

The Trustee will apply money in the Redemption Account to the purchase or redemption of Bonds as follows:

(a) Subject to the provisions described in paragraph (c) below, and if instructed to do so by an Authorized Officer, the Trustee will use commercially reasonable efforts to purchase and cancel Bonds or portions thereof, whether or not such Bonds or portions thereof are then subject to redemption, at the direction of an Authorized Officer, provided that the purchase price of each Bond, plus accrued interest to the date of purchase, will not exceed the Redemption Price that would be payable on the next redemption date to the Owners of such Bonds under the provisions of the applicable Supplemental Trust Agreement plus accrued interest to the redemption date if such Bond or such portion thereof were called for redemption on such redemption date from the money in the applicable subaccount of the Redemption Account. The Trustee will pay the interest accrued on such Bonds or portions thereof to the date of settlement from the applicable subaccount of the Interest Account and the purchase price from the applicable subaccount of the Redemption Account, but no such purchase will be made by the Trustee from money in the applicable subaccount of the Redemption Account within the period of forty-five (45) days immediately preceding any date on which such Bonds or portions thereof are to be redeemed except from moneys other than the moneys set aside in the applicable subaccount of the Redemption Account for the redemption of Bonds.

(b) Subject to the provisions described in paragraph (c) below, the Trustee will call for redemption on a date permitted by the applicable Supplemental Trust Agreement such amount of Bonds or portions thereof as, with the redemption premium, if any, will exhaust the moneys then held in the applicable subaccount of the Redemption Account as nearly as may be; provided, however, that not less than Fifty Thousand Dollars ($50,000) principal amount of Bonds will be called for redemption at any one time unless the Trustee is so instructed by the City. The Trustee will pay the accrued interest on the Bonds or portions thereof to be redeemed to the date of redemption from the applicable subaccount of the Interest Account and the Redemption Price of such Bonds or portions thereof from the applicable subaccount of the Redemption Account. On or before the redemption date, the Trustee will withdraw from the applicable subaccount of the Redemption Account and the applicable subaccount of the Interest Account and the respective amounts required to pay the Redemption Price and accrued interest to the redemption date of the Bonds or portions thereof so called for redemption.

(c) Money in the Redemption Account may be applied by the Trustee in each Fiscal Year to the purchase or the redemption of Bonds of any one or more Series then Outstanding in accordance with the latest Officer's Certificate filed with the Trustee (i) designating one or more Series of Bonds to be purchased or redeemed, (ii) if more than one Series of Bonds is so designated, setting forth the aggregate principal amount of Bonds of each Series to be purchased or redeemed, and (iii) unless the Supplemental Trust Agreement relating to the Bonds to be redeemed specifies the order of redemption, designating the Bonds to be redeemed within each Series, and if such Bonds are Term Bonds, the years in which future Sinking Fund Requirements are to be reduced as a result of such redemption and the amount of such reduction in each such year. In the event no such certificate is filed and unless the Supplemental Trust Agreement relating to the Bonds to be redeemed specifies otherwise, (A) the Trustee will apply such money to the purchase of one or more Series of Bonds as it will determine or to the redemption of Bonds bearing the highest rate of interest, (B) if Bonds of more than one maturity bear the same interest rate, the Trustee will redeem such Bonds in the inverse order of maturities, and (C) if the Bonds bearing the highest rate of interest are Term Bonds, the Trustee will reduce Sinking Fund Requirements for such Term Bonds in inverse order of the scheduled redemption of such Term Bonds. All Bonds will be redeemed as provided in the applicable Supplemental Trust Agreement.

Money held for the credit of the subaccounts in the Redemption Account will be applied to the purchase or redemption of Bonds in the manner provided in the applicable Supplemental Trust Agreement.

Net Proceeds Fund

(a) There is established with the Trustee a special fund designated as the "City of Greensboro, North Carolina Limited Obligation Bonds Net Proceeds Fund" to be maintained and held in trust for the benefit of the Owners as provided in the Master Trust Agreement. The Trustee will deposit Net Proceeds relating to casualty and theft and title insurance in the Net Proceeds Fund promptly upon receipt thereof. The City will transfer to the Trustee for deposit in the Net Proceeds Fund any other Net Proceeds received by the City in the event of any damage, destruction, theft or taking by eminent domain or condemnation with respect to the Mortgaged Property.

(b) The Trustee will disburse Net Proceeds for replacement or repair of the Mortgaged Property as provided in paragraphs (c)(1) and (c)(3) below, or transfer such proceeds to the Redemption Account upon notification of an Authorized Officer as described in paragraphs (c)(2) or (c)(4) below. Any balance of Net Proceeds remaining after receipt by the Trustee of a certificate of an Authorized Officer stating that any such replacement or repair has been completed will be placed into the subaccount or subaccounts of the Bond Fund as so directed by an Authorized Officer and applied to the next payment of principal of and interest on the applicable series of Bonds. Any funds remaining in the Net Proceeds Fund after the redemption of all Bonds Outstanding, including accrued interest and payment of any applicable fees to the Trustee pursuant to the Master Trust Agreement or provision made therefor satisfactory to the Trustee, will be withdrawn by the Trustee and remitted to the City.

(c) (1) Upon receipt of a certification from an Authorized Officer that the Net Proceeds available for such purpose, together with any other funds to be provided by the City in its discretion for such purpose, are sufficient to repair or replace the Mortgaged Property to a condition substantially similar to its condition prior to the loss, casualty or other event giving rise to receipt of such Net Proceeds, the

Trustee will disburse moneys in the Net Proceeds Fund to the person, firm or corporation named in the requisition as authorized by the Master Trust Agreement and described in paragraph (b) above. The Authorized Officer must state in the requisition with respect to each payment to be made (A) the requisition number, (B) the name and address of the person, firm or corporation to whom payment is due, (C) the amount to be paid and (D) that each obligation mentioned therein has been properly incurred, is a proper charge against the Net Proceeds Fund, has not been the basis of any previous withdrawal, and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation.

Any balance of Net Proceeds remaining after such replacement or repair has been completed will be transferred to the Bond Fund and applied to make payments of principal and interest on the Bonds as the same become due. After payment or provision for payment of all Bonds Outstanding as provided in this section, any balance of Net Proceeds will be paid to the City.

(2) If an Authorized Officer notifies the Trustee in writing that (A) the certification required by the Master Trust Agreement and described in paragraph (c)(1) above cannot be made or (B) replacement or repair of the Mortgaged Property is not economically feasible or in the best interest of the City, then the Trustee, upon the direction of the City, will promptly transfer the Net Proceeds to the Redemption Account as provided in the Master Trust Agreement and apply such Net Proceeds, together with any other available moneys provided by City in its discretion to the Trustee for deposit to the Redemption Account (subject to the limitation set forth below), to the redemption in whole of all of the Outstanding Bonds as provided in the Master Trust Agreement and the applicable Supplemental Trust Agreements; provided, however, that if any of the Bonds are not subject to redemption at that time, then the amount deposited in the Redemption Account may be invested in Defeasance Obligations which, together with investment earnings thereon, and any moneys not so invested, will be sufficient to pay all interest on the Bonds until their respective maturities or redemption dates and to pay the principal of and premium, if any, on such Bonds on the respective maturities or redemption dates.

(3) If there are sufficient Net Proceeds to comply with the provisions of the Master Trust Agreement and described in paragraphs (c)(1) or (c)(2) above, the City must comply with either of such provisions. However, if the certification required by the Master Trust Agreement and described in paragraph (c)(1) above cannot be made and if the Net Proceeds and other funds made available by the City are insufficient to redeem or defease all of the Bonds in whole as described in paragraph (c)(2) above, the Trustee will apply the Net Proceeds and any other funds made available by the City in the City's discretion to the replacement and repair of the Mortgaged Property with such changes as may be necessary to cause the replacement and repair to be made from the funds available therefor; provided, however, that no change may be made that would result in a use of the Mortgaged Property different from that which existed prior to the event giving rise to the receipt of Net Proceeds. If Net Proceeds are applied for such purpose, moneys will be disbursed from the Net Proceeds Fund in the manner described in paragraph (c)(1) above.

(4) If the City is unable to comply with the provisions described in paragraphs (c)(1), (c)(2) or (c)(3) above, the City will direct the Trustee to transfer the Net Proceeds to the Redemption Account to be used to redeem in part the Bonds Outstanding pursuant to the redemption provisions of any Supplemental Trust Agreements in such manner specified in an Officer's Certificate filed with the Trustee; provided, however, that if any of such Bonds are not subject to redemption at that time, then the amount deposited in the Redemption Account may be invested in Defeasance Obligations which, together with investment earnings thereon and any moneys not so invested, will be sufficient to pay all interest on such Bonds until their respective maturities or redemption dates and to pay the principal of and premium, if any, on such Bonds on the respective maturities or redemption dates.

(d) The Trustee will cooperate fully with the City, at the expense of the City, in filing any proof of loss with respect to any insurance policy maintained pursuant to the Master Trust Agreement and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Mortgaged Property or any item or portion thereof.

Payment of Bonds; Limited Obligation; Budgeting

The City will cause to be paid, when due, the principal of (whether at maturity, by acceleration, by call for redemption or otherwise) and the premium, if any, and interest on the Bonds at the places, on the dates and in the manner provided herein and in the Bonds and the documentation securing such Bonds, according to the true intent and meaning thereof. The City will also pay to such persons or entities as are entitled thereto such amounts ("Additional Payments") as shall be required for the payment of all administrative and other costs relating to the 2024 Project, any Additional Project or the Bonds, including, without limitation, (i) all costs, expenses, compensation and indemnity of the Trustee, the Local Government Commission, the provider of any bond insurance policy, credit facility or liquidity facility relating to any Bonds and any fiscal agents required to administer the terms of any Bonds (such as remarketing agents, auction agents, tender agents or paying agents); (ii) fees of auditors, accountants, attorneys or engineers; (iii) all other necessary administrative costs of the City or to indemnify any Indemnified Party; and (iv) any other payments specified as Additional Payments under a Supplemental Trust Agreement.

The City Manager (or any other officer at any time charged with the responsibility for formulating budget proposals) is required to include in the budget proposals for review and consideration by the City Council in each Fiscal Year in which the Master Trust Agreement shall be in effect, items for all payments of principal of, premium, if any, and interest due on the Bonds (reasonably estimated in the case of any Bonds issued bearing interest at a variable interest rate) and reasonably estimated Additional Payments required for such Fiscal Year under the Master Trust Agreement. Any budget item referred to in this paragraph shall be deleted from the applicable budget by the City Council only by the adoption of a resolution to such effect containing a statement of its reasons therefor, which resolution shall be adopted by roll-call vote. The City is required to furnish to the Trustee within thirty (30) days of the adoption by the City of its annual budget a certificate of an Authorized Officer certifying that such annual budget includes items for all payments of principal of, premium, if any, and interest on the Bonds and the reasonably estimated Additional Payments for the Fiscal Year to which the annual budget relates. In addition the City is required to promptly provide to the Trustee notice of any amendments to its annual budget affecting appropriations for payments of principal of, premium, if any, and interest on the Bonds or Additional Payments. The City is required to promptly provide notice of any Event of Nonappropriation to the Trustee, the Local Government Commission and each Rating Agency.

