

## **BASIC FINANCIAL STATEMENTS**

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## CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS  
JUNE 30, 2012

	Primary Government			Chatham
	Governmental Activities	Business-Type Activities	Total	County Board of Alcoholic Beverage Control
<b>Assets:</b>				
Current assets:				
Cash, cash equivalents and investments	\$ 66,906,415	\$ 25,449,363	\$ 92,355,778	\$ 979,393
Cash - restricted	2,565,744	286,753	2,852,497	-
Property taxes receivable, net	2,579,967	-	2,579,967	-
Accounts receivable, net	2,120,766	921,447	3,042,213	-
Due from other governments	4,543,060	807,687	5,350,747	-
Other receivables	-	49,890	49,890	-
Inventories	-	-	-	242,717
Prepaid items	-	-	-	20,463
Total current assets	<u>78,715,952</u>	<u>27,515,140</u>	<u>106,231,092</u>	<u>1,242,573</u>
Non-current assets:				
Net pension asset	1,382	-	1,382	-
Capital assets:				
Land, improvements and construction in progress	62,428,343	22,429,201	84,857,544	-
Other capital assets, net of depreciation	38,910,990	30,437,216	69,348,206	48,685
Total capital assets	<u>101,339,333</u>	<u>52,866,417</u>	<u>154,205,750</u>	<u>48,685</u>
Total assets	<u>180,056,667</u>	<u>80,381,557</u>	<u>260,438,224</u>	<u>1,291,258</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable and accrued liabilities	5,538,263	313,250	5,851,513	289,774
Customer deposits	13,700	286,753	300,453	-
Unearned revenues	494,892	-	494,892	-
Compensated absences - current	1,016,901	78,323	1,095,224	-
Debt obligations - current	21,504,297	1,322,295	22,826,592	-
Total current liabilities	<u>28,568,053</u>	<u>2,000,621</u>	<u>30,568,674</u>	<u>289,774</u>
Non-current liabilities:				
Compensated absences - non-current	336,709	50,609	387,318	-
Debt obligations - non-current	84,184,418	20,915,752	105,100,170	-
Total non-current liabilities	<u>84,521,127</u>	<u>20,966,361</u>	<u>105,487,488</u>	<u>-</u>
Total liabilities	<u>113,089,180</u>	<u>22,966,982</u>	<u>136,056,162</u>	<u>289,774</u>
<b>Net Assets:</b>				
Investment in capital assets, net of related debt	23,297,981	30,745,494	54,043,475	48,685
Restricted for:				
Stabilization by State Statute	6,628,246	-	6,628,246	-
Register of Deeds	227,443	-	227,443	-
Courthouse Clock	65,649	-	65,649	-
Emergency Telephone	50,637	-	50,637	-
Fire Protection	9,362	-	9,362	-
Police Protection	21,392	-	21,392	-
Capital improvements	-	-	-	464,754
Working capital	-	-	-	465,744
Unrestricted	<u>36,666,777</u>	<u>26,669,081</u>	<u>63,335,858</u>	<u>22,301</u>
Total net assets	<u>\$ 66,967,487</u>	<u>\$ 57,414,575</u>	<u>\$124,382,062</u>	<u>\$ 1,001,484</u>

The accompanying notes are an integral part of the financial statements. 13

**CHATHAM COUNTY, NORTH CAROLINA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

<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>
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 6,973,790	\$ 1,262,817	\$ 21,946	\$ -
Public safety	19,891,626	762,623	1,384,574	-
Economic and physical development	2,750,430	1,656,769	684,540	-
Human services	15,694,203	1,464,931	7,865,277	-
Cultural and recreational	743,752	347,672	395,369	-
Education	43,711,018	-	546,589	-
Interest on long-term debt	4,076,098	-	-	-
Total governmental activities	<u>93,840,917</u>	<u>5,494,812</u>	<u>10,898,295</u>	<u>-</u>
<b>Business-Type Activities:</b>				
Utility	4,909,100	6,423,457	1,200	-
Southeast Water District	757,410	559,207	-	-
Solid waste management	<u>2,851,055</u>	<u>2,995,148</u>	<u>139,771</u>	<u>-</u>
Total business-type activities	<u>8,517,565</u>	<u>9,977,812</u>	<u>140,971</u>	<u>-</u>
Total primary government	<u>\$ 102,358,482</u>	<u>\$ 15,472,624</u>	<u>\$ 11,039,266</u>	<u>\$ -</u>
<b>Component Unit:</b>				
Chatham County Board of Alcoholic Beverage Control	<u>\$ 2,343,348</u>	<u>\$ 2,413,733</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

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

<u>Net (Expense) Revenue and Changes in Net Assets</u>			
<u>Primary Government</u>		<u>Chatham</u>	
<u>Governmental</u>	<u>Business Type</u>	<u>Total</u>	<u>County Board</u>
<u>Activities</u>	<u>Activities</u>		<u>of Alcoholic</u>
			<u>Beverage Control</u>
\$ (5,689,027)	\$ -	\$ (5,689,027)	
(17,744,429)	-	(17,744,429)	
(409,121)	-	(409,121)	
(6,363,995)	-	(6,363,995)	
(711)	-	(711)	
(43,164,429)	-	(43,164,429)	
(4,076,098)	-	(4,076,098)	
<u>(77,447,810)</u>	<u>-</u>	<u>(77,447,810)</u>	
-	1,515,557	1,515,557	
-	(198,203)	(198,203)	
-	283,864	283,864	
<u>-</u>	<u>1,601,218</u>	<u>1,601,218</u>	
<u>(77,447,810)</u>	<u>1,601,218</u>	<u>(75,846,592)</u>	
			\$ <u>70,385</u>
61,548,697	-	61,548,697	-
8,190,337	-	8,190,337	-
672,927	-	672,927	-
2,077,526	-	2,077,526	-
154,371	49,293	203,664	953
443,116	-	443,116	-
<u>1,779,856</u>	<u>-</u>	<u>1,779,856</u>	<u>-</u>
<u>74,866,830</u>	<u>49,293</u>	<u>74,916,123</u>	<u>953</u>
(2,580,980)	1,650,511	(930,469)	71,338
<u>69,548,467</u>	<u>55,764,064</u>	<u>125,312,531</u>	<u>930,146</u>
<u>\$ 66,967,487</u>	<u>\$ 57,414,575</u>	<u>\$ 124,382,062</u>	<u>\$ 1,001,484</u>

