

BASIC FINANCIAL STATEMENTS

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CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS
JUNE 30, 2011

	Primary Government			Chatham
	Governmental Activities	Business-Type Activities	Total	County Board of Alcoholic Beverage Control
Assets:				
Current assets:				
Cash, cash equivalents and investments	\$ 62,291,076	\$ 22,904,303	\$ 85,195,379	\$ 834,830
Cash - restricted	6,101,939	2,120,678	8,222,617	-
Property taxes receivable, net	2,210,636	-	2,210,636	-
Accounts receivable, net	1,910,639	928,680	2,839,319	577
Due from other governments	3,987,161	206,342	4,193,503	-
Other receivables	-	66,074	66,074	-
Inventories	-	-	-	238,806
Deposit on land	-	-	-	10,000
Prepaid items	-	-	-	11,724
Total current assets	<u>76,501,451</u>	<u>26,226,077</u>	<u>102,727,528</u>	<u>1,095,937</u>
Capital assets:				
Land, improvements and construction in progress	59,590,570	22,285,978	81,876,548	-
Other capital assets, net of depreciation	<u>36,141,030</u>	<u>31,529,097</u>	<u>67,670,127</u>	<u>55,294</u>
Total capital assets	<u>95,731,600</u>	<u>53,815,075</u>	<u>149,546,675</u>	<u>55,294</u>
Total assets	<u>172,233,051</u>	<u>80,041,152</u>	<u>252,274,203</u>	<u>1,151,231</u>
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	3,651,224	388,653	4,039,877	221,085
Customer deposits	9,350	273,587	282,937	-
Unearned revenues	334,703	-	334,703	-
Compensated absences - current	925,812	69,253	995,065	-
Debt obligations - current	<u>5,133,768</u>	<u>1,059,362</u>	<u>6,193,130</u>	<u>-</u>
Total current liabilities	<u>10,054,857</u>	<u>1,790,855</u>	<u>11,845,712</u>	<u>221,085</u>
Non-current liabilities:				
Compensated absences - non-current	484,234	53,267	537,501	-
Debt obligations - non-current	<u>92,145,493</u>	<u>22,432,966</u>	<u>114,578,459</u>	<u>-</u>
Total non-current liabilities	<u>92,629,727</u>	<u>22,486,233</u>	<u>115,115,960</u>	<u>-</u>
Total liabilities	<u>102,684,584</u>	<u>24,277,088</u>	<u>126,961,672</u>	<u>221,085</u>
Net Assets:				
Investment in capital assets, net of related debt	32,810,111	32,259,505	65,069,616	55,294
Restricted for:				
Stabilization by State statute	5,747,374	-	5,747,374	279,053
Register of Deeds	191,698	-	191,698	573,498
Courthouse clock	65,553	-	65,553	-
Emergency telephone	1,042,075	-	1,042,075	-
Fire protection	83,696	-	83,696	-
Police protection	5,648	-	5,648	-
Unrestricted	<u>29,602,312</u>	<u>23,504,559</u>	<u>53,106,871</u>	<u>22,301</u>
Total net assets	<u>\$ 69,548,467</u>	<u>\$ 55,764,064</u>	<u>\$ 125,312,531</u>	<u>\$ 930,146</u>

The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental Activities:				
General government	\$ 10,222,252	\$ 844,125	\$ 16,730	\$ -
Public safety	18,684,461	1,000,242	1,165,095	-
Economic and physical development	2,784,443	1,694,671	414,946	-
Human services	16,811,310	1,099,856	8,060,955	-
Cultural and recreational	1,287,933	186,344	524,682	-
Education	27,098,335	-	636,060	-
Interest on long-term debt	4,203,953	-	-	-
Total governmental activities	<u>81,092,687</u>	<u>4,825,238</u>	<u>10,818,468</u>	<u>-</u>
Business-Type Activities:				
Utility	5,280,325	6,065,705	-	-
Southeast Water District	510,016	588,714	-	-
Solid waste management	2,860,614	3,140,391	-	-
Total business-type activities	<u>8,650,955</u>	<u>9,794,810</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 89,743,642</u>	<u>\$ 14,620,048</u>	<u>\$ 10,818,468</u>	<u>\$ -</u>
Component Unit:				
Chatham County Board of Alcoholic Beverage Control	<u>\$ 1,725,203</u>	<u>\$ 1,720,494</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Taxes:

- Property taxes, levied for general purposes
- Local option sales tax
- Other taxes and licenses

Miscellaneous unrestricted

Unrestricted investment earnings

Miscellaneous

Extraordinary item - insurance recovery

Total general revenues not including transfers

Transfers

Total general revenues and transfers

Change in net assets

Net Assets:

Beginning of year - July 1

End of year - June 30

The accompanying notes are an integral part of the financial statements.

Exhibit B

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Chatham County Board of Alcoholic Beverage Control
Governmental Activities	Business Type Activities	Total	
\$ (9,361,397)	\$ -	\$ (9,361,397)	
(16,519,124)	-	(16,519,124)	
(674,826)	-	(674,826)	
(7,650,499)	-	(7,650,499)	
(576,907)	-	(576,907)	
(26,462,275)	-	(26,462,275)	
(4,203,953)	-	(4,203,953)	
<u>(65,448,981)</u>	<u>-</u>	<u>(65,448,981)</u>	
-	785,380	785,380	
-	78,698	78,698	
-	<u>279,777</u>	<u>279,777</u>	
-	<u>1,143,855</u>	<u>1,143,855</u>	
<u>(65,448,981)</u>	<u>1,143,855</u>	<u>(64,305,126)</u>	
			<u>\$ (4,709)</u>
59,903,369	-	59,903,369	-
7,879,070	-	7,879,070	-
667,747	-	667,747	-
1,680,291	-	1,680,291	-
157,610	42,246	199,856	707
966,652	-	966,652	-
<u>2,475,000</u>	<u>-</u>	<u>2,475,000</u>	<u>-</u>
<u>73,729,739</u>	<u>42,246</u>	<u>73,771,985</u>	<u>707</u>
(106,355)	106,355	-	-
<u>73,623,384</u>	<u>148,601</u>	<u>73,771,985</u>	<u>707</u>
8,174,403	1,292,456	9,466,859	(4,002)
<u>61,374,064</u>	<u>54,471,608</u>	<u>115,845,672</u>	<u>934,148</u>
<u>\$ 69,548,467</u>	<u>\$ 55,764,064</u>	<u>\$ 125,312,531</u>	<u>\$ 930,146</u>

The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2011**

	Major Funds		
	General	Impact Fees	Capital Improvements Capital Project Reserve
Assets:			
Cash, cash equivalents and investments	\$ 22,689,729	\$ 8,366,612	\$ 16,767,327
Cash - restricted	-	-	1,119,014
Taxes receivable, net	2,029,260	-	-
Due from other governments	3,478,504	-	-
Other receivables	363,251	3,152	4,134
Total assets	<u>\$ 28,560,744</u>	<u>\$ 8,369,764</u>	<u>\$ 17,890,475</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 2,067,308	\$ -	\$ -
Customer deposits	9,350	-	-
Unearned revenue	311,560	-	-
Deferred revenue	2,167,742	-	-
Total liabilities	<u>4,555,960</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Restricted:			
Stabilization by State statute	3,703,273	3,152	4,134
Register of Deeds	191,698	-	-
Courthouse clock	-	-	-
Future capital projects	-	-	1,119,014
Emergency telephone	-	-	-
Fire protection	-	-	-
Police protection	-	-	-
Committed	-	-	16,767,327
Assigned:			
Subsequent year's expenditures	885,148	4,040,065	-
Education	-	4,326,547	-
Cultural and recreation	-	-	-
Unassigned	19,224,665	-	-
Total fund balances	<u>24,004,784</u>	<u>8,369,764</u>	<u>17,890,475</u>
Total liabilities and fund balances	<u>\$ 28,560,744</u>	<u>\$ 8,369,764</u>	<u>\$ 17,890,475</u>

Amounts reported for governmental activities in the Statement of Net Assets (Exhibit A) are different because:

- Fund balance as reported in the balance sheet - governmental funds
- Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.
- Assets and liabilities of the self-insurance internal service fund used by management to account for certain insurance costs are included in governmental activities in the Statement of Net Assets.
- Liabilities for earned, but deferred, revenues in fund statements.
- Compensated absences not expected to be materially liquidated with expendable available resources.
- Other post-employment benefits that are not due and payable in the current period
- Long-term liabilities, including bonds payable and installment purchases, are not due and payable in the current period and, therefore, are not reported in the funds.

Net assets of governmental activities

The accompanying notes are an integral part of the financial statements.

Exhibit C

<u>Facilities Improvements</u>	<u>School Construction</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ 3,546,078	\$ 1,819,426	\$ 4,939,240	\$ 58,128,412
-	4,982,925	-	6,101,939
-	-	181,376	2,210,636
105,651	324,108	78,898	3,987,161
<u>1,526,813</u>	<u>-</u>	<u>1,345</u>	<u>1,898,695</u>
<u>\$ 5,178,542</u>	<u>\$ 7,126,459</u>	<u>\$ 5,200,859</u>	<u>\$ 72,326,843</u>
\$ 976,637	\$ 114,439	\$ 305,840	\$ 3,464,224
-	-	-	9,350
-	-	23,143	334,703
-	-	181,376	2,349,118
<u>976,637</u>	<u>114,439</u>	<u>510,359</u>	<u>6,157,395</u>
1,632,464	324,108	80,243	5,747,374
-	-	-	191,698
-	-	65,553	65,553
-	4,982,925	-	6,101,939
-	-	1,042,075	1,042,075
-	-	83,696	83,696
-	-	5,648	5,648
2,569,441	1,704,987	2,303,626	23,345,381
-	-	571,512	5,496,725
-	-	-	4,326,547
-	-	561,334	561,334
-	-	(23,187)	19,201,478
<u>4,201,905</u>	<u>7,012,020</u>	<u>4,690,500</u>	<u>66,169,448</u>
<u>\$ 5,178,542</u>	<u>\$ 7,126,459</u>	<u>\$ 5,200,859</u>	<u>\$ 72,326,843</u>
			\$ 66,169,448
			95,731,600
			3,987,608
			2,349,118
			(1,410,046)
			(1,065,581)
			<u>(96,213,680)</u>
			<u>\$ 69,548,467</u>

The accompanying notes are an integral part of the financial statements.

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Major Funds						Total Nonmajor Funds	Total Governmental Funds
	General	Impact Fees	Capital Improvement Capital Project Reserve	Facilities Improvements	School Construction			
Revenues:								
Ad valorem taxes	\$ 54,187,048	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,522,779	\$ 59,709,827
Local option sales tax	7,879,070	-	-	-	-	-	-	7,879,070
Other taxes	667,747	-	-	-	-	-	-	667,747
Unrestricted intergovernmental	1,680,291	-	-	-	-	-	-	1,680,291
Restricted intergovernmental	8,947,846	-	636,060	46,278	-	-	1,188,284	10,818,468
Permits and fees	1,126,385	1,585,200	-	-	-	-	103,570	2,815,155
Sales and services	2,003,763	-	-	-	-	-	-	2,003,763
Investment earnings	54,869	17,089	23,230	18,258	27,601	-	8,054	149,101
Other general revenues	973,429	-	-	2,259,154	-	-	90,420	3,323,003
Total revenues	<u>77,520,448</u>	<u>1,602,289</u>	<u>659,290</u>	<u>2,323,690</u>	<u>27,601</u>	<u>-</u>	<u>6,913,107</u>	<u>89,046,425</u>
Expenditures:								
Current:								
General government	8,195,579	-	-	678,671	-	-	-	8,874,250
Public safety	11,976,594	-	-	2,722,377	-	-	6,315,218	21,014,189
Economic and physical development	2,612,718	-	-	-	-	-	506,903	3,119,621
Human services	18,040,086	-	-	-	-	-	-	18,040,086
Cultural and recreational	1,880,354	-	-	1,253,171	-	-	1,499,731	4,633,256
Intergovernmental:								
Education	27,004,477	-	-	1,693,137	6,736,287	-	-	35,433,901
Debt service:								
Principal retirement	3,583,515	-	-	-	-	-	-	3,583,515
Interest and fees	4,203,954	-	-	-	-	-	-	4,203,954
Total expenditures	<u>77,497,277</u>	<u>-</u>	<u>-</u>	<u>6,347,356</u>	<u>6,736,287</u>	<u>-</u>	<u>8,321,852</u>	<u>98,902,772</u>
Revenues over (under) expenditures	<u>23,171</u>	<u>1,602,289</u>	<u>659,290</u>	<u>(4,023,666)</u>	<u>(6,708,686)</u>	<u>-</u>	<u>(1,408,745)</u>	<u>(9,856,347)</u>
Other Financing Sources (Uses):								
Transfers from (to) other funds	1,316,509	(3,849,107)	1,879,555	-	-	-	546,688	(106,355)
Debt obligations issued	-	-	-	2,923,117	3,857,946	-	-	6,781,063
Total other financing sources (uses)	<u>1,316,509</u>	<u>(3,849,107)</u>	<u>1,879,555</u>	<u>2,923,117</u>	<u>3,857,946</u>	<u>-</u>	<u>546,688</u>	<u>6,674,708</u>
Net change in fund balances	1,339,680	(2,246,818)	2,538,845	(1,100,549)	(2,850,740)	-	(862,057)	(3,181,639)
Fund Balances:								
Beginning of year - July 1	22,665,104	10,616,582	15,351,630	5,302,454	9,862,760	-	5,552,557	69,351,087
End of year - June 30	<u>\$ 24,004,784</u>	<u>\$ 8,369,764</u>	<u>\$ 17,890,475</u>	<u>\$ 4,201,905</u>	<u>\$ 7,012,020</u>	<u>\$ -</u>	<u>\$ 4,690,500</u>	<u>\$ 66,169,448</u>

The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different because:

Net changes in fund balances - total governmental funds \$ (3,181,639)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are depreciated over their estimated useful lives.

Expenditures for capital assets 17,562,785
Current year's depreciation (2,989,783)

The issuance of long-term debt 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 has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

(3,197,547)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund statements.

(346,433)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental fund statements.

312,191

Net revenue of the Self-Insurance Internal Service Fund determined to be governmental-type.

14,829

Total change in net assets of governmental activities

\$ 8,174,403

CHATHAM COUNTY, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND AND
ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	General Fund			Variance with Final Budget Over/Under
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 53,027,163	\$ 53,072,163	\$ 54,187,048	\$ 1,114,885
Local option sales tax	7,243,400	7,243,400	7,879,070	635,670
Other taxes	607,000	607,000	667,747	60,747
Unrestricted intergovernmental	1,009,504	1,009,504	1,680,291	670,787
Restricted intergovernmental	8,354,619	9,630,789	8,947,846	(682,943)
Permits and fees	815,600	815,600	1,126,385	310,785
Sales and services	2,147,825	2,097,631	2,003,763	(93,868)
Investment earnings	325,000	325,000	53,772	(271,228)
Other general revenues	371,690	868,830	973,429	104,599
Total revenues	<u>73,901,801</u>	<u>75,669,917</u>	<u>77,519,351</u>	<u>1,849,434</u>
Expenditures:				
Current:				
General government	9,685,816	10,405,008	8,195,579	2,209,429
Public safety	12,506,921	12,998,651	11,976,594	1,022,057
Economic and physical development	3,048,702	3,509,002	2,612,718	896,284
Human services	18,293,476	19,333,447	18,040,086	1,293,361
Cultural and recreational	2,112,010	2,285,471	1,880,354	405,117
Intergovernmental:				
Education	26,494,477	27,004,477	27,004,477	-
Debt service:				
Principal retirement	3,583,523	3,583,515	3,583,515	-
Interest and fees	4,187,042	4,206,676	4,203,954	2,722
Total expenditures	<u>79,911,967</u>	<u>83,326,247</u>	<u>77,497,277</u>	<u>5,828,970</u>
Revenues over (under) expenditures	<u>(6,010,166)</u>	<u>(7,656,330)</u>	<u>22,074</u>	<u>7,678,404</u>
Other Financing Sources (Uses):				
Transfers from other funds	6,543,699	7,253,353	6,422,268	(831,085)
Transfers to other funds	(4,490,000)	(4,846,103)	(4,496,105)	349,998
Appropriated fund balance	3,956,467	5,249,080	-	(5,249,080)
Total other financing sources (uses)	<u>6,010,166</u>	<u>7,656,330</u>	<u>1,926,163</u>	<u>(5,730,167)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,948,237</u>	<u>\$ 1,948,237</u>
Fund Balances:				
Beginning of year - July 1			21,934,515	
End of year - June 30			<u>\$ 23,882,752</u>	

The accompanying notes are an integral part of the financial statements.

Exhibit F

Impact Fees Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Over/Under
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
880,000	880,000	1,585,200	705,200
-	-	-	-
40,000	40,000	17,089	(22,911)
-	-	-	-
<u>920,000</u>	<u>920,000</u>	<u>1,602,289</u>	<u>682,289</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
3,000,000	3,000,000	-	3,000,000
-	-	-	-
-	-	-	-
<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>3,000,000</u>
<u>(2,080,000)</u>	<u>(2,080,000)</u>	<u>1,602,289</u>	<u>3,682,289</u>
-	-	-	-
(3,849,107)	(3,849,107)	(3,849,107)	-
<u>5,929,107</u>	<u>5,929,107</u>	<u>-</u>	<u>(5,929,107)</u>
<u>2,080,000</u>	<u>2,080,000</u>	<u>(3,849,107)</u>	<u>(5,929,107)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>(2,246,818)</u>	<u>\$ (2,246,818)</u>
		<u>10,616,582</u>	
		<u>\$ 8,369,764</u>	

The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	Business-Type Activities - Enterprise				Governmental
	Utility	Southeast Water District	Solid Waste Management	Total	Self-Insurance Internal Service
Assets:					
Current assets:					
Cash, cash equivalents and investments	\$ 18,680,595	\$ 411,098	\$ 3,812,610	\$ 22,904,303	\$ 4,162,664
Cash - restricted	2,094,203	24,475	2,000	2,120,678	-
Receivables, net	767,314	73,840	87,526	928,680	-
Due from other governments	141,793	259	64,290	206,342	-
Other receivables	21,785	25,912	18,377	66,074	11,944
Total current assets	<u>21,705,690</u>	<u>535,584</u>	<u>3,984,803</u>	<u>26,226,077</u>	<u>4,174,608</u>
Capital assets:					
Land, improvements and construction in progress	21,790,473	-	495,505	22,285,978	-
Other capital assets, net of depreciation	25,411,078	5,307,500	810,519	31,529,097	-
Total capital assets, net	<u>47,201,551</u>	<u>5,307,500</u>	<u>1,306,024</u>	<u>53,815,075</u>	<u>-</u>
Total assets	<u>\$ 68,907,241</u>	<u>\$ 5,843,084</u>	<u>\$ 5,290,827</u>	<u>\$ 80,041,152</u>	<u>\$ 4,174,608</u>
Liabilities and Net Assets:					
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 261,137	\$ -	\$ 127,516	\$ 388,653	\$ 187,000
Customer deposits	247,112	24,475	2,000	273,587	-
Compensated absences payable - current	39,923	-	29,330	69,253	-
General obligation bonds payable - current	-	38,000	-	38,000	-
Revenue bonds payable - current	-	25,000	-	25,000	-
Installment notes payable - current	996,362	-	-	996,362	-
Total current liabilities	<u>1,544,534</u>	<u>87,475</u>	<u>158,846</u>	<u>1,790,855</u>	<u>187,000</u>
Non-current liabilities:					
Compensated absences payable	40,134	-	13,133	53,267	-
Other post-employment benefits	57,881	-	31,786	89,667	-
General obligation bonds payable	-	3,162,000	-	3,162,000	-
Revenue bonds payable	-	1,861,000	-	1,861,000	-
Installment notes payable	17,320,299	-	-	17,320,299	-
Total non-current liabilities	<u>17,418,314</u>	<u>5,023,000</u>	<u>44,919</u>	<u>22,486,233</u>	<u>-</u>
Total liabilities	<u>18,962,848</u>	<u>5,110,475</u>	<u>203,765</u>	<u>24,277,088</u>	<u>187,000</u>
Net Assets:					
Invested in capital assets, net of related debt	30,731,981	221,500	1,306,024	32,259,505	-
Unrestricted	19,212,412	511,109	3,781,038	23,504,559	3,987,608
Total net assets	<u>\$ 49,944,393</u>	<u>\$ 732,609</u>	<u>\$ 5,087,062</u>	<u>\$ 55,764,064</u>	<u>\$ 3,987,608</u>

The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Business-Type Activities - Enterprise				Governmental
	Utility	Southeast Water District	Solid Waste Management	Total	Self-Insurance Internal Service
Operating Revenues:					
Charges for services	\$ 6,064,452	\$ 588,714	\$ 2,704,555	\$ 9,357,721	\$ 4,443,646
Operating grants	-	-	205,007	205,007	-
Other operating revenues	1,253	-	177,601	178,854	-
Total operating revenues	<u>6,065,705</u>	<u>588,714</u>	<u>3,087,163</u>	<u>9,741,582</u>	<u>4,443,646</u>
Operating Expenses:					
Operating expenses	3,697,762	318,756	2,593,351	6,609,869	4,437,326
Depreciation	1,001,284	-	267,263	1,268,547	-
Total operating expenses	<u>4,699,046</u>	<u>318,756</u>	<u>2,860,614</u>	<u>7,878,416</u>	<u>4,437,326</u>
Operating income (loss)	<u>1,366,659</u>	<u>269,958</u>	<u>226,549</u>	<u>1,863,166</u>	<u>6,320</u>
Non-Operating Revenues (Expenses):					
Investment earnings	35,682	1,254	5,310	42,246	8,509
Interest and other charges	(581,279)	(191,260)	-	(772,539)	-
Gain on sale of assets	-	-	53,228	53,228	-
Total non-operating revenues (expenses)	<u>(545,597)</u>	<u>(190,006)</u>	<u>58,538</u>	<u>(677,065)</u>	<u>8,509</u>
Income before transfers	821,062	79,952	285,087	1,186,101	14,829
Transfers from other funds, net	<u>106,355</u>	<u>-</u>	<u>-</u>	<u>106,355</u>	<u>-</u>
Change in net assets	927,417	79,952	285,087	1,292,456	14,829
Net Assets:					
Beginning of year - July 1	<u>49,016,976</u>	<u>652,657</u>	<u>4,801,975</u>	<u>54,471,608</u>	<u>3,972,779</u>
End of year - June 30	<u>\$ 49,944,393</u>	<u>\$ 732,609</u>	<u>\$ 5,087,062</u>	<u>\$ 55,764,064</u>	<u>\$ 3,987,608</u>