The Master Trust Agreement or the Deed of Trust do not directly or indirectly or contingently obligate the City to make any payments beyond those appropriated in the sole discretion of the City for any Fiscal Year in which the Master Trust Agreement or the Deed of Trust is in effect; provided, however, that any failure or refusal by the City to appropriate funds, which results in the failure by the City to make any payment coming due under the Master Trust Agreement will in no way obviate the occurrence of the Event of Default resulting from such nonpayment.

Subject to the provisions of the Master Trust Agreement relating to the City's right of non-appropriation, the obligation of the City to pay the principal of (whether at maturity, by acceleration, by call for redemption or otherwise) and the premium, if any, and interest on the Bonds and the Additional Payments under the Trust Agreement and to perform and observe the other covenants set forth in the Trust Agreement shall be absolute and unconditional, and the City shall pay without abatement, diminution or deduction all such amounts regardless of any cause or circumstance whatsoever, including, without limitation (a) any damage, destruction or taking by eminent domain of the 2024 Project, any Additional Project or the Mortgaged Property or (b) any defense, set-off, recoupment or counterclaim that the City may have against the Trustee or any Owner of the Bonds.

Insurance

The City is required to maintain or caused to be maintained throughout the term of the Master Trust Agreement a comprehensive general liability policy or policies in protection of the City, its officers, agents and employees. Said policy shall cover such losses and for such amounts and shall have such deductible amounts as shall be satisfactory to the City Council and, in the judgment of the City Council, shall protect the City against losses not protected under the principles of sovereign immunity. The net proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds shall have been paid.

The City is required to maintain workers' compensation insurance to insure its employees against liability for compensation under the laws now in force in the State, or any act hereafter enacted as an amendment or supplement thereto or in lieu thereof. The proceeds of such workers' compensation insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds shall have been paid.

The City is required to procure and maintain, or cause to be procured and maintained, throughout the term of the Master Trust Agreement insurance against loss or damage to any portion of the Mortgaged Property by fire and lightning, with extended coverage, and vandalism and malicious mischief insurance. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance policies shall name the Trustee as a lenders loss payable and/or mortgagee. To the extent that any contractor shall provide an insurance policy or certificate of insurance (naming the Trustee as a lenders loss payable and/or mortgagee) demonstrating that the same coverage as is required by this paragraph is being carried by such contractor with respect to the Mortgaged Property or any part thereof and adequately protects the interest of the City and the Trustee, the insurance provided for by this paragraph shall not be required with respect to the Mortgaged Property or such part thereof while the Mortgaged Property or such part thereof is so covered by such other insurance. Such insurance shall be in an amount equal to 100% of the replacement cost of the Mortgaged Property (except that such insurance may be subject to a reasonable and customary deductible clause for any one loss). The Net Proceeds of such insurance shall be deposited in the Net Proceeds Fund and applied as provided in the Master Trust Agreement.

The City is required to obtain at the time of execution of the Master Trust Agreement, and cause to be maintained, a mortgagee's title insurance policy on the Mortgaged Property, insuring the City's fee simple interest in said property, subject only to Permitted Encumbrances, in an amount at least equal to $30,000,000, naming the Trustee as the named insured. The Net Proceeds of such insurance shall be deposited in the Net Proceeds Fund and applied as provided in the Master Trust Agreement.

In lieu of obtaining the policies of insurance required by the Master Trust Agreement (other than title insurance), the City may adopt alternative risk management programs which it determines to be reasonable, including, without limitation, to self-insure in whole or in part, individually or in connection with other units of local government or other institutions, to participate in programs of captive insurance companies, to participate with other units of local government or other institutions in mutual or other cooperative insurance or other risk management programs, to participate in State or federal insurance programs, to take advantage of State or federal laws now or hereafter in existence limiting liability, or to establish or participate in other alternative risk management programs, all as may be reasonable and appropriate risk management by the City and that provide comparable coverages required by the Master Trust Agreement. In addition, any such insurance coverage (other than title insurance) may be pursuant to a program whereby the City self-insures against certain losses up to a stated loss amount, and retains excess coverage from an insurer meeting the requirements of the Master Trust Agreement.

The City shall cooperate fully with the Trustee in filing any proof of loss with respect to any insurance policy maintained pursuant to the Master Trust Agreement and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Mortgaged Property or any portion thereof.

Maintenance, Utilities, Taxes and Assessments

The City is required to provide for the repair and replacement of any portion of the Mortgaged Property necessary on account of ordinary wear and tear or want of care. The City is also required to pay or cause to be paid all utilities, taxes, assessments or other charges of any type or nature levied, assessed or charged against any portion of the Mortgaged Property; provided, however, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the City will be obligated to pay only such installments as are required to be paid as and when the same become due.

The City may, at its expense and in its name, in good faith contest any such utilities, taxes, assessments or other charges and, in the event of any such contest, may permit such utilities, taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom; provided, however, that prior to such nonpayment it shall furnish to the Trustee a written opinion of counsel to the effect that, by nonpayment of any such items, the interest of the Trustee as beneficiary under the Deed of Trust will not be materially endangered and that the Mortgaged Property will not be subject to loss or forfeiture. Otherwise, the City is required to promptly pay such utilities, taxes, assessments or charges or make provisions for the payment thereof.

Encumbrances

Except as provided in the Master Trust Agreement or in the Deed of Trust, the City will not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim, as applicable, on or with respect to the Mortgaged Property, other than Permitted Encumbrances, and will promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim for which it is responsible if the same shall arise at any time; provided, however, that the City may contest any such mortgage, pledge, lien, charge, encumbrance or claim if it desires to do so and will provide the Trustee with full security against any loss or forfeiture which might arise from the nonpayment of any such item in form satisfactory to the Trustee.

Security for Deposits

Any and all money deposited with the Trustee will be trust funds under the terms of the Master Trust Agreement, and, to the extent permitted by law in the case of the Project Fund, will not be subject to any lien or attachment by any creditor of the City.

All money deposited with the Trustee under the Master Trust Agreement in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency will be continuously secured, for the benefit of the City and the Owners of Bonds, either (a) by lodging with a bank or trust company chosen by the Trustee or, if then permitted by law, by setting aside under control of the trust department of the bank or trust company holding such deposit, as collateral security, Government Obligations or other marketable securities eligible as security for the deposit of trust funds under regulations of the Comptroller of the Currency of the United States or applicable State law or regulations, having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (b) if the furnishing of security as provided in clause (a) above is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it will not be necessary for the Trustee to give security for the deposit of any money with it for the payment of the principal of or the redemption premium or the interest on any Bonds, or for the Trustee to give security for any money that will be represented by Investment Obligations purchased under the provisions of the Master Trust Agreement as an investment of such money.

All money deposited with the Trustee will be credited to the particular fund, account or subaccount to which such money belongs.

Investment of Money

Money held for the credit of all funds, accounts and subaccounts will be continuously invested and reinvested by the Trustee in Investment Obligations or held as cash to the extent investment or reinvestment in Investment Obligations is not practicable or to the extent the Trustee has not received written direction from the City with respect to the making of such investments. Except as provided in the Master Trust Agreement with respect to the disposition of investment income, the particular investments to be made and other related matters in respect of investments may, as to each Series of Bonds, be provided in the applicable Supplemental Trust Agreement.

Investment Obligations will mature or be redeemable at the option of the holder thereof not later than the respective dates when the money held for the credit of such funds, accounts and subaccounts will be required for the purposes intended.

Notwithstanding the forgoing, no Investment Obligations pertaining to any Series in any fund, account or subaccount will mature on a date beyond the latest maturity date of the respective Series of Bonds Outstanding at the time such Investment Obligations are deposited. For purposes of this paragraph, the maturity date of any repurchase agreement will be deemed to be the stated maturity date of such agreement and not the maturity dates of the underlying obligations.

An Authorized Officer will give to the Trustee written directions respecting the investment of any money required to be invested under the Master Trust Agreement, subject, however, to the provisions of the Master Trust Agreement, and the Trustee will then invest such money as so directed. The Trustee may request additional direction or authorization from the Authorized Officer or his designee in writing with respect to the proposed investment of money under the provisions of the Master Trust Agreement. Upon receipt of such directions, the Trustee will invest, subject to the provisions of the Master Trust Agreement, such money in accordance with such directions. The Trustee will have no liability for investments made in accordance with the Master Trust Agreement. The Trustee may rely in good faith on any written investment instructions received by an Authorized Officer of the City stating that such directed investment constitutes an Investment Obligation within the meaning of the Master Trust Agreement and otherwise complies with the provisions of the Master Trust Agreement.

Notwithstanding anything contained in the Master Trust Agreement to the contrary, the Trustee will have no obligation to enter into any repurchase agreement, investment agreement or similar agreement with respect to the investment of any monies held under the Master Trust Agreement unless (i) such agreement is in form and content acceptable to the Trustee in its sole discretion, (ii) any liability of the Trustee under such agreement is limited to loss occasioned by the negligence or willful misconduct of the Trustee, and (iii) the City will pay to the Trustee an additional fee established by the Trustee for entering into such type of agreement in accordance with its customary practices.

Investment Obligations acquired with money in or credited to any fund, account or subaccount established under the Master Trust Agreement will be deemed at all times to be part of such fund, account or subaccount. Any loss realized upon the disposition or maturity of such Investment Obligations will be charged against such funds, accounts or subaccounts. The interest accruing on any such Investment Obligations and any profit realized upon the disposition or maturity of such Investment Obligations will be credited to such funds, accounts or subaccounts.

Any such interest accruing and any such profit realized will be transferred upon the receipt thereof by the Trustee pursuant to the provisions of the Master Trust Agreement.

The Trustee will sell or reduce to cash a sufficient amount of such Investment Obligations whenever it is necessary to do so to provide money to make any payment from any such fund, account or subaccount. The Trustee will not be liable or responsible for any loss resulting from any investment made pursuant to the provisions of the Master Trust Agreement.

Whenever a transfer of money between two or more of the funds, accounts or subaccounts established under the Master Trust Agreement is permitted or required, such transfer may be made as a whole or in part by transfer of one or more Investment Obligations at a value determined at the time of such transfer in accordance with the Master Trust Agreement, provided that the Investment Obligations transferred are those in which money of the receiving fund, account or subaccount could be invested at the date of such transfer.

For purposes of making any investment under the Master Trust Agreement, the Trustee may consolidate money held by it in any fund, account or subaccount with money in any other fund, account or subaccount. Transfers from any fund, account or subaccount to the credit of any other fund, account or subaccount provided for in the Master Trust Agreement may be effectuated on the books and records of the Trustee and the City without any actual transfer of funds or liquidation of investments. Investment Obligations purchased with consolidated funds will be allocated to each fund, account or subaccount on a pro rata basis in accordance with the initial amount so invested from each such fund, account or subaccount.

Unless otherwise directed by the City, Investment Obligations may be purchased by the Trustee through its own investment division or other bank facilities established for such purpose.

Valuation

For the purpose of determining the amount on deposit in any fund, account or subaccount, Investment Obligations in which money in such fund, account or subaccount is invested will be valued by the Trustee (a) at face value if such Investment Obligations mature within twelve (12) months from the date of valuation thereof and (b) if such Investment Obligations mature more than twelve (12) months after the date of valuation thereof, at the price at which such Investment Obligations are redeemable by the holder at its option, if so redeemable, or, if not so redeemable, at the lesser of (i) the cost of such Investment Obligations minus the amortization of any premium or plus the amortization of any discount thereon and (ii) the market value of such Investment Obligations.