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

## CHATHAM COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2012

	Major Funds						Total Nonmajor Funds	Total Governmental Funds
	General	Impact Fees	Capital Project Reserve	Facilities Improvements	School Construction Fund			
<b>Assets:</b>								
Cash, cash equivalents, and investments	\$ 25,482,600	\$ 6,548,720	\$ 21,697,434	\$ 2,667,740	\$ 2,735,106	\$ 3,348,782	\$ 62,480,382	
Cash - restricted	13,700	-	-	-	2,552,044	-	2,565,744	
Taxes receivable, net	2,343,890	-	-	-	-	236,077	2,579,967	
Due from other governments	4,074,147	-	-	304,076	36,654	128,183	4,543,060	
Other receivables	453,318	5,891	11,443	1,643,071	6	2,865	2,116,594	
Total assets	<u>\$ 32,367,655</u>	<u>\$ 6,554,611</u>	<u>\$ 21,708,877</u>	<u>\$ 4,614,887</u>	<u>\$ 5,323,810</u>	<u>\$ 3,715,907</u>	<u>\$ 74,285,747</u>	
<b>Liabilities and Fund Balances:</b>								
<b>Liabilities:</b>								
Accounts payable and accrued liabilities	\$ 2,430,743	\$ 3,500	\$ -	\$ 2,371,806	\$ 253,171	\$ 139,219	\$ 5,198,439	
Customer deposits	13,700	-	-	-	-	-	13,700	
Unearned revenue	472,010	-	-	-	-	22,882	494,892	
Deferred revenue	2,361,598	-	-	-	-	236,077	2,597,675	
Total liabilities	<u>5,278,051</u>	<u>3,500</u>	<u>-</u>	<u>2,371,806</u>	<u>253,171</u>	<u>398,178</u>	<u>8,304,706</u>	
<b>Fund Balances:</b>								
Restricted:								
Stabilization by State Statute	4,496,057	5,891	11,443	1,947,147	36,660	131,048	6,628,246	
Register of Deeds	227,443	-	-	-	-	-	227,443	
Courthouse Clock	-	-	-	-	-	65,649	65,649	
Future Capital Projects	-	-	-	-	2,552,044	-	2,552,044	
Emergency Telephone	-	-	-	-	-	50,637	50,637	
Fire Protection	-	-	-	-	-	9,362	9,362	
Police Protection	-	-	-	-	-	21,392	21,392	
Committed	-	-	21,697,434	295,934	2,481,935	2,293,627	26,768,930	
Assigned:								
Subsequent year's expenditures	5,098,248	3,926,956	-	-	-	643,380	9,668,584	
Education	-	2,618,264	-	-	-	-	2,618,264	
Cultural and Recreation	-	-	-	-	-	138,907	138,907	
Unassigned	17,267,856	-	-	-	-	(36,273)	17,231,583	
Total fund balances	<u>27,089,604</u>	<u>6,551,111</u>	<u>21,708,877</u>	<u>2,243,081</u>	<u>5,070,639</u>	<u>3,317,729</u>	<u>65,981,041</u>	
Total liabilities and fund balances	<u>\$ 32,367,655</u>	<u>\$ 6,554,611</u>	<u>\$ 21,708,877</u>	<u>\$ 4,614,887</u>	<u>\$ 5,323,810</u>	<u>\$ 3,715,907</u>	<u>\$ 74,285,747</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	\$ 65,981,041
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	101,339,333
Other long-term assets are not available to pay for current period expenditures 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.	1,382
Liabilities for earned, but deferred, revenues in fund statements	4,090,381
Compensated absences not expected to be materially liquidated with expendable available resources.	2,597,675
Other post-employment benefits that are not due and payable in the current period	(1,353,610)
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.	(1,392,638)
	<u>(104,296,077)</u>
Net assets of governmental activities	<u>\$ 66,967,487</u>

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

## CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	Major Funds						Total Governmental Funds
	General	Impact Fees	Capital Improvement Project Reserve	Facilities Improvements	School Construction Fund	Total Nonmajor Funds	
<b>Revenues:</b>							
Ad valorem taxes	\$ 55,408,767	\$ -	\$ -	\$ -	\$ -	\$ 5,770,599	\$ 61,179,366
Local option sales tax	8,190,337	-	-	-	-	-	8,190,337
Other taxes	672,927	-	-	-	-	-	672,927
Unrestricted intergovernmental	2,077,526	-	-	-	-	-	2,077,526
Restricted intergovernmental	9,129,722	-	496,589	218,238	50,000	922,258	10,816,807
Permits and fees	1,009,820	1,512,800	-	-	-	174,678	2,697,298
Sales and services	2,786,867	-	-	-	-	-	2,786,867
Investment earnings	68,446	16,810	33,234	10,186	6,527	8,530	143,733
Other general revenues	548,917	-	-	1,779,856	-	14,973	2,343,746
Total revenues	<u>79,893,329</u>	<u>1,529,610</u>	<u>529,823</u>	<u>2,008,280</u>	<u>56,527</u>	<u>6,891,038</u>	<u>90,908,607</u>
<b>Expenditures:</b>							
Current:							
General government	6,466,441	-	-	(393)	-	-	6,466,048
Public safety	11,814,341	-	-	17,329,260	-	7,261,586	36,405,187
Economic and physical development	2,906,070	-	-	-	-	170,668	3,076,738
Human services	16,880,828	-	-	-	-	-	16,880,828
Cultural and recreational	3,051,720	-	-	92	-	199,139	3,250,951
Intergovernmental:							
Education	27,252,405	-	-	130,491	2,260,937	-	29,643,833
Debt service:							
Principal retirement	5,459,010	-	-	-	-	-	5,459,010
Interest and fees	4,076,098	-	-	-	-	-	4,076,098
Total expenditures	<u>77,906,913</u>	<u>-</u>	<u>-</u>	<u>17,459,450</u>	<u>2,260,937</u>	<u>7,631,393</u>	<u>105,258,693</u>
Revenues over (under) expenditures	<u>1,986,416</u>	<u>1,529,610</u>	<u>529,823</u>	<u>(15,451,170)</u>	<u>(2,204,410)</u>	<u>(740,355)</u>	<u>(14,350,086)</u>
<b>Other Financing Sources (Uses):</b>							
Transfers from (to) other funds	<u>985,634</u>	<u>(3,348,263)</u>	<u>3,288,579</u>	<u>(293,534)</u>	<u>-</u>	<u>(632,416)</u>	<u>-</u>
Refunding bonds issued	6,717,498	-	-	14,048,909	-	-	20,766,407
Premium on refunding bonds issued	1,212,927	-	-	-	-	-	1,212,927
Payment to refunding bond agent	<u>(7,817,655)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,817,655)</u>
Total refunding bonds issued	<u>112,770</u>	<u>-</u>	<u>-</u>	<u>14,048,909</u>	<u>-</u>	<u>-</u>	<u>14,161,679</u>
Total other financing sources (uses)	<u>1,098,404</u>	<u>(3,348,263)</u>	<u>3,288,579</u>	<u>13,755,375</u>	<u>-</u>	<u>(632,416)</u>	<u>14,161,679</u>
Net change in fund balances	3,084,820	(1,818,653)	3,818,402	(1,695,795)	(2,204,410)	(1,372,771)	(188,407)
<b>Fund Balances:</b>							
Beginning of year - July 1	<u>24,004,784</u>	<u>8,369,764</u>	<u>17,890,475</u>	<u>3,938,876</u>	<u>7,275,049</u>	<u>4,690,500</u>	<u>66,169,448</u>
End of year - June 30	<u>\$ 27,089,604</u>	<u>\$ 6,551,111</u>	<u>\$ 21,708,877</u>	<u>\$ 2,243,081</u>	<u>\$ 5,070,639</u>	<u>\$ 3,317,729</u>	<u>\$ 65,981,041</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 BALANCES -  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

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

Net changes in fund balances - total governmental funds \$ (188,407)

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	7,182,131
Current year's depreciation	(1,574,398)

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.