The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Business-Type Activities - Enterprise				Governmental Activities
	Utility	Southeast Water District	Solid Waste Management	Total	Self-Insurance Internal Service
Cash Flows from Operating Activities:					
Cash received from customers	\$ 6,074,338	\$ 563,111	\$ 2,701,961	\$ 9,339,410	\$ 4,432,955
Cash paid for goods and services	(2,927,353)	(359,199)	(1,911,661)	(5,198,213)	(4,250,326)
Cash paid to or on behalf of employees for services	(1,250,060)	-	(701,343)	(1,951,403)	-
Customer deposits received	-	24,475	-	24,475	-
Customer deposits returned	(12,450)	-	-	(12,450)	-
Other operating activities	(11,689)	(25,652)	375,829	338,488	-
Net cash provided (used) by operating activities	1,872,786	202,735	464,786	2,540,307	182,629
Cash Flows from Non-Capital Financing Activities:					
Transfers from other funds	106,355	-	-	106,355	-
Net cash provided (used) by non-capital financing activities	106,355	-	-	106,355	-
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of capital assets	(447,217)	(212,067)	(41,808)	(701,092)	-
Principal paid on bonds, notes, and capital leases	(2,220,902)	-	-	(2,220,902)	-
Proceeds for sale of assets	-	-	53,228	53,228	-
Capital contributions	402,619	-	-	402,619	-
Interest paid on bonds, notes, and capital leases	(581,279)	(191,260)	-	(772,539)	-
Net cash provided (used) by capital and related financing activities	(2,846,779)	(403,327)	11,420	(3,238,686)	-
Cash Flows from Investing Activities:					
Interest on investments	30,208	994	5,310	36,512	7,546
Net increase (decrease) in cash and cash equivalents	(837,430)	(199,598)	481,516	(555,512)	190,175
Cash and Cash Equivalents:					
Beginning of year - July 1	21,612,228	635,171	3,333,094	25,580,493	3,972,489
End of year - June 30	\$ 20,774,798	\$ 435,573	\$ 3,814,610	\$ 25,024,981	\$ 4,162,664
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 1,366,659	\$ 269,958	\$ 226,549	\$ 1,863,166	\$ 6,320
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	1,001,284	-	267,263	1,268,547	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(3,056)	(51,255)	(9,373)	(63,684)	(10,691)
(Increase) decrease in due from other governments and accrued liabilities	(19,584)	8,666	(21,516)	(32,434)	187,000
Increase (decrease) in customer deposits	(472,112)	(49,109)	(3,325)	(524,546)	-
Increase (decrease) in compensated absences payable	(12,450)	24,475	-	12,025	-
	12,045	-	5,188	17,233	-
Total adjustments	506,127	(67,223)	238,237	677,141	176,309
Net cash provided (used) by operating activities	\$ 1,872,786	\$ 202,735	\$ 464,786	\$ 2,540,307	\$ 182,629

The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011**

	Law Enforcement Employees' Trust Fund	Agency Funds
	<u> </u>	<u> </u>
Assets:		
Cash, cash equivalents and investments	\$ 355,911	\$ 293,004
Property taxes receivables, net	-	163,907
Due from other governmental agencies	-	32,918
Other receivables	81	37
Total assets	<u>\$ 355,992</u>	<u>\$ 489,866</u>
 Liabilities and Net Assets:		
Liabilities:		
Accounts payable and other accrued liabilities	\$ 546	\$ -
Due to agency participants	-	106,439
Due to other government agencies	-	383,427
Total liabilities	<u>546</u>	<u>489,866</u>
 Net Assets:		
Assets held in trust for employees' pension benefits	<u>355,446</u>	-
Total net assets	<u>\$ 355,446</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	Law Enforcement Employees' Pension
Additions:	
Employer on-behalf payments	\$ 50,000
Investment earnings	480
Total additions	<u>50,480</u>
Deductions:	
Benefit payments	<u>26,622</u>
Net change in assets	23,858
Net Assets:	
Beginning of year - July 1	<u>331,588</u>
End of year - June 30	<u>\$ 355,446</u>

The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

I. Summary of Significant Accounting Policies

The accounting policies of the County and its component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County of Chatham, North Carolina is a political subdivision of the State of North Carolina. It is one of 100 counties established in North Carolina under North Carolina General Statute 153A-10, is located in the central part of the State, and has a population of approximately 63,505. The County operates under a Commissioner-Manager form of government. The County is responsible for and maintains services inherent to the operation of a county government including general government, public safety, human services, education, economic and physical development, and cultural and recreational. The County also operates a water and sewer utility system and a solid waste management system.

As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. Southeast Water District exists to provide and maintain water systems for the County residents within the districts. The District is reported as an enterprise fund in the County’s financial statements. Southwest Water District and Northwest Water District have no financial transactions or account balances; therefore, they are not presented in the basic financial statements. Chatham County Industrial Facility and Pollution Control Financing Authority (the Authority) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The Chatham County Board of Alcoholic Beverage Control (the *ABC Board*), which has a June 30 year-end, is presented as if it is a separate proprietary fund of the County (discrete presentation). The blended presentation method presents component units as a department or unit of the County, and offers no separate presentation as with the discrete method.

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Southeast Water District	Blended	Under State law [NCGS 162A-89], the County’s Board of Commissioners also serves as the governing board of the District.	None Issued
Southwest Water District	Blended	Under State law [NCGS 162A-89], the County’s Board of Commissioners also serves as the governing board of the District.	None Issued
Northwest Water District	Blended	Under State law [NCGS 162A-89], the County’s Board of Commissioners also serves as the governing board of the District.	None Issued
Chatham County Industrial Facility and Pollution Control Financing Authority	Discrete	The Authority is governed by a seven-member Board of Commissioners that is appointed by the County Commissioners. The County can remove any commissioner of the Authority with or without cause.	None Issued
Chatham County ABC Board	Discrete	The members of the ABC Board’s governing board are appointed by the County. The ABC Board is required by State Statute to distribute its surpluses to the General Fund of the County.	Chatham County ABC Board 11455 Suite B, US15-501 Chapel Hill, NC 27516

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-Wide Statements. The Statement of Net Assets and the Statement of Activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating items such as investment earnings are ancillary activities.

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those that are required to be accounted for in another fund.

Impact Fees Fund. This fund is used to account for an additional fee charged on all building permits issued for the construction of new dwellings. Impact fees collected are to be used to offset a portion of the cost of new school construction.

Capital Improvement Capital Project Reserve Fund. The County transfers annually an amount equivalent to five cents on the tax rate into this fund. The money will be used to fund a variety of general capital projects, including a library, Central Carolina Community College facilities, an addition to the Department of Social Services, and a judicial center.

Facilities Improvements Project Fund. This fund accounts for the financing and construction of facilities and additional office space within the County.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

School Construction Fund. This fund is used to account for the construction of new school facilities and additions to existing facilities.

The County reports the following major enterprise funds:

Utility Fund. This fund is used to account for the County's water and sewer operations.

Southeast Water District Fund. This fund is used to account for the operations of the water district covering the southeastern portion of the County.

Solid Waste Management Fund. This fund is used to account for the operations of the County's collection and disposal of solid waste.

The County reports the following fund types:

Pension Trust Fund. The County maintains one Pension Trust Fund: the Special Separation Allowance Fund. The Pension Trust Fund is used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other postemployment benefit plans. The Special Separation Allowance Fund, that accounts for the Law Enforcement Officers' Special Separation Allowance, a single-employer, public employee retirement system.

Agency Funds. Agency funds are custodial in nature and do not involve measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the Social Services Fund, which accounts for monies deposited with the Department of Social Services for the benefit of certain individuals; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to the Chatham County Board of Education; the Chatham County Cooperative Extension Fund, which accounts for fees collected for programs conducted by the Chatham County Cooperative Extension; the Goldston Gulf Sanitary District Fund, which accounts for taxes collected for a special tax district located within the County; the State Motor Vehicle Tax Fund, which accounts for the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles; and the Chatham County Municipalities Agency Fund, which accounts for taxes collected and remitted to municipalities located within the County.

Internal Service Fund. Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units on a cost reimbursement basis. The measurement focus is upon determination of net income, financial position, and changes in financial position. The generally accepted accounting principles here are those applicable to similar businesses in the private sector and, thus, these funds are maintained on the accrual basis. The County has one Internal Service Fund, the Self-Insurance Internal Service Fund.

Measurement Focus, Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, donations, and similar items is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Chatham County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2010 through February 2011 apply to the fiscal year ended June 30, 2011. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

All governmental and business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the special revenue funds (excluding the Economic and Community Development Fund), and the enterprise funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for Capital Projects Funds, and the Enterprise Capital Projects Fund, which are consolidated with the enterprise operating fund for reporting purposes. The County's Self-Insurance Internal Service Fund operates under a financial plan that was adopted by the governing board at the time the County's budget ordinance was approved, as is required by the General Statutes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the department level for all annually budgeted funds and at the object level for the multi-year funds. The County Budget Officer is authorized by the budget ordinance to transfer appropriations between department areas within a fund up to \$5,000; however, any revisions that alter total expenditures of any fund must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

The County records encumbrances in its accounting system. Encumbrances including purchase orders, contracts, and other commitments for monies are recorded in the expenditure accounts in order to reserve a portion of the related appropriation. At June 30, when appropriations lapse, encumbrances outstanding, if any, are subsequently budgeted and charged to appropriations in the ensuing year.

Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant areas where estimates are made are allowance for doubtful accounts and depreciation lives.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

D. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the County and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

The County and the ABC Board's investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

2. Cash and Cash Equivalents

The County pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

3. Restricted Assets

The unexpended bond proceeds of the Western Transmission Water Line are classified as restricted assets within the Utility Fund because their use is completely restricted to the purpose for which the bonds were originally issued. The unexpended bond proceeds of the School Construction Fund and the Capital Improvement Capital Project Reserve Fund are classified as restricted assets because their use is restricted to ongoing capital projects for which the bonds were originally issued. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected.

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2010.

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years. The ABC Board receivables are stated at realizable value and no allowance for doubtful accounts has been provided.

6. Inventories and Prepaid Items

The inventories of the ABC Board are valued at cost (first-in, first-out), which approximates market. 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.

7. Capital Assets

Capital assets, which include property, plant, infrastructure, equipment and vehicles, are reported in the County's government-wide financial and proprietary financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,500 and an estimated useful life of more than one year. Capital assets other than leased assets are recorded at original cost or estimated historical cost. Leased assets under capital leases are recorded at the lower of the fair value of the asset or the present value of the related lease obligation. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Chatham County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit the issuance of Qualified Zone Academy bonds and installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for the maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education once all restrictions of the bond and financing agreements have been met and all sales tax reimbursement requirements have been met. The property is reflected as a capital asset in the financial statements of the Chatham County Board of Education.

Capital assets are depreciated using the straight-line method over the assets' estimated useful lives. Assets acquired under capital leases are amortized over the assets' estimated useful lives. Capital assets are reported in the County's basic financial statements net of accumulated depreciation and amortization.

The estimated useful lives for the County's capital assets are as follows:

<u>Asset Class</u>	<u>Primary Government</u>	<u>ABC Board</u>
Buildings	20-60 years	
Infrastructure:		
Water distribution system	50 years	
Computer, equipment, and vehicles	3-5 years	4-10 years
Leasehold improvements		10 years

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

8. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets. In the fund financial statements for governmental fund types, the face amount of debt issued is reported as an other financing source.

General obligation bonds are direct obligations and pledge the full faith and credit of the County. The County's general obligation bonds, currently outstanding, were issued to finance construction of school and community college buildings. It is the intention of the County that those obligations, including both principal and interest, are to be repaid from the General Fund. Therefore, the bonds are included in the government-wide financial statements.

The County has constructed new school facilities, County office facilities, made water system improvements and purchased equipment under private-placement loan agreements, Certificates of Participation, and loans from the North Carolina Department of Environment and Natural Resources. It has also acquired certain equipment under capital leases. Loan agreements and capital lease agreements are recorded in the appropriate columns of the government-wide and proprietary fund financial statements.

9. Compensated Absences

The vacation policy of the County provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned, and the ABC Board employees may accumulate up to forty days earned vacation leave. The County records as expenditures in governmental funds the amount of compensated absences accrued during the year that will be liquidated with expendable available financial resources. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The remainder of compensated absences relative to governmental funds is reported in the government-wide financial statements. The amount of accrued compensated absences relative to proprietary fund types is recorded within the respective fund. For the County's enterprise funds, an expense and a liability for compensated absences and salary-related payments are recorded within those funds as leave is earned.

The sick leave policies of the County and the ABC Board provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the County nor the ABC Board has any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

10. Net Assets/Fund Balances

Net Assets/Fund Balances

Net Assets

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through State statutes.

Fund Balances

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

The governmental fund types classify fund balances as follows:

Non-Spendable Fund Balance

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

Restricted Fund Balance

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

Stabilization for State Statute – portion of fund balance that is not an available resource for appropriation in accordance with State law [G.S. 159-8(a)].

Restricted for Register of Deeds – portion of fund balance restricted by State statute for automation enhancement (software) improvements.

Restricted for Courthouse Clock – portion of fund balance restricted for expenditures to maintain the Courthouse Clock.

Restricted for Future Capital Projects – portion of fund balance restricted by revenue source for future capital projects.

Restricted for Emergency Telephone – portion of fund balance restricted for expenditures to enhance the State's 911 system.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

Committed Fund Balance

This classification represents the portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Chatham County's governing body (highest level of decision making authority, Board of Commissioners). Any changes or removal of specific purpose restrictions requires majority action by the governing body.

Committed for Future Capital Projects – portion of fund balance budgeted by the Board to be used for future capital projects.

Assigned Fund Balance

Assigned fund balance is the portion of fund balance that Chatham County intends to use for specific purposes. The County's governing body has the authority to assign fund balance.

Subsequent Year's Expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the Manager to make certain modifications utilizing a contingency line item without requiring Board approval.

Assigned for Education – portion of fund balance budgeted by the Board for future education expenditures.

Assigned for Fire Protection – portion of fund balance budgeted by the Board for future fire protection expenditures.

Assigned for Cultural and Recreation – portion of fund balance budgeted by the Board for cultural and recreation expenditures.

Assigned for Police Protection – portion of fund balance budgeted by the Board for future police protection expenditures.

Unassigned Fund Balance

Unassigned fund balance represents the portion of fund balance that has not been assigned to another fund or is not restricted, committed, or assigned to specific purposes or other funds.

Chatham County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: debt proceeds, federal funds, State funds, local non-County funds, and/or County funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and, lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the County or when required by grant or other contractual agreements.

Chatham County has also adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that available fund balance is at least equal to or greater than 20% of the previous annual operating budget.

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

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	\$	24,004,784
Less:		
Stabilization by State statute		3,703,273
Fund balance available for appropriation	\$	20,301,511

Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balance - Budget and Actual - General Fund to the Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds

A legally budgeted Personnel Savings Reserve Fund is consolidated into the General Fund for reporting purposes on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit D). Fund balance for the General Fund is reconciled as follows:

Fund balance - ending (Exhibit F)	\$	23,882,752
Personnel Savings Reserve Fund:		
Investment earnings		1,097
Transfers out		(609,654)
Fund balance - beginning		750,589
Fund balance - ending (Exhibit D)	\$	24,024,784

II. Detail Notes on All Funds

A. Assets

1. Cash, Cash Equivalents, and Investments

Cash, cash equivalents, and investments of the County as of June 30, 2011 include the following:

	Reported Value	Fair Value
Cash on hand	\$ 1,925	\$ 1,925
Deposits - NOW, SuperNOW, MMDA, and Certificates of Deposit	49,247,945	49,247,945
North Carolina Capital Management Trust	44,817,041	44,817,041
Total	\$ 94,066,911	\$ 94,066,911

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

2. Deposits

All the deposits of the County and the ABC Board are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the County's or the ABC Board's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the ABC Board, these deposits are considered to be held by the County's and the ABC Board's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County, the ABC Board, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the County and the ABC Board under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County and the ABC Board rely on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying deposits are properly secured. The County and the ABC Board have no policy regarding custodial credit risk for deposits.

At June 30, 2011, the County's deposits had a carrying amount of \$49,247,945 and a bank balance of \$49,602,654. Of the bank balance, \$1,712,247 was covered by federal depository insurance and \$47,890,407 was covered by collateral held under the Pooling Method. The County had \$1,925 of cash on hand at year-end.

At June 30, 2011, the carrying amount of deposits for Chatham County ABC Board was \$832,930 and the bank balance was \$931,663. All of the bank balance was covered by federal depository insurance. The ABC Board had \$1,900 of cash on hand at year-end.

3. Investments

At June 30, 2011, the County's investment balances were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>
NC Capital Management Trust Fund	\$ 44,817,041	\$ 44,817,041

Interest Rate Risk. The County and the ABC Board have no policy regarding interest rate risk.

Credit Risk. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County and the ABC Board have no formal policy regarding credit risk. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2011.

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

4. Receivables

Receivables at the government-wide level at June 30, 2011, were as follows:

	<u>Taxes and Related Accrued Interest</u>	<u>Other Accounts Receivable</u>	<u>Due from Other Governments</u>	<u>Total</u>
Governmental Activities:				
General	\$ 2,472,090	\$ 363,043	\$ 3,478,504	\$ 6,313,637
Other governmental	224,706	1,535,652	508,657	2,269,015
Internal service	-	11,944	-	11,944
Total	<u>2,696,796</u>	<u>1,910,639</u>	<u>3,987,161</u>	<u>8,594,596</u>
Allowance for doubtful accounts	<u>486,160</u>	<u>-</u>	<u>-</u>	<u>486,160</u>
Total governmental activities	<u>\$ 2,210,636</u>	<u>\$ 1,910,639</u>	<u>\$ 3,987,161</u>	<u>\$ 8,108,436</u>
Business-Type Activities:				
Utility	\$ -	\$ 950,584	\$ 142,052	\$ 1,092,636
Solid waste management	-	127,437	64,290	191,727
Total	-	1,078,021	206,342	1,284,363
Allowance for doubtful accounts	<u>-</u>	<u>83,267</u>	<u>-</u>	<u>83,267</u>
Total business-type activities	<u>\$ -</u>	<u>\$ 994,754</u>	<u>\$ 206,342</u>	<u>\$ 1,201,096</u>

Due from other governments that is owed to the County consists of the following:

Governmental Activities:	
Local option sales tax	\$ 1,958,923
Video programming	41,000
Sales tax refunds	666,241
Federal and State grants	1,320,997
Total governmental activities	<u>\$ 3,987,161</u>
Business-Type Activities:	
Sales tax refunds	\$ 81,882
White goods disposal tax	25,877
Scrap tire tax	28,631
Federal and State grants	69,952
Total business-type activities	<u>\$ 206,342</u>

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

5. Capital Assets

Governmental capital assets at June 30, 2011, were as follows:

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u> <u>In (Out)</u>	<u>Balance</u> <u>June 30, 2011</u>
Non-Depreciable Assets:					
Land	\$ 7,289,318	\$ 96,904	\$ -	\$ -	\$ 7,386,222
Construction in progress	38,809,133	13,610,057	214,842	-	52,204,348
Total non-depreciable assets	<u>46,098,451</u>	<u>13,706,961</u>	<u>214,842</u>	<u>-</u>	<u>59,590,570</u>
Depreciable Assets:					
Buildings	41,807,884	3,124,018	-		44,931,902
Equipment and vehicles	11,701,176	958,587	1,067,076	8,208	11,600,895
Total depreciable assets	<u>53,509,060</u>	<u>4,082,605</u>	<u>1,067,076</u>	<u>8,208</u>	<u>56,532,797</u>
Less Accumulated Depreciation:					
Buildings	(10,435,559)	(1,405,797)	-	-	(11,841,356)
Equipment and vehicles	(8,013,354)	(1,583,986)	1,055,137	(8,208)	(8,550,411)
Total accumulated depreciation	<u>(18,448,913)</u>	<u>(2,989,783)</u>	<u>1,055,137</u>	<u>(8,208)</u>	<u>(20,391,767)</u>
Depreciable assets, net	<u>35,060,147</u>	<u>1,092,822</u>	<u>11,939</u>	<u>-</u>	<u>36,141,030</u>
Total governmental activities capital assets, net	<u>\$ 81,158,598</u>	<u>\$ 14,799,783</u>	<u>\$ 226,781</u>	<u>\$ -</u>	<u>\$ 95,731,600</u>

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

Governmental Activities:	
General government	\$ 417,969
Public safety	671,977
Human services	200,575
Environmental protection and economic development	29,816
Cultural and recreational	144,146
Education	1,525,300
Total	<u>\$ 2,989,783</u>
Business-Type Activities:	
Utility	\$ 1,001,284
Solid waste management	267,263
Total	<u>\$ 1,268,547</u>