All Investment Obligations in all of the funds, accounts and subaccounts created under the Master Trust Agreement will be valued as of the last day of each Fiscal Year. When a valuation is made by the

Trustee, the Trustee will report the result of such valuation to the City within thirty (30) days after such valuation. In addition, Investment Obligations will be valued at any time requested by the City on reasonable notice to the Trustee (which period of notice may be waived or reduced by the Trustee); provided, however, that the Trustee will not be required to value Investment Obligations more than once in any calendar month.

Assignment and Lease by the City

The Trust Agreement may not be assigned by the City.

The City may lease all or any portion of the 2024 Project, any Additional Project or the Mortgaged Property, subject to all of the following conditions:

(a) the obligation of the City to pay the principal of, premium, if any, and interest on the Bonds and the Additional Payments under the Master Trust Agreement will remain obligations of the City;

(b) the City will, at least ten (10) days prior to the execution and delivery of any such lease, furnish or cause to be furnished to the Trustee a true and complete copy of such lease;

(c) no lease by the City will cause the 2024 Project, any Additional Project or the Mortgaged Property to be used for a purpose other than a governmental or proprietary function authorized under the provisions of the Constitution and laws of the State;

(d) no lease will cause the interest on the Bonds intended to be exempt for federal income tax purposes to become includable in gross income for federal income taxation purposes; and

(e) in the case of any lease of all or any portion of the Mortgaged Property, the Trustee will have received evidence satisfactory to the Trustee that such lease is subordinate in all respects to the lien of the Deed of Trust.

Release of Mortgaged Property

At any time and from time to time, so long as no Event of Default has occurred and is continuing under the Master Trust Agreement or under the Deed of Trust, the Deed of Trust Trustee and the Trustee will be required to release a portion of the Mortgaged Property from the lien and security interest created by the Deed of Trust when and if the following requirements have been met:

(a) there is filed with the Trustee a certified copy of a resolution of the City Council stating that the City desires the release of such portion of the Mortgaged Property, giving an adequate legal description of the portion of the Mortgaged Property to be released, requesting such release and providing for the payment by the City of all expenses in connection with such release;

(b) there is filed with the Trustee evidence that either (i) the value of the Mortgaged Property remaining after the proposed release (as such value is evidenced by or derived from (A) an appraisal of the remaining Mortgaged Property prepared by a certified MAI-approved appraiser selected by the City, (B) the insured value of the remaining Mortgaged Property or (C) the assessed tax valuation of the remaining Mortgaged Property) is not less than 50% of the aggregate principal amount of Bonds then Outstanding or (ii) the City (A) provides for the substitution of other property (the “Substitute Property”) that will be made subject to the lien of the Deed of Trust that has a value such that the combined value of the remaining Mortgaged Property and the Substitute Property (as such value is evidenced by or derived from (1) an appraisal of the remaining Mortgaged Property and the Substitute Property prepared by a certified MAI-approved appraiser selected by the City, (2) the insured value of the remaining Mortgaged Property and the Substitute Property or (3) the assessed tax valuation of the remaining Mortgaged Property and the Substitute Property) is not less than the value of the Mortgaged Property immediately before the proposed substitution or is not less than 50% of the aggregate principal amount of Bonds then Outstanding, (B) delivers to the Deed of Trust Trustee and the Trustee an opinion of bond counsel to the City to the effect that the substitution of such property is permitted by law and is permitted under the terms of the Master Trust Agreement and the Deed of Trust and for any Bonds with respect to which interest is intended to be excludable from the gross income of the owners thereof for federal or state income tax purposes, that such release and substitution will not adversely affect the exclusion of interest on such Bonds from the gross income of the owners thereof for federal or state income tax purposes and (C) records a release, amendment or modification to the Deed of Trust or such other instruments necessary to reflect such release and substitution of the Mortgaged Property at the place and in the manner required by the laws of the State; and

(c) there is filed with the Trustee a certificate of an Authorized Officer stating that such release will not prohibit the City's ingress, egress and regress to and from the remainder of the Mortgaged Property not being released, or materially interfere with the use of the remainder of the Mortgaged Property not being released.

The City will provide notice to each Rating Agency of the release of any of the Mortgaged Property pursuant to the Master Trust Agreement.

Extension of Interest Payment

If the time for the payment of the interest on any Bond is extended, whether or not such extension is by or with the consent of the City, such interest so extended will not be entitled in case of an Event of Default under the Master Trust Agreement to the benefit or security of the Master Trust Agreement and in such case the Owner of the Bond for which the time for payment of interest was extended will be entitled only to the payment in full of the principal of all Bonds then Outstanding and of interest for which the time for payment will not have been extended.

Events of Default

Each of the following events is an Event of Default under the Master Trust Agreement:

(a) payment of the principal of and the redemption premium, if any, on any of the Bonds is not made when the same are due and payable, either at maturity or by redemption or otherwise;

(b) payment of the interest on any of the Bonds is not made when the same is due and payable;

(c) the occurrence of an Event of Nonappropriation;

(d) failure by the City to observe and perform any warranty, covenant, condition or agreement on its part to be observed or performed in the Master Trust Agreement or in any Supplemental Trust Agreement, other than as referred to in subsections (a), (b) or (c) above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Trustee; provided, however, that if the failure stated in the notice cannot be corrected within the applicable period and if corrective action is instituted by the City within the applicable period and diligently pursued, the City will have an additional period to correct the failure of the amount of time necessary to correct such failure if diligently pursued;

(e) the occurrence of an event of default as provided in the Deed of Trust; or

(f) the occurrence of any other event specified in a Supplemental Trust Agreement as being an "Event of Default" under the Master Trust Agreement.

Acceleration

Upon the happening and continuance of any Event of Default, then and in every case the Trustee may, and upon the written request of the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding will, by a notice in writing to the City, declare the principal of all the Bonds then Outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same will become and be immediately due and payable, anything contained in the Bonds or the Master Trust Agreement to the contrary notwithstanding; provided, however, that if at any time after the principal of the Bonds will have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Master Trust Agreement or the Deed of Trust, moneys will have accumulated in the Bond Fund sufficient to pay the principal of all matured Bonds and all arrears of interest, if any, upon all the Bonds then Outstanding (except the principal of any Bonds not then due and payable by their terms and the interest accrued on such Bonds since the last interest payment date) and sufficient to satisfy the Sinking Fund Requirement, if any, for any Term Bonds then Outstanding, for the then current Fiscal Year, and the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and all other amounts then payable by the City under the Master Trust Agreement or under the Deed of Trust will have been paid or a sum sufficient to pay the same will have been deposited with the Trustee, and every other default of which the Trustee has knowledge as provided in the Master Trust Agreement in the observance or performance of any covenant, condition, agreement or provision contained in the Bonds, the Master Trust Agreement (other than a default in the payment of the principal of such Bonds then due and payable only because of a declaration) or the Deed of Trust will have been remedied to the satisfaction of the Trustee, then and in every such case the Trustee may, and upon the written request of the Owners of not less than 25% in aggregate principal amount of the Bonds not then due and payable by their terms and then Outstanding will, by written notice to the City, rescind and annul such declaration and its consequences, but no such rescission or annulment will extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Additional Remedies on Default

Upon the happening and continuance of any Event of Default, then and in every such case the Trustee may, and upon the written request of the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding will, proceed (subject to the provisions of prior indemnification) to protect and enforce its rights and the rights of the Owners of the Bonds under applicable laws and under the Master Trust Agreement or the Deed of Trust by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained in the Master Trust Agreement or in aid or execution of any power granted in the Master Trust Agreement or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, chosen by the Trustee, will deem most effectual to protect and enforce such rights.

Application of Funds

All moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Master Trust Agreement will, after payment of the costs and expenses of the Trustee and the Deed of Trust Trustee, and after satisfaction of all costs and expenses of the Trustee and the Deed of Trust Trustee, of the Owners in declaring such Event of Default, including, to the extent permitted by law, reasonable compensation to its or their agents, attorneys and counsel and the creation of a reasonable reserve for anticipated fees, costs and expenses, be deposited to the credit of the Bond Fund. Anything in the Master Trust Agreement to the contrary notwithstanding, if at any time the money in the Bond Fund is not sufficient to pay the interest on or the principal of the Bonds as the same become due and payable (either by their terms or by acceleration of maturities), such money, together with any money then available or thereafter becoming available for such purposes (except for such money that has already been deposited in subaccounts of the Interest Account, the Principal Account or the Sinking Fund Account for a particular Series of Bonds), whether through the exercise of the remedies provided for in the Master Trust Agreement or otherwise, will be applied as follows:

(a) if the principal of all Series of Bonds will not have become or will not have been declared due and payable, all such money will be applied as follows:

first: to the payment to the persons or entities entitled thereto of all installments of interest on Bonds then due and payable in the order in which such installments became due and payable and, if the amount available will not be sufficient to pay in full any particular installment, then to the payment, ratably according to the amounts due on such installments, to the persons or entities entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in such Bonds;

second: to the payment to the persons or entities entitled thereto of the unpaid principal of any Bonds that will have become due and payable (other than Bonds deemed to have been paid pursuant to the provisions of the Master Trust Agreement), in the order of their due dates, with interest on the overdue principal at a rate equal to the rate on such Bonds, and, if the amount available will not be sufficient to pay in full all of the amounts due on the Bonds on any date, together with such interest, then to the payment ratably according to the amount of such principal due on such date, to the persons or entities entitled thereto, without any discrimination or preference;

third: to the payment of the interest on and the principal of Bonds, to the purchase and retirement of Bonds, and to the redemption of Bonds, all in accordance with the provisions of the Master Trust Agreement; and

fourth: to the payment of persons or entities entitled thereto of all Additional Payments then due, and if the amount available will not be sufficient to pay in full all such Additional Payments, then to the payment thereof ratably according to the amounts due thereon, to the persons or entities entitled thereto, without any discrimination or preference.

(b) If the principal of all of the Series of Bonds will have become or will have been declared due and payable, all such money will be applied:

first: to the payment of principal and interest then due upon such Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons or entities entitled thereto without any discrimination or privilege; and

second: to the payment of persons or entities entitled thereto of all Additional Payments, then due, and if the amount available will not be sufficient to pay in full all such Additional Payments, then to the payment thereof ratably according to the amounts due thereon, to the persons or entities entitled thereto, without any discrimination or preference.

(c) If the principal of all of the Series of Bonds will have been declared due and payable and if such declaration will thereafter have been rescinded and annulled under the provisions of the Master Trust Agreement, then, subject to the provisions described in paragraph (b) above in the event that the principal of all of the Series of Bonds will later become due and payable or be declared due and payable, the money then remaining in and thereafter accruing to the Bond Fund will be applied in accordance with the provisions described in paragraph (a) above.

Control of Proceedings; Restrictions Upon Action; Notice of Default

Anything in the Master Trust Agreement to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of Bonds at any time Outstanding will have the right, subject to the prior indemnification of the Trustee, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Master Trust Agreement, provided that such direction will be in accordance with law and the provisions of the Master Trust Agreement.