(8,082,397)

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.

(269,239)

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

248,557

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

102,773

Total change in net assets of governmental activities

\$ (2,580,980)

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

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**CHATHAM COUNTY, NORTH CAROLINA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND AND  
ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<b>General Fund</b>			<b>Variance With Final Budget Over/Under</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues:</b>				
Ad valorem taxes	\$ 53,920,000	\$ 53,970,000	\$ 55,408,767	\$ 1,438,767
Local option sales tax	7,970,000	7,970,000	8,190,337	220,337
Other taxes	640,000	645,487	672,927	27,440
Unrestricted intergovernmental	1,436,252	1,436,252	2,077,526	641,274
Restricted intergovernmental	8,136,612	9,316,943	9,129,722	(187,221)
Permits and fees	902,900	905,500	1,009,820	104,320
Sales and services	1,953,155	2,060,994	2,786,867	725,873
Investment earnings	75,000	75,000	68,223	(6,777)
Other general revenues	343,390	619,095	548,917	(70,178)
Total revenues	<u>75,377,309</u>	<u>76,999,271</u>	<u>79,893,106</u>	<u>2,893,835</u>
<b>Expenditures:</b>				
Current:				
General government	7,782,963	7,617,051	6,466,441	1,150,610
Public safety	11,963,511	12,290,063	11,814,341	475,722
Economic and physical development	2,462,487	3,121,779	2,906,070	215,709
Human services	17,740,477	18,603,449	16,880,828	1,722,621
Cultural and recreational	1,885,422	3,787,730	3,051,720	736,010
Intergovernmental:				
Education	27,541,058	27,541,058	27,252,405	288,653
Debt service:				
Principal retirement	5,133,769	5,459,011	5,459,010	1
Interest and fees	4,178,765	4,220,949	4,076,098	144,851
Total expenditures	<u>78,688,452</u>	<u>82,641,090</u>	<u>77,906,913</u>	<u>4,734,177</u>
Revenues over (under) expenditures	<u>(3,311,143)</u>	<u>(5,641,819)</u>	<u>1,986,193</u>	<u>7,628,012</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	6,731,611	7,356,588	5,742,504	(1,614,084)
Transfers to other funds	(4,305,616)	(4,756,870)	(4,756,870)	-
Refunding bonds:				
Refunding bonds issued	-	6,717,498	6,717,498	-
Premium on refunding bonds	-	1,212,927	1,212,927	-
Payment to refunding agent	-	(7,817,655)	(7,817,655)	-
Total refunding bonds issued	<u>-</u>	<u>112,770</u>	<u>112,770</u>	<u>-</u>
Appropriated fund balance	<u>885,148</u>	<u>2,929,331</u>	<u>-</u>	<u>(2,929,331)</u>
Total other financing sources (uses)	<u>3,311,143</u>	<u>5,641,819</u>	<u>1,098,404</u>	<u>(4,543,415)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>3,084,597</u>	<u>\$ 3,084,597</u>
<b>Fund Balances:</b>				
Beginning of year - July 1			<u>23,882,752</u>	
End of year - June 30			<u>\$ 26,967,349</u>	

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

Exhibit F

<b>Impact Fees Fund</b>			
<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over/Under</b>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,105,000	1,105,000	1,512,800	407,800
-	-	-	-
15,000	15,000	16,810	1,810
-	-	-	-
<u>1,120,000</u>	<u>1,120,000</u>	<u>1,529,610</u>	<u>409,610</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,000,000	2,000,000	-	2,000,000
-	-	-	-
-	-	-	-
<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>
<u>(880,000)</u>	<u>(880,000)</u>	<u>1,529,610</u>	<u>2,409,610</u>
-	-	-	-
(3,160,065)	(3,160,065)	(3,348,263)	(188,198)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>4,040,065</u>	<u>4,040,065</u>	<u>-</u>	<u>(4,040,065)</u>
<u>880,000</u>	<u>880,000</u>	<u>(3,348,263)</u>	<u>(4,228,263)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>(1,818,653)</u>	<u>\$ (1,818,653)</u>
		<u>8,369,764</u>	
		<u>\$ 6,551,111</u>	

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

## CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2012

	Business-Type Activities - Enterprise				Governmental
	Utility	Southeast Water District	Solid Waste Management	Total	Self-Insurance Internal Service
<b>Assets:</b>					
Current assets:					
Cash, cash equivalents, and investments	\$ 20,848,370	\$ 271,984	\$ 4,329,009	\$ 25,449,363	\$ 4,426,033
Cash - restricted	258,758	25,995	2,000	286,753	-
Receivables, net	754,213	84,818	82,416	921,447	-
Due from other governments	762,739	-	44,948	807,687	-
Other receivables	34,160	310	15,420	49,890	4,172
Total current assets	<u>22,658,240</u>	<u>383,107</u>	<u>4,473,793</u>	<u>27,515,140</u>	<u>4,430,205</u>
Capital assets:					
Land, improvements, and construction in progress	21,933,696	-	495,505	22,429,201	-
Other capital assets, net of depreciation	<u>24,594,456</u>	<u>5,201,350</u>	<u>641,410</u>	<u>30,437,216</u>	-
Total capital assets, net	<u>46,528,152</u>	<u>5,201,350</u>	<u>1,136,915</u>	<u>52,866,417</u>	-
Total assets	<u>\$ 69,186,392</u>	<u>\$ 5,584,457</u>	<u>\$ 5,610,708</u>	<u>\$ 80,381,557</u>	<u>\$ 4,430,205</u>
<b>Liabilities and Net Assets:</b>					
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 165,076	\$ 150	\$ 148,024	\$ 313,250	\$ 339,824
Customer deposits	258,758	25,995	2,000	286,753	-
Compensated absences payable - current	43,866	-	34,457	78,323	-
General obligation bonds payable - current	-	39,000	-	39,000	-
Revenue bonds payable - current	-	26,000	-	26,000	-
Refunding premium net - current	182,489	-	-	182,489	-
Installment notes payable - current	<u>1,074,806</u>	-	-	<u>1,074,806</u>	-
Total current liabilities	<u>1,724,995</u>	<u>91,145</u>	<u>184,481</u>	<u>2,000,621</u>	<u>339,824</u>
Non-current liabilities:					
Compensated absences payable - non-current	44,497	-	6,112	50,609	-
Other post-employment benefits	75,647	-	41,477	117,124	-
General obligation bonds payable - non-current	-	3,123,000	-	3,123,000	-
Revenue bonds payable - non current	-	1,835,000	-	1,835,000	-
Refunding premium net	547,468	-	-	547,468	-
Installment notes payable - non-current	<u>15,293,160</u>	-	-	<u>15,293,160</u>	-
Total non-current liabilities	<u>15,960,772</u>	<u>4,958,000</u>	<u>47,589</u>	<u>20,966,361</u>	-
Total liabilities	<u>17,685,767</u>	<u>5,049,145</u>	<u>232,070</u>	<u>22,966,982</u>	<u>339,824</u>
<b>Net Assets:</b>					
Invested in capital assets, net of related debt	29,430,229	178,350	1,136,915	30,745,494	-
Unrestricted	<u>22,070,396</u>	<u>356,962</u>	<u>4,241,723</u>	<u>26,669,081</u>	<u>4,090,381</u>
Total net assets	<u>\$ 51,500,625</u>	<u>\$ 535,312</u>	<u>\$ 5,378,638</u>	<u>\$ 57,414,575</u>	<u>\$ 4,090,381</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, 2012