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

Enterprise fund capital assets at June 30, 2011, were as follows:

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers In (Out)</u>	<u>Balance June 30, 2011</u>
Utility Fund:					
Non-Depreciable Assets:					
Land	\$ 421,023	\$ -	\$ -	\$ -	\$ 421,023
Construction in progress	<u>21,110,367</u>	<u>259,083</u>	<u>-</u>	<u>-</u>	<u>21,369,450</u>
Total non-depreciable assets	<u>21,531,390</u>	<u>259,083</u>	<u>-</u>	<u>-</u>	<u>21,790,473</u>
Depreciable Assets:					
Buildings	5,478,618	-	-	-	5,478,618
Equipment and vehicles	1,315,445	-	-	(8,207)	1,307,238
Distribution lines	<u>29,793,502</u>	<u>159,184</u>	<u>-</u>	<u>-</u>	<u>29,952,686</u>
Total depreciable assets	<u>36,587,565</u>	<u>159,184</u>	<u>-</u>	<u>(8,207)</u>	<u>36,738,542</u>
Less Accumulated Depreciation:					
Buildings	(3,434,220)	(273,852)	-	-	(3,708,072)
Equipment and vehicles	(1,024,162)	(89,653)	-	8,207	(1,105,608)
Distribution lines	<u>(5,876,005)</u>	<u>(637,779)</u>	<u>-</u>	<u>-</u>	<u>(6,513,784)</u>
Total accumulated depreciation	<u>(10,334,387)</u>	<u>(1,001,284)</u>	<u>-</u>	<u>8,207</u>	<u>(11,327,464)</u>
Depreciable assets, net	<u>26,253,178</u>	<u>(842,100)</u>	<u>-</u>	<u>-</u>	<u>25,411,078</u>
Total Utility Fund capital assets, net	<u>\$ 47,784,568</u>	<u>\$ (583,017)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,201,551</u>

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2011</u>
Southeast Water District:				
Non-Depreciable Assets:				
Construction in progress	<u>\$ 5,095,433</u>	<u>\$ 212,067</u>	<u>\$ 5,307,500</u>	<u>\$ -</u>
Depreciable Assets:				
Distribution lines	<u>-</u>	<u>5,307,500</u>	<u>-</u>	<u>5,307,500</u>
Depreciable assets, net	<u>-</u>	<u>5,307,500</u>	<u>-</u>	<u>5,307,500</u>
Total Southeast Water District capital assets, net	<u>\$ 5,095,433</u>	<u>\$ 5,519,567</u>	<u>\$ 5,307,500</u>	<u>\$ 5,307,500</u>

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2011</u>
Solid Waste Management:				
Non-Depreciable Assets:				
Land	\$ 495,505	\$ -	\$ -	\$ 495,505
Total non-depreciable assets	<u>495,505</u>	<u>-</u>	<u>-</u>	<u>495,505</u>
Depreciable Assets:				
Buildings	1,797,817	6,900	-	1,804,717
Equipment and vehicles	<u>2,266,916</u>	<u>34,908</u>	<u>112,086</u>	<u>2,189,738</u>
Total depreciable assets	<u>4,064,733</u>	<u>41,808</u>	<u>112,086</u>	<u>3,994,455</u>
Less Accumulated Depreciation:				
Buildings	(1,397,572)	(78,522)	-	(1,476,094)
Equipment and vehicles	<u>(1,631,187)</u>	<u>(188,741)</u>	<u>112,086</u>	<u>(1,707,842)</u>
Total	<u>(3,028,759)</u>	<u>(267,263)</u>	<u>112,086</u>	<u>(3,183,936)</u>
Depreciable assets, net	<u>1,035,974</u>	<u>(225,455)</u>	<u>-</u>	<u>810,519</u>
Total Solid Waste Management capital assets, net	<u>\$ 1,531,479</u>	<u>\$ (225,455)</u>	<u>\$ -</u>	<u>\$ 1,306,024</u>

7. Construction Commitments

The government has active construction projects as of June 30, 2011. At year-end, the government's commitments with contractors were as follows:

<u>Project</u>	<u>Spent</u> <u>to-Date</u>	<u>Remaining</u> <u>Commitment</u>
Energy audit	\$ 904,793	\$ -
Judicial facility	2,651,767	17,436,511
CCCC-Library/Classroom	9,963,651	105,708
Law Enforcement Center Parking	72,173	374,603
Jail	137,068	853,052
Courthouse restoration	545,685	155,044
Northeast Park	1,439,852	149,162
Durham Interconnect	62,160	94,840
Sanford Interconnect	33,970	96,030
Southeast Water District	<u>4,548,262</u>	<u>-</u>
Total	<u>\$ 20,359,381</u>	<u>\$ 19,264,949</u>

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

8. Discretely Presented Component Units

Activity for the ABC Board for the year ended June 30, 2011, was as follows:

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2011</u>
Depreciable Assets:				
Leasehold improvements	\$ 16,556	\$ -	\$ -	\$ 16,556
Equipment and fixtures	92,309	39,048	34,237	97,120
Total	<u>108,865</u>	<u>39,048</u>	<u>34,237</u>	<u>113,676</u>
Less: accumulated depreciation	<u>(84,130)</u>	<u>(5,800)</u>	<u>31,549</u>	<u>(58,381)</u>
Total ABC Board capital assets, net	<u>\$ 24,735</u>	<u>\$ 33,248</u>	<u>\$ 65,786</u>	<u>\$ 55,294</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2011, were as follows:

	<u>Vendors</u>	<u>Salaries and</u> <u>Benefits</u>	<u>Claims</u> <u>Liability</u>	<u>Total</u>
Governmental Activities:				
General	\$ 1,439,252	\$ 628,056	\$ -	\$ 2,067,308
Internal service	-	-	187,000	187,000
Other governmental	1,395,556	1,360	-	1,396,916
Total governmental activities	<u>\$ 2,834,808</u>	<u>\$ 629,416</u>	<u>\$ 187,000</u>	<u>\$ 3,651,224</u>
Business-Type Activities:				
Utility	\$ 228,141	\$ 32,996	\$ -	\$ 261,137
Solid waste management	108,813	18,703	-	127,516
Total business-type activities	<u>\$ 336,954</u>	<u>\$ 51,699</u>	<u>\$ -</u>	<u>\$ 388,653</u>

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

2. Operating Leases

The ABC Board occupies facilities in Chapel Hill, Moncure and Governor’s Village. The base monthly rental rate for the Chapel Hill property is \$1,708 and the Moncure property is \$1,042. Both rental rates are adjusted annually based on the Consumer Price Index. The annual rent for the Governor’s Village property is \$18,360 for year one, \$18,960 for year two and \$19,560 for year three. The agreement for the Chapel Hill facility is being leased on a month-to month basis, the lease agreement for the Moncure facility expires in October 2010, and the lease agreement for the Governor’s Village facility expired in April 2010. The ABC Board leases warehouse space from the Pittsboro ABC Board at a monthly rate of \$250. The lease expires in November 2013. The minimum future lease payments are as follows:

Year Ended	
June 30	Amount
2012	\$ 22,060
2013	19,300
2014	1,000
Total	<u>\$ 42,360</u>

3. Pension Plan and Other Post-Employment Obligations

a. Local Governmental Employees’ Retirement System

Plan Description. The County and the ABC Board contribute to 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 provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees’ Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State’s CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The County and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.43% and 6.41%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 6.93% of annual covered payroll. The contribution requirements of members, the County, and the ABC Board are established and may be amended by the North Carolina General Assembly. The County’s contributions to LGERS for the years ended June 30, 2011, 2010 and 20099 were \$1,133,499, \$822,832, and \$821,706, respectively. The ABC Board’s contributions to LGERS for the years ended June 30, 2011, 2010, and 20099 were \$7,497, \$5,519, and \$5,631, respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

b. Law Enforcement Officers' Special Separation Allowance

Plan Description. The County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Separation Allowance is reported in the County's report as a pension trust fund. The plan does not issue separate financial statements.

All full-time County law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2010 the Separation Allowance's membership consisted of:

Retirees receiving benefits and terminated plan members entitled to, but not yet receiving, benefits	4
Active plan members	<u>81</u>
Total	<u><u>85</u></u>

Summary of Significant Accounting Policies

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

Method Used to Value Investments. Investments are reported at fair value. Short-term money market debt instruments, deposits, and repurchase agreements are reported at cost or amortized cost, which approximates fair value. Certain longer term United States Government and United States Agency securities are valued at the last reported sales price.

Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. For the current year, the County contributed \$50,000, or 1.7% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

The annual required contribution for the current year was determined as part of the December 31, 2010 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2010 was 20 years.

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

Annual Pension Cost and Net Pension Obligation. The County's annual pension cost and net pension asset to the Separation Allowance for the current year were as follows:

Annual required contribution	\$	84,949
Interest on net pension obligation		(3,187)
Adjustment to annual required contribution		3,413
Annual pension cost		85,175
Contributions made		50,000
Increase in net pension asset		35,175
Net pension obligation:		
Beginning of year, July 1		(63,746)
End of year, June 30		\$ (28,571)

Three-Year Trend Information

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 44,840	89.21%	\$ (64,720)
2010	50,974	98.09%	(63,746)
2011	85,175	58.70%	(28,571)

Funding Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the plan was 46.45% funded. The actuarial accrued liability for benefits was \$686,196, and the actuarial value of assets was \$288,529, resulting in an unfunded actuarial accrued liability (UAAL) of \$367,451. The covered payroll (annual payroll of active employees covered by the plan) was \$2,940,994, and the ratio of the UAAL to the covered payroll was 12.49%.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the 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.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2011 were \$196,306, which consisted of \$149,935 from the County and \$46,371 from the law enforcement officers.

d. Supplemental Retirement Income Plan of North Carolina 401(k)

Plan Description. The County contributes to the Supplemental Retirement Income Plan of North Carolina 401(k) (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to all employees not engaged in law enforcement who work more than 20 hours of each week and who are not already receiving supplemental retirement benefits. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy. The County contributes each month an amount equal to four and one-half percent (4.5%). Also, employees may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2011 were \$970,970, which consisted of \$659,091 from the County and \$311,879 from the employees.

e. Deferred Compensation Plan

Plan Description. The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is available to all employees not engaged in law enforcement, 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 County has complied with changes in laws which govern the County's Deferred Compensation Plan, requiring all assets of the plan to be held in trust for the exclusive benefit of the participants and their beneficiaries. In accordance with GASB Statement 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," the County's Deferred Compensation Plan is not reported within the County's Agency Funds.

Funding Policy. The County does not contribute to the deferred compensation plan. Employees may make voluntary contributions to the plan. Contributions from employees for the year ended June 30, 2011 were \$59,712.

f. Registers of Deeds' Supplemental Pension Fund

Plan Description. The County also contributes to the Registers of Deeds' Supplemental Pension Fund (Fund), a non-contributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Governmental Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund’s assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2011, the County’s required and actual contributions were \$6,254.

g. Other Post-Employment Benefits

Healthcare Benefits

Plan Description. According to a County resolution, the County provides post-employment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees’ Retirement System (System) and have at least twenty years of creditable service with the County. Retirees who do not meet the aforementioned criteria have the option to purchase basic medical insurance for themselves and their dependents through the County for eighteen months. Currently, 11 retirees are eligible for post-employment health benefits. The County is self-insured for its healthcare coverage and contributes funding for all employee groups annually. The County Commissioners may amend the benefit provision. A separate report was not issued for the plan.

Membership of the post employment health benefit plan consisted of the following at December 31, 2010, the date of the latest actuarial valuation:

Retirees and dependent benefits	11
Active members	<u>441</u>
Total	<u>452</u>

Funding Policy. The County agrees to provide medical insurance to certain retired employees as an extended benefit. Eligible retirees who elect this coverage will be enrolled in the group health plan. For members that retire with at least 30 years of service, the County pays 100% of the cost for pre-65 health coverage for the retiree. For members that retire with at least 25 years of service, the County pays 75% of the cost for pre-65 health coverage. For members that retire with at least 20 years of service, the County pays 50% of the cost for pre-65 health coverage. Retirees will cease to be eligible for group health insurance at age 65. The retiree is responsible for paying the cost of dependent coverage if dependent coverage is elected. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC is 2.56% of annual covered payroll. For fiscal year 2011, the County contributed \$71,127 or .41% of annual covered payroll.

Summary of Significant Accounting Policies. Benefit expenditures are made from the internal service fund, which is reported on the accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

Annual OPEB Cost and Net OPEB Obligation. The County’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County’s net OPEB obligation healthcare benefits:

Annual required contribution	\$ 442,219
Interest on net OPEB obligation	31,310
Adjustment to annual required contribution	<u>29,911</u>
Annual OPEB cost (expense)	443,618
Contributions made	<u>71,127</u>
Increase (decrease) in net OPEB obligation	372,491
Net OPEB obligation:	
Beginning of year, July 1	<u>782,757</u>
End of year, June 30	<u>\$ 1,155,248</u>

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 were as follows:

Three-Year Trend Information			
Year Ended	Annual	Percentage	Net
June 30	OPEB	of AOC	OPEB
	Cost (AOC)	Contributed	Obligation
2009	\$ 502,228	13.3%	\$ 435,686
2010	444,611	21.9%	782,757
2011	443,618	16.0%	1,155,248

Funding Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$3,646,400. The covered payroll (annual payroll of active employees covered by the plan) was \$17,232,259, and the ratio of the UAAL to the covered payroll was 21.2%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included 4.00% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.50 to 5.00 percent annually. The investment rate included a 3.00% inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5 year period. The unfunded actuarial accrued liability is being amortized as level percentage of pay on an open basis. The remaining amortization period at December 31, 2010 was 30 years.

h. Other Employment Benefits

The County has also elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2011, the County made contributions to the State for death benefits of \$15,861. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.08% and 0.14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

The County has also elected to provide enrollment in additional term life and accidental death and dismemberment insurance to employees. The plan, which is available to all County employees who work 30 hours or more per week, is valued at \$10,000. Employees may elect to purchase additional coverage for themselves or their dependents at additional cost. Any benefit elections purchased in excess of \$50,000 are considered taxable to the employee as a fringe benefit.

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

4. Pension and Other Employee Benefit Trust Funds

The County maintains one pension trust fund as indicated in Note 1. Net assets for this trust fund are as follows:

	Law Enforcement Employees' Pension Trust Fund
Assets:	
Cash, cash equivalents, and investments	\$ 331,570
Other receivables	18
Total assets	331,588
Liabilities:	
Accounts payable and other accrued liabilities	-
Net Assets:	
Assets held in trust for employees' pension benefits	331,588
Total net assets	\$ 331,588

Changes in net assets for this trust fund are as follows:

	Law Enforcement Employees' Pension Trust Fund
Additions:	
Employer on-behalf payments	\$ 50,000
Employee contributions	-
Investment earnings	480
Total additions	50,480
Deductions:	
Benefit payments	26,622
Net change in assets	23,858
Net Assets:	
Beginning of year, July 1	331,588
End of year, June 30	\$ 355,446

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

5. Landfill Closure and Post-Closure Costs

The County closed its landfill facility in October 1993 and placed a cover on the site. The County is required to perform semi-annual monitoring functions at the site. Costs that relate to monitoring activities are expensed as incurred. Post-closure costs for the fiscal year ended June 30, 2011 were approximately \$8,449.

As a result of the monitoring, the County submitted an assessment and remediation plan pursuant to NC Administrative Code 13B in November 1998 to the North Carolina Department of Environment and Natural Resources Division of Waste Management. The plan requires the County to purchase land adjacent to the site as a buffer zone. All necessary property to provide the buffer zone was purchased, and the project was completed during the fiscal year ending June 30, 2009. Future post-closure costs will be expensed as incurred.

6. Deferred/Unearned Revenues

The balance in deferred or unearned revenue on the fund statements and unearned revenues on the government-side statements at year-end is composed of the following elements:

	<u>Deferred Revenues</u>	<u>Unearned Revenues</u>
Prepaid taxes not yet earned (General)	\$ -	\$ 311,560
Prepaid taxes not yet earned (Special Revenue)	-	23,143
Taxes receivable, net (General)	2,146,637	-
Taxes receivable, net (Special Revenue)	181,376	-
Health department fees receivable, net (General)	21,105	-
Total	<u>\$ 2,349,118</u>	<u>\$ 334,703</u>

7. Risk Management

The County and the ABC Board are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County purchases insurance for property, general liability, automobile, errors and omissions, law enforcement liability and employment practices liability. The County's property is insured based on actual value up to a limit of \$55,043,067. General liability coverage is \$2,000,000 per occurrence, with a \$5,000,000 general aggregate, and automobile liability is \$2,000,000 per occurrence. The public entity management liability (errors and omissions) and the law enforcement liability coverage is \$2,000,000 per occurrence, with a \$4,000,000 general aggregate. The employment practices liability coverage is \$2,000,000 per occurrence, with a \$2,000,000 general aggregate. The County participates in a self-funded risk financing pool administered by a private company. Through this pool, the County self-insures for workmen's compensation coverage, and purchases reinsurance with a \$350,000 retention per occurrence up to a maximum of \$1,000,000. The County self-insures for employee health coverage, which is administered by a private company, with a stop loss provision of \$75,000 per occurrence. The maximum lifetime benefit is \$2,000,000. The County carries commercial insurance coverage above these limits. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years. The County carries flood insurance with a limit of coverage of \$5,000,000.

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Finance Officer and Tax Collector are each individually bonded for \$100,000. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

The ABC Board has property, general liability, liquor legal liability, workmen's compensation, and employee health coverage. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the last three fiscal years.

8. Contingent Liabilities and Commitments

The County and the ABC Board have elected to pay the direct cost of employment security benefits in lieu of employment security taxes on the payroll. A liability for benefit payments could accrue in the year following discharge of employees.

The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

9. Claims and Judgments

The County is a defendant to various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position for the County carries sufficient liability insurance to cover such claims.

The County self-insures for workmen's compensation coverage and for employee health coverage. The County has recorded a liability in its Self-Insurance Internal Service Fund for estimated unfiled insurance claims. The following is a reconciliation of the changes in the liability for claims and judgments for the prior two fiscal years:

Accrued claims and judgments, June 30, 2009	\$ 125,000
Additions	3,049,875
Benefits paid	<u>(3,032,875)</u>
Accrued claims and judgments, June 30, 2010	142,000
Additions	3,588,811
Benefits paid	<u>(3,543,811)</u>
Accrued claims and judgments, June 30, 2011	<u>\$ 187,000</u>

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

10. Long-Term Obligations

a. General Obligation Indebtedness

All general obligation bonds serviced by the County's General Fund are collateralized by the full faith, credit, and taxing power of the County. Chatham County's Southeast Water District issues general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds, which are recorded in the Southeast Water District, are collateralized by the full faith, credit, and taxing power of the District. Principal and interest payments are appropriated when due.

The County's general obligation bonds payable at June 30, 2011 are comprised of the following individual issues:

Serviced by the County's General Fund:

\$7,619,550 Refunding bonds, Series 2001 issued September 1, 2001; interest at 3.00% to 4.25%; due serially to 2012	\$ 1,070,000
\$10,305,000 Refunding bonds, Series 2004 issued April 6, 2004; interest at 2.25% to 4.00%; due serially to 2016	<u>7,050,000</u>
Total	<u>\$ 8,120,000</u>

Serviced by the County's Southeast Water District:

\$3,200,000 Bonds issued March 23, 2010, interest at 4%; due serially to 2049	<u>\$ 3,200,000</u>
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Annual debt service requirements to maturity for the County's and the District's general obligation bonds and bond anticipation notes are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 1,735,000	\$ 290,500	\$ 38,000	\$ 128,000
2013	1,750,000	225,075	39,000	126,480
2014	1,710,000	172,575	41,000	124,920
2015	1,675,000	117,000	42,000	123,280
2016	1,250,000	50,000	44,000	121,600
2017-2021	-	-	247,000	580,120
2022-2026	-	-	302,000	526,560
2027-2031	-	-	366,000	461,240
2032-2036	-	-	446,000	381,920
2037-2041	-	-	542,000	285,360
2042-2046	-	-	661,000	167,800
2047-2051	-	-	432,000	33,920
Total	<u>\$ 8,120,000</u>	<u>\$ 855,150</u>	<u>\$ 3,200,000</u>	<u>\$ 3,061,200</u>

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

At June 30, 2011, Chatham County had a legal debt margin of \$695,485,964.

b. Revenue Bonds

In March 2010, the County's Southeast Water District issued \$1,886,000 to provide funds for the acquisition and construction of major water system capital improvements. The taxing power of the County is not pledged for the payment of the principal or interest on the revenue bonds and no owner has the right to compel the exercise of the taxing power of the County or the forfeiture of any or its property in connection with any default under the bond order.