Except as provided in the Master Trust Agreement, no Owner of Bonds will have any right to institute any suit, action or proceeding in equity or at law on any Bonds or for the execution of any trust under the Master Trust Agreement or for any other remedy thereunder unless such Owner of Bonds previously (a) has given to the Trustee written notice of the Event of Default on account of which suit, action or proceeding is to be instituted, (b) has requested the Trustee to take action after the right to exercise such powers or right of action, as the case may be, will have accrued, (c) has afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Master Trust Agreement or to institute such action, suit or proceedings in its or their name, and (d) has offered to the Trustee reasonable security and satisfactory indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee will have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Master Trust Agreement or to any other remedy under the Master Trust Agreement. Notwithstanding the foregoing and without complying therewith, the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding may institute any such suit, action or proceeding in their own names for the benefit of all Owners of Bonds. It is understood and intended that, except as otherwise above provided, no one or more Owners of Bonds will have any right in any manner whatsoever by his or their action to affect, disturb or prejudice the security of the Master Trust Agreement or to enforce any right under the Master Trust Agreement except in the manner provided, that all proceedings at law or in equity will be instituted, had and maintained in the manner provided in the Master Trust Agreement and for the benefit of all Owners of Bonds and that any individual rights of action or other right given to one or more of such Owners by law are restricted by the Master Trust Agreement to the rights and remedies provided therein.

The Trustee will mail to the City, the Local Government Commission and to all Owners at their addresses as they appear on the registration books written notice of the occurrence of any Event of Default within thirty (30) days after the Trustee has knowledge or notice that any such Event of Default will have occurred. The Trustee will not be subject to any liability to any Owner by reason of its failure to mail any such notice.

Except upon the happening of any Event of Default described in paragraphs (a) and (b) of "SUMMARY OF THE MASTER TRUST AGREEMENT – Events of Default" above, the Trustee will not be obliged to take notice or be deemed to have notice or knowledge of any Event of Default unless specifically notified in writing of such Event of Default by the City or the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding.

Concerning the Trustee

Prior to the occurrence of any Event of Default and after the curing of all such Events of Default that may have occurred, the Trustee will perform such duties and only such duties of the Trustee as are specifically set forth in the Master Trust Agreement. Upon the occurrence and during the continuation of any Event of Default, the Trustee will use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

No provision of the Master Trust Agreement will be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(a) prior to any such Event of Default, and after the curing of any Event of Default that may have occurred:

(i) the duties and obligations of the Trustee will be determined solely by the express provisions of the Master Trust Agreement, and the Trustee will not be liable except for the performance of such duties and obligations of the Trustee as are specifically set forth in the Master Trust Agreement, and no implied covenants or obligations will be read into the Master Trust Agreement against the Trustee and no permissive right of the Trustee under the Master Trust Agreement will impose any duty on the Trustee to take such action, and

(ii) in the absence of willful misconduct on its part, the Trustee may conclusively rely, as to the accuracy of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to it conforming to the requirements of the Master Trust Agreement, but in the case of any such certificate or opinion which by any provision hereof is specifically required to be furnished to the Trustee, the Trustee will be under a duty to examine the same to determine whether or not on its face it conforms to the requirements of the Master Trust Agreement; and

(b) at all times, regardless of whether or not any such Event of Default will exist:

(i) the Trustee will not be liable for any error of judgment made in good faith by a responsible officer or officers of the Trustee unless it will be proved that the Trustee was negligent in ascertaining the pertinent facts, and

(ii) the Trustee will not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of not less than 25% or a majority, as the Master Trust Agreement will require, in aggregate principal amount of the Bonds then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any power conferred upon the Trustee under the Master Trust Agreement.

None of the provisions contained in the Master Trust Agreement will require the Trustee to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

The Trustee will be under no obligation to institute any suit or to take any remedial proceeding (including, but not limited to, the appointment of a receiver or the acceleration of the maturity date of any or all Bonds under the Master Trust Agreement) or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of any of the trusts created by the Master Trust Agreement or in the enforcement of any rights and powers thereunder, until it will be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability. The Trustee nevertheless may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity, and in such case the City, at the request of the Trustee, will reimburse the trustee for all costs, expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the City will fail to make such reimbursement, the Trustee may reimburse itself from any money in its possession under the provisions of the Master Trust Agreement and will be entitled to a preference therefor over any Bonds Outstanding.

The Trustee will be under no obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the City, or to report, or make or file claims or proof of loss for, any loss or damage insured against or that may occur, or to keep itself informed or advised as to the payment of any taxes or assessments, or to require any such payment to be made. Except as to the acceptance of the trusts under the Master Trust Agreement, the Trustee will have no responsibility in respect of the validity or sufficiency of the Master Trust Agreement, or in respect of the validity of Bonds or the due execution or issuance thereof. The Trustee will be under no obligation to see that any duties imposed by the Master Trust Agreement upon the City or any party other than itself, or any covenants contained in the Master Trust Agreement on the part of any party other than itself to be performed, will be done or performed, and the Trustee will be under no obligation for failure to see that any such duties or covenants are so done or performed.

The Trustee will have no duty or responsibility to examine or review, and will have no liability for, the contents of any documents submitted or delivered to any Owner in the nature of a preliminary or final placement memorandum, official statement, offering circular or similar disclosure document; the Trustee will not be liable for any debts contracted or for damages to persons or to property injured or damaged, or for salaries or nonfulfillment of contracts, relating to the acquisition, construction or equipping of the 2024 Project or any Additional Project; and the Trustee will have no duty to inspect or oversee the acquisition, construction or equipping of the 2024 Project or any Additional Project or, except as provided in the Master Trust Agreement, to verify the truthfulness or accuracy of the certifications made by the City with respect to the Trustee's disbursements for Project Costs or Issuance Costs in accordance with the Master Trust Agreement.

Notwithstanding any provision of the Master Trust Agreement to the contrary, the Trustee will not be liable or responsible for any calculation or determination which may be required in connection with or for the purpose of complying with Section 148 of the Code or any applicable Treasury regulations, including, without limitation, the calculation of amounts required to be paid to the United States under the provisions of Section 148 of the Code and the applicable Treasury regulations, the maximum amount which may be invested in "non-purpose obligations" as defined in the Code and the fair market value of any investments made hereunder, and the sole obligation of the Trustee with respect to investment of funds hereunder will be to invest the monies received by the Trustee in accordance with the Master Trust Agreement pursuant to instructions from an authorized representative of the City and to maintain appropriate records relating to the investments so made.

The Trustee will not be responsible or liable for the environmental condition or any contamination of the Mortgaged Property or any other property which secures the City's obligations under the Trust Agreement or the Bonds or for any diminution in value of any such property as a result of any contamination of the property by any hazardous substance, hazardous material, pollutant or contaminant. The Trustee will not be liable for any claims by or on behalf of the Owners or any other person or entity arising from contamination of the Mortgaged Property or any other property which secures the City's obligations under the Trust Agreement or the Bonds by any hazardous substance, hazardous material, pollutant or contaminant, and will have no duty or obligation to assess the environmental condition of any such property or with respect to compliance of any such property under state or federal laws pertaining to the transport, storage, treatment or disposal of, hazardous substances, hazardous materials, pollutants, or contaminants or regulations, permits or licenses issued under such laws.

The Trustee will not be liable if and to the extent its performance under the Trust Agreement if and to the extent such performance is prevented by reason of "force majeure." For purposes of this provision, "force majeure" means an occurrence beyond the control of the Trustee and could not have been avoided by exercising due care, including, without limitation, acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar circumstances.

The Trustee will not be responsible for the filing of, or for the sufficiency or accuracy of, any financing statements initially filed to perfect any lien or lien or security interest granted or created under the Master Trust Agreement, any Supplemental Trust Agreement or the Deed of Trust in connection with the issuance of the Series 2024 Bonds or any subsequent Series of Bonds. The Trustee will be required to file continuation statements with respect to each such financing statement initially filed by the City at the time of the issuance of the Series 2024 Bonds or any subsequent Series of Bonds, provided that a copy of such initial financing statement is timely delivered to the Trustee. In addition, unless the Trustee will have been notified in writing by the City that any such initial filing or description of collateral was or has become defective, the Trustee will be fully protected in (i) relying on such initial filing and descriptions in filing any financing or continuation statements or modifications thereto pursuant to this clause and (ii) filing any continuation statements in the same filing offices as the initial filings were made. The City will be responsible for all reasonable and customary fees charged by the Trustee for the preparation and filing of any such continuation statements, including reasonable attorneys' fees and expenses, in accordance with the Master Trust Agreement.

The Trustee will not be liable or responsible because of the failure of the City or of any of its employees or agents to make any collections or deposits or to perform any act in the Master Trust Agreement required of the City. The Trustee will not be responsible for the application of any of the proceeds of Bonds or any other money deposited with it and invested, paid out, withdrawn or transferred under the Master Trust Agreement if such application, investment, payment, withdrawal or transfer will be made in accordance with the provisions of the Master Trust Agreement. The immunities and exemptions from liability of the Trustee under the Master Trust Agreement will extend to its directors, officers, employees and agents.

Subject to the acceptance and appointment by a successor Trustee, the Trustee may resign and thereby become discharged from the trusts created by the Master Trust Agreement, by notice in writing given to the City, and mailed, postage prepaid, at the Trustee's expense, to each Owner of Bonds, not less than sixty (60) days before such resignation is to take effect, but such resignation will take effect immediately upon the appointment of a new Trustee if such new Trustee will be appointed before the time limited by such notice and will then accept the trusts under the Master Trust Agreement.

The Trustee may be removed at any time by an instrument or concurrent instruments in writing (i) executed by the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding and filed with the City or (ii) executed by an Authorized Officer, so long as no Event of Default will have occurred and be continuing, in either case filed with Trustee not less than sixty (60) days before such removal is to take effect as stated in said instrument of instruments. The Trustee may also be removed at any time for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of the Master Trust Agreement with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding.

If at any time the Trustee shall resign, be removed, be dissolved or otherwise become incapable of acting, or the bank or trust company acting as Trustee will be taken over by any governmental official, agency, department or board, the positions of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any reason, the City shall appoint a Trustee to fill such vacancy. The appointment of any successor Trustee shall be subject to the approval of the Local Government Commission. The City shall cause a notice of any such appointment made by it to be mailed first class, postage prepaid, to all Owners of Bonds.

Any organization or entity into which the Trustee may be merged or converted or with which it may be consolidated, or any organization or entity resulting from any merger, conversion or consolidation to which the Trustee will be a party, or any organization or entity succeeding to all or substantially all of the corporate trust business of the Trustee, will be the successor of the Trustee under the Master Trust Agreement, provided such organization or entity will be otherwise qualified and eligible to serve as Trustee under this clause and provided such successor entity is (i) a bank or trust company within or without the City which is duly authorized to exercise corporate trust powers and subject to examination by federal or State authority, (ii) of good standing and (iii) having a combined capital, surplus and undivided profits aggregating not less than One Hundred Million Dollars ($100,000,000).

At any time within sixty (60) days after any such vacancy shall have occurred, the Owners of not less than 25% in principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing, executed by such Owners and filed with the City, may nominate a successor Trustee, which the City shall appoint and which shall supersede any Trustee theretofore appointed by the City. Photographic copies of each such instrument shall be delivered promptly by the City to the predecessor Trustee and to the Trustee so appointed by the Owners.

If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions, any Owner under the Master Trust Agreement or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any successor Trustee appointed must be (i) a bank or trust company within or without the City which is duly authorized to exercise corporate trust powers and subject to examination by federal or State authority, (ii) of good standing and (iii) having a combined capital, surplus and undivided profits aggregating not less than One Hundred Million Dollars ($100,000,000).