	Business-Type Activities - Enterprise			Governmental	
	Utility	Southeast Water District	Solid Waste Management	Self-Insurance Internal Service	
<b>Operating Revenues:</b>					
Charges for services	\$ 6,403,580	\$ 559,207	\$ 2,941,456	\$ 9,904,243	\$ 4,369,818
Operating grants	-	-	46,908	46,908	-
Other operating revenues	19,877	-	5,043	24,920	-
Total operating revenues	<u>6,423,457</u>	<u>559,207</u>	<u>2,993,407</u>	<u>9,976,071</u>	<u>4,369,818</u>
<b>Operating Expenses:</b>					
Operating expenses	3,272,678	460,000	2,575,882	6,308,560	4,277,683
Depreciation	1,001,795	106,150	275,173	1,383,118	-
Total operating expenses	<u>4,274,473</u>	<u>566,150</u>	<u>2,851,055</u>	<u>7,691,678</u>	<u>4,277,683</u>
Operating income (loss)	<u>2,148,984</u>	<u>(6,943)</u>	<u>142,352</u>	<u>2,284,393</u>	<u>92,135</u>
<b>Non-Operating Revenues (Expenses):</b>					
Investment earnings	40,675	906	7,712	49,293	10,638
Interest and other charges	(634,627)	(191,260)	-	(825,887)	-
Gain on sale of assets	1,200	-	1,741	2,941	-
Other operating grants and revenue	-	-	139,771	139,771	-
Total non-operating revenues (expenses)	<u>(592,752)</u>	<u>(190,354)</u>	<u>149,224</u>	<u>(633,882)</u>	<u>10,638</u>
Change in net assets	1,556,232	(197,297)	291,576	1,650,511	102,773
<b>Net Assets:</b>					
Beginning of year - July 1	49,944,393	732,609	5,087,062	55,764,064	3,987,608
End of year - June 30	<u>\$ 51,500,625</u>	<u>\$ 535,312</u>	<u>\$ 5,378,638</u>	<u>\$ 57,414,575</u>	<u>\$ 4,090,381</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, 2012

	Business-Type Activities - Enterprise				Governmental
	Utility	Southeast Water District	Solid Waste Management	Total	Self-Insurance Internal Service
<b>Cash Flows from Operating Activities:</b>					
Cash received from customers	\$ 6,235,364	\$ 548,229	\$ 2,914,780	\$ 9,698,373	\$ 4,379,887
Cash paid for goods and services	(2,788,455)	(459,591)	(1,812,976)	(5,061,022)	(4,124,859)
Cash paid to or on behalf of employees for services	(1,177,561)	-	(683,473)	(1,861,034)	-
Customer deposits received	72,975	1,520	-	74,495	-
Customer deposits returned	(61,329)	-	-	(61,329)	-
Other operating activities	15,446	25,652	54,908	96,006	-
Net cash provided (used) by operating activities	<u>2,296,440</u>	<u>115,810</u>	<u>473,239</u>	<u>2,885,489</u>	<u>255,028</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>					
Intergovernmental non-operating revenues received	-	-	139,771	139,771	-
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisition and construction of capital assets	(328,396)	-	(106,064)	(434,460)	-
Proceeds and premium from capital debt	12,989,948	-	-	12,989,948	-
Principal paid on bonds, notes and capital leases	(14,026,197)	(63,000)	-	(14,089,197)	-
Proceeds for sale of assets	1,200	-	1,741	2,941	-
Due to (from) other governments	1,231	-	-	1,231	-
Interest paid on bonds, notes and capital leases	(634,627)	(191,260)	-	(825,887)	-
Net cash provided (used) by capital and related financing activities	<u>(1,996,841)</u>	<u>(254,260)</u>	<u>(104,323)</u>	<u>(2,355,424)</u>	<u>-</u>
<b>Cash Flows from Investing Activities:</b>					
Interest on investments	32,731	856	7,712	41,299	8,341
Net increase (decrease) in cash and cash equivalents	332,330	(137,594)	516,399	711,135	263,369
<b>Cash and Cash Equivalents:</b>					
Beginning of year - July 1	20,774,798	435,573	3,814,610	25,024,981	4,162,664
End of year - June 30	<u>\$ 21,107,128</u>	<u>\$ 297,979</u>	<u>\$ 4,331,009</u>	<u>\$ 25,736,116</u>	<u>\$ 4,426,033</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating income (loss)	\$ 2,148,984	\$ (6,943)	\$ 142,352	\$ 2,284,393	\$ 92,135
<b>Adjustment to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:</b>					
Depreciation and amortization	819,306	106,150	275,173	1,200,629	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	9,842	14,674	8,067	32,583	10,069
(Increase) decrease in due from other governments	(622,177)	259	19,342	(602,576)	-
Increase (decrease) in accounts payable and accrued liabilities	(79,467)	150	30,199	(49,118)	152,824
Increase (decrease) in customer deposits	11,646	1,520	-	13,166	-
Increase (decrease) in compensated absences payable	8,306	-	(1,894)	6,412	-
Total adjustments	<u>147,456</u>	<u>122,753</u>	<u>330,887</u>	<u>601,096</u>	<u>162,893</u>
Net cash provided (used) by operating activities	<u>\$ 2,296,440</u>	<u>\$ 115,810</u>	<u>\$ 473,239</u>	<u>\$ 2,885,489</u>	<u>\$ 255,028</u>

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

**CHATHAM COUNTY, NORTH CAROLINA**

**STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2012**

	<b>Law Enforcement Employees' Pension Trust Fund</b>	<b>Agency Funds</b>
	<u>                    </u>	<u>                    </u>
<b>Assets:</b>		
Cash, cash equivalents and investments	\$ 378,306	\$ 264,875
Property taxes receivables, net	-	318,834
Due from other governmental agencies	-	24,212
Other receivables	217	689
Total assets	<u>\$ 378,523</u>	<u>\$ 608,610</u>
<b>Liabilities and Net Assets:</b>		
<b>Liabilities:</b>		
Due to agency participants	\$ -	\$ 70,277
Due to other government agencies	-	538,333
Total liabilities	<u>-</u>	<u>608,610</u>
<b>Net Assets:</b>		
Assets held in trust for employees' pension benefits	<u>378,523</u>	<u>-</u>
Total net assets	<u>\$ 378,523</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, 2012**

	<b>Law Enforcement Employees' Pension Trust Fund</b>
<b>Additions:</b>	
Employer on-behalf payments	\$ 50,000
Investment earnings	635
Total additions	<u>50,635</u>
<b>Deductions:</b>	
Benefit payments	<u>27,558</u>
Change in net assets	23,077
<b>Net Assets:</b>	
Beginning of year - July 1	<u>355,446</u>
End of year - June 30	<u>\$ 378,523</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, 2012

### 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 63,870. 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, 2012

### **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 nonmajor 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. The Personnel Savings Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, it is consolidated in the General 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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

*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.