The County's revenue bonds payable at June 30, 2011 are comprised of the following individual issues:

Serviced by the County's Southeast Water District:

\$262,000 Bonds issued March 23, 2010, interest at 4%; due serially to 2049	\$ 262,000
\$1,624,000 Bonds issued March 23, 2010, interest at 4%; due serially to 2049	<u>1,624,000</u>
Total	<u>\$ 1,886,000</u>

Annual debt service requirements to maturity for the Southeast Water District's revenue bonds are as follows:

Year Ending June 30	Business-Type Activities	
	Principal	Interest
2012	\$ 25,000	\$ 63,260
2013	26,000	62,425
2014	27,000	61,557
2015	27,000	60,657
2016	29,000	59,758
2017-2021	160,000	283,550
2022-2026	189,000	254,935
2027-2031	221,000	221,265
2032-2036	262,000	181,560
2037-2041	309,000	134,613
2042-2046	364,000	79,155
2047-2051	<u>247,000</u>	<u>16,803</u>
Total	<u>\$ 1,886,000</u>	<u>\$ 1,479,538</u>

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

The County has been in compliance with the covenants as to service charges in Section 5.01 of the Bond Order, authorizing the issuance of the Water Revenue Bonds Series 2010 A and B since its adoption in 2010. Section 5.01 of the Bond Order requires the debt service coverage ratio to be no less than 110%. The debt service coverage ratio calculation for the year ended June 30, 2011, is as follows:

Operating revenues	\$ 588,714
Operating expenses	<u>318,756</u>
Operating income	269,958
Non-operating revenues (expenses)	<u>(126,746)</u>
Income available for debt service	<u>\$ 143,212</u>
Debt service, principal and interest paid (Revenue bond only)	<u>\$ 63,260</u>
Debt service coverage ratio	<u>226%</u>

* per revenue covenants, this does not include revenue bond interest of \$63,260.

c. Other Long-Term Obligations

The County has executed various other long-term obligations including Qualified Zone Academy Bonds, certificates of participation, private placement loans, and state revolving loans for the purpose of property acquisition and construction.

As authorized by State law [G.S.160A-20 and 153A-158.1], the County has financed a portion of these property acquisitions for use by the Chatham County Board of Education. The installment purchases were issued pursuant to a deed of trust that requires that legal title remain with the County as long as the debt is outstanding. The County has entered into a lease with the Chatham County Board of Education that transfers the rights and responsibilities for maintenance and insurance of the property to the Board of Education. The lease term is the same as that of the installment purchase obligation. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Board of Education.

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

Other long-term debt payable by the County at June 30, 2011 is comprised of the following individual issues:

Governmental Activities:

\$500,000 Qualified Zone Academy Bonds (QZAB) issued on May 31, 2002 under Internal Revenue Code Section 1397E; due serially to 2021 with no interest; collateralized by real estate, including a school building	\$ 217,618
\$4,396,129 Qualified School Construction Bonds (QSCB) issued on July 23, 2010; due serially to 2025 with interest at 6.11%; collateralized by real estate including a school building; the QSCB permits a subsidy to the County at 5.34%	4,396,129
\$35,395,000 Certificates of Participation issued in November 2006 for the construction of an elementary school, additions to and renovation of an existing high school, addition and renovation of the Department of Social Services Building, construction of roads, water lines, and sewer lines for the County Business Campus, and other miscellaneous school capital projects; collateralized by real estate	34,795,000
\$8,500,000 Private placement loan with a financial institution for the renovation of Northwood High School and the purchase of a building to be used for office space; due in annual payments with interest at 4.83%; maturing in 2028	7,650,000
\$24,000,000 Private placement loan with a financial institution for the construction of the Margaret Pollard Middle School; due in annual payments with interest at 4.85%; maturing in 2028; collateralized by real estate	21,600,000
\$17,050,000 Private placement loan with a financial institution for the construction of a joint County and Central Carolina Community College (CCCC) library and CCCC classroom facility on the CCCC campus in Pittsboro and CCCC classroom facilities in Siler City; due in semi-annual payments with interest at 4.02 % to 5.1%; maturing in 2029; collateralized by real estate.	17,050,000
Private placement loan with a financial institution to provide interim financing for the construction of a judicial facility. Permanent financing to be provided by USDA. Maximum amount available \$25,000,000. Term 3 years. Interest on amount advanced to be paid monthly. Variable interest rate equal to 87% times the sum of one-month LIBOR plus 40 basis points, but in no event greater than 18% per annum.	<u>2,384,933</u>
Total governmental activities	<u>88,093,680</u>

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

Business-Type Activities:

\$14,500,000 Private placement loan with a financial institution; due in semi-annual payments of \$533,317 including interest at 4.07%; maturing in 2028; collateralized by water distribution system.	\$ 12,989,947
\$1,700,000 Private placement loan with a financial institution; due in quarterly installments of \$28,333 including interest at 5.08%; maturing in 2014; collateralized by water distribution system.	396,667
\$355,645 State revolving loan with North Carolina Department of Environment and Natural Resources; due in annual installments of \$17,782 plus interest at 2.55%; maturing in 2020	160,040
\$6,229,235 State revolving loan with North Carolina Department of Environment and Natural Resources; due in annual installments of \$302,548 plus interest at 2.305%; maturing in 2026	4,671,926
State revolving loan with North Carolina Department of Environment and Natural Resources; due in annual installments of \$10,897 including interest at 2.80%; maturing in 2021	<u>98,081</u>
Total business-type activities	<u>18,316,661</u>
Total other long-term obligations	<u>\$ 106,410,341</u>

<u>Year Ending</u> <u>June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 3,398,768	\$ 3,712,295	\$ 996,362	\$ 641,337
2013	5,783,701	3,538,900	1,018,538	625,382
2014	3,398,768	3,336,071	1,041,617	588,664
2015	3,398,768	3,210,727	1,008,969	551,366
2016	3,398,768	3,085,383	977,297	517,408
2017-2021	23,264,531	12,932,796	5,280,728	2,056,783
2022-2026	21,565,376	8,380,698	5,970,345	1,071,613
2027-2031	15,440,000	3,899,132	2,022,805	124,313
2032-2036	8,445,000	1,190,325	-	-
Total	<u>\$ 88,093,680</u>	<u>\$ 43,286,327</u>	<u>\$ 18,316,661</u>	<u>\$ 6,176,866</u>

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

d. Long-Term Obligation Activity

The following is a summary of changes in the County's long-term debt obligations for the fiscal year ended June 30, 2011:

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2011</u>	<u>Current Portion</u>
Governmental Activities:					
General obligation bonds	\$ 9,835,000	\$ -	\$ 1,715,000	\$ 8,120,000	\$ 1,735,000
Capital leases	12,823	-	12,823	-	-
Other long-term obligations	83,168,310	6,781,062	1,855,692	88,093,680	3,398,768
	93,016,133	6,781,062	3,583,515	96,213,680	5,133,768
Other post-employment benefits	721,933	343,648		1,065,581	-
Compensated absences	1,407,261	928,597	925,812	1,410,046	925,812
Total governmental activities	<u>\$ 95,145,327</u>	<u>\$ 8,053,307</u>	<u>\$ 4,509,327</u>	<u>\$ 98,689,307</u>	<u>\$ 6,059,580</u>
Business-Type Activities:					
General obligation bonds	\$ 3,200,000	\$ -	\$ -	\$ 3,200,000	\$ 38,000
Revenue bonds	1,886,000	-	-	1,886,000	25,000
Other long-term obligations	20,537,563	-	2,220,902	18,316,661	996,362
Other post-employment benefits	60,824	28,843	-	89,667	-
Compensated absences	105,287	86,486	69,253	122,520	69,253
Total business-type activities	<u>\$ 25,789,674</u>	<u>\$ 115,329</u>	<u>\$ 2,290,155</u>	<u>\$ 23,614,848</u>	<u>\$ 1,128,615</u>

Compensated absences typically have been liquidated in the General Fund.

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2011, consist of the following:

<u>Fund Type</u>	<u>Fund Name</u>	<u>To</u>	<u>From</u>	<u>Purpose</u>
Major governmental	General Fund	\$ 2,192	\$ -	Fund land purchases
Nonmajor governmental	Rec in Lieu	-	2,192	
Major governmental	General Fund	452,239	-	Fund equipment purchases
Nonmajor governmental	Equipment Reserve	-	452,239	
Major governmental	General Fund	609,654	-	Fund salary increases
Nonmajor governmental	Personnel Savings	-	609,654	
Major governmental	General Fund	1,509,076	-	Service debt payments
Major governmental	Capital Improvements Reserve	-	1,509,076	
Major governmental	General Fund	3,849,107	-	Service debt payments
Major governmental	Impact Fees	-	3,849,107	
Major governmental	Capital Improvements Reserve	4,190,000	-	Service future debt on
Major governmental	General Fund	-	4,190,000	planned capital projects
Major governmental	Capital Improvements Reserve	300,000	-	Fund park construction
Major governmental	General Fund	-	300,000	
Nonmajor governmental	Enhanced 911	6,105	-	Fund public safety expense
Major governmental	General Fund	-	6,105	
Nonmajor governmental	Park Construction Projects	1,007,369	-	Fund park construction
Major governmental	Capital Improvements Reserve	-	1,007,369	
Nonmajor governmental	Rec in Lieu	94,000	-	Fund park construction
Major governmental	Capital Improvements Reserve	-	94,000	
Total governmental transfers		<u>12,019,742</u>	<u>12,019,742</u>	
Enterprise	Utility Capital Operating	106,355	-	Reimburse Utility Fund for unused
Nonmajor governmental	Community Development Fund	-	106,355	community development funds
Total governmental to enterprise transfers		<u>106,355</u>	<u>106,355</u>	
Enterprise	Water Projects	404,374	-	Fund water projects
Enterprise	Utility Vehicle Reserve	-	404,374	
Enterprise	Waste Management Operating	75,000	-	Landfill siting study
Enterprise	Waste Management Reserve	-	75,000	
Total enterprise transfers		<u>479,374</u>	<u>479,374</u>	
Grand Total		<u>\$ 12,605,471</u>	<u>\$ 12,605,471</u>	

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

III. Related Organizations

Chatham County Housing Authority

The County's officials appoint the Board members of the Chatham County Housing Authority. The County's accountability for this organization does not extend beyond making these appointments. There were no appropriations to the Chatham County Housing Authority for the year ended June 30, 2011.

IV. Joint Ventures

A. Orange-Person-Chatham Mental Health Developmental Disabilities and Substance Abuse Authority

The County, in conjunction with Orange County and Person County, participates in a joint venture to operate the Orange-Person-Chatham Mental Health Developmental Disabilities and Substance Abuse Authority (Authority). The County appoints one member to the Authority's Board. The County has an ongoing financial responsibility for the joint venture because the Authority's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Authority; therefore, no equity interest has been reflected in the financial statements at June 30, 2011. The County appropriated \$490,594 to the Authority to supplement its activities for the year ended June 30, 2011.

Complete financial statements for Orange-Person-Chatham Mental Health Developmental Disabilities and Substance Abuse Authority may be obtained from their administrative offices at 101 East Weaver Street, Suite 300, Carrboro, North Carolina 27510.

B. Central Carolina Community College

The County, in conjunction with the State of North Carolina, Lee County, Harnett County, and Lee County Board of Education, participates in a joint venture to operate Central Carolina Community College (Community College). Each of the participants appoints members to the sixteen-member Board of Trustees of the Community College. The President of the Community College's student government serves as an ex-officio non-voting member of the Community College's Board of Trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. In addition, the County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$578,504 to the Community College for operating purposes during the fiscal year ended June 30, 2011. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2011.

Complete financial statements for Central Carolina Community College may be obtained from the Community College's administrative offices at 1105 Kelly Drive, Sanford, North Carolina 27330.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

C. Chatham County Economic Development Corporation

The County, in conjunction with the Towns of Pittsboro, Siler City and Goldston, participates in a joint venture to operate the Chatham County Economic Development Corporation (Corporation). The Corporation is a joint venture established to facilitate economic expansion within the County. The County has an ongoing financial responsibility for the Corporation because the Corporation's continued existence depends on the participating governments' continued funding. The County contributed \$362,366 to the Corporation during the fiscal year ended June 30, 2011. None of the participating governments has any equity interest in the Corporation, so no equity interest has been reflected in the financial statements at June 30, 2011.

Complete financial statements for the Chatham County Economic Development Corporation may be obtained from the Corporation's administrative offices at 12 East Street, Pittsboro, North Carolina 27312.

V. Jointly Governed Organizations

Triangle J Council of Governments

The County, in conjunction with four other counties and twenty municipalities, established the Triangle J Council of Governments (Council). The participating governments established the Council to coordinate certain funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$64,570 to the Council during the fiscal year ended June 30, 2011.

VI. Related Party Transactions

The County entered into a generator maintenance contract with Atlantic Power Solutions, Inc. owned by Walter Petty, Chatham County Commissioner, prior to his election. The Chatham County Board of Commissioners adopted a resolution approving the continuance of the contract in February of 2011 pursuant to NC G.S. 14-234. Walter Petty did not participate in any way or vote on the resolution. The County paid \$9,549 to Atlantic Power Solutions, Inc. during the fiscal year ended June 30, 2011.

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

VII. Benefit Payments Issued by the State

The amounts listed below were paid directly to individual recipients by the State from federal and State monies. County personnel are involved with certain functions, primarily eligibility determinations, which cause benefit payments to be issued by the State. These amounts disclose the additional financial aid which does not appear in the basic financial statements because they are not revenues and expenditures of the County.

	<u>Federal</u>	<u>State</u>
Medicaid	\$ 34,525,313	\$ 14,126,505
Food Stamp Program	8,130,259	-
Temporary Assistance for Needy Families	250,712	-
Adoption Assistance	397,039	90,646
Foster Care	158,800	40,387
Child Care Development	-	308,302
Low Income Energy Assistance	286,060	-
State/County Special Assistance for Adults	-	488,084
Women, Infants, and Children	1,232,638	-
Other	<u>14,069</u>	<u>(234)</u>
Total	<u>\$ 44,994,890</u>	<u>\$ 15,053,690</u>

The County maintains no direct control over any of these monies and budgets for only its matching portion which is paid to the applicable State agency.

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REQUIRED SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by generally accepted accounting principles.

- Schedule of Funding Progress for the Law Endorsement Officers' Special Separation Allowance
- Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance
- Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Funding Progress, Employer Contributions, and Notes to the Required Schedules for the Other Post Employment Benefits

CHATHAM COUNTY, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2011

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A / B)	Covered Payroll (C)	UAAL as a % of Covered Payroll ((B-A) / C)
12/31/2010	\$ 318,745	\$ 686,196	\$ 367,451	46.45%	\$ 2,940,994	12.49%
12/31/2009	288,529	734,426	445,897	39.29%	2,861,765	15.58%
12/31/2008	270,024	492,510	222,486	54.83%	2,719,161	8.18%
12/31/2007	281,505	464,246	182,741	60.64%	2,479,871	7.37%
12/31/2006	294,625	343,289	48,664	85.82%	2,484,232	1.96%
12/31/2005	236,479	332,293	95,814	71.17%	2,272,967	4.22%
12/31/2004	200,295	407,418	207,123	49.16%	1,969,308	10.52%
12/31/2003	221,643	386,219	164,576	57.39%	1,725,446	9.54%
12/31/2002	240,128	463,720	223,592	51.78%	1,676,160	13.34%
12/31/2001	232,426	361,955	129,529	64.21%	1,700,692	7.62%
12/31/2000	223,475	328,760	105,285	67.98%	1,510,164	6.97%
12/31/1999	210,348	213,251	2,903	98.64%	1,391,192	0.21%
12/31/1998	195,573	192,466	(3,107)	101.61%	1,306,605	-0.24%
12/31/1997	160,664	188,196	27,532	85.37%	1,180,528	2.33%
12/31/1996	139,396	168,295	28,899	82.83%	1,125,290	2.57%
12/31/1995	143,771	158,630	14,859	90.63%	1,033,073	1.44%

CHATHAM COUNTY, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2011

Schedule of Employer Contributions		
Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2011	\$ 84,949	58.85%
2010	51,589	96.91%
2009	45,487	87.90%
2008	33,303	0.00%
2007	32,751	122.13%
2006	44,137	90.00%
2005	36,914	135.45%
2004	40,811	122.52%
2003	34,825	121.80%
2002	30,154	68.88%
2001	16,074	93.32%
2000	14,369	104.39%
1999	16,372	91.62%
1998	15,273	98.21%
1997	14,921	67.00%
1996	12,190	0.00%
1995	9,760	51.20%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	December 31, 2010
Actuarial cost method:	Projected unit credit
Amortization method:	Level percentage of pay closed
Remaining amortization period:	20 years
Asset valuation method:	Market value
Actuarial assumptions:	
Investment rate of return	5.00%
Projected salary increases	4.25% to 7.85%
Includes inflation at	3.00%
Cost of living adjustments	N/A

CHATHAM COUNTY, NORTH CAROLINA

OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2011

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (B)	Unfunded AAL (UAAL) (B - A)	Funded Ratio (A / B)	Covered Payroll (C)	UAAL as a % of Covered Payroll ((B - A) / C)
12/31/2010	\$ -	\$ 3,646,400	\$ 3,646,400	0.00%	\$ 17,232,259	21.2%
12/31/2009	-	3,950,430	3,950,430	0.00%	16,421,865	24.1%
12/31/2008	-	4,560,652	4,560,652	0.00%	16,719,837	27.3%
12/31/2007	-	3,160,135	3,160,135	0.00%	16,430,460	19.2%
12/31/2006	-	4,162,426	4,162,426	0.00%	14,238,610	29.2%
12/31/2005	-	5,585,619	5,585,619	0.00%	12,485,388	44.7%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2011	\$ 442,219	16.08%
2010	442,219	22.06%
2009	502,228	13.25%

Notes to the Required Schedules:

The information presented above was determined as part of the actuarial valuation at the dates indicated.
Additional information as of the latest valuation follows:

Valuation date	12/31/2010	
Actuarial cost method	Projected unit credit	
Amortization method	Level percentage of pay, open	
Remaining amortization period	30 years	
Asset valuation method	Market value	
Actuarial assumptions:		
Investment rate of return *	4.00%	* Includes inflation at 3.00%
Medical cost trend rate	5% - 10.50%	
Year of Ultimate trend rate	2018	

MAJOR GOVERNMENTAL FUNDS

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GENERAL FUND

The General Fund accounts for resources traditionally associated with government that is not required to be accounted for in other funds.

PERSONNEL SAVINGS FUND

The Personnel Savings Fund accounts for the accumulation of funds resulting from lapsed salaries which will be used to offset the cost of the County's pay-for-performance merit system.

IMPACT FEES FUND

The Impact Fees Fund accounts for an additional fee charged on all building permits issued for the construction of new dwellings. Impact fees collected are to be used to offset a portion of the cost of new school construction.

CAPITAL IMPROVEMENT RESERVE

The Capital Improvement Reserve Fund accounts for the accumulation of funds for major construction projects.

FACILITIES IMPROVEMENTS

The Facilities Improvement Project Fund accounts for the financing and construction of additions to County facilities.

SCHOOL CONSTRUCTION FUND

The School Construction Fund accounts for the construction of new school facilities and additions to existing facilities. Certificates of participation will be issued to fund a majority of the projects.