Supplements and Amendments to Master Trust Agreement and Deed of Trust

The Master Trust Agreement and the Deed of Trust, and the rights and obligations of the parties thereto, may be amended or supplemented at any time by an amendment or supplement thereto without the consent of any Owners, provided that, in the opinion of the Trustee, who may rely upon a written opinion of legal counsel, such amendment or supplement will not materially adversely affect the interest of the Owners:

(a) to cure any ambiguity or formal defect or omission, to correct or supplement any provision in the Master Trust Agreement that may be inconsistent with any other provision therein, to make any other provisions with respect to matters or questions arising under the Master Trust Agreement or the Deed of Trust, or to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in the Master Trust Agreement or the Deed of Trust, or

(b) to grant or to confer upon the Trustee, for the benefit of the Owners, any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners or the Trustee, or

(c) to add to the provisions of the Master Trust Agreement or the Deed of Trust other conditions, limitations and restrictions thereafter to be observed, or

(d) to add to the covenants and agreements of the City in the Master Trust Agreement or the Deed of Trust other covenants and agreements thereafter to be observed by the City or to surrender any right or power herein reserved to or conferred upon the City, or

(e) to permit the qualification of the Master Trust Agreement or the Deed of Trust under any federal statute now or hereafter in effect or under any state blue sky law, and, in connection therewith, if the City so determines, to add to the Master Trust Agreement, any Supplemental Trust Agreement or the Deed of Trust such other terms, conditions and provisions as may be permitted or required by such federal statute or blue sky law.

At least thirty (30) days prior to the execution and delivery of any such supplement or amendment for any of the purposes listed above, the Trustee will cause a notice of the proposed supplement or amendment to be mailed, postage prepaid, to all Owners of Bonds and to each Rating Agency. Such notice will be prepared by the City, will briefly set forth the nature of the proposed supplement or amendment and will state that copies thereof are on file at the designated corporate trust office of the Trustee for inspection by all Owners of Bonds. A failure on the part of the Trustee to mail the notice required by the Master Trust Agreement will not affect the validity of such supplement or amendment.

The Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding that will be affected by a proposed supplement or amendment to the Master Trust Agreement or the Deed of Trust will have the right, from time to time, anything contained in the Master Trust Agreement or the Deed of Trust to the contrary notwithstanding, to consent to and approve the execution and delivery of such supplement or amendment as are deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Master Trust Agreement or the Deed of Trust; provided, however, that nothing therein contained will permit, or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Bonds without the consent of the Owner of such Bond and the approval of the Local Government Commission, (b) a reduction in the principal amount of any Bonds or the redemption premium or the rate of interest on any Bonds without the consent of the Owner of such Bond, (c) a preference or priority of any Bonds over any other Bonds without the consent of the Owners of all Bonds then Outstanding or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such supplement or amendment without the consent of the Owners of all Bonds then Outstanding. Nothing contained in the Master Trust Agreement, however, will be construed as making necessary the approval by Owners of Bonds of the execution and delivery of any supplement or amendment to the Master Trust Agreement or the Deed of Trust as authorized in the Master Trust Agreement.

If at any time the City and the Trustee determine that it is necessary or desirable to execute and deliver any supplement or amendment to the Master Trust Agreement or the Deed of Trust for any of the purposes described under this clause, the Trustee will, at the expense of the City, cause notice of the proposed supplement or amendment to be mailed, postage prepaid, to all Owners at their addresses as they appear on the registration books as of the date of mailing such notice and to each Rating Agency. Such notice will be prepared by the City, will briefly set forth the nature of the proposed supplement or amendment and will state that copies thereof are on file at the designated corporate trust office of the Trustee for inspection by all Owners of Bonds. The Trustee will not, however, be subject to any liability to any Owner of Bonds by reason of its failure to cause the notice required by the Master Trust Agreement to be mailed, and any such failure to cause the notice required to be mailed will not affect the validity of such supplement or amendment when consented to and approved as provided in the Master Trust Agreement.

Whenever, at any time within three (3) years after the date of the mailing of such notice, the City delivers to the Trustee an instrument or instruments in writing purporting to be executed by the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding that are affected (as defined in the Master Trust Agreement) by a proposed supplement or amendment, which instrument or instruments will refer to the proposed supplement or amendment described in such notice and will specifically consent to and approve the execution and delivery thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the City and the Trustee, as applicable, may execute and deliver such supplement or amendment to the Master Trust Agreement or the Deed of Trust in substantially such form, without liability or responsibility to any Owner of Bonds whether or not such Owner will have consented thereto.

If the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding at the time of the execution and delivery of such supplement or amendment and that are affected (as defined in the Master Trust Agreement) by a proposed supplement or amendment to the Master Trust Agreement or the Deed of Trust have consented to and approved the execution and delivery thereof as provided in the Master Trust Agreement, to the extent permitted by law, no Owner of Bonds will have any right to object to the execution and delivery of such supplement or amendment, to object to any of the terms and provisions contained therein or the operation thereof, to question the propriety of the execution and delivery thereof, or to enjoin or restrain the City and the Trustee, as applicable, from executing and delivering the same or from taking any action pursuant to the provisions thereof.

Exclusion of Bonds

Bonds owned or held by or for the account of the City will not be deemed Outstanding Bonds for the purpose of any consent or other action or any calculation of Outstanding Bonds provided for in the Master Trust Agreement, and the City as Owner of such Bonds will not be entitled to consent or take any other action provided for in the Master Trust Agreement. At the time of any consent or other action taken under the Master Trust Agreement, the City will furnish the Trustee an Officer's Certificate upon which the Trustee may rely, describing all Bonds so to be excluded.

Defeasance

When:

(a) the Bonds issued under the Master Trust Agreement will have become due and payable in accordance with their terms or otherwise as provided in the Master Trust Agreement, and the whole amount of the principal and the interest and premium, if any, so due and payable upon all Bonds will be paid, and

(b) if the Bonds will not have become due and payable in accordance with their terms, the Trustee will hold, sufficient (i) money or (ii) Defeasance Obligations or a combination of (i) and (ii) of this clause (b), the principal of and the interest on which, when due and payable, will provide sufficient money to pay the principal of, and the interest and redemption premium, if any, on all Bonds then Outstanding to the maturity date or dates of such Bonds or to the date or dates specified for the redemption thereof, and there will have been delivered to the Trustee an opinion of bond counsel that such deposit of money or Defeasance Obligations will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds, and

(c) if Bonds are to be called for redemption, irrevocable instructions to call the Bonds for redemption will have been given by the City to the Trustee, and

(d) sufficient funds will also have been provided or provision made for paying all other obligations payable under the Master Trust Agreement by the City;

then and in that case the right, title and interest of the Trustee in the funds, accounts and subaccounts mentioned in the Master Trust Agreement will thereupon cease, determine and become void and, upon being furnished with an opinion, in form and substance satisfactory to the Trustee, of counsel approved by the Trustee, to the effect that all conditions precedent to the release of the Master Trust Agreement and the Deed of Trust have been satisfied, the Trustee will release the Master Trust Agreement and the Deed of Trust and will execute such documents to evidence such release as may be required by such counsel, and the Trustee will turn over to the City any surplus in, and all balances remaining in, all funds, accounts and subaccounts other than money held for the redemption or payment of Bonds. If the Bonds to be paid by the moneys or Defeasance Obligations deposited with the Trustee will not be retired within six months of the date of the deposit, then in addition to the requirements set forth in clauses (a) through (d) above, such deposit will be accompanied by a report of an independent verification agent or certified public accountant to the effect that the principal of and the interest on the Defeasance Obligations when due and payable, together with any money deposited, will provide sufficient money to pay the principal of, and the interest and redemption premium, if any, on, all Bonds then Outstanding to the maturity date or dates of such Bonds or to the date or dates specified for the redemption thereof. Otherwise, the Master Trust Agreement will be, continue and remain in full force and effect; provided, however, that (i) if the Bonds to be paid by the moneys or Defeasance Obligations deposited with the Trustee will not be retired within thirty days of the date of the deposit, then in addition to the requirements set forth in the Master Trust Agreement, the Trustee, within thirty (30) days after such moneys or Defeasance Obligations will have been deposited with it, will cause a notice signed by the Trustee to be mailed, postage prepaid, to all Owners of Bonds, setting forth (a) the date or dates, if any, designated for the redemption of the Bonds, (b) a description of the Defeasance Obligations so held by it, and (c) that the Master Trust Agreement has been released in accordance with the provisions of the Master Trust Agreement, and (ii) (a) the Trustee will nevertheless retain such rights, powers and privileges under the Master Trust Agreement as may be necessary and convenient in respect of the Bonds for the payment of the principal, interest and any premium for which such Defeasance Obligations have been deposited and (b) the Trustee will retain such rights, powers and privileges under the Master Trust Agreement as may be necessary and convenient for the registration, transfer and exchange of Bonds; provided, however, that failure to mail such notice to any Owner or to the Owners, or any defect in such notice so mailed, will not affect the validity of the release of the Master Trust Agreement.

All money and Defeasance Obligations held by the Trustee for this purpose will be held in trust and applied to the payment, when due, of the obligations payable therewith.

SUMMARY OF THE FIRST SUPPLEMENTAL TRUST AGREEMENT

Establishment of Series 2024 Project Account and Bond Fund Subaccounts

The Trustee will establish a special account within the Project Fund designated as the "Series 2024 Project Account" and will keep the Series 2024 Project Account separate and apart from all other funds and moneys held by it. Moneys in the Series 2024 Project Account will be invested and disbursed in the manner provided in the First Supplemental Trust Agreement and the Master Trust Agreement.

The First Supplemental Trust Agreement will also establish the following subaccounts in the Bond Fund:

(a) Series 2024 Subaccount of the Interest Account;

(b) Series 2024 Subaccount of the Principal Account; and

(c) Series 2024 Subaccount of the Redemption Account.

The fund, account and subaccounts mentioned above will be established with and held by the Trustee pursuant to the Master Trust Agreement and the First Supplemental Trust Agreement.

Payments by the City

The City will, subject to the limitations of the Master Trust Agreement, deposit or cause to be deposited with the Trustee the following amounts, and the Trustee will apply such amounts to the various subaccounts specified above in the following order:

(a) into the Series 2024 Subaccount of the Interest Account, on or before the 25th day of the month immediately preceding on each Interest Payment Date, the interest payable on the Series 2024 Bonds on such Interest Payment Date; and

(b) into the Series 2024 Subaccount of the Principal Account, on or before the 25th day of the month immediately preceding each October 1, the principal of all Series 2024 Bonds coming due on such October 1.

In addition, the Trustee will deposit to the Series 2024 Subaccount of the Redemption Account all amounts as will be delivered to the Trustee by the City from time to time with instructions that such amounts be so deposited.