*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 two Pension Trust Funds: the Special Separation Allowance Fund and the Employees' Medical and Child Care Trust Fund. Pension trust funds are 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. The Employees' Medical and Child Care Trust Fund accounts for monies withheld from employees for future reimbursement of qualified medical and child care expenses.

*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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

*Nonmajor Funds.* The County maintains several legally budgeted funds. The Emergency Telephone System Fund, the Forfeited Property Fund, the Recreation-Payment in Lieu Fund, the Bynum Canoe Access Trust Fund, the Economic and Community Development Fund, the Courthouse Clock Fund, the Library Foundation Fund, and the Special Fire District Funds are reported as nonmajor special revenue funds. The Imaging Project Fund, Chatham Parks Project Fund, School Wastewater Improvement Project Fund, Equipment Capital Reserve Fund, and Emergency Vehicle Replacement Capital Reserve Fund are reported as nonmajor capital project funds.

*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.

*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 fund 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 nonoperating 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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

*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 2011 through February 2012 apply to the fiscal year ended June 30, 2012. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements.

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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### **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.

### **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).

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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, 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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### **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		10-40 years

### **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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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. Loan 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.

### **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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### **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 intact.

### **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.

*Restricted for Public Safety* – portion of fund balance restricted for future public safety needs.

### **Committed Fund Balance**

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing body is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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

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	\$ 27,089,604
Less:	
Stabilization by State statute	<u>4,496,057</u>
Fund balance available for appropriation	<u>\$ 22,579,847</u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### 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)	\$ 26,967,349
Personnel Savings Reserve Fund	
Investment earnings	223
Fund balance - beginning	122,032
Fund balance - ending (Exhibit D)	<u>\$ 27,089,604</u>

## 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, 2012 include the following:

	<u>Reported Value</u>	<u>Fair Value</u>
Cash on hand	\$ 1,830	\$ 1,830
Deposits - NOW, SuperNOW, MMDA, and Certificates of Deposit	67,306,783	67,306,783
North Carolina Capital Management Trust	28,542,843	28,542,843
Total	<u>\$ 95,851,456</u>	<u>\$ 95,851,456</u>

#### 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

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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 undercollateralization, 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, 2012, the County's deposits had a carrying amount of \$67,306,783 and a bank balance of \$67,652,611. Of the bank balance, \$1,250,000 was covered by federal depository insurance, and \$66,402,611 was covered by collateral held under the Pooling Method. The County had \$1,830 of cash on hand at year-end.

At June 30, 2012, the carrying amount of deposits for Chatham County ABC Board was \$977,493, and the bank balance was \$958,671. 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, 2012, the County's investment balances were as follows:

<b><u>Investment Type</u></b>	<b><u>Fair Value</u></b>	<b><u>Less Than 6 Months</u></b>
NC Capital Management Trust Fund - Cash Portfolio	\$ 18,529,376	\$ 18,529,376
NC Capital Management Trust Fund - Term Portfolio*	10,013,467	10,013,467
Total	<u>\$ 28,542,843</u>	<u>\$ 28,542,843</u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

\*Because the NC Capital Management Trust Term Portfolio had a duration of no more than 6 months, it was presented as an investment with a maturity of less than 6 months.

*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, 2012. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The County's investments in US agencies (Federal Home Loan Bank) are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service.

#### **4. Property Tax – Use-Value Assessment on Certain Lands**

In accordance with the General Statutes, agriculture, horticulture, and forestland may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

<b>Year Levied</b>	<b>Tax</b>	<b>Interest</b>	<b>Total</b>
2008	\$ 25,726	\$ 8,425	\$ 34,151
2009	35,880	8,521	44,401
2010	41,800	6,166	47,966
2011	11,919	685	12,604
Total	<u>\$ 115,325</u>	<u>\$ 23,798</u>	<u>\$ 139,123</u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### 5. Receivables

Receivables at the government-wide level at June 30, 2012, were as follows:

	<b>Taxes and Related Accrued Interest</b>	<b>Other Accounts Receivable</b>	<b>Due from Other Governments</b>	<b>Total</b>
<b>Governmental Activities:</b>				
General	\$ 2,816,267	\$ 453,318	\$ 4,074,147	\$ 7,343,655
Other governmental	280,710	1,663,276	468,913	2,412,976
Internal service	-	4,172	-	4,172
Total	<u>3,096,977</u>	<u>2,120,766</u>	<u>4,543,060</u>	<u>9,760,803</u>
Allowance for doubtful accounts	517,010	-	-	517,010
Total governmental activities	<u>\$ 2,579,967</u>	<u>\$ 2,120,766</u>	<u>\$ 4,543,060</u>	<u>\$ 9,243,793</u>
<b>Business-Type Activities:</b>				
Utility	\$ -	\$ 836,800	\$ 762,739	\$ 1,599,539
Southeast water district	-	88,294	-	88,294
Solid waste management	-	120,899	44,948	165,847
Total	<u>-</u>	<u>1,045,993</u>	<u>807,687</u>	<u>1,853,680</u>
Allowance for doubtful accounts	-	74,656	-	74,656
Total business-type activities	<u>\$ -</u>	<u>\$ 971,337</u>	<u>\$ 807,687</u>	<u>\$ 1,779,024</u>

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

<b>Governmental Activities:</b>	
Local option sales tax	\$ 2,113,134
Video programming	35,000
Sales tax refunds	493,244
Federal and state grants	1,851,602
Local municipalities	50,080
Total governmental activities	<u>\$ 4,543,060</u>
<b>Business-Type Activities:</b>	
Sales tax refunds	\$ 52,409
White goods disposal tax	5,061
Scrap tire tax	19,987
Federal and state grants	30,230
Local municipalities	700,000
Total business-type activities	<u>\$ 807,687</u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### 6. Capital Assets

Governmental capital assets at June 30, 2012, were as follows:

	<b>Balance July 1, 2011</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers In (Out)</b>	<b>Balance June 30, 2012</b>
<b>Non-Depreciable Assets:</b>					
Land	\$ 7,386,222	\$ 2,495,990	\$ -	\$ 586,250	\$ 10,468,462
Construction in progress	<u>52,204,348</u>	<u>17,664,339</u>	<u>13,601,679</u>	<u>(4,307,127)</u>	<u>51,959,881</u>
Total	<u>59,590,570</u>	<u>20,160,329</u>	<u>13,601,679</u>	<u>(3,720,877)</u>	<u>62,428,343</u>
<b>Depreciable Assets:</b>					
Buildings	44,931,902	432,000	101,225	3,691,761	48,954,438
Equipment and vehicles	<u>11,600,895</u>	<u>917,973</u>	<u>604,882</u>	<u>8,731</u>	<u>11,922,717</u>
Total	<u>56,532,797</u>	<u>1,349,973</u>	<u>706,107</u>	<u>3,700,492</u>	<u>60,877,155</u>
<b>Less Accumulated Depreciation:</b>					
Buildings	11,841,356	678,669	20,269	-	12,499,756
Equipment and vehicles	<u>8,550,411</u>	<u>1,506,368</u>	<u>569,985</u>	<u>(20,385)</u>	<u>9,466,409</u>
Total	<u>20,391,767</u>	<u>2,185,037</u>	<u>590,254</u>	<u>(20,385)</u>	<u>21,966,165</u>
Depreciable assets, net	<u>36,141,030</u>	<u>(835,064)</u>	<u>115,853</u>	<u>3,720,877</u>	<u>38,910,990</u>
Total governmental activities capital assets, net	<u>\$ 95,731,600</u>	<u>\$ 19,325,265</u>	<u>\$ 13,717,532</u>	<u>\$ -</u>	<u>\$ 101,339,333</u>