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GENERAL FUND CONSOLIDATED
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>General Fund</u>	<u>Personnel Savings Reserve Fund</u>	<u>Eliminations</u>	<u>Total General Fund</u>
Revenues:				
Ad valorem taxes	\$ 54,187,048	\$ -	\$ -	\$ 54,187,048
Local option sales taxes	7,879,070	-	-	7,879,070
Other taxes	667,747	-	-	667,747
Unrestricted intergovernmental revenues	1,680,291	-	-	1,680,291
Restricted intergovernmental revenues	8,947,846	-	-	8,947,846
Permits and fees	1,126,385	-	-	1,126,385
Sales and services	2,003,763	-	-	2,003,763
Interest earned on investments	53,772	1,097	-	54,869
Other general revenues	973,429	-	-	973,429
Total revenues	<u>77,519,351</u>	<u>1,097</u>	<u>-</u>	<u>77,520,448</u>
Expenditures:				
General government	8,195,579	-	-	8,195,579
Public safety	11,976,594	-	-	11,976,594
Economic and physical development	2,612,718	-	-	2,612,718
Human services	18,040,086	-	-	18,040,086
Cultural and recreation	1,880,354	-	-	1,880,354
Intergovernmental:				
Education	27,004,477	-	-	27,004,477
Debt service:				
Principal repayments	3,583,515	-	-	3,583,515
Interest	4,203,954	-	-	4,203,954
Total expenditures	<u>77,497,277</u>	<u>-</u>	<u>-</u>	<u>77,497,277</u>
Revenues over (under) expenditures	<u>22,074</u>	<u>1,097</u>	<u>-</u>	<u>23,171</u>
Other Financing Sources (Uses):				
Transfers in	6,422,268	-	(609,654)	5,812,614
Transfers out	(4,496,105)	(609,654)	609,654	(4,496,105)
Total other financing sources (uses)	<u>1,926,163</u>	<u>(609,654)</u>	<u>-</u>	<u>1,316,509</u>
Net change in fund balances	1,948,237	(608,557)	-	1,339,680
Fund Balances:				
Beginning of year - July 1	<u>21,934,515</u>	<u>730,589</u>	<u>-</u>	<u>22,665,104</u>
End of year - June 30	<u>\$ 23,882,752</u>	<u>\$ 122,032</u>	<u>\$ -</u>	<u>\$ 24,004,784</u>

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Final	Actual	Variance	Actual
Revenues:				
Ad Valorem Taxes:				
Current year:				
Real/personal	\$ 49,493,634	\$ 50,137,566	\$ 643,932	\$ 47,292,168
Motor vehicles	2,563,529	2,754,347	190,818	2,789,193
Total	52,057,163	52,891,913	834,750	50,081,361
Prior year:				
Real/personal	655,000	848,500	193,500	846,493
Motor vehicles	250,000	213,621	(36,379)	248,115
Total	905,000	1,062,121	157,121	1,094,608
Penalties, Interest, and Other	110,000	233,014	123,014	206,683
Total ad valorem taxes	53,072,163	54,187,048	1,114,885	51,382,652
Local Option Sales Tax:				
Article 39 - 1 percent	2,770,000	3,064,001	294,001	2,983,237
Article 40 - 1/2 percent	2,690,200	2,835,460	145,260	2,795,026
Article 42 - 1/2 percent	1,783,200	1,945,238	162,038	2,104,373
Article 44 - 1/2 percent	-	34,371	34,371	181,056
Total	7,243,400	7,879,070	635,670	8,063,692
Other Taxes and Licenses:				
Deed stamp excise tax	340,000	359,310	19,310	361,932
Cable TV franchise	33,000	37,602	4,602	34,281
Occupancy tax	52,000	73,137	21,137	65,331
Video programming	163,000	160,858	(2,142)	183,882
Rental vehicles	11,000	10,110	(890)	12,164
Public educational governmental access	8,000	26,730	18,730	9,371
Total	607,000	667,747	60,747	666,961
Unrestricted Intergovernmental:				
Payments in lieu of taxes	55,430	93,946	38,516	93,252
Beer and wine excise tax	223,088	221,388	(1,700)	69,706
ABC Profit distribution	100,000	100,000	-	40,000
Hold harmless	588,486	1,172,227	583,741	261,690
Town of Siler City - Business Campus	-	51,112	51,112	-
Other	42,500	41,618	(882)	46,053
Total	1,009,504	1,680,291	670,787	510,701

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Final	Actual	Variance	Actual
Restricted Intergovernmental:				
State and federal grants	9,618,789	8,930,763	(688,026)	9,709,574
Other	12,000	17,083	5,083	-
Total	9,630,789	8,947,846	(682,943)	9,198,873
Permits and Fees:				
Inspections fees	450,000	753,637	303,637	479,138
Register of Deeds' fees	350,000	349,258	(742)	337,639
Concealed weapon permits	9,000	14,740	5,740	11,685
Beer and wine permits	2,500	3,080	580	2,645
Other	4,100	5,670	1,570	4,385
Total	815,600	1,126,385	310,785	835,492
Sales and Services:				
Collection fees - tax	260,000	277,193	17,193	254,233
Planning	20,000	35,985	15,985	87,104
Social services	55,000	87,775	32,775	108,335
Tax	130,000	135,078	5,078	139,340
Fire inspections	52,000	56,980	4,980	63,030
Sheriff	60,100	76,230	16,130	69,069
Health	974,151	990,288	16,137	1,133,821
Environmental	60,000	72,918	12,918	-
Library	25,000	31,231	6,231	18,300
Recreation fees	42,350	51,543	9,193	39,204
Project turnaround	25,000	23,420	(1,580)	-
Safe Havens	19,192	21,793	2,601	-
CCCC	76,083	76,083	-	-
School	65,671	66,485	814	-
Charges to other funds	232,584	-	(232,584)	223,418
Other	500	761	261	4,687
Total	2,097,631	2,003,763	(93,868)	2,140,541
Investment Earnings:				
Interest on investments	325,000	53,772	(271,228)	206,054
Total	325,000	53,772	(271,228)	206,054
Other General Revenues:				
Rent	200,640	200,916	276	209,957
Courthouse insurance reimbursement	535,000	475,000	(60,000)	500,000
Contributions and donations	114,390	216,565	102,175	384,833
Miscellaneous	18,800	80,948	62,148	77,596
Total	868,830	973,429	104,599	1,172,386
Total revenues	75,669,917	77,519,351	1,849,434	74,177,352

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Final	Actual	Variance	Actual
Expenditures:				
General Government:				
Governing Board:				
Salaries and benefits	267,643	265,402	2,241	260,948
Other operating expenditures	59,819	58,394	1,425	78,040
Capital outlay	9,440	-	9,440	-
Total	<u>336,902</u>	<u>323,796</u>	<u>13,106</u>	<u>338,988</u>
County Manager:				
Administration:				
Salaries and benefits	581,436	578,675	2,761	527,894
Other operating expenditures	45,703	41,044	4,659	33,576
Total	<u>627,139</u>	<u>619,719</u>	<u>7,420</u>	<u>561,470</u>
Community Relations:				
Salaries and benefits	262,844	201,524	61,320	250,622
Other operating expenses	74,748	30,186	44,562	24,030
Capital outlay	5,389	5,388	1	-
Total	<u>342,981</u>	<u>237,098</u>	<u>105,883</u>	<u>274,652</u>
Total County Manager	<u>970,120</u>	<u>856,817</u>	<u>113,303</u>	<u>836,122</u>
Finance:				
Salaries and benefits	541,150	513,781	27,369	510,291
Other operating expenditures	226,136	187,220	38,916	116,095
Total	<u>767,286</u>	<u>701,001</u>	<u>66,285</u>	<u>626,386</u>
Information Services:				
Salaries and benefits	755,584	711,219	44,365	652,809
Other operating expenditures	299,728	276,688	23,040	265,145
Capital outlay	246,201	203,848	42,353	184,053
Total	<u>1,301,513</u>	<u>1,191,755</u>	<u>109,758</u>	<u>1,102,007</u>
Tax:				
Salaries and benefits	914,121	857,571	56,550	875,299
Other operating expenditures	429,826	344,687	85,139	304,918
Capital outlay	4,226	9,153	(4,927)	-
Total	<u>1,348,173</u>	<u>1,211,411</u>	<u>136,762</u>	<u>1,180,217</u>
County Attorney:				
Salaries and benefits	59,384	59,458	(74)	56,348
Professional services	285,000	262,816	22,184	273,442
Other operating expenses	17,665	13,401	4,264	-
Total	<u>362,049</u>	<u>335,675</u>	<u>26,374</u>	<u>329,790</u>

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Final	Actual	Variance	Actual
Court Facilities:				
Other operating expenditures	94,298	73,317	20,981	115,040
Total	94,298	73,317	20,981	115,040
Elections:				
Salaries and benefits	183,367	182,586	781	170,441
Other operating expenses	173,805	137,032	36,773	125,535
Total	357,172	319,618	37,554	295,976
General Services:				
Salaries and benefits	(25,453)	44,405	(69,858)	-
Other operating expenses	1,013,676	668,578	345,098	736,803
Capital outlay	-	-	-	224,872
Total	988,223	712,983	275,240	961,675
Register of Deeds:				
Salaries and benefits	329,950	294,462	35,488	295,267
Other operating expenses	94,650	82,632	12,018	80,432
Total	424,600	377,094	47,506	375,699
Public Works:				
Facilities Management:				
Salaries and benefits	537,826	483,682	54,144	465,798
Other operating expenditures	1,496,172	961,920	534,252	1,669,284
Capital outlay	1,376,320	615,052	761,268	56,763
Total	3,410,318	2,060,654	1,349,664	2,191,845
Garage:				
Salaries and benefits	98,012	98,035	(23)	94,678
Other operating expenditures	(106,233)	(70,827)	(35,406)	(80,950)
Capital outlay	52,575	4,250	48,325	-
Total	44,354	31,458	12,896	13,728
Total public works	3,454,672	2,092,112	1,362,560	2,205,573
Total general government	10,405,008	8,195,579	2,209,429	8,367,473
Public Safety:				
Sheriff:				
Salaries and benefits	4,364,425	4,348,394	16,031	4,057,499
Other operating expenditures	933,479	884,291	49,188	790,883
Capital outlay	426,568	419,803	6,765	349,426
Total	5,724,472	5,652,488	71,984	5,197,808

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Final	Actual	Variance	Actual
Jail:				
Salaries and benefits	1,055,695	1,053,561	2,134	945,097
Other operating expenses	376,443	359,938	16,505	401,167
Total	1,432,138	1,413,499	18,639	1,346,264
Total sheriff	7,156,610	7,065,987	90,623	6,544,072
Emergency Operations:				
Salaries and benefits	182,840	183,142	(302)	177,473
Other operating expenditures	292,031	220,653	71,378	199,347
Capital outlay	29,950	29,950	-	-
Total	504,821	433,745	71,076	376,820
Telecommunications:				
Salaries and benefits	1,023,985	995,217	28,768	948,957
Other operating expenses	121,778	83,098	38,680	186,326
Capital outlay	585,000	-	585,000	11,809
Total	1,730,763	1,078,315	652,448	1,147,092
Emergency Medical Services:				
Other operating expenditures	8,725	7,963	762	1,989,706
Assistance to County rescue squads	45,000	45,000	-	45,000
Contracted services	2,046,908	2,040,908	6,000	-
Total	2,100,633	2,093,871	6,762	2,034,706
Total emergency operations	4,336,217	3,605,931	730,286	3,558,618
Pension Trust Fund	50,000	50,000	-	50,000
Sustainable Communities:				
Sustainable Communities - Inspections Division:				
Salaries and benefits	392,603	313,069	79,534	379,241
Other operating expenditures	50,728	29,210	21,518	38,156
Total	443,331	342,279	101,052	417,397
Sustainable Communities - Fire Inspections:				
Salaries and benefits	265,543	238,038	27,505	252,475
Other operating expenses	33,519	25,541	7,978	25,626
Capital outlay	24,859	-	24,859	40,251
Total	323,921	263,579	60,342	318,352
Total sustainable communities	767,252	605,858	161,394	735,749
Court-Related Programs:				
Salaries and benefits	233,552	231,054	2,498	202,048
Operating expenses	455,020	417,764	37,256	370,054
Total	688,572	648,818	39,754	572,102
Total public safety	12,998,651	11,976,594	1,022,057	11,460,541

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Final	Actual	Variance	Actual
Economic and Physical Development:				
Sustainable Communities:				
Administration:				
Salaries and employee benefits	137,828	99,539	38,289	165,496
Other operating expenditures	49,458	10,877	38,581	17,063
Total	187,286	110,416	76,870	182,559
Planning:				
Salaries and employee benefits	457,369	461,367	(3,998)	475,366
Other operating expenditures	191,524	22,708	168,816	31,966
Total	648,893	484,075	164,818	507,332
Central Permitting:				
Salaries and employee benefits	177,296	177,012	284	168,076
Other operating expenses	19,015	19,596	(581)	15,734
Total	196,311	196,608	(297)	183,810
Sedimentation and Erosion Control:				
Salaries and benefits	137,539	76,597	60,942	125,688
Operating expenses	10,764	3,503	7,261	4,115
Total	148,303	80,100	68,203	129,803
Resource Conservation:				
Salaries and employee benefits	54,062	5,551	48,511	-
Other operating expenditures	9,225	5,994	3,231	-
Total	63,287	11,545	51,742	-
Environmental Services:				
Salaries and employee benefits	127,920	127,966	(46)	119,788
Other operating expenditures	46,366	30,000	16,366	15,270
Total	174,286	157,966	16,320	135,058
Transportation:				
Salaries and employee benefits	67,347	66,394	953	-
Other operating expenditures	10,734	2,074	8,660	-
Total	78,081	68,468	9,613	-
Affordable Housing/Green Building:				
Salaries and employee benefits	48,944	53,270	(4,326)	-
Other operating expenditures	9,175	7,254	1,921	-
Total	58,119	60,524	(2,405)	-
Total sustainable communities	1,554,566	1,169,702	384,864	1,138,562
Economic Development:				
Other operating expenditures	937,427	806,777	130,650	338,644
Total	937,427	806,777	130,650	338,644

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Final	Actual	Variance	Actual
County Extension:				
Salaries and benefits	24,268	21,317	2,951	12,891
Other operating expenditures	336,854	282,561	54,293	265,376
Total	361,122	303,878	57,244	278,267
Soil and Water Conservation:				
Salaries and employee benefits	181,721	181,736	(15)	163,644
Other operating expenditures	383,569	62,704	320,865	16,404
Total	565,290	244,440	320,850	180,048
Pittsboro/Siler City Convention & Visitors Bureau:				
Salaries and employee benefits	79,351	79,596	(245)	74,280
Other operating expenses	11,246	8,325	2,921	7,684
Total	90,597	87,921	2,676	81,964
Appropriations to Non-Profit Agencies				
	-	-	-	24,829
Total economic and physical development	3,509,002	2,612,718	896,284	2,042,314
Human Services:				
Health:				
Salaries and benefits	4,878,607	4,653,976	224,631	4,388,683
Other operating expenditures	1,230,731	953,660	277,071	994,628
Capital outlay	67,438	50,963	16,475	78,981
Total	6,176,776	5,658,599	518,177	5,462,292
Social Services:				
Administration				
Salaries and benefits	4,843,306	4,660,683	182,623	4,440,499
Other operating expenditures	959,812	810,830	148,982	822,424
Total	5,803,118	5,471,513	331,605	5,262,923
Public Assistance:				
Assistance programs	5,214,591	4,774,922	439,669	4,775,254
Total	11,017,709	10,246,435	771,274	10,038,177
Mental Health:				
Mental health appropriation	426,158	426,158	-	426,158
Other expenditures	133,527	135,380	(1,853)	146,422
Total	559,685	561,538	(1,853)	572,580
Council on Aging:				
Salaries and benefits	153,820	154,090	(270)	143,759
Other operating expenditures	21,908	21,659	249	25,806
Appropriation	708,656	708,656	-	708,656
Total	884,384	884,405	(21)	878,221
Family Resource Center:				
Salaries and benefits	-	-	-	37,996
Operating expenses	-	-	-	36,630
Total	-	-	-	74,626

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Final	Actual	Variance	Actual
Appropriations to Non- Profit Agencies	694,893	689,109	5,784	868,424
Total human services	19,333,447	18,040,086	1,293,361	17,894,320
Cultural and Recreational:				
Library:				
Salaries and benefits	836,259	798,511	37,748	595,915
Other operating expenditures	544,749	374,790	169,959	244,558
Capital outlay	3,331	3,331	-	28,032
Total	1,384,339	1,176,632	207,707	868,505
Appropriations to Non-Profit Agencies	-	-	-	4,235
Recreation:				
Salaries and benefits	372,461	331,504	40,957	279,947
Other operating expenditures	437,765	298,732	139,033	221,540
Capital outlay	90,906	73,486	17,420	-
Total	901,132	703,722	197,410	501,487
Total cultural and recreational	2,285,471	1,880,354	405,117	1,374,227
Education:				
Public Schools:				
Appropriation	25,319,697	25,319,697	-	23,327,284
Capital outlay	1,106,276	1,106,276	-	2,360,046
Total	26,425,973	26,425,973	-	25,687,330
Community College:				
Community college - current	509,991	509,991	-	419,466
Arts incubator	68,513	68,513	-	68,513
Total	578,504	578,504	-	487,979
Total education	27,004,477	27,004,477	-	26,175,309
Debt Service:				
Principal:				
Public schools - principal	3,234,796	3,234,795	1	3,283,153
Community college - principal	63,897	63,897	-	50,540
General building projects - principal	232,000	232,000	-	232,000
Business campus	40,000	40,000	-	40,000
Capital lease principal	12,822	12,823	(1)	12,336
Total	3,583,515	3,583,515	-	3,618,029
Interest and Fees:				
Public schools - interest	2,664,348	2,664,345	3	2,783,382
Community college - interest	470,814	470,813	1	472,835
Library	296,737	296,736	1	296,736
General building projects - interest	447,586	444,886	2,700	455,827
Business campus	326,683	326,683	-	328,283
Capital lease interest	508	491	17	984
Total	4,206,676	4,203,954	2,722	4,338,047

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Final	Actual	Variance	Actual
Total debt service	<u>7,790,191</u>	<u>7,787,469</u>	<u>2,722</u>	<u>7,956,076</u>
Total expenditures	<u>83,326,247</u>	<u>77,497,277</u>	<u>5,828,970</u>	<u>75,270,260</u>
Revenues over (under) expenditures	<u>(7,656,330)</u>	<u>22,074</u>	<u>7,678,404</u>	<u>(1,092,908)</u>
Other Financing Sources (Uses):				
Operating Transfers In:				
Special revenue funds:				
Enhanced 911	220,000	-	(220,000)	-
Equipment Capital Reserve	625,515	452,239	(173,276)	312,175
Imaging Project	43,956	-	(43,956)	100,000
Impact Fees	3,849,107	3,849,107	-	3,920,053
Personnel Savings	609,654	609,654	-	200,000
Capital Improvements Reserve	<u>1,905,121</u>	<u>1,511,268</u>	<u>(393,853)</u>	<u>1,413,116</u>
Total	<u>7,253,353</u>	<u>6,422,268</u>	<u>(831,085)</u>	<u>5,945,344</u>
Operating Transfers Out:				
Special revenue funds:				
CIP reserve:				
General	(4,190,000)	(4,190,000)	-	(4,037,130)
Parks	(300,000)	(300,000)	-	(500,000)
Enhanced 911	(6,103)	(6,105)	(2)	-
Personnel Savings				
Capital Project - Facilities Improvements	(350,000)		350,000	
Utility	<u>-</u>	<u>-</u>	<u>-</u>	<u>(769,779)</u>
Total	<u>(4,846,103)</u>	<u>(4,496,105)</u>	<u>349,998</u>	<u>(5,306,909)</u>
Total operating transfers in (out)	<u>2,407,250</u>	<u>1,926,163</u>	<u>(481,087)</u>	<u>638,435</u>
Total other financing sources (uses)	<u>2,407,250</u>	<u>1,926,163</u>	<u>(481,087)</u>	<u>638,435</u>
Net change in fund balance	<u>(5,249,080)</u>	<u>1,948,237</u>	<u>7,197,317</u>	<u>(454,473)</u>
Appropriated fund balance	<u>5,249,080</u>	<u>-</u>	<u>(5,249,080)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>1,948,237</u>	<u>\$ 1,948,237</u>	<u>(454,473)</u>
Fund Balance:				
Beginning of year - July 1		<u>21,934,515</u>		<u>22,388,988</u>
End of year - June 30		<u>\$ 23,882,752</u>		<u>\$ 21,934,515</u>

CHATHAM COUNTY, NORTH CAROLINA

PERSONNEL SAVINGS RESERVE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	<u>2011</u>			<u>2010</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ 2,500	\$ 1,097	\$ (1,403)	\$ 3,524
Expenditures:				
General government	2,500	-	2,500	-
Revenues over (under) expenditures	-	1,097	1,097	3,524
Other Financing Sources (Uses):				
Transfers from (to) other funds	(609,654)	(609,654)	-	(200,000)
Appropriated fund balance	609,654	-	(609,654)	-
Total other financing sources (uses)	-	(609,654)	(609,654)	(200,000)
Net change in fund balance	\$ -	(608,557)	\$ (608,557)	(196,476)
Fund Balance:				
Beginning of year - July 1		730,589		927,065
End of year - June 30		\$ 122,032		\$ 730,589

CHATHAM COUNTY, NORTH CAROLINA

IMPACT FEES

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Permits and fees	\$ 880,000	\$ 1,585,200	\$ 705,200	\$ 1,825,700
Investment earnings	40,000	17,089	(22,911)	51,322
Total revenues	<u>920,000</u>	<u>1,602,289</u>	<u>682,289</u>	<u>1,877,022</u>
Expenditures:				
Education	<u>3,000,000</u>	<u>-</u>	<u>3,000,000</u>	<u>-</u>
Revenues over (under) expenditures	<u>(2,080,000)</u>	<u>1,602,289</u>	<u>3,682,289</u>	<u>1,877,022</u>
Other Financing Sources (Uses):				
Transfers to other funds:				
General Fund	(3,849,107)	(3,849,107)	-	(3,920,053)
Appropriated fund balance	<u>5,929,107</u>	<u>-</u>	<u>(5,929,107)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,080,000</u>	<u>(3,849,107)</u>	<u>(5,929,107)</u>	<u>(3,920,053)</u>
Net change in fund balance	<u>\$ -</u>	<u>(2,246,818)</u>	<u>\$ (2,246,818)</u>	<u>(2,043,031)</u>
Fund Balance:				
Beginning of year - July 1		<u>10,616,582</u>		<u>12,659,613</u>
End of year - June 30		<u>\$ 8,369,764</u>		<u>\$ 10,616,582</u>

CHATHAM COUNTY, NORTH CAROLINA

**CAPITAL IMPROVEMENT RESERVE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010**

	2011			2010
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental:				
Lottery proceeds	\$ 965,605	\$ 636,060	\$ (329,545)	\$ 1,768,953
Investment earnings	-	23,230	23,230	41,878
Total revenues	<u>965,605</u>	<u>659,290</u>	<u>(306,315)</u>	<u>1,810,831</u>
Expenditures:				
General	3,350,484	-	3,350,484	-
Cultural and recreational	<u>118,266</u>	-	<u>118,266</u>	-
Total expenditures	<u>3,468,750</u>	-	<u>3,468,750</u>	-
Revenues over (under) expenditures	<u>(2,503,145)</u>	<u>659,290</u>	<u>3,162,435</u>	<u>1,810,831</u>
Other Financing Sources (Uses):				
Transfers from (to) other funds:				
General Fund	2,584,879	2,980,924	396,045	3,126,549
Recreation fees	(94,000)	(94,000)	-	-
Park project	<u>(1,010,000)</u>	<u>(1,007,369)</u>	<u>2,631</u>	-
Total transfers (to) from	<u>1,480,879</u>	<u>1,879,555</u>	<u>398,676</u>	<u>3,126,549</u>
Appropriated fund balance	<u>1,022,266</u>	-	<u>(1,022,266)</u>	-
Total other financing sources (uses)	<u>2,503,145</u>	<u>1,879,555</u>	<u>(623,590)</u>	<u>3,126,549</u>
Net change in fund balance	<u>\$ -</u>	<u>2,538,845</u>	<u>\$ 2,538,845</u>	<u>4,937,380</u>
Fund Balances:				
Beginning of year - July 1		<u>15,351,630</u>		<u>10,414,250</u>
End of year - June 30		<u>\$ 17,890,475</u>		<u>\$ 15,351,630</u>