Application of Money in the Series 2024 Subaccount of the Redemption Account

The Trustee will apply money in the Series 2024 Subaccount of the Redemption Account to the purchase or redemption of Series 2024 Bonds as follows:

(a) Subject to the provisions of subsection (c) below, the Trustee will use commercially reasonable efforts to purchase and cancel Series 2024 Bonds or portions thereof, regardless of whether such Series 2024 Bonds or portions thereof are then subject to redemption, at the direction of an Authorized Officer, provided that the purchase price of each Series 2024 Bond will not exceed the Redemption Price that would be payable on the next redemption date to the Owner of such Series 2024 Bond under the provisions of the First Supplemental Trust Agreement, plus accrued interest to that redemption date. The Trustee will pay the interest accrued on such Series 2024 Bonds or portions thereof to the date of settlement from the Series 2024 Subaccount of the Interest Account and the purchase price from the Series 2024 Subaccount of the Redemption Account, but no such purchase will be made by the Trustee from money in the Series 2024 Subaccount of the Redemption Account within the period of forty-five (45) days immediately preceding any date on which such Series 2024 Bonds or portions thereof are to be redeemed.

(b) Subject to the provisions of subsection (c) below, the Trustee will call for redemption on a date permitted by the First Supplemental Trust Agreement such amount of Series 2024 Bonds or portions thereof as will exhaust the money then held in the Series 2024 Subaccount of the Redemption Account as nearly as may be practicable; provided, however, that not less than Fifty Thousand Dollars ($50,000) in principal amount of the Series 2024 Bonds will be called for redemption at any one time unless the Trustee is so instructed by the City. The Trustee will pay the accrued interest on the Series 2024 Bonds or portions thereof to be redeemed to the date of redemption from the Series 2024 Subaccount of the Interest Account and the Redemption Price of such Series 2024 Bonds or portions thereof from the Series 2024 Subaccount of the Redemption Account. The Trustee will withdraw from the Series 2024 Subaccount of the Redemption Account and set aside the respective amounts required to pay the Redemption Price of the Series 2024 Bonds or portions thereof so called for redemption.

(c) Money in the Series 2024 Subaccount of the Redemption Account will be applied by the Trustee in each Fiscal Year to the purchase or the redemption of Series 2024 Bonds then Outstanding in accordance with the latest Officer's Certificate filed with the Trustee designating the Series 2024 Bonds to be redeemed and the amount of such reduction in each such year. In the event no such certificate is filed (i) the Trustee will apply such money to the purchase of Series 2024 Bonds bearing the highest rate of interest and (ii) if Series 2024 Bonds of more than one maturity bear the same interest rate, the Trustee will redeem such Series 2024 Bonds in the inverse order of maturities.

Application of Money in the Series 2024 Project Account

Money deposited in the Series 2024 Project Account in accordance with the First Supplemental Trust Agreement will be applied to pay the Project Costs relating to the 2024 Project and the Issuance Costs incurred in connection with the sale and issuance of the Series 2024 Bonds, all in accordance with the requisition procedures for the Project Fund as set forth in the Master Trust Agreement.

Supplemental Trust Agreements Without Consent of Owners

The City may, from time to time and at any time, execute and deliver such trust agreements supplemental hereto (which supplemental trust agreements will thereafter form a part thereof) as will be substantially consistent with the terms and provisions of the First Supplemental Trust Agreement and, in the opinion of the Trustee, who may rely upon a written opinion of legal counsel, will not materially and adversely affect the interest of the Owners:

(a) to cure any ambiguity or formal defect or omission, to correct or supplement any provision in the First Supplemental Trust Agreement that may be inconsistent with any other provision therein, to make any other provisions with respect to matters or questions arising under the First Supplemental Trust

Agreement or to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in the First Supplemental Trust Agreement;

(b) to grant or to confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners or the Trustee;

(c) to add to the covenants and agreements of the City in the First Supplemental Trust Agreement other covenants and agreements thereafter to be observed by the City or to surrender any right or power reserved in the First Supplemental Trust Agreement to or conferred upon the City; or

(d) to permit the qualification of the First Supplemental Trust Agreement under any federal statute now or hereafter in effect or under any state blue sky law, and, in connection therewith, if the City so determines, to add to the First Supplemental Trust Agreement or any supplemental trust agreement such other terms, conditions and provisions as may be permitted or required by such federal statute or blue sky law.

At least thirty (30) days prior to the execution and delivery of any supplemental trust agreement for any of the purposes described above, the Trustee will cause at the City's expense a notice of the proposed supplemental trust agreement to be mailed first-class, postage prepaid, to all Owners of the Series 2024 Bonds and to each Rating Agency then rating the Series 2024 Bonds. Such notice will be prepared by the City, will briefly set forth the nature of the proposed supplemental trust agreement and will state that copies thereof are on file at the designated corporate trust office of the Trustee for inspection by all Owners of the Series 2024 Bonds. A failure on the part of the Trustee to mail the notice described in this paragraph will not affect the validity of such supplemental trust agreement.

Supplemental Trust Agreements With Consent of Owners

Subject to the terms and provisions contained in the First Supplemental Trust Agreement and described in this clause, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Series 2024 Bonds then Outstanding that will be affected (as defined in the First Supplemental Trust Agreement) by a proposed supplemental trust agreement will have the right, from time to time, anything contained in the First Supplemental Trust Agreement to the contrary notwithstanding, to consent to and approve the execution and delivery by the City and the Trustee of such supplemental trust agreement as will be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the First Supplemental Trust Agreement or in any supplemental trust agreement; provided, however, that nothing contained in the First Supplemental Trust Agreement will permit, or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Series 2024 Bond without the consent of the Owner of such Series 2024 Bond and the approval of the Local Government Commission, (b) a reduction in the principal amount of any Series 2024 Bond or the redemption premium or the rate of interest thereon without the consent of the Owner of such Series 2024 Bond, (c) a preference or priority of any Series 2024 Bond over any other Series 2024 Bond without the consent of all Owners of the Series 2024 Bonds then Outstanding, or (d) a reduction in the aggregate principal amount of Series 2024 Bonds required for consent to such supplemental trust agreement without the consent of all Owners of the Series 2024 Bonds then Outstanding. Nothing contained in the First Supplemental Trust Agreement, however, will be construed as making necessary the approval by the Owners of the execution and delivery of any supplemental trust agreement as described under "SUMMARY OF THE FIRST SUPPLEMENTAL TRUST AGREEMENT – Supplemental Trust Agreements Without Consent of Owners" above.

The Trustee will, at the expense of the City, cause notice of the proposed supplemental trust agreement to be mailed, postage prepaid, to all Owners of the Series 2024 Bonds as of the date such notice is mailed and to each Rating Agency then rating the Series 2024 Bonds. Such notice will be prepared by the City, will briefly set forth the nature of the proposed supplemental trust agreement and will state that copies thereof are on file at the designated corporate trust office of the Trustee for inspection by all Owners of the Series 2024 Bonds. The Trustee will not, however, be subject to any liability to any Owner of the Series 2024 Bonds by reason of its failure to mail the notice described in this paragraph, and any such failure will not affect the validity of such supplemental trust agreement when approved and consented to as described in this paragraph.

Whenever, at any time within three (3) years after the date of the mailing of such notice, the City will deliver to the Trustee an instrument or instruments in writing purporting to be executed by the Owners of not less than a majority in aggregate principal amount of Series 2024 Bonds then Outstanding that are affected (as defined in the First Supplemental Trust Agreement) by a proposed supplemental trust agreement, which instrument or instruments will refer to the proposed supplemental trust agreement described in such notice and will specifically consent to and approve the execution and delivery thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the City and the Trustee may execute and deliver such supplemental trust agreement in substantially such form, without liability or responsibility to any Owner, whether or not such Owner will have consented thereto.

If the Owners of not less than a majority in aggregate principal amount of the Series 2024 Bonds Outstanding at the time of the execution and delivery of such supplemental trust agreement and that are affected (as defined in the First Supplemental Trust Agreement) by a proposed supplemental trust agreement have consented to and approved the execution and delivery thereof as provided in the First Supplemental Trust Agreement, to the extent permitted by law, no such Owner will have any right to object to the execution and delivery of such supplemental trust agreement, to object to any of the terms and provisions contained therein or the operation thereof, to question the propriety of the execution and delivery thereof, or enjoin or restrain the City or the Trustee from executing and delivering the same or from taking any action pursuant to the provisions thereof.

Upon the execution and delivery of any supplemental trust agreement pursuant to the provisions described above, the First Supplemental Trust Agreement will be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the First Supplemental Trust Agreement of the City, the Trustee and all Owners of the Series 2024 Bonds will thereafter be determined, exercised and enforced in all respects pursuant to the provisions of the First Supplemental Trust Agreement, as so modified and amended.

SUMMARY OF THE DEED OF TRUST

Grant and Release of Easements, Air Rights and Other Interests; Release of Mortgaged Property

(a) If no Event of Default under the Deed of Trust will have occurred and will continue to exist, the City may at any time or times grant easements, licenses, rights of way, air rights and other rights or privileges of a similar nature with respect to any part of the Mortgaged Property, and the City may release existing easements, licenses, rights of way, air rights and other rights or privileges, with or without consideration, and the Beneficiary agrees that it will execute and deliver and will cause, request or direct the Deed of Trust Trustee to execute and deliver, any instrument necessary or appropriate to grant or release any such easement, license, right of way, air rights or other right or privilege and, if required, to subordinate the lien created by the Deed of Trust to any such easement, license, right of way, air rights or other right or privilege; provided, however, that in the event that the City desires the lien created by the

Deed of Trust to be subordinated to such easement, license, right of way, air rights or other right or privilege, the City will provide to the Beneficiary (i) a copy of the instrument of grant or release to be executed, (ii) a copy of the subordination agreement providing for subordination of the Deed of Trust and the lien created thereby to any such easement, license, right of way, air rights or other right or privilege, (iii) a written request signed by an Authorized Officer of the City requesting the execution and delivery of any such instruments and (iv) a certificate executed by an Authorized Officer of the City that such grant or release (A) will not impair the effective use of, or interfere with, the operations of the Mortgaged Property by the City and (B) will not impair the effective use of or interfere with the operations of the City at the Mortgaged Property or materially impair the value of the security under the Deed of Trust in contravention of the provisions hereof.

(b) At any time and from time to time, so long as no Event of Default has occurred and is continuing, the Deed of Trust Trustee and the Beneficiary will be required to release a portion of the Mortgaged Property from the lien and security interest created by the Deed of Trust when and if the requirements set forth in the Master Trust Agreement as described under "SUMMARY OF THE MASTER TRUST AGREEMENT – Release of Mortgaged Property" above have been met.

Events of Default and Remedies

If any of the following events will occur:

(i) default in the payment of principal of, premium, if any, or interest on the Series 2024 Bonds, and the expiration of any applicable grace or notice periods provided in the Series 2024 Bonds or the Trust Agreement;

(ii) default in any payment required by the Trust Agreement (other than any payment required by clause (i) above) or default by the City in the performance of any other obligation of the City under the Trust Agreement and the expiration of any applicable grace or notice periods provided thereby;

(iii) failure by the City to observe and perform any warranty, covenant, condition or agreement on the part of the City under the Deed of Trust other than as described in the Deed of Trust for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to the City by the Beneficiary unless the Beneficiary will agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in the notice cannot be reasonably corrected within the applicable period, and if corrective action is instituted by the City within the applicable period and diligently pursued and the City provides the Beneficiary with a certification to that effect, the City will have an additional period following such written notice to correct the failure; or

(iv) any lien, charge or encumbrance prior to or affecting the validity of the Deed of Trust is found to exist, other than Permitted Encumbrances, or proceedings are instituted to enforce any lien, charge or encumbrance against any of said Mortgaged Property and such lien, charge or encumbrance would be prior to the lien of the Deed of Trust;

then and in any of such events (hereinafter referred to as an "Event of Default"), all payments under the Trust Agreement will, at the option of the Beneficiary, become at once due and payable, regardless of the maturity date or other due date thereof.