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

#### **Governmental Activities:**

General government	\$ 407,665
Public safety	622,518
Human services	203,203
Economic and physical development	25,978
Cultural and recreational	146,997
Education	<u>778,676</u>
Total	<u>\$ 2,185,037</u>

#### **Business-Type Activities:**

Utility	\$ 1,001,795
Solid waste management	275,173
Southeast Water District	<u>106,150</u>
Total	<u>\$ 1,383,118</u>

## CHATHAM COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Enterprise Fund capital assets at June 30, 2012, were as follows:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u> <u>In (Out)</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>Utility Fund:</b>					
<b>Non-Depreciable Assets:</b>					
Land	\$ 421,023	\$ -	\$ -	\$ -	\$ 421,023
Construction in progress	21,369,450	143,223	-	-	21,512,673
Total	<u>21,790,473</u>	<u>143,223</u>	<u>-</u>	<u>-</u>	<u>21,933,696</u>
<b>Depreciable Assets:</b>					
Buildings	5,478,618	-	-	-	5,478,618
Equipment and vehicles	1,307,238	76,838	(38,611)	679,920	2,025,385
Distribution lines	29,952,686	108,335	-	(679,920)	29,381,101
Total	<u>36,738,542</u>	<u>185,173</u>	<u>(38,611)</u>	<u>-</u>	<u>36,885,104</u>
<b>Less Accumulated Depreciation:</b>					
Buildings	(3,708,072)	(273,852)	-	-	(3,981,924)
Equipment and vehicles	(1,105,608)	(100,930)	38,611	(13,598)	(1,181,525)
Distribution lines	(6,513,784)	(627,013)	-	13,598	(7,127,199)
Total	<u>(11,327,464)</u>	<u>(1,001,795)</u>	<u>38,611</u>	<u>-</u>	<u>(12,290,648)</u>
Depreciable assets, net	<u>25,411,078</u>	<u>(816,622)</u>	<u>-</u>	<u>-</u>	<u>24,594,456</u>
Total Utility Fund capital assets, net	<u>\$ 47,201,551</u>	<u>\$ (673,399)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,528,152</u>
	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u> <u>In (Out)</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>Southeast Water District:</b>					
<b>Depreciable Assets:</b>					
Distribution lines	\$ 5,307,500	\$ -	\$ -	\$ -	\$ 5,307,500
<b>Less Accumulated Depreciation:</b>					
Distribution lines	-	(106,150)	-	-	(106,150)
Total	<u>-</u>	<u>(106,150)</u>	<u>-</u>	<u>-</u>	<u>(106,150)</u>
Depreciable assets, net	<u>5,307,500</u>	<u>(106,150)</u>	<u>-</u>	<u>-</u>	<u>5,201,350</u>
Total Southeast Water District Fund capital assets, net	<u>\$ 5,307,500</u>	<u>\$ (106,150)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,201,350</u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u> <u>In (Out)</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>Solid Waste Management:</b>					
<b>Non-Depreciable Assets:</b>					
Land	\$ 495,505	\$ -	\$ -	\$ -	\$ 495,505
Total	<u>495,505</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>495,505</u>
<b>Depreciable Assets:</b>					
Buildings	1,804,717	-	-	-	1,804,717
Equipment and vehicles	<u>2,189,738</u>	<u>106,064</u>	<u>(18,717)</u>	<u>20,385</u>	<u>2,297,470</u>
Total	<u>3,994,455</u>	<u>106,064</u>	<u>(18,717)</u>	<u>20,385</u>	<u>4,102,187</u>
<b>Less Accumulated Depreciation:</b>					
Buildings	(1,476,094)	(78,591)	-	-	(1,554,685)
Equipment and vehicles	<u>(1,707,842)</u>	<u>(196,582)</u>	<u>18,717</u>	<u>(20,385)</u>	<u>(1,906,092)</u>
Total	<u>(3,183,936)</u>	<u>(275,173)</u>	<u>18,717</u>	<u>(20,385)</u>	<u>(3,460,777)</u>
Depreciable assets, net	<u>810,519</u>	<u>(169,109)</u>	<u>-</u>	<u>-</u>	<u>641,410</u>
Total Solid Waste Management Fund capital assets, net	<u>\$ 1,306,024</u>	<u>\$ (169,109)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,136,915</u>
Total Enterprise fund capital assets	<u>\$ 53,815,075</u>				<u>\$ 52,866,417</u>

### Extraordinary Event

In March of 2010, a fire significantly damaged the County Historical Courthouse. The County received insurance proceeds of \$1,779,856 in the current year and over \$4,000,000 overall as a result of the fire. The County anticipates an additional \$2,000,000 in insurance proceeds in fiscal year 2013. Restoration costs of \$2,548,039 have been capitalized in the General Fund.

**CHATHAM COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**7. Invested in Capital Assets, Net of Related Debt**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets, net of depreciation	\$ 101,339,333	\$ 52,866,417
Long-term debt	104,296,077	22,120,923
Less unspent debt proceeds	(2,552,044)	-
Less debt not tied to capital assets	(23,702,681)	-
Long-term debt related to capital assets	<u>78,041,352</u>	<u>22,120,923</u>
Invested in capital assets net of related debt	<u>\$ 23,297,981</u>	<u>\$ 30,745,494</u>

**8. Construction Commitments**

The government has active construction projects as of June 30, 2012. At year-end, the government's commitments with contractors were as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Judicial Facility	\$ 15,878,080	\$ 4,483,795
CCCC-Library/Classroom	9,963,651	198,754
Law Enforcement Center Parking	474,537	76,994
Jail	672,300	422,100
Courthouse Restoration	2,117,893	3,035,995
Northeast Park	1,590,231	-
Durham Increased Capacity	125,780	31,220
Sanford Interconnect	88,603	1,238,155
Totals	<u>\$ 30,911,075</u>	<u>\$ 9,487,013</u>

**CHATHAM COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**9. Discretely Presented Component Units**

Capital asset activity for the ABC Board for the year ended June 30, 2012, was as follows:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>Depreciable Assets:</b>				
Leasehold improvements	\$ 16,556	\$ -	\$ -	\$ 16,556
Equipment and fixtures	97,119	-	-	97,119
Total	113,675	-	-	113,675
Less accumulated depreciation	(58,381)	(6,609)	-	(64,990)
Total ABC Board capital assets, net	<u>\$ 55,294</u>	<u>\$ (6,609)</u>	<u>\$ -</u>	<u>\$ 48,685</u>