CHATHAM COUNTY, NORTH CAROLINA

FACILITIES IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	Project Budget	Actual			Variance Over/Under
		Prior Years	Current Year	Total	
Revenues:					
Investment earnings	\$ -	\$ 52,973	\$ 18,258	\$ 71,231	\$ 71,231
Grant	6,000	6,000	46,278	52,278	46,278
Insurance settlement	2,000,000	-	2,000,000	2,000,000	-
Donations	170,875	15,156	259,154	274,310	103,435
Total revenues	<u>2,176,875</u>	<u>74,129</u>	<u>2,323,690</u>	<u>2,397,819</u>	<u>220,944</u>
Expenditures:					
General government:					
Performance building	4,350,000	3,599,733	678,671	4,278,404	71,596
Total	<u>4,350,000</u>	<u>3,599,733</u>	<u>678,671</u>	<u>4,278,404</u>	<u>71,596</u>
Public safety:					
Judicial facility	23,906,000	1,166,170	1,990,709	3,156,879	20,749,121
Courthouse renovation	2,000,000	-	552,583	552,583	1,447,417
Jail	15,000,000	-	175,047	175,047	14,824,953
Law Enforcement Center	486,692	69,439	4,038	73,477	413,215
Total	<u>41,392,692</u>	<u>1,235,609</u>	<u>2,722,377</u>	<u>3,957,986</u>	<u>37,434,706</u>
Cultural and recreational:					
Library	7,829,301	5,656,805	1,253,171	6,909,976	919,325
Education:					
CCCC - Pittsboro	6,528,985	4,482,422	602,468	5,084,890	1,444,095
CCCC - Siler City	4,930,945	2,992,747	1,090,669	4,083,416	847,529
Total	<u>11,459,930</u>	<u>7,475,169</u>	<u>1,693,137</u>	<u>9,168,306</u>	<u>2,291,624</u>
Total expenditures	<u>65,031,923</u>	<u>17,967,316</u>	<u>6,347,356</u>	<u>24,314,672</u>	<u>40,717,251</u>
Revenues over (under) expenditures	<u>(62,855,048)</u>	<u>(17,893,187)</u>	<u>(4,023,666)</u>	<u>(21,916,853)</u>	<u>40,938,195</u>
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
General Fund	1,048,132	55,339	217,440	272,779	(775,353)
Capital reserve	1,872,862	2,090,302	(217,440)	1,872,862	-
Borrowing issued	59,934,054	21,050,000	2,923,117	23,973,117	(35,960,937)
Total other financing sources (uses)	<u>62,855,048</u>	<u>23,195,641</u>	<u>2,923,117</u>	<u>26,118,758</u>	<u>(36,736,290)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 5,302,454</u>	<u>\$ (1,100,549)</u>	<u>\$ 4,201,905</u>	<u>\$ 4,201,905</u>

CHATHAM COUNTY, NORTH CAROLINA

SCHOOL CONSTRUCTION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011

	Project Budget	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
Investment earnings	\$ -	\$ 73,690	\$ 27,601	\$ 101,291	\$ 101,291
Expenditures:					
Education:					
Construction:					
Facility improvements (QSCB)	4,396,129	114,843	1,145,052	1,259,895	3,136,234
Margaret Pollard Middle School	24,000,000	15,874,239	5,497,861	21,372,100	2,627,900
Northwood Expansion	4,500,000	4,163,746	92,699	4,256,445	243,555
Northeast High School	463,237	373,036	675	373,711	89,526
Total	33,359,366	20,525,864	6,736,287	27,262,151	6,097,215
Revenues over (under) expenditures	(33,359,366)	(20,452,174)	(6,708,686)	(27,160,860)	6,198,506
Other Financing Sources (Uses):					
Debt obligations issued:					
Margaret Pollard Middle School	24,000,000	24,060,386	-	24,060,386	60,386
Northwood expansion	4,500,000	4,500,000	(538,183)	3,961,817	(538,183)
Quality School construction bonds	4,396,129	-	4,396,129	4,396,129	-
Northeast High School	463,237	-	-	-	(463,237)
Total	33,359,366	28,560,386	3,857,946	32,418,332	(941,034)
Transfers from (to) other funds:					
Capital Reserve	-	1,754,548	-	1,754,548	1,754,548
Total other financing sources (uses)	33,359,366	30,314,934	3,857,946	34,172,880	813,514
Net change in fund balance	\$ -	\$ 9,862,760	\$ (2,850,740)	\$ 7,012,020	\$ 7,012,020

NONMAJOR GOVERNMENTAL FUNDS

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CHATHAM COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2011

	Total Special Revenue Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Assets:			
Cash, cash equivalents and investments	\$ 2,373,781	\$ 2,565,459	\$ 4,939,240
Property taxes receivable, net of allowance	181,376	-	181,376
Due from other governmental agencies	66,072	12,826	78,898
Other receivables	617	728	1,345
	<u>2,621,846</u>	<u>2,579,013</u>	<u>5,200,859</u>
Total assets	<u>\$ 2,621,846</u>	<u>\$ 2,579,013</u>	<u>\$ 5,200,859</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 31,181	\$ 274,659	\$ 305,840
Unearned revenues	23,143	-	23,143
Deferred revenues	181,376	-	181,376
Total liabilities	<u>235,700</u>	<u>274,659</u>	<u>510,359</u>
Fund Balances:			
Restricted:			
Stabilization by State Statute	66,689	13,554	80,243
Courthouse clock	65,553	-	65,553
Emergency telephone	1,042,075	-	1,042,075
Fire protection	83,696	-	83,696
Police protection	5,648	-	5,648
Committed	-	2,303,626	2,303,626
Assigned:			
Subsequent year's budget	571,512	-	571,512
Cultural and recreation	561,334	-	561,334
Unassigned	(10,361)	(12,826)	(23,187)
Total fund balances	<u>2,386,146</u>	<u>2,304,354</u>	<u>4,690,500</u>
Total liabilities and fund balances	<u>\$ 2,621,846</u>	<u>\$ 2,579,013</u>	<u>\$ 5,200,859</u>

CHATHAM COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2011

	Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:			
Ad valorem taxes	\$ 5,522,779	\$ -	\$ 5,522,779
Restricted intergovernmental	776,634	411,650	1,188,284
Permits and fees	103,570	-	103,570
Investment earnings	3,919	4,135	8,054
Other general revenues	10,000	80,420	90,420
Total revenues	<u>6,416,902</u>	<u>496,205</u>	<u>6,913,107</u>
Expenditures:			
Public safety	6,315,218	-	6,315,218
Economic and physical development	506,903	-	506,903
Cultural and recreational	-	1,499,731	1,499,731
Total expenditures	<u>6,822,121</u>	<u>1,499,731</u>	<u>8,321,852</u>
Revenues over (under) expenditures	<u>(405,219)</u>	<u>(1,003,526)</u>	<u>(1,408,745)</u>
Other Financing Sources (Uses):			
Transfers from (to) other funds	<u>(8,442)</u>	<u>555,130</u>	<u>546,688</u>
Net change in fund balances	(413,661)	(448,396)	(862,057)
Fund Balances:			
Beginning of year - July 1	<u>2,799,807</u>	<u>2,752,750</u>	<u>5,552,557</u>
End of year - June 30	<u>\$ 2,386,146</u>	<u>\$ 2,304,354</u>	<u>\$ 4,690,500</u>

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds account for the proceeds of special revenue sources that are legally restricted to expenditures for specific purposes.

Individual Fund Descriptions:

- **Emergency Telephone System Fund** – Accounts for the activities of a County-wide emergency telephone service funded by telephone company line charges.
- **Forfeited Property Fund** – Accounts for revenues received from federal and State law enforcement agencies as a result of property confiscations through court convictions of criminal activities. These funds must be used by the County for law enforcement purposes.
- **Recreation – Payment in Lieu Fund** – Accounts for an additional fee charged to developers of new subdivision lots (except family subdivisions) within the County. Recreation fees are used to offset the cost of recreational facilities within the district that the subdivision is located.
- **Bynum Canoe Access Trust Fund** – Accounts for the funds received from Triangle Land Conservancy to aid in the maintenance and upkeep of the Haw River canoe access.
- **Economic and Community Development Fund** – Accounts for the activities financed under grant agreements for the North Carolina Department of Commerce.
- **Courthouse Clock Fund** – Accounts for monies held for maintenance of the courthouse clocks.
- **Library Foundation Fund** – Accounts for the money received to aid in financing library capital and other expenses.
- **Special Fire District Funds** – Accounts for the revenues of the fire districts within the County.

CHATHAM COUNTY, NORTH CAROLINA

**SPECIAL REVENUE FUNDS - NONMAJOR FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010**

	Emergency Telephone System Fund	Forfeited Property	Recreation Payment In Lieu	Bynum Canoe Access Trust
Assets:				
Cash, cash equivalents and investments	\$ 1,053,326	\$ 48,557	\$ 1,000,465	\$ 8,759
Property taxes receivable, net	-	-	-	-
Due from other governmental agencies	55,026	685	-	-
Other receivables	308	16	249	2
Total assets	<u>\$ 1,108,660</u>	<u>\$ 49,258</u>	<u>\$ 1,000,714</u>	<u>\$ 8,761</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 11,251	\$ 409	\$ -	\$ -
Unearned revenues	-	-	-	-
Deferred revenues	-	-	-	-
Total liabilities	<u>11,251</u>	<u>409</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted:				
Stabilization by State statute	55,334	701	249	2
Courthouse clock	-	-	-	-
Emergency telephone	1,042,075	-	-	-
Fire protection	-	-	-	-
Police protection	-	5,648	-	-
Assigned:				
Subsequent year's budget	-	42,500	450,000	8,500
Cultural and recreation	-	-	550,465	259
Unassigned	-	-	-	-
Total fund balances	<u>1,097,409</u>	<u>48,849</u>	<u>1,000,714</u>	<u>8,761</u>
Total liabilities and fund balances	<u>\$ 1,108,660</u>	<u>\$ 49,258</u>	<u>\$ 1,000,714</u>	<u>\$ 8,761</u>

Schedule 10

Economic and Community Development	Courthouse Clock	Library Foundation	Special Fire Districts	Total
\$ -	\$ 65,553	\$ 10,610	\$ 186,511	\$ 2,373,781
-	-	-	181,376	181,376
10,361	-	-	-	66,072
-	18	2	22	617
<u>\$ 10,361</u>	<u>\$ 65,571</u>	<u>\$ 10,612</u>	<u>\$ 367,909</u>	<u>\$ 2,621,846</u>
\$ 10,361	\$ -	\$ -	\$ 9,160	\$ 31,181
-	-	-	23,143	23,143
-	-	-	181,376	181,376
<u>10,361</u>	<u>-</u>	<u>-</u>	<u>213,679</u>	<u>235,700</u>
10,361	18	2	22	66,689
-	65,553	-	-	65,553
-	-	-	-	1,042,075
-	-	-	83,696	83,696
-	-	-	-	5,648
-	-	-	70,512	571,512
-	-	10,610	-	561,334
(10,361)	-	-	-	(10,361)
<u>-</u>	<u>65,571</u>	<u>10,612</u>	<u>154,230</u>	<u>2,386,146</u>
<u>\$ 10,361</u>	<u>\$ 65,571</u>	<u>\$ 10,612</u>	<u>\$ 367,909</u>	<u>\$ 2,621,846</u>

CHATHAM COUNTY, NORTH CAROLINA

**SPECIAL REVENUE FUNDS - NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011**

	Emergency Telephone System Fund	Forfeited Property	Recreation Payment In Lieu	Bynum Canoe Access Trust
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	452,028	48,418	-	-
Permits and fees	-	-	103,570	-
Investment earnings	2,075	76	1,330	13
Other general revenues	-	-	-	-
Total revenues	<u>454,103</u>	<u>48,494</u>	<u>104,900</u>	<u>13</u>
Expenditures:				
Public safety	812,360	37,191	-	-
Economic and physical development	-	-	-	-
Total expenditures	<u>812,360</u>	<u>37,191</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	(358,257)	11,303	104,900	13
Other Financing Sources (Uses):				
Transfers from (to) other funds	<u>6,105</u>	<u>-</u>	<u>91,808</u>	<u>-</u>
Net change in fund balance	(352,152)	11,303	196,708	13
Fund Balances:				
Beginning of year - July 1	<u>1,449,561</u>	<u>37,546</u>	<u>804,006</u>	<u>8,748</u>
End of year - June 30	<u>\$ 1,097,409</u>	<u>\$ 48,849</u>	<u>\$ 1,000,714</u>	<u>\$ 8,761</u>

Schedule 11

Economic and Community Development	Courthouse Clock	Library Foundation	Special Fire Districts	Total
\$ -	\$ -	\$ -	\$ 5,522,779	\$ 5,522,779
276,188	-	-	-	776,634
-	-	-	-	103,570
28	98	15	284	3,919
-	-	10,000	-	10,000
<u>276,216</u>	<u>98</u>	<u>10,015</u>	<u>5,523,063</u>	<u>6,416,902</u>
-	-	-	5,465,667	6,315,218
<u>506,903</u>	-	-	-	<u>506,903</u>
<u>506,903</u>	-	-	<u>5,465,667</u>	<u>6,822,121</u>
(230,687)	98	10,015	57,396	(405,219)
<u>(106,355)</u>	-	-	-	<u>(8,442)</u>
(337,042)	98	10,015	57,396	(413,661)
<u>337,042</u>	<u>65,473</u>	<u>597</u>	<u>96,834</u>	<u>2,799,807</u>
<u>\$ -</u>	<u>\$ 65,571</u>	<u>\$ 10,612</u>	<u>\$ 154,230</u>	<u>\$ 2,386,146</u>

CHATHAM COUNTY, NORTH CAROLINA

**EMERGENCY TELEPHONE SYSTEM FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010**

	2011			2010
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental	\$ 455,000	\$ 452,028	\$ 2,972	\$ 452,028
Investment earnings:	4,800	2,075	2,725	4,932
Total revenues	<u>459,800</u>	<u>454,103</u>	<u>5,697</u>	<u>456,960</u>
Expenditures:				
Public safety				
Emergency telephone system	772,800	619,214	153,586	246,042
50% public safety need	194,000	193,146	854	-
Total expenditures	<u>966,800</u>	<u>812,360</u>	<u>154,440</u>	<u>246,042</u>
Revenues over (under) expenditures	<u>(507,000)</u>	<u>(358,257)</u>	<u>148,743</u>	<u>210,918</u>
Other Financing Sources (Uses):				
Transfers from (to) other funds	(220,000)	6,105	226,105	-
Appropriated fund balance	<u>727,000</u>	<u>-</u>	<u>(727,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>507,000</u>	<u>6,105</u>	<u>(500,895)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(352,152)</u>	<u>\$ (352,152)</u>	<u>210,918</u>
Fund Balances:				
Beginning of year - July 1		<u>1,449,561</u>		<u>1,238,643</u>
End of year - June 30		<u>\$ 1,097,409</u>		<u>\$ 1,449,561</u>

CHATHAM COUNTY, NORTH CAROLINA

**FORFEITED PROPERTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010**

	2011			2010
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental:				
Controlled substance tax	\$ -	\$ 7,544	\$ 7,544	\$ 10,586
Drug forfeiture funds	10,000	40,874	30,874	36,025
Investment earnings:				
Controlled substance tax	-	11	11	34
Drug forfeiture funds	245	65	(180)	249
Other general revenues:				
Controlled substance tax	-	-	-	54
Drug forfeiture funds	-	-	-	480
Total revenues	<u>10,245</u>	<u>48,494</u>	<u>38,249</u>	<u>47,428</u>
Expenditures:				
Public safety:				
Controlled substance tax:				
Operating expenditures	-	4,893	(4,893)	65,486
Forfeited property:				
Operating expenditures	33,646	23,699	9,947	35,899
Capital outlay	8,599	8,599	-	-
Total expenditures	<u>42,245</u>	<u>37,191</u>	<u>5,054</u>	<u>101,385</u>
Revenues over (under) expenditures	<u>(32,000)</u>	<u>11,303</u>	<u>43,303</u>	<u>(53,957)</u>
Other Financing Sources (Uses):				
Appropriated fund balance:				
Drug forfeiture funds	<u>32,000</u>	-	(32,000)	-
Total other financing sources (uses)	<u>32,000</u>	-	(32,000)	-
Net change in fund balance				
Controlled substance tax	-	2,662	2,662	(54,812)
Drug forfeiture funds	-	8,641	8,641	855
	<u>\$ -</u>	<u>11,303</u>	<u>\$ 11,303</u>	<u>(53,957)</u>
Fund Balance:				
Beginning of year - July 1				
Controlled substance tax		4,538		59,350
Drug forfeiture funds		<u>33,008</u>		<u>32,153</u>
		<u>37,546</u>		<u>91,503</u>
End of year - June 30				
Controlled substance tax		7,200		4,538
Drug forfeiture funds		<u>41,649</u>		<u>33,008</u>
Total		<u>\$ 48,849</u>		<u>\$ 37,546</u>

CHATHAM COUNTY, NORTH CAROLINA

RECREATION - PAYMENT IN LIEU
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Permits and fees	\$ 65,000	\$ 103,570	\$ 38,570	\$ 146,232
Investment earnings	2,500	1,330	(1,170)	2,848
Total revenues	<u>67,500</u>	<u>104,900</u>	<u>37,400</u>	<u>149,080</u>
Expenditures:				
Cultural and recreational	<u>517,500</u>	<u>-</u>	<u>517,500</u>	<u>-</u>
Revenues over (under) expenditures	<u>(450,000)</u>	<u>104,900</u>	<u>554,900</u>	<u>149,080</u>
Other Financing Sources (Uses):				
Transfers from (to) other funds	-	91,808	91,808	(42,535)
Appropriated fund balance	<u>450,000</u>	<u>-</u>	<u>(450,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>450,000</u>	<u>91,808</u>	<u>(358,192)</u>	<u>(42,535)</u>
Net change in fund balance	<u>\$ -</u>	<u>196,708</u>	<u>\$ 196,708</u>	<u>106,545</u>
Fund Balance:				
Beginning of year - July 1		<u>804,006</u>		<u>697,461</u>
End of year - June 30		<u>\$ 1,000,714</u>		<u>\$ 804,006</u>

CHATHAM COUNTY, NORTH CAROLINA

BYNUM CANOE ACCESS TRUST
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	<u>2011</u>			<u>2010</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ 20	\$ 13	\$ (7)	\$ 33
Expenditures:				
Cultural and recreational	8,520	-	8,520	312
Revenues over (under) expenditures	(8,500)	13	8,513	(279)
Other Financing Sources (Uses):				
Transfers from (to) other funds				
Appropriated fund balance	8,500	-	(8,500)	-
Net change in fund balance	<u>\$ -</u>	13	<u>\$ 13</u>	(279)
Fund Balance:				
Beginning of year - July 1		8,748		9,027
End of year - June 30		<u>\$ 8,761</u>		<u>\$ 8,748</u>

CHATHAM COUNTY, NORTH CAROLINA

ECONOMIC AND COMMUNITY DEVELOPMENT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Project Authorization	Actual		Total
		Prior Years	Current Year	
Revenues:				
Restricted intergovernmental:				
Federal grants:				
CDBG grants:				
Scattered Site Housing Project - 2009	\$ 400,000	\$ 108,305	\$ 265,731	\$ 374,036
Scattered Site Housing Project - 2010	400,000	-	7,327	7,327
Urgent Repair Program 2009	75,000	75,000	-	75,000
Economic Recovery - 2010	500,000	-	3,130	3,130
3M Re-Use Project	600,000	172,140	-	172,140
State grants:				
Clean water management trust:				
3M Re-Use Project	1,250,000	983,209	-	983,209
Total	3,225,000	1,338,654	276,188	1,614,842
Investment earnings	-	72,845	28	72,873
Total revenues	3,225,000	1,411,499	276,216	1,687,715
Expenditures:				
Economic and physical development:				
CDBG Scattered Site Housing Project-2009:				
Administration	55,732	27,178	40,705	67,883
Construction	344,268	79,208	226,945	306,153
Total	400,000	106,386	267,650	374,036
CDBG Scattered Site Housing Project-2010:				
Administration	40,000	-	7,327	7,327
Construction	360,000	-	-	-
Total	400,000	-	7,327	7,327
Urgent Repair Program - 2009				
Administration	8,500	4,200	4,300	8,500
Construction	66,500	65,500	1,000	66,500
Total	75,000	69,700	5,300	75,000
CDBG - Economic Recovery				
Administration	50,000	-	3,130	3,130
Construction	450,000	-	-	-
Total	500,000	-	3,130	3,130

CHATHAM COUNTY, NORTH CAROLINA

ECONOMIC AND COMMUNITY DEVELOPMENT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Project Authorization	Actual		Total
		Prior Years	Current Year	
CDBG 3M Re-Use Project:				
Administration	136,240	137,340	-	137,340
Construction engineering	356,610	244,316	216,952	461,268
Environmental assessment	35,000	35,000	-	35,000
Surveying / easements	18,000	-	-	-
Legal and administrative	40,000	5,900	-	5,900
Construction	1,835,460	924,428	6,544	930,972
Contingency	928,690	-	-	-
Total	<u>3,350,000</u>	<u>1,346,984</u>	<u>223,496</u>	<u>1,570,480</u>
Total expenditures	<u>4,725,000</u>	<u>1,523,070</u>	<u>506,903</u>	<u>2,029,973</u>
Revenues over (under) expenditures	<u>(1,500,000)</u>	<u>(111,571)</u>	<u>(230,687)</u>	<u>(342,258)</u>
Other Financing Sources (Uses):				
Transfers from (to) other funds	-	448,613	(106,355)	342,258
Loan issued	<u>1,500,000</u>	-	-	-
Total other financing sources (uses)	<u>1,500,000</u>	<u>448,613</u>	<u>(106,355)</u>	<u>342,258</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 337,042</u>	<u>(337,042)</u>	<u>\$ -</u>
Fund Balance:				
Beginning of year - July 1			<u>337,042</u>	
End of year - June 30			<u>\$ -</u>	