Upon the occurrence of an Event of Default:

(i) To the extent permitted by law, the Deed of Trust Trustee will have the right to enter upon the Mortgaged Property to such extent and as often as the Deed of Trust Trustee, in its sole discretion, deems necessary or desirable in order to cure any default by the City. The Deed of Trust Trustee may take possession of all or any part of the Mortgaged Property and may hold, operate and manage the same, and from time to time make all needful repairs and improvements as will be deemed expedient by the Deed of Trust Trustee; and the Deed of Trust Trustee may lease any part of the Mortgaged Property in the name of and for the account of the City, and collect, receive and sequester the rent, revenues, receipts, earnings, income, products and profits therefrom, and out of the same and from any moneys received from any receiver of any part thereof pay, and set up proper reserves for the payment of, all proper costs and expenses of so taking, holding and managing the same, including reasonable compensation to the Deed of Trust Trustee, its agents and counsel, and any taxes and assessments and other charges prior to the lien of the Deed of Trust which the Deed of Trust Trustee may deem it proper to pay, and all expenses of such repairs and improvements, and apply the remainder of the moneys so received in accordance with the provisions of the Deed of Trust.

(ii) To the extent permitted by law, the Deed of Trust Trustee will have the right after an Event of Default to the appointment of a receiver to collect the rents and profits from the Mortgaged Property without consideration of the value of the premises or the solvency of any person liable for the payment of the amounts then owing, and all amounts collected by the receiver will, after expenses of the receivership, be applied to the payment of the obligations secured by the Deed of Trust, and the Deed of Trust Trustee, at its option, in lieu of an appointment of a receiver, will have the right to do the same. If such receiver should be appointed or if there should be a sale of the said premises, as provided below, the City, or any person in possession of the premises thereunder, as tenant or otherwise, will become a tenant at will of the receiver or of the purchaser and may be removed by a writ of ejectment, summary ejectment or other lawful remedy.

(iii) The Deed of Trust Trustee will have the right to assign to any other person, for lawful consideration, any rents, revenues, earnings, income, products and profits receivable under the Deed of Trust, provided that the proceeds of any such assignment will be applied as provided in the Deed of Trust.

(iv) The Deed of Trust Trustee is authorized and empowered to expose to sale and to sell the Mortgaged Property or such part or parts thereof or interests therein as the Deed of Trust Trustee deems prudent at public auction for cash, and upon collection of the proceeds from such sale to make and deliver a deed therefor, after first having complied with all applicable requirements of North Carolina law with respect to the exercise of powers of sale contained in deeds of trust. The City agrees that in the event of a sale under the Deed of Trust, the Beneficiary will have the right to bid at it and to become the purchaser. The Deed of Trust Trustee may require the successful bidder at any sale to deposit immediately with the Deed of Trust Trustee cash or a certified check in an amount not to exceed five percent (5%) of the bid, provided notice of such requirement is contained in the advertisement of the sale. The bid may be rejected if the deposit is not immediately made and thereupon the next highest bidder may be declared to be the successful bidder. Such deposit will be refunded in case a resale is had; otherwise it will be applied to the purchase price. The sale of the Mortgaged Property or any part thereof or any interest therein, whether pursuant to judicial foreclosure, foreclosure under power of sale or otherwise under the Deed of Trust, will forever bar any claim with respect to the Mortgaged Property by the City.

(v) To the extent permitted by law, the Beneficiary, immediately and without additional notice and without liability therefor to the City, may do or cause to be done any or all of the following: (A) take physical possession of the Mortgaged Property; (B) exercise its right to collect the rents and profits thereof; (C) enter into contracts for the completion, repair and maintenance of the Mortgaged Property; (D) expend any rents, income and profits derived from the Mortgaged Property for payment of any taxes, insurance premiums, assessments and charges for completion, repair and maintenance of the Mortgaged Property, preservation of the lien of the Deed of Trust and satisfaction and fulfillment of any liabilities or obligations of the City arising out of or in any way connected with the Mortgaged Property whether or not such liabilities and obligations in any way affect, or may affect, the lien of the Deed of Trust; (E) enter into leases demising the Mortgaged Property or any part thereof; (F) take such steps to protect and enforce the specific performance of any covenant, condition or agreement in the Deed of Trust or the Trust Agreement or to aid the execution of any power granted in the Deed of Trust; and (G) generally, supervise, manage, and contract with reference to the Mortgaged Property as if the Beneficiary were the equitable owner of the Mortgaged Property. The City also agrees that any of the foregoing rights and remedies of the Beneficiary may be exercised at any time independently of the exercise of any other such rights and remedies, and the Beneficiary may continue to exercise any or all such rights and remedies until the Event(s) of Default of the City are cured with the consent of the Beneficiary or until foreclosure and the conveyance of the Mortgaged Property to the high bidder or until the indebtedness secured by the Deed of Trust is otherwise satisfied or paid in full.

(vi) The Beneficiary may proceed against the fixtures referred to in the Deed of Trust as provided in and in accordance with the applicable provisions of the Uniform Commercial Code as adopted by the State of North Carolina, as amended (the "UCC") or, at its election, may proceed and may instruct the Deed of Trust Trustee to proceed as to the portion of the Mortgaged Property constituting fixtures, in accordance with its rights and remedies with respect thereto and those granted to the Deed of Trust Trustee, all as set forth in the Deed of Trust. Subject to any limitations imposed by the applicable provisions of the UCC, the Beneficiary may sell, lease, or otherwise dispose of all or any part of the fixtures, at public or private sale, for cash or on credit, as a whole or in part, and the Beneficiary may at such sale or sales purchase the fixtures or any part thereof. The proceeds of such sale, lease, collection or other disposition will be applied first to the costs and expenses of the Beneficiary incurred in connection with such sale, lease, collection or other disposition, and then to such outstanding balance due on any and all indebtedness owed to the Beneficiary. Further, the Beneficiary may require the City to assemble the fixtures, or evidence thereof, and make them reasonably available to the Beneficiary at one or more places to be designated by the Beneficiary which are reasonably convenient to the Beneficiary, and the Beneficiary may take possession of the fixtures and hold, prepare for sale, lease or other disposition and sell, lease or otherwise dispose of the fixtures. Any required notice by the Beneficiary of sale or other disposition or default, when mailed to the City at its address set forth in the Deed of Trust, will constitute reasonable notice to the City. In addition to, but not in limitation of, any of the foregoing, the Beneficiary may exercise any or all of the rights and remedies afforded to the Beneficiary by the provisions of the UCC or otherwise afforded to the Beneficiary under the Deed of Trust, with all such rights and remedies being cumulative and not alternative, and the City agrees, to the extent permitted by law, to pay the reasonable costs of collection, including, in addition to the costs and disbursements provided by statute, reasonable attorneys' fees and legal expenses which may be incurred by the Beneficiary subject to the procedures and limitations set forth in Section 6-21.2 of the General Statutes of North Carolina, as amended.

In all such cases, the Beneficiary will have the right to direct the Deed of Trust Trustee to exercise the remedies granted under the Deed of Trust.

The City waives, to the full extent it lawfully may, the benefit of all appraisement, valuation, stay, moratorium, exemption from execution, extension and redemption laws and any statute of limitations, now or hereafter in force and all rights of marshalling in the event of the sale of the Mortgaged Property or any part thereof or any interest therein.

Application of Proceeds

The proceeds of (a) the operation and management of the Mortgaged Property, (b) any sale of the Mortgaged Property or any interest therein, whether pursuant to judicial foreclosure, foreclosure under power of sale or otherwise, and (c) any insurance policies or eminent domain awards or other sums (other than awards or sums to which the City is entitled to under the Trust Agreement) retained by the Deed of Trust Trustee upon the occurrence of an Event of Default will be applied to pay:

First: The costs and expenses of sale, reasonable attorneys' fees actually incurred to the extent permitted by Section 6-21.2 of the General Statutes of North Carolina, as amended, the Beneficiary's fees and expenses, court costs, any other expenses or advances made or incurred in the protection of the rights of the Beneficiary or in the pursuance of any remedies under the Deed of Trust and the Deed of Trust Trustee's commission payable under Section 7 hereof;

Second: All taxes and assessments then constituting a lien against said premises other than those advertised and sold subject to;

Third: Any indebtedness or other obligation secured by the Deed of Trust and at the time due and payable (whether by acceleration or otherwise) in the manner and subject to the priority provided in the Trust Agreement; and

Fourth: The balance, if any, to the persons then entitled thereto under the Trust Agreement.

APPENDIX D

FORMS OF OPINIONS OF CO-BOND COUNSEL

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APPENDIX D

[Form of Opinion of Womble Bond Dickinson (US) LLP]

August __, 2024

City Council of the
City of Greensboro, North Carolina

We have examined, as bond counsel to the City of Greensboro, North Carolina (the "City"), (a) the Constitution and laws of the State of North Carolina, (b) certified copies of the proceedings of the City Council of the City showing the adoption of a resolution authorizing the issuance by the City of its $40,580,000 Limited Obligation Bonds, Series 2024 (the "Series 2024 Bonds") and (c) other proofs submitted relative to the sale and issuance of the Series 2024 Bonds. The Series 2024 Bonds are being issued under and pursuant to a Master Trust Agreement, dated as of August 1, 2024 (the "Master Trust Agreement"), between the City and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), and a First Supplemental Trust Agreement, dated as of August 1, 2024 (the "First Supplemental Trust Agreement" and, together with the Master Trust Agreement, the "Trust Agreement"), between the City and the Trustee.

The Series 2024 Bonds are dated as of the date hereof, bear interest from their respective dates and mature, subject to prior redemption, all as provided in the First Supplemental Trust Agreement.

The Series 2024 Bonds are being issued to provide funds, together with any other available funds, to (a) pay or reimburse the costs of the 2024 Project (as defined in the First Supplemental Trust Agreement) and (b) pay the fees and expenses incurred in connection with the sale and issuance of the Series 2024 Bonds.

The Master Trust Agreement provides for the issuance, under the conditions, limitations and restrictions therein set forth, of additional bonds for the purpose of providing funds, together with any other available funds, to pay (a) the Project Costs (as defined in the Master Trust Agreement) for completion of the 2024 Project, (b) the Project Costs for any Additional Project (as defined in the Master Trust Agreement) and (c) the costs (including financing costs) of refunding any Bonds (hereinafter defined) or, to the extent permitted by law, indebtedness other than Bonds. The Series 2024 Bonds and any additional bonds issued pursuant to the Master Trust Agreement are herein collectively referred to as the "Bonds."

As security for the payment of the Bonds and the performance of its obligations under the Trust Agreement, the City has executed and delivered a Deed of Trust, dated as of August 1, 2024 (the "Deed of Trust"), granting to the Trustee a lien on the Mortgaged Property (as defined in the Master Trust Agreement), subject to Permitted Encumbrances (as defined in the Master Trust Agreement). We have not examined the title to the Mortgaged Property and therefore express no opinion with regard to (a) the title to the Mortgaged Property, (b) the adequacy or correctness of the description of the Mortgaged Property contained in the Deed of Trust or (c) the perfection or priority of the lien or security interest created by the Deed of Trust on the Mortgaged Property. All statements made with regard to title to, and liens on, the Mortgaged Property under the Deed of Trust are based exclusively on a mortgagee title insurance policy issued by a title insurance company.