**B. Liabilities**

**1. Payables**

Payables at the government-wide level at June 30, 2012, were as follows:

	<u>Vendors</u>	<u>Salaries and</u> <u>Benefits</u>	<u>Claims</u> <u>Liability</u>	<u>Total</u>
<b>Governmental Activities:</b>				
General	\$ 1,697,129	\$ 733,614	\$ -	\$ 2,430,743
Internal service	54,824	-	285,000	339,824
Other governmental	2,766,113	1,583	-	2,767,696
Total governmental activities	<u>\$ 4,518,066</u>	<u>\$ 735,197</u>	<u>\$ 285,000</u>	<u>\$ 5,538,263</u>
<b>Business-Type Activities:</b>				
Utility	\$ 126,693	\$ 38,383	\$ -	\$ 165,076
Southeast water district	150	-	-	150
Solid waste management	126,323	21,701	-	148,024
Total business-type activities	<u>\$ 253,166</u>	<u>\$ 60,084</u>	<u>\$ -</u>	<u>\$ 313,250</u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### **2. Operating Leases**

The ABC Board occupies facilities in Chapel Hill, Moncure, Governor's Village, Chatham Crossing, and Cole Park Plaza. 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 agreement for the Chapel Hill and Moncure facility is being leased on a month-to month basis, the lease agreement for the Moncure facility expired in October 2010. 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 lease agreement for the Governor's Village facility expired in April 2010. The lease agreement for the Chatham Crossing property is a ten-year lease expiring June 28, 2022, with a monthly rent at June 30, 2012 of \$4,367. The lease agreement for the Cole Park Plaza property is a two-year lease expiring August 30, 2013 with a monthly rent at June 30, 2012 of \$669. 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:

<b>Year Ending</b>	
<b>June 30</b>	<b>Amount</b>
2013	\$ 76,891
2014	56,657
2015	55,450
2016	57,050
2017	58,700
2018-2022	319,748
Total	<u>\$ 624,496</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 6.96% and 7.04%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement and for law enforcement officers is 7.46% and 7.04%, respectively, of annual covered payroll. The contribution requirements of members, the County, and the ABC Board are

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2012, 2011 and 2010 were \$1,176,774, \$1,133,499, and \$822,832, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2012, 2011, and 2010 were \$8,079, \$7,497, and \$5,519, respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

### **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, 2011 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	83
Total	<u>87</u>

### **Summary of Significant Accounting Policies**

*Basis of Accounting.* Financial statements for the Separation Allowance are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and when the County has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

*Method Used to Value Investments.* Investments are reported at fair value. 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 through appropriations made in the General Fund operating budget. For the current year, the County contributed \$50,000, or 1.65% 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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

The annual required contribution for the current year was determined as part of the December 31, 2011 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, 2011 was 19 years.

*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	\$	76,860
Interest on net pension obligation		(1,429)
Adjustment to annual required contribution		1,704
Annual pension cost		77,135
Contributions made		50,000
Increase in net pension asset		27,135
Net pension asset, beginning of year		(28,517)
Net pension asset, end of year	\$	(1,382)

### Three-Year Trend Information

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 50,974	98.09%	\$ (63,746)
2011	85,175	58.70%	(28,517)
2012	77,135	64.82%	(1,382)

**Funding Status and Funding Progress.** As of December 31, 2011, the most recent actuarial valuation date, the plan was 47.83% funded. The actuarial accrued liability for benefits was \$714,314, and the actuarial value of assets was \$341,668, resulting in an unfunded actuarial accrued liability (UAAL) of \$372,646. The covered payroll (annual payroll of active employees covered by the plan) was \$3,022,834, and the ratio of the UAAL to the covered payroll was 12.33%.

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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### **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.

*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, 2012 were \$193,652, which consisted of \$147,453 from the County and \$46,199 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, 2012 were \$938,422, which consisted of \$626,047 from the County and \$312,375 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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

*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, 2012 were \$46,302.

### **e. Registers of Deeds' Supplemental Pension Fund**

*Plan Description.* The County also contributes to the Registers of Deeds' Supplemental Pension Fund (Fund), a noncontributory, 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.

*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, 2012, the County's required and actual contributions were \$6,555.

### **f. 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 dependants receiving benefits	11
Active plan members	<u>441</u>
Total	<u>452</u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

*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 2012, the County contributed \$89,771 or .52% 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.

*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		46,210
Adjustment to annual required contribution		44,145
Annual OPEB cost (expense)		444,284
Contributions made		89,771
Increase (decrease) in net OPEB obligation		354,513
Net OPEB obligation, beginning of year		1,155,249
Net OPEB obligation, end of year		\$ 1,509,762

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 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	13.30%	\$ 435,686
2010	444,611	21.90%	782,757
2011	443,618	16.00%	1,155,248
2012	444,284	20.21%	1,509,762

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

*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.

*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.

### **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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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, 2012, the County made contributions to the State for death benefits of \$15,274. 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.

#### **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:

	<b>Law Enforcement Employees' Pension Trust Fund</b>
<b>Assets:</b>	
Cash, cash equivalents and investments	\$ 378,306
Other receivables	217
Total assets	<u>378,523</u>
<b>Net Assets:</b>	
Assets held in trust for employees' pension benefits	<u>378,523</u>
Total net assets	<u>\$ 378,523</u>

**CHATHAM COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

Changes in net assets for these trust funds are as follows:

	<u>Law Enforcement Employees' Pension Trust Fund</u>
<b>Additions:</b>	
Employer on-behalf payments	\$ 50,000
Investment earnings	<u>635</u>
Total additions	<u>50,635</u>
 <b>Deductions:</b>	
Benefit payments	<u>27,558</u>
 Net change in assets	 23,077
 <b>Net Assets:</b>	
Beginning of year, July 1	355,446
End of year, June 30	<u>\$ 378,523</u>

**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, 2012 were approximately \$14,016.

**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)	\$ -	\$ 472,010
Prepaid taxes not yet earned (Special Revenue)	-	22,882
Taxes receivable, net (General)	2,343,890	-
Taxes receivable, net (Special Revenue)	236,077	-
Health Department fees receivable, net (General)	<u>17,708</u>	-
Total	<u>\$ 2,597,675</u>	<u>\$ 494,892</u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### **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 \$59,381,000. General liability coverage is \$2,000,000 per occurrence, with a \$4,000,000 total 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 \$1,000,000 per occurrence, with a \$3,000,000 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 workers' compensation coverage, and purchases reinsurance with a \$500,000 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 \$80,000 per occurrence. The maximum lifetime benefit is unlimited, in accordance with health care reform.

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.

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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### **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 unfilled 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, 2010	\$ 142,000
Additions	<u>3,588,811</u>
Benefits paid	<u>(3,543,811)</u>
Accrued claims and judgments, June 30, 2011	187,000
Additions	<u>3,613,200</u>
Benefits paid	<u>(3,515,200)</u>
Accrued claims and judgments, June 30, 2012	<u>\$ 285,000</u>

Outstanding claims at June 30, 2012 are anticipated to be liquidated during the next fiscal year.