CHATHAM COUNTY, NORTH CAROLINA

COURTHOUSE CLOCK

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ -	\$ 98	\$ 98	\$ 250
Expenditures:				
General government	-	-	-	685
Revenues over (under) expenditures	-	98	98	(435)
Other Financing Sources (Uses):				
Appropriated fund balance	-	-	-	-
Net change in fund balance	\$ -	98	\$ 98	(435)
Fund Balance:				
Beginning of year - July 1		65,473		65,908
End of year - June 30		<u>\$ 65,571</u>		<u>\$ 65,473</u>

CHATHAM COUNTY, NORTH CAROLINA

LIBRARY FOUNDATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ -	\$ 15	\$ 15	\$ 2
Other general revenues	-	10,000	10,000	-
Total revenues	-	10,015	10,015	2
Net change in fund balance	\$ -	10,015	\$ 10,015	2
Fund Balance:				
Beginning of year - July 1		597		595
End of year - June 30		\$ 10,612		\$ 597

CHATHAM COUNTY, NORTH CAROLINA

**SPECIAL FIRE DISTRICTS
COMBINING BALANCE SHEET
JUNE 30, 2011**

	<u>Combined</u>	<u>Bell's Annex</u>	<u>Bennett</u>	<u>Bonlee</u>	<u>Central Chatham</u>
Assets:					
Cash, cash equivalents, and investments	\$ 186,511	\$ 8,740	\$ 4,013	\$ 14,971	\$ 4,829
Property taxes receivable, net	181,376	2,804	2,032	9,861	21,239
Other receivables	<u>22</u>	<u>2</u>	<u>-</u>	<u>2</u>	<u>1</u>
Total assets	<u>\$ 367,909</u>	<u>\$ 11,546</u>	<u>\$ 6,045</u>	<u>\$ 24,834</u>	<u>\$ 26,069</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 9,160	\$ -	\$ -	\$ -	\$ 2,922
Unearned revenues	23,143	-	851	854	1,230
Deferred revenues	<u>181,376</u>	<u>2,804</u>	<u>2,032</u>	<u>9,861</u>	<u>21,239</u>
Total liabilities	<u>213,679</u>	<u>2,804</u>	<u>2,883</u>	<u>10,715</u>	<u>25,391</u>
Fund Balances:					
Stabilization by State statute	22	2	-	2	1
Assigned:					
Fire protection	<u>154,208</u>	<u>8,740</u>	<u>3,162</u>	<u>14,117</u>	<u>677</u>
Total fund balances	<u>154,230</u>	<u>8,742</u>	<u>3,162</u>	<u>14,119</u>	<u>678</u>
Total liabilities and fund balances	<u>\$ 367,909</u>	<u>\$ 11,546</u>	<u>\$ 6,045</u>	<u>\$ 24,834</u>	<u>\$ 26,069</u>

Schedule 19

<u>Circle City</u>	<u>Goldston</u>	<u>Hope</u>	<u>Moncure</u>	<u>North Chatham</u>	<u>Parkwood</u>	<u>Staley</u>	<u>Northview</u>
\$ 57,090	\$ 4,798	\$ 13,963	\$ 22,504	\$ 46,154	\$ 5,326	\$ 2,667	\$ 1,456
36,003	16,602	11,890	15,654	58,778	2,140	2,928	1,445
<u>7</u>	<u>-</u>	<u>1</u>	<u>4</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 93,100</u>	<u>\$ 21,400</u>	<u>\$ 25,854</u>	<u>\$ 38,162</u>	<u>\$ 104,937</u>	<u>\$ 7,466</u>	<u>\$ 5,595</u>	<u>\$ 2,901</u>
\$ -	\$ 1,120	\$ -	\$ 4,645	\$ -	\$ -	\$ -	\$ 473
3,422	811	1,296	2,079	11,071	519	159	851
<u>36,003</u>	<u>16,602</u>	<u>11,890</u>	<u>15,654</u>	<u>58,778</u>	<u>2,140</u>	<u>2,928</u>	<u>1,445</u>
<u>39,425</u>	<u>18,533</u>	<u>13,186</u>	<u>22,378</u>	<u>69,849</u>	<u>2,659</u>	<u>3,087</u>	<u>2,769</u>
7	-	1	4	5	-	-	-
<u>53,668</u>	<u>2,867</u>	<u>12,667</u>	<u>15,780</u>	<u>35,083</u>	<u>4,807</u>	<u>2,508</u>	<u>132</u>
<u>53,675</u>	<u>2,867</u>	<u>12,668</u>	<u>15,784</u>	<u>35,088</u>	<u>4,807</u>	<u>2,508</u>	<u>132</u>
<u>\$ 93,100</u>	<u>\$ 21,400</u>	<u>\$ 25,854</u>	<u>\$ 38,162</u>	<u>\$ 104,937</u>	<u>\$ 7,466</u>	<u>\$ 5,595</u>	<u>\$ 2,901</u>

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011

	Combined		
	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 5,452,303	\$ 5,522,779	\$ 70,476
Investment earnings	-	284	284
Total revenues	<u>5,452,303</u>	<u>5,523,063</u>	<u>70,760</u>
Expenditures:			
Public safety:			
Fire protection contracts	5,226,613	5,201,269	25,344
Commissions	268,690	264,398	4,292
Total expenditures	<u>5,495,303</u>	<u>5,465,667</u>	<u>29,636</u>
Revenues over (under) expenditures	(43,000)	57,396	100,396
Other Financing Sources (Uses):			
Appropriated fund balance	<u>43,000</u>	-	<u>(43,000)</u>
Net change in fund balance	<u>\$ -</u>	57,396	<u>\$ 57,396</u>
Fund Balances:			
Beginning of year - July 1		<u>96,834</u>	
End of year - June 30		<u>\$ 154,230</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Bells Annex Fire District</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 59,676	\$ 67,085	\$ 7,409
Investment earnings	-	8	8
Total revenues	<u>59,676</u>	<u>67,093</u>	<u>7,417</u>
Expenditures:			
Public safety:			
Fire protection contracts	56,728	56,728	-
Commissions	3,948	3,275	673
Total expenditures	<u>60,676</u>	<u>60,003</u>	<u>673</u>
Revenues over (under) expenditures	(1,000)	7,090	8,090
Other Financing Sources (Uses):			
Appropriated fund balance	<u>1,000</u>	-	<u>(1,000)</u>
Net change in fund balance	<u>\$ -</u>	7,090	<u>\$ 7,090</u>
Fund Balances:			
Beginning of year - July 1		<u>1,652</u>	
End of year - June 30		<u>\$ 8,742</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Bennett Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 85,040	\$ 87,232	\$ 2,192
Investment earnings	-	5	5
Total revenues	<u>85,040</u>	<u>87,237</u>	<u>2,197</u>
Expenditures:			
Public safety:			
Fire protection contracts	82,760	82,760	-
Commissions	4,280	3,985	295
Total expenditures	<u>87,040</u>	<u>86,745</u>	<u>295</u>
Revenues over (under) expenditures	(2,000)	492	2,492
Other Financing Sources (Uses):			
Appropriated fund balance	<u>2,000</u>	-	<u>(2,000)</u>
Net change in fund balance	<u>\$ -</u>	492	<u>\$ 492</u>
Fund Balances:			
Beginning of year - July 1		<u>2,670</u>	
End of year - June 30		<u>\$ 3,162</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Bonlee Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 190,181	\$ 200,610	\$ 10,429
Investment earnings	-	14	14
Total revenues	<u>190,181</u>	<u>200,624</u>	<u>10,443</u>
Expenditures:			
Public safety:			
Fire protection contracts	185,438	185,438	-
Commissions	<u>9,743</u>	<u>9,526</u>	<u>217</u>
Total expenditures	<u>195,181</u>	<u>194,964</u>	<u>217</u>
Revenues over (under) expenditures	(5,000)	5,660	10,660
Other Financing Sources (Uses):			
Appropriated fund balance	<u>5,000</u>	-	<u>(5,000)</u>
Net change in fund balance	<u>\$ -</u>	5,660	<u>\$ 5,660</u>
Fund Balances:			
Beginning of year - July 1		<u>8,459</u>	
End of year - June 30		<u>\$ 14,119</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Central Chatham Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 267,364	\$ 269,190	\$ 1,826
Investment earnings	-	10	10
Total revenues	<u>267,364</u>	<u>269,200</u>	<u>1,836</u>
Expenditures:			
Public safety:			
Fire protection contracts	259,304	257,799	1,505
Commissions	13,060	12,671	389
Total expenditures	<u>272,364</u>	<u>270,470</u>	<u>1,894</u>
Revenues over (under) expenditures	(5,000)	(1,270)	3,730
Other Financing Sources (Uses):			
Appropriated fund balance	<u>5,000</u>	-	<u>(5,000)</u>
Net change in fund balance	<u>\$ -</u>	(1,270)	<u>\$ (1,270)</u>
Fund Balances:			
Beginning of year - July 1		<u>1,948</u>	
End of year - June 30		<u>\$ 678</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Circle City Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 875,511	\$ 881,240	\$ 5,729
Investment earnings	-	68	68
Total revenues	<u>875,511</u>	<u>881,308</u>	<u>5,797</u>
Expenditures:			
Public safety:			
Fire protection contracts	834,670	834,670	-
Commissions	42,341	42,453	(112)
Total expenditures	<u>877,011</u>	<u>877,123</u>	<u>(112)</u>
Revenues over (under) expenditures	(1,500)	4,185	5,685
Other Financing Sources (Uses):			
Appropriated fund balance	<u>1,500</u>	-	<u>(1,500)</u>
Net change in fund balance	<u>\$ -</u>	4,185	<u>\$ 4,185</u>
Fund Balances:			
Beginning of year - July 1		<u>49,490</u>	
End of year - June 30		<u>\$ 53,675</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Goldston Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 209,852	\$ 216,667	\$ 6,815
Investment earnings	-	8	8
Total revenues	<u>209,852</u>	<u>216,675</u>	<u>6,823</u>
Expenditures:			
Public safety:			
Fire protection contracts	204,464	204,464	-
Commissions	10,388	10,163	225
Total expenditures	<u>214,852</u>	<u>214,627</u>	<u>225</u>
Revenues over (under) expenditures	(5,000)	2,048	7,048
Other Financing Sources (Uses):			
Appropriated fund balance	<u>5,000</u>	-	<u>(5,000)</u>
Net change in fund balance	<u>\$ -</u>	2,048	<u>\$ 2,048</u>
Fund Balances:			
Beginning of year - July 1		<u>819</u>	
End of year - June 30		<u>\$ 2,867</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Hope Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 293,714	\$ 306,084	\$ 12,370
Investment earnings	-	15	15
Total revenues	<u>293,714</u>	<u>306,099</u>	<u>12,385</u>
Expenditures:			
Public safety:			
Fire protection contracts	284,118	284,118	-
Commissions	14,596	14,371	225
Total expenditures	<u>298,714</u>	<u>298,489</u>	<u>225</u>
Revenues over (under) expenditures	(5,000)	7,610	12,610
Other Financing Sources (Uses):			
Appropriated fund balance	<u>5,000</u>	-	<u>(5,000)</u>
Net change in fund balance	<u>\$ -</u>	7,610	<u>\$ 7,610</u>
Fund Balances:			
Beginning of year - July 1		<u>5,058</u>	
End of year - June 30		<u>\$ 12,668</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Moncure Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 553,031	\$ 544,574	\$ (8,457)
Investment earnings	-	39	39
Total revenues	<u>553,031</u>	<u>544,613</u>	<u>(8,418)</u>
Expenditures:			
Public safety:			
Fire protection contracts	528,000	504,313	23,687
Commissions	27,031	25,843	1,188
Total expenditures	<u>555,031</u>	<u>530,156</u>	<u>24,875</u>
Revenues over (under) expenditures	(2,000)	14,457	16,457
Other Financing Sources (Uses):			
Appropriated fund balance	<u>2,000</u>	-	<u>(2,000)</u>
Net change in fund balance	<u>\$ -</u>	14,457	<u>\$ 14,457</u>
Fund Balances:			
Beginning of year - July 1		<u>1,327</u>	
End of year - June 30		<u>\$ 15,784</u>	

CHATHAM COUNTY, NORTH CAROLINA

**SPECIAL FIRE DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>North Chatham Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 2,582,391	\$ 2,611,553	\$ 29,162
Investment earnings	-	102	102
Total revenues	<u>2,582,391</u>	<u>2,611,655</u>	<u>29,264</u>
Expenditures:			
Public safety:			
Fire protection contracts	2,465,882	2,465,882	-
Commissions	126,509	125,765	744
Total expenditures	<u>2,592,391</u>	<u>2,591,647</u>	<u>744</u>
Revenues over (under) expenditures	(10,000)	20,008	30,008
Other Financing Sources (Uses):			
Appropriated fund balance	<u>10,000</u>	-	<u>(10,000)</u>
Net change in fund balance	<u>\$ -</u>	20,008	<u>\$ 20,008</u>
Fund Balances:			
Beginning of year - July 1		<u>15,080</u>	
End of year - June 30		<u>\$ 35,088</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Parkwood Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 260,521	\$ 262,366	\$ 1,845
Investment earnings	-	12	12
Total revenues	<u>260,521</u>	<u>262,378</u>	<u>1,857</u>
Expenditures:			
Public safety:			
Fire protection contracts	252,620	252,620	-
Commissions	12,901	12,751	150
Total expenditures	<u>265,521</u>	<u>265,371</u>	<u>150</u>
Revenues over (under) expenditures	(5,000)	(2,993)	2,007
Other Financing Sources (Uses):			
Appropriated fund balance	<u>5,000</u>	-	<u>(5,000)</u>
Net change in fund balance	<u>\$ -</u>	(2,993)	<u>\$ (2,993)</u>
Fund Balances:			
Beginning of year - July 1		<u>7,800</u>	
End of year - June 30		<u>\$ 4,807</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Staley Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 49,441	\$ 50,838	\$ 1,397
Investment earnings	-	2	2
Total revenues	<u>49,441</u>	<u>50,840</u>	<u>1,399</u>
Expenditures:			
Public safety:			
Fire protection contracts	47,329	47,329	-
Commissions	2,612	2,371	241
Total expenditures	<u>49,941</u>	<u>49,700</u>	<u>241</u>
Revenues over (under) expenditures	(500)	1,140	1,640
Other Financing Sources (Uses):			
Appropriated fund balance	<u>500</u>	-	<u>(500)</u>
Net change in fund balance	<u>\$ -</u>	1,140	<u>\$ 1,140</u>
Fund Balances:			
Beginning of year - July 1		<u>1,368</u>	
End of year - June 30		<u>\$ 2,508</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Northview Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 25,581	\$ 25,340	\$ (241)
Investment earnings	-	1	1
Total revenues	<u>25,581</u>	<u>25,341</u>	<u>(240)</u>
Expenditures:			
Public safety:			
Fire protection contracts	25,300	25,148	152
Commissions	1,281	1,224	57
Total expenditures	<u>26,581</u>	<u>26,372</u>	<u>209</u>
Revenues over (under) expenditures	(1,000)	(1,031)	(31)
Other Financing Sources (Uses):			
Appropriated fund balance	<u>1,000</u>	-	<u>(1,000)</u>
Net change in fund balance	<u>\$ -</u>	(1,031)	<u>\$ (1,031)</u>
Fund Balances:			
Beginning of year - July 1		<u>1,163</u>	
End of year - June 30		<u>\$ 132</u>	

NONMAJOR CAPITAL PROJECT FUNDS

The Capital Projects Funds are used to account for the acquisition and construction of major capital and capital facilities other than those financed by the proprietary funds and trust funds.

Individual Fund Descriptions:

- **Imaging Project** – Accounts for funds used to imaging County records and storing that information electronically.
- **Chatham Park Projects** – Accounts for the financing and construction of a park for the recreational use of residents of the County.
- **School Wastewater Improvement Project** – Accounts for funds used to help maintain and improve existing school wastewater systems.
- **Equipment Capital Reserve Fund** – Accounts for the accumulation of funds for large capital purchases.
- **Emergency Vehicle Replacement Capital Reserve Fund** – Accounts for the accumulation of funds to assist local rescue squads with the purchase of emergency vehicles.

CHATHAM COUNTY, NORTH CAROLINA

**NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2011**

	<u>Imaging Project</u>	<u>Chatham Park Projects</u>	<u>School Wastewater Improvement Project</u>
Assets:			
Cash, cash equivalents, and investments	\$ 115,930	\$ 261,833	\$ 8,656
Due from other governments	-	12,826	-
Other receivables	31	-	2
Total assets	<u>\$ 115,961</u>	<u>\$ 274,659</u>	<u>\$ 8,658</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	<u>\$ -</u>	<u>\$ 274,659</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>274,659</u>	<u>-</u>
Fund Balances:			
Restricted:			
Stabilization by State Statute	31	12,826	2
Committed	115,930	-	8,656
Unassigned	<u>-</u>	<u>(12,826)</u>	<u>-</u>
Total fund balances	<u>115,961</u>	<u>-</u>	<u>8,658</u>
Total liabilities and fund balances	<u>\$ 115,961</u>	<u>\$ 274,659</u>	<u>\$ 8,658</u>

Schedule 21

Equipment Capital Reserve Project	Emergency Vehicle Replacement Capital Reserve Project	Total
\$ 1,980,850	\$ 198,190	\$ 2,565,459
-	-	12,826
642	53	728
\$ 1,981,492	\$ 198,243	\$ 2,579,013
\$ -	\$ -	\$ 274,659
-	-	274,659
642	53	13,554
1,980,850	198,190	2,303,626
-	-	(12,826)
1,981,492	198,243	2,304,354
\$ 1,981,492	\$ 198,243	\$ 2,579,013

CHATHAM COUNTY, NORTH CAROLINA

**NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Imaging Project</u>	<u>Chatham Park Projects</u>	<u>School Wastewater Improvement Project</u>
Revenues:			
Investment earnings	\$ 174	\$ 4	\$ 13
Restricted intergovernmental	-	411,650	-
Other general revenues	-	80,000	-
Total revenues	<u>174</u>	<u>491,654</u>	<u>13</u>
Expenditures:			
Cultural and recreational	-	1,499,731	-
Total expenditures	<u>-</u>	<u>1,499,731</u>	<u>-</u>
Revenues over (under) expenditures	<u>174</u>	<u>(1,008,077)</u>	<u>13</u>
Other Financing Sources (Uses):			
Transfers from (to) other funds	-	1,007,369	-
Net change in fund balance	174	(708)	13
Fund Balances:			
Beginning of year - July 1	<u>115,787</u>	<u>708</u>	<u>8,645</u>
End of year - June 30	<u>\$ 115,961</u>	<u>\$ -</u>	<u>\$ 8,658</u>

Schedule 22

Equipment Capital Reserve Project	Emergency Vehicle Replacement Capital Reserve Project	Total
\$ 3,647	\$ 297	\$ 4,135
-	-	411,650
420	-	80,420
4,067	297	491,841
-	-	1,499,731
-	-	1,499,731
4,067	297	(1,003,526)
(452,239)	-	555,130
(448,172)	297	(448,396)
2,429,664	197,946	2,752,750
\$ 1,981,492	\$ 198,243	\$ 2,304,354

CHATHAM COUNTY, NORTH CAROLINA

IMAGING PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	<u>Project Budget</u>	<u>Actual</u>		<u>Total</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Revenues:					
Investment earnings	\$ -	\$ 21,831	\$ 174	\$ 22,005	\$ 22,005
Expenditures:					
General government:					
Contracted services	75,000	71,736	-	71,736	3,264
Equipment	<u>325,000</u>	<u>134,308</u>	-	<u>134,308</u>	<u>190,692</u>
Total expenditures	<u>400,000</u>	<u>206,044</u>	-	<u>206,044</u>	<u>193,956</u>
Revenues over (under) expenditures	(400,000)	(184,213)	174	(184,039)	215,961
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
General Fund	<u>400,000</u>	<u>300,000</u>	-	<u>300,000</u>	<u>(100,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 115,787</u>	<u>\$ 174</u>	<u>\$ 115,961</u>	<u>\$ 115,961</u>

CHATHAM COUNTY, NORTH CAROLINA

CHATHAM PARK PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Project Budget	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental:					
State grants	\$ 708,486	\$ 88,350	\$ 411,650	\$ 500,000	\$ (208,486)
Grant	80,000	-	70,000	70,000	(10,000)
Donations	50,000	-	10,000	10,000	(40,000)
Investment earnings	-	2	4	6	6
Total revenues	<u>838,486</u>	<u>88,352</u>	<u>491,654</u>	<u>580,006</u>	<u>(258,480)</u>
Expenditures:					
Cultural and recreational:					
Northeast Park	<u>2,016,705</u>	<u>181,644</u>	<u>1,499,731</u>	<u>1,681,375</u>	<u>335,330</u>
Total expenditures	<u>2,016,705</u>	<u>181,644</u>	<u>1,499,731</u>	<u>1,681,375</u>	<u>335,330</u>
Revenues over (under) expenditures	<u>(1,178,219)</u>	<u>(93,292)</u>	<u>(1,008,077)</u>	<u>(1,101,369)</u>	<u>76,850</u>
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
Recreation in Lieu	-	94,000	(94,000)	-	-
Capital Improvements Reserve - Park	<u>1,178,219</u>	<u>-</u>	<u>1,101,369</u>	<u>1,101,369</u>	<u>(76,850)</u>
Total other financing sources (uses)	<u>1,178,219</u>	<u>94,000</u>	<u>1,007,369</u>	<u>1,101,369</u>	<u>(76,850)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 708</u>	<u>\$ (708)</u>	<u>\$ -</u>	<u>\$ -</u>

CHATHAM COUNTY, NORTH CAROLINA

SCHOOL WASTEWATER IMPROVEMENT PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Project Budget	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
Investment earnings	\$ 5,000	\$ 6,469	\$ 13	\$ 6,482	\$ 1,482
Expenditures:					
Intergovernmental:					
Educational:					
Capital outlay - construction	33,375	26,199	-	26,199	7,176
Revenues over (under) expenditures	(28,375)	(19,730)	13	(19,717)	8,658
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
School Wastewater Capital Reserve	28,375	28,375	-	28,375	-
Net change in fund balance	\$ -	\$ 8,645	\$ 13	\$ 8,658	\$ 8,658

CHATHAM COUNTY, NORTH CAROLINA

EQUIPMENT CAPITAL RESERVE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ 8,000	\$ 3,647	\$ (4,353)	\$ 10,334
Other general revenues	-	420	420	21,271
Total revenues	<u>8,000</u>	<u>4,067</u>	<u>(3,933)</u>	<u>31,605</u>
Expenditures:				
General government	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
Revenues over (under) expenditures	<u>(192,000)</u>	<u>4,067</u>	<u>196,067</u>	<u>31,605</u>
Other Financing Sources (Uses):				
Transfers from (to) other funds	(625,515)	(452,239)	173,276	(312,175)
Appropriated fund balance	<u>817,515</u>	<u>-</u>	<u>(817,515)</u>	<u>-</u>
Total other financing sources (uses)	<u>192,000</u>	<u>(452,239)</u>	<u>(644,239)</u>	<u>(312,175)</u>
Net change in fund balance	<u>\$ -</u>	<u>(448,172)</u>	<u>\$ (448,172)</u>	<u>(280,570)</u>
Fund Balance:				
Beginning of year - July 1		<u>2,429,664</u>		<u>2,710,234</u>
End of year - June 30		<u>\$ 1,981,492</u>		<u>\$ 2,429,664</u>

CHATHAM COUNTY, NORTH CAROLINA

EMERGENCY VEHICLE REPLACEMENT CAPITAL RESERVE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ 550	\$ 297	\$ (253)	\$ 750
Expenditures:				
Public safety	195,550	-	195,550	-
Revenues over (under) expenditures	(195,000)	297	195,297	750
Other Financing Sources (Uses):				
Appropriated fund balance	195,000	-	(195,000)	-
Net change in fund balance	\$ -	297	\$ 297	750
Fund Balance:				
Beginning of year - July 1		197,946		197,196
End of year - June 30		\$ 198,243		\$ 197,946

ENTERPRISE FUNDS

The Enterprise Funds are used to account for County operations that are financed and operated in a manner similar to private business enterprises. The costs of providing services to the general public on a continuing basis are financed primarily through user charges.