As to matters of fact material to our opinion, we have relied upon the certified proceedings and other certificates of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on such examination, we are of the opinion, as of the date hereof and under existing law, that:

1. The Series 2024 Bonds have been duly authorized, executed and delivered by the City.

2. The Master Trust Agreement and the First Supplemental Trust Agreement have each been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the Trustee, are valid and binding agreements enforceable against the City in accordance with their respective terms.

3. The Deed of Trust has been duly authorized, executed and delivered by the City and constitutes a legal, valid and binding obligation of the City enforceable against the City in accordance with its terms.

4. The Series 2024 Bonds are valid and binding obligations of the City enforceable in accordance with their terms. No deficiency judgment may be rendered against the City in any action for breach of a contractual obligation with respect to the Series 2024 Bonds, the Master Trust Agreement, the First Supplemental Trust Agreement or the Deed of Trust, the remedies provided by the Master Trust Agreement and the Deed of Trust, including foreclosure on the Mortgaged Property under the Deed of Trust, being the sole remedies available. The taxing power of the City is not and may not be pledged in any way, directly or indirectly, to secure any payments due under the Series 2024 Bonds, the Master Trust Agreement, the First Supplemental Trust Agreement or the Deed of Trust.

5. Assuming continuing compliance by the City with certain covenants to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), regarding, among other matters, use, expenditure and investment of the proceeds of the Series 2024 Bonds, and the timely payment of certain investment earnings to the United States Treasury, interest on the Series 2024 Bonds is not includable in the gross income of the owners thereof for purposes of federal income taxation. Interest on the Series 2024 Bonds is not a specific preference item for purposes of the alternative minimum tax imposed by the Code; however, interest on the Series 2024 Bonds held by certain corporations is included in the computation of "adjusted financial statement income" for purposes of the federal alternative minimum tax imposed on such corporations.

6. Interest on the Series 2024 Bonds is exempt from all State of North Carolina income taxes.

The Code and other laws of taxation, including the laws of taxation of the State of North Carolina, of other states and of local jurisdictions, may contain other provisions that could result in tax consequences, upon which we render no opinion, as a result of the ownership or transfer of the Series 2024 Bonds or the inclusion in certain computations of interest that is excluded from gross income for purposes of federal or North Carolina income taxation.

The rights of the owners of the Series 2024 Bonds and the enforceability thereof and of the Trust Agreement and the Deed of Trust may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore and hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2024 Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

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[Form of Opinion of McKenzie & Associates]

August __, 2024

City Council of the
City of Greensboro, North Carolina

We have examined, as bond counsel to the City of Greensboro, North Carolina (the "City"), (a) the Constitution and laws of the State of North Carolina, (b) certified copies of the proceedings of the City Council of the City showing the adoption of a resolution authorizing the issuance by the City of its $40,580,000 Limited Obligation Bonds, Series 2024 (the "Series 2024 Bonds") and (c) other proofs submitted relative to the sale and issuance of the Series 2024 Bonds. The Series 2024 Bonds are being issued under and pursuant to a Master Trust Agreement, dated as of August 1, 2024 (the "Master Trust Agreement"), between the City and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), and a First Supplemental Trust Agreement, dated as of August 1, 2024 (the "First Supplemental Trust Agreement" and, together with the Master Trust Agreement, the "Trust Agreement"), between the City and the Trustee.

The Series 2024 Bonds are dated as of the date hereof, bear interest from their respective dates and mature, subject to prior redemption, all as provided in the First Supplemental Trust Agreement.

The Series 2024 Bonds are being issued to provide funds, together with any other available funds, to (a) pay or reimburse the costs of the 2024 Project (as defined in the First Supplemental Trust Agreement) and (b) pay the fees and expenses incurred in connection with the sale and issuance of the Series 2024 Bonds.

The Master Trust Agreement provides for the issuance, under the conditions, limitations and restrictions therein set forth, of additional bonds for the purpose of providing funds, together with any other available funds, to pay (a) the Project Costs (as defined in the Master Trust Agreement) for completion of the 2024 Project, (b) the Project Costs for any Additional Project (as defined in the Master Trust Agreement) and (c) the costs (including financing costs) of refunding any Bonds (hereinafter defined) or, to the extent permitted by law, indebtedness other than Bonds. The Series 2024 Bonds and any additional bonds issued pursuant to the Master Trust Agreement are herein collectively referred to as the "Bonds."

As security for the payment of the Bonds and the performance of its obligations under the Trust Agreement, the City has executed and delivered a Deed of Trust, dated as of August 1, 2024 (the "Deed of Trust"), granting to the Trustee a lien on the Mortgaged Property (as defined in the Master Trust Agreement), subject to Permitted Encumbrances (as defined in the Master Trust Agreement). We have not examined the title to the Mortgaged Property and therefore express no opinion with regard to (a) the title to the Mortgaged Property, (b) the adequacy or correctness of the description of the Mortgaged Property contained in the Deed of Trust or (c) the perfection or priority of the lien or security interest created by the Deed of Trust on the Mortgaged Property. All statements made with regard to title to, and liens on, the Mortgaged Property under the Deed of Trust are based exclusively on a mortgagee title insurance policy issued by a title insurance company.

As to matters of fact material to our opinion, we have relied upon the certified proceedings and other certificates of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on such examination, we are of the opinion, as of the date hereof and under existing law, that:

1. The Series 2024 Bonds have been duly authorized, executed and delivered by the City.

2. The Master Trust Agreement and the First Supplemental Trust Agreement have each been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the Trustee, are valid and binding agreements enforceable against the City in accordance with their respective terms.

3. The Deed of Trust has been duly authorized, executed and delivered by the City and constitutes a legal, valid and binding obligation of the City enforceable against the City in accordance with its terms.

4. The Series 2024 Bonds are valid and binding obligations of the City enforceable in accordance with their terms. No deficiency judgment may be rendered against the City in any action for breach of a contractual obligation with respect to the Series 2024 Bonds, the Master Trust Agreement, the First Supplemental Trust Agreement or the Deed of Trust, the remedies provided by the Master Trust Agreement and the Deed of Trust, including foreclosure on the Mortgaged Property under the Deed of Trust, being the sole remedies available. The taxing power of the City is not and may not be pledged in any way, directly or indirectly, to secure any payments due under the Series 2024 Bonds, the Master Trust Agreement, the First Supplemental Trust Agreement or the Deed of Trust.

The rights of the owners of the Series 2024 Bonds and the enforceability thereof and of the Trust Agreement and the Deed of Trust may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore and hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2024 Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

APPENDIX E

DTC'S BOOK-ENTRY-ONLY SYSTEM

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APPENDIX E

Beneficial ownership interests in the 2024 Bonds will be available only in a book-entry system. The actual purchasers of the 2024 Bonds (the "*Beneficial Owners*") will not receive physical bonds representing their interests in the 2024 Bonds purchased. So long as The Depository Trust Company ("*DTC*"), or its nominee is the registered owner of the 2024 Bonds, references in this Official Statement to the Owners of the 2024 Bonds shall mean DTC or its nominee and shall not mean the Beneficial Owners.

THE FOLLOWING DESCRIPTION OF DTC, ITS PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE 2024 BONDS, PAYMENT OF INTEREST AND OTHER PAYMENTS WITH RESPECT TO THE 2024 BONDS TO DTC PARTICIPANTS OR TO BENEFICIAL OWNERS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE 2024 BONDS AND/OR OTHER TRANSACTIONS BY AND BETWEEN DTC, DTC PARTICIPANTS AND BENEFICIAL OWNERS IS BASED ON INFORMATION FURNISHED BY DTC.

DTC will act as securities depository for the 2024 Bonds. The 2024 Bonds will be registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2024 Bond in the aggregate principal amount of each maturity of the 2024 Bonds will be issued and deposited with DTC or its designee. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE 2024 BONDS, AS DTC'S PARTNERSHIP NOMINEE, REFERENCE HEREIN TO THE OWNERS OR REGISTERED OWNERS OF THE 2024 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE 2024 BONDS.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transaction in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities bonds. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation as well as by the New York Stock Exchange, Inc., the American Stock Exchange, and the Financial Industry Regulatory Authority, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "*Indirect Participants*" and collectively with the Direct Participants, the "*Participants*"). DTC has a Standard & Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of the 2024 Bonds defined above is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation form DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial owners will not receive physical bonds representing their ownership interests in 2024 Bonds, except in the event that use of the book-entry system for the 2024 Bonds is discontinued.

To facilitate subsequent transfers, all 2024 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the identities of the actual Beneficial Owners of the 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2024 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2024 Bonds, such as redemptions, defaults and proposed amendments to the security documents. For example, Beneficial Owners of the 2024 Bonds may wish to ascertain that the nominee holding the 2024 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2024 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the 2024 Bond to be prepaid.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting and voting rights to those Direct Participants to whose accounts the 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

BECAUSE DTC IS TREATED AS THE OWNER OF THE 2024 BONDS FOR SUBSTANTIALLY ALL PURPOSES UNDER THE TRUST AGREEMENT, BENEFICIAL OWNERS MAY HAVE A RESTRICTED ABILITY TO INFLUENCE IN A TIMELY FASHION REMEDIAL ACTION OR THE GIVING OR WITHHOLDING OR REQUESTED CONSENTS OR OTHER DIRECTIONS. IN ADDITION, BECAUSE THE IDENTITY OF BENEFICIAL OWNERS IS UNKNOWN TO THE CITY OR TO DTC, IT MAY BE DIFFICULT TO TRANSMIT INFORMATION OF POTENTIAL INTEREST TO BENEFICIAL OWNERS IN AN EFFECTIVE AND TIMELY MANNER. **BENEFICIAL OWNERS SHOULD MAKE APPROPRIATE ARRANGEMENTS WITH THEIR BROKER OR DEALER REGARDING DISTRIBUTION OF INFORMATION REGARDING THE 2024 BONDS THAT MAY BE TRANSMITTED BY OR THROUGH DTC.**

Principal, and interest payments on the 2024 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City on each payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC (nor its nominee) or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the City's responsibility, disbursement of such payments to Direct Participants is DTC's responsibility, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants. THE CITY CANNOT AND DOES NOT GIVE ASSURANCE THAT DIRECT AND INDIRECT PARTICIPANTS WILL PROMPTLY TRANSFER PAYMENTS TO BENEFICIAL OWNERS.

DTC may discontinue providing its services as securities depository with respect to the 2024 Bonds at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor depository is not obtained, physical bonds are required to be printed and delivered. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical bonds will be printed and delivered to DTC.

THE CITY HAS NO RESPONSIBILITY OR OBLIGATION TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT, OR THE MAINTENANCE OF ANY RECORDS; (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE 2024 BONDS, OR THE SENDING OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT TO THE 2024 BONDS, OR THE SENDING OR ANY TRANSACTION STATEMENTS; (3) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TRUST AGREEMENT TO BE GIVEN TO OWNERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENTS UPON ANY PARTIAL REDEMPTION OF THE 2024 BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF THE 2024 BONDS, INCLUDING ANY ACTION TAKEN PURSUANT TO AN OMNIBUS PROXY.

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from DTC, and the City takes no responsibility for accuracy thereof.

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