Individual Fund Descriptions:

- **Utility Fund** – Accounts for the water and sewer operations of the County.
- **Water Capital Reserve Fund** – Accounts for various capital projects within the Utility Fund.
- **Vehicle Replacement Fund** – Accounts for capital outlay for vehicles within the Utility Fund.
- **Water Capital Projects Fund** – Accounts for various capital projects within the Utility Fund.
- **Southeast Water District Fund** – Accounts for the operations of the water district covering the Southeastern portion of the County.
- **Solid Waste Management Fund** – Accounts for the operations of the County’s collection and disposal of solid waste.
- **Solid Waste Management Reserve Fund** –Accounts for various capital projects within the Solid Waste Fund.

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CHATHAM COUNTY, NORTH CAROLINA

UTILITY FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Charges for services	\$ 4,407,371	\$ 5,532,952	\$ 1,125,581	\$ 4,850,903
Other operating revenues	-	1,253	1,253	3,331
Investment earnings	15,000	7,961	(7,039)	16,867
Total revenues	<u>4,422,371</u>	<u>5,542,166</u>	<u>1,119,795</u>	<u>4,871,101</u>
Expenditures:				
Salaries and employee benefits	1,282,319	1,262,105	20,214	1,185,638
Operating expenditures	3,105,179	2,348,256	756,923	2,300,108
Repairs and maintenance	78,882	70,468	8,414	76,097
Capital outlay	309,275	159,184	150,091	150,425
Debt service:				
Principal	2,220,901	2,220,902	(1)	643,115
Interest	724,864	581,279	143,585	808,215
Total expenditures	<u>7,721,420</u>	<u>6,642,194</u>	<u>1,079,226</u>	<u>5,163,598</u>
Revenues over (under) expenditures	<u>(3,299,049)</u>	<u>(1,100,028)</u>	<u>2,199,021</u>	<u>(292,497)</u>
Other Financing Sources (Uses):				
Interfund transfers	3,106,444	-	(3,106,444)	1,073,559
CDBG	-	106,355	106,355	-
Appropriated fund balance	192,605	-	(192,605)	-
Total other financing sources (uses)	<u>3,299,049</u>	<u>106,355</u>	<u>(3,192,694)</u>	<u>1,073,559</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(993,673)</u>	<u>\$ (993,673)</u>	<u>\$ 781,062</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:				
Revenue:				
Water Capital Reserve		554,350		
Vehicle Replacement Reserve		646		
Water Capital Projects		4,225		
Reconciling items:				
Debt principal		2,220,902		
Capital outlay		159,184		
Depreciation		(1,001,284)		
Bad debt expense		(4,888)		
Increase in accrued vacation pay		(12,045)		
Change in net assets		<u>\$ 927,417</u>		

CHATHAM COUNTY, NORTH CAROLINA

WATER CAPITAL RESERVE

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Charges for services	\$ 300,000	\$ 531,500	\$ 231,500	\$ 591,094
Investment earnings	20,000	22,850	2,850	27,864
Total revenues	<u>320,000</u>	<u>554,350</u>	<u>234,350</u>	<u>618,958</u>
Expenditures:				
Capital outlay:				
Construction	<u>560,555</u>	<u>-</u>	<u>560,555</u>	<u>-</u>
Revenues over (under) expenditures	<u>(240,555)</u>	<u>554,350</u>	<u>794,905</u>	<u>618,958</u>
Other Financing Sources (Uses):				
Intrafund transfers	(3,513,004)	(404,374)	3,108,630	(1,073,559)
Transfers from (to) other funds:				
General Fund	-	-	-	769,779
Fund balance appropriated	<u>3,753,559</u>	<u>-</u>	<u>(3,753,559)</u>	<u>-</u>
Total other financing sources (uses)	<u>240,555</u>	<u>(404,374)</u>	<u>(644,929)</u>	<u>(303,780)</u>
Revenues and other financing sources (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 149,976</u>	<u>\$ 149,976</u>	<u>\$ 315,178</u>

CHATHAM COUNTY, NORTH CAROLINA

**VEHICLE REPLACEMENT RESERVE
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2011
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010**

	<u>2011</u>			<u>2010</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ 1,500	\$ 646	\$ (854)	\$ 1,631
Total revenues	<u>1,500</u>	<u>646</u>	<u>(854)</u>	<u>1,631</u>
Expenditures:				
Operating expenses	<u>301,500</u>	<u>-</u>	<u>301,500</u>	<u>-</u>
Revenues over (under) expenditures	(300,000)	646	300,646	1,631
Other Financing Sources (Uses):				
Appropriated fund balance	<u>300,000</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>
Revenues and other financing sources (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 646</u>	<u>\$ 646</u>	<u>\$ 1,631</u>

CHATHAM COUNTY, NORTH CAROLINA

WATER CAPITAL PROJECTS
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Project Authorization	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
Investment earnings	\$ -	\$ 60,643	\$ 4,225	\$ 64,868	\$ 64,868
Grant - Department of Transportation	-	399,882	-	399,882	399,882
Unrestricted intergovernmental	397,219	397,220	-	397,220	1
Total revenues	397,219	857,745	4,225	861,970	464,751
Expenditures:					
Capital outlay:					
Westward Distribution Project	14,897,219	13,014,474	35,655	13,050,129	1,847,090
Durham Interconnect	3,724,700	-	66,560	66,560	3,658,140
Business Campus	8,783,346	8,095,893	156,868	8,252,761	530,585
Total expenditures	27,405,265	21,110,367	259,083	21,369,450	6,035,815
Revenues over (under) expenditures	(27,008,046)	(20,252,622)	(254,858)	(20,507,480)	6,500,566
Other Financing Sources (Uses):					
Transfers (to) from other funds					
General Fund	130,000	130,000	-	130,000	-
Capital Improvements Reserve	7,364,593	7,364,593	-	7,364,593	-
Intrafund transfers - Water Capital Reserve	5,013,453	-	404,374	404,374	(4,609,079)
Proceeds from borrowing for:					
Westward Distribution Project	14,500,000	14,500,000	-	14,500,000	-
Total other financing sources (uses)	27,008,046	21,994,593	404,374	22,398,967	(4,609,079)
Revenues and other financing sources (under) expenditures and other financing uses	\$ -	\$ 1,741,971	\$ 149,516	\$ 1,891,487	\$ 1,891,487

CHATHAM COUNTY, NORTH CAROLINA

SOUTHEAST WATER DISTRICT

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Charges for services	\$ 508,860	\$ 588,714	\$ 79,854	\$ 469,586
Investment earnings	-	1,254	1,254	-
Total revenues	<u>508,860</u>	<u>589,968</u>	<u>81,108</u>	<u>469,586</u>
Expenditures:				
Operating expenditures	317,600	318,756	(1,156)	1,749
Debt service:				
Interest	<u>191,260</u>	<u>191,260</u>	-	<u>36,680</u>
Total expenditures	<u>508,860</u>	<u>510,016</u>	<u>(1,156)</u>	<u>38,429</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 79,952</u>	<u>\$ 79,952</u>	<u>\$ 431,157</u>

This schedule is included to show budgetary compliance.

CHATHAM COUNTY, NORTH CAROLINA

SOUTHEAST WATER DISTRICT CAPITAL PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Project Authorization	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
Tap fees	\$ 221,500	\$ 221,500	\$ -	\$ 221,500	\$ -
Total revenues	<u>221,500</u>	<u>221,500</u>	<u>-</u>	<u>221,500</u>	<u>-</u>
Expenditures:					
Capital outlay:					
Construction	4,614,515	4,565,813	119,742	4,685,555	(71,040)
Environmental	15,000	-	-	-	15,000
Engineering	257,111	261,810	672	262,482	(5,371)
Inspections	233,910	233,910	-	233,910	-
Administrative cost	33,900	33,900	91,653	125,553	(91,653)
Contingency	<u>153,064</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>153,064</u>
Total expenditures	<u>5,307,500</u>	<u>5,095,433</u>	<u>212,067</u>	<u>5,307,500</u>	<u>-</u>
Revenues over (under) expenditures	(5,086,000)	(4,873,933)	(212,067)	(5,086,000)	-
Other Financing Sources (Uses):					
Proceeds from borrowing	<u>5,086,000</u>	<u>5,086,000</u>	<u>-</u>	<u>5,086,000</u>	<u>-</u>
Revenues and other financing sources (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 212,067</u>	<u>\$ (212,067)</u>	<u>\$ -</u>	<u>\$ -</u>

CHATHAM COUNTY, NORTH CAROLINA

**SOLID WASTE MANAGEMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010**

	2011			2010
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Charges for services	\$ 2,607,500	\$ 2,704,555	\$ 97,055	\$ 2,801,234
Other operating revenues	78,000	177,601	99,601	3,411
Investment earnings	15,000	4,556	(10,444)	10,811
Sale of capital asset	20,000	53,228	33,228	26,923
Other revenue:				
Scrap tire disposal tax	60,000	73,932	13,932	67,309
White goods disposal tax	18,000	18,562	562	19,676
Solid waste disposal tax	40,000	41,720	1,720	40,963
Nuisance Tire Grant	10,000	4,708	(5,292)	4,311
Electronics	-	4,447	4,447	-
White Goods Disposal Grant	-	44,792	44,792	38,469
Grant	-	16,796	16,796	-
Other revenue	-	50	50	10,000
Total revenues	<u>2,848,500</u>	<u>3,144,947</u>	<u>296,447</u>	<u>3,023,107</u>
Expenditures:				
Collection and disposal:				
Salaries and employee benefits	683,566	717,244	(33,678)	617,100
Operating expenditures	2,196,867	1,870,919	325,948	1,754,659
Capital outlay	<u>150,100</u>	<u>41,808</u>	<u>108,292</u>	<u>435,750</u>
Total expenditures	<u>3,030,533</u>	<u>2,629,971</u>	<u>400,562</u>	<u>2,807,509</u>
Revenues over (under) expenditures	<u>(182,033)</u>	<u>514,976</u>	<u>697,009</u>	<u>215,598</u>
Other Financing Sources (Uses):				
Transfers from (to) other funds:				
Solid Waste Capital Reserve	114,095	75,000	(39,095)	(164,120)
Landfill Boundary Project	(164,120)	-	164,120	-
Fund balance appropriated	<u>232,058</u>	<u>-</u>	<u>(232,058)</u>	<u>-</u>
Total other financing sources (uses)	<u>182,033</u>	<u>75,000</u>	<u>(107,033)</u>	<u>(164,120)</u>
Revenues and other financing sources (under) expenditures and other financing uses	<u>\$ -</u>	<u>589,976</u>	<u>\$ 589,976</u>	<u>\$ 51,478</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:				
Solid Waste Management Reserve revenue		754		
Transfers out - Waste Management Reserve		(75,000)		
Reconciling items:				
Capital outlay		41,808		
Depreciation		(267,263)		
Decrease (increase) in vacation pay accrual		(5,188)		
Change in net assets		<u>\$ 285,087</u>		

CHATHAM COUNTY, NORTH CAROLINA

SOLID WASTE MANAGEMENT RESERVE
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ 1,500	\$ 754	\$ (746)	\$ 1,399
Expenditures:				
Environmental protection	185,905	-	185,905	-
Revenues over (under) expenditures	<u>(184,405)</u>	<u>754</u>	<u>185,159</u>	<u>1,399</u>
Other Financing Sources (Uses):				
Transfers from (to) other funds:				
Solid Waste Management Operating	164,120	-	(164,120)	164,120
Solid Waste Management Operating	(114,095)	(75,000)	39,095	-
Appropriated fund balance	<u>134,380</u>	<u>-</u>	<u>(134,380)</u>	<u>-</u>
Total other financing sources (uses)	<u>184,405</u>	<u>(75,000)</u>	<u>(259,405)</u>	<u>164,120</u>
Revenues and other financing sources (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (74,246)</u>	<u>\$ (74,246)</u>	<u>\$ 165,519</u>

INTERNAL SERVICE FUND

The Self-Insurance Internal Service Fund is used to account for health, dental and workers' compensation insurance premiums received and claims paid under the County's self-insured health, dental and workers' compensation benefits plan.

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CHATHAM COUNTY, NORTH CAROLINA

SELF-INSURANCE INTERNAL SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN NET ASSETS - FINANCIAL PLAN AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2011
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Financial Plan	Actual	Variance Over/Under	Actual
Revenues:				
Charges for services				
Health insurance	\$ 3,795,545	\$ 3,862,256	\$ 66,711	\$ 3,625,309
Dental insurance	272,256	278,498	6,242	266,246
Workers' compensation	452,534	302,892	(149,642)	300,326
Total charges for services	<u>4,520,335</u>	<u>4,443,646</u>	<u>(76,689)</u>	<u>4,191,881</u>
Investment earnings	<u>15,000</u>	<u>8,509</u>	<u>(6,491)</u>	<u>19,757</u>
Total revenues	<u>4,535,335</u>	<u>4,452,155</u>	<u>(83,180)</u>	<u>4,211,638</u>
Expenditures:				
Other operating expenditures:				
Benefits paid:				
Health insurance	3,185,545	3,270,057	(84,512)	2,704,475
Dental insurance	247,256	194,121	53,135	172,637
Workers' compensation	402,534	311,633	90,901	172,763
Administrative costs:				
Health insurance	625,000	556,519	68,481	618,796
Dental insurance	25,000	20,219	4,781	19,206
Workers' compensation	<u>50,000</u>	<u>84,777</u>	<u>(34,777)</u>	<u>18,199</u>
Total expenditures	<u>4,535,335</u>	<u>4,437,326</u>	<u>98,009</u>	<u>3,706,076</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>14,829</u>	<u>\$ 14,829</u>	<u>505,562</u>
Net Assets:				
Beginning of year - July 1		<u>3,972,779</u>		<u>3,467,217</u>
End of year - June 30		<u>\$ 3,987,608</u>		<u>\$ 3,972,779</u>

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AGENCY FUNDS

Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments and/or other funds.

Individual Fund Descriptions:

- **Social Services Agency Fund Accounts** – This fund accounts for the monies of indigents for which the county Department of Social Services acts as an agent.
- **Chatham County Cooperative Extension Fund** – This fund accounts for fees collected for programs conducted by the Chatham County Cooperative Extension Service.
- **Goldston-Gulf Sanitary District Agency Fund** – This fund accounts for the property taxes collected for a special tax district located within the County.
- **Chatham County Municipalities Agency Fund** – This fund accounts for property taxes collected and remitted to municipalities located within the County.
- **Fines and Forfeitures Fund** – This fund accounts for fines and forfeitures collected by the County that are required to be remitted to the Chatham County Board of Education.
- **State Motor Vehicle Tax Fund** – This fund accounts for monies collected and remitted to the State for enhancements to the NC Department of Motor Vehicles computer system that will combine motor vehicle registration renewal and motor vehicle property tax collections.

CHATHAM COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - TRUST AND AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2011</u>
Social Services:				
Assets:				
Cash, cash equivalents, and investments	\$ 74,051	\$ 88,146	\$ 55,758	\$ 106,439
Liabilities:				
Due to agency participants	\$ 74,051	\$ 318,830	\$ 286,442	\$ 106,439
Chatham County Cooperative Extension:				
Assets:				
Cash, cash equivalents, and investments	\$ 155,394	\$ 71,583	\$ 79,444	\$ 147,533
Due from other governmental agencies	468	711	469	710
Other receivables	8	37	8	37
Total assets	<u>\$ 155,870</u>	<u>\$ 72,331</u>	<u>\$ 79,921</u>	<u>\$ 148,280</u>
Liabilities:				
Due to other governmental agencies	<u>\$ 155,870</u>	<u>\$ 148,954</u>	<u>\$ 156,544</u>	<u>\$ 148,280</u>
Goldston-Gulf Sanitary District:				
Assets:				
Cash, cash equivalents, and investments	\$ 1,658	\$ 107,370	\$ 106,262	\$ 2,766
Property taxes receivable	12,398	105,930	107,724	10,604
Allowance for uncollected taxes	(2,624)	566	-	(2,058)
Total assets	<u>\$ 11,432</u>	<u>\$ 213,866</u>	<u>\$ 213,986</u>	<u>\$ 11,312</u>
Liabilities:				
Due to other governmental agencies	<u>\$ 11,432</u>	<u>\$ 313,363</u>	<u>\$ 313,483</u>	<u>\$ 11,312</u>
Chatham County Municipalities:				
Assets:				
Cash, cash equivalents, and investments	\$ 27,684	\$ 2,804,928	\$ 2,798,298	\$ 34,314
Property taxes receivable	182,834	2,862,316	2,852,366	192,784
Allowance for uncollected taxes	(41,347)	9,170	5,246	(37,423)
Total assets	<u>\$ 169,171</u>	<u>\$ 5,676,414</u>	<u>\$ 5,655,910</u>	<u>\$ 189,675</u>
Liabilities:				
Due to other governmental agencies	<u>\$ 169,171</u>	<u>\$ 8,439,345</u>	<u>\$ 8,418,841</u>	<u>\$ 189,675</u>
Fines and Forfeitures:				
Assets:				
Cash	\$ 10,000	\$ 279,989	\$ 289,989	\$ -
Due from other governmental agencies	25,812	32,208	25,812	32,208
Total assets	<u>\$ 35,812</u>	<u>\$ 312,197</u>	<u>\$ 315,801</u>	<u>\$ 32,208</u>
Liabilities:				
Due to other governmental agencies	<u>\$ 35,812</u>	<u>\$ 566,375</u>	<u>\$ 569,979</u>	<u>\$ 32,208</u>

CHATHAM COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - TRUST AND AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2011</u>
State Motor Vehicle Tax Fund:				
Assets:				
Cash, cash equivalents, and investments	\$ 1,678	\$ 21,746	\$ 21,472	\$ 1,952
Liabilities:				
Due to other governmental agencies	\$ 1,678	\$ 21,746	\$ 21,472	\$ 1,952
Combining Totals:				
Assets:				
Cash, cash equivalents, and investments	\$ 270,465	\$ 3,373,762	\$ 3,351,223	\$ 293,004
Property taxes receivable	195,232	2,968,246	2,960,090	203,388
Allowance for uncollected taxes	(43,971)	9,736	5,246	(39,481)
Due from other governmental agencies	26,280	32,919	26,281	32,918
Other receivables	8	37	8	37
Total assets	<u>\$ 448,014</u>	<u>\$ 6,384,700</u>	<u>\$ 6,342,848</u>	<u>\$ 489,866</u>
Liabilities:				
Due to agency participants	\$ 74,051	\$ 318,830	\$ 286,442	\$ 106,439
Due to other governmental agencies	373,963	9,489,783	9,480,319	383,427
Total liabilities	<u>\$ 448,014</u>	<u>\$ 9,808,613</u>	<u>\$ 9,766,761</u>	<u>\$ 489,866</u>

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