### **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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

The County's general obligation bonds payable at June 30, 2012 are comprised of the following individual issues:

\$10,305,000 Refunding bonds, Series 2004 issued April 6, 2004; interest at 2.25% to 4.00%;  
due serially to 2016 \$ 6,385,000

Serviced by the County's Southeast Water District:

\$3,200,000 Bonds issued March 23, 2010, interest at 4%; due serially to 2049 \$ 3,162,000

Annual debt service requirements to maturity for the County's and the District's general obligation bonds and bond anticipation notes are as follows:

Year Ending <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>
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	-	-	46,000	119,840
2018-2022	-	-	257,000	570,240
2023-2027	-	-	314,000	514,480
2028-2032	-	-	380,000	446,600
2033-2037	-	-	464,000	364,080
2038-2042	-	-	564,000	263,680
2043-2047	-	-	687,000	141,360
2048-2052	-	-	284,000	16,640
Total	<u>\$ 6,385,000</u>	<u>\$ 564,650</u>	<u>\$ 3,162,000</u>	<u>\$ 2,933,200</u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

At June 30, 2012, Chatham County had a legal debt margin of \$707,594,158.

### 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. User charges in the Water Fund are pledged for the payment of the principal and interest.

The County's revenue bonds payable at June 30, 2012 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	\$ 259,000
\$1,624,000 Bonds issued March 23, 2010, interest at 4%; due serially to 2049	<u>1,602,000</u>
Total	<u>\$ 1,861,000</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
2013	\$ 26,000	\$ 62,425
2014	27,000	61,557
2015	27,000	60,657
2016	29,000	59,758
2017	30,000	58,785
2018-2022	165,000	278,200
2023-2027	195,000	248,613
2028-2032	229,000	213,865
2033-2037	271,000	172,775
2038-2042	319,000	124,240
2043-2047	376,000	66,920
2048-2052	<u>167,000</u>	<u>8,483</u>
Total	<u>\$ 1,861,000</u>	<u>\$ 1,416,278</u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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, 2012, is as follows:

Operating revenues	\$ 559,207
Operating expenses	<u>459,739</u>
Operating income	99,468
Non-operating revenues (expenses)	<u>(127,354)</u>
Income available for debt service	(27,886)
Add prior year reserve	<u>237,731</u>
	<u>209,845</u>
Debt service, principal and interest paid (Revenue Bond only)	<u>\$ 88,260</u>
Debt service coverage ratio	238%

\* per revenue covenants, this does not include revenue bond principal and interest of \$88,260.

### 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, 2012

Other long-term debt payable by the County at June 30, 2012 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	\$ 186,925
\$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%	4,103,054
\$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, other miscellaneous school capital projects; collateralized by real estate	34,595,000
\$6,717,498 Refunding limited obligation bonds, Series 2012 issued April 5, 2012; interest at 1.00% to 5.00 %; due serially to 2028	6,392,256
\$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	20,400,000
\$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	15,800,000
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>16,433,842</u>
Total governmental activities	<u>97,911,077</u>

## CHATHAM COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

**Business-Type Activities:**

\$12,077,502 Refunding limited obligation bonds, Series 2012 issued April 5, 2012; interest at 1.00% to 5.00 %; due serially to 2029	11,492,744
\$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	283,334
\$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	142,258
\$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	4,360,465
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>89,165</u>
Total business-type activities	<u>16,367,966</u>
Total other long-term obligations	<u>\$ 106,410,341</u>

Annual debt service requirements to maturity for the County's other long-term obligation bonds, certificates of participation, and loans are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2013	\$ 19,754,297	\$ 3,542,594	\$ 1,074,806	\$ 563,155
2014	3,316,881	3,306,699	1,068,382	540,230
2015	3,320,455	3,191,414	1,018,140	514,548
2016	3,320,455	3,074,360	961,475	490,003
2017	4,815,816	2,955,493	971,112	463,277
2018-2022	22,429,513	12,050,272	5,009,563	1,850,656
2023-2027	21,313,199	7,482,395	5,139,949	853,504
2028-2032	12,885,461	3,146,166	1,124,539	40,965
2033-2037	6,755,000	784,950	-	-
Total	<u>\$ 97,911,077</u>	<u>\$ 39,534,343</u>	<u>\$ 16,367,966</u>	<u>\$ 5,316,338</u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### 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, 2012:

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2012</u>	<u>Current Portion</u>
<b>Governmental Activities:</b>					
General obligation bonds	\$ 8,120,000	\$ -	\$ 1,735,000	\$ 6,385,000	\$ 1,750,000
Other long-term obligations	<u>88,093,680</u>	<u>20,766,407</u>	<u>10,949,010</u>	<u>97,911,077</u>	<u>19,754,297</u>
	96,213,680	20,766,407	12,684,010	104,296,077	21,504,297
Other post-employment benefits	1,065,581	327,057	-	1,392,638	-
Compensated absences	<u>1,410,046</u>	<u>960,465</u>	<u>1,016,901</u>	<u>1,353,610</u>	<u>1,016,901</u>
Total governmental activities	<u>\$ 98,689,307</u>	<u>\$ 22,053,929</u>	<u>\$ 13,700,911</u>	<u>\$ 107,042,325</u>	<u>\$ 22,521,198</u>
<b>Business-Type Activities:</b>					
<b>Southeast Water District:</b>					
General obligation bonds	\$ 3,200,000	\$ -	\$ 38,000	\$ 3,162,000	\$ 39,000
Revenue bonds	<u>1,886,000</u>	<u>-</u>	<u>25,000</u>	<u>1,861,000</u>	<u>26,000</u>
Total Southeast Water District	<u>5,086,000</u>	<u>-</u>	<u>63,000</u>	<u>5,023,000</u>	<u>65,000</u>
<b>County Business-Type Activities:</b>					
Other long-term obligations	18,316,661	12,077,502	14,026,197	16,367,966	1,074,806
Premium on long-term obligations	-	912,446	182,489	729,957	182,489
Other post-employment benefits	89,667	27,457	-	117,124	-
Compensated absences	<u>122,520</u>	<u>84,735</u>	<u>78,323</u>	<u>128,932</u>	<u>78,323</u>
Total County business-type activities	<u>18,528,848</u>	<u>13,102,140</u>	<u>14,287,009</u>	<u>17,343,979</u>	<u>1,335,618</u>
Total business-type activities	<u>\$ 23,614,848</u>	<u>\$ 13,102,140</u>	<u>\$ 14,350,009</u>	<u>\$ 22,366,979</u>	<u>\$ 1,400,618</u>

Other post-employment benefits typically have been liquidated in the Self-Insurance Internal Service Fund while compensated absences and Law Enforcement Officers' Special Separation Allowance typically have been liquidated in the General Fund.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### **Current Bond Refunding**

The County issued Series 2012 Limited Obligation Refunding Bonds with a closing date of April 5, 2012. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The par amount of the bonds equaled \$18,795,000 plus a net premium of \$2,125,372 for total bond proceeds of \$20,920,372. The net carrying amount of the old debt exceeded the par amount of the new debt by \$1,838,672. The true interest cost of the refunding bonds is approximately 2.9643%. The net present value of the savings realized by the County is approximately \$1,110,476. Installments are due annually through December 1, 2028, with interest payments due on December 1 and June 1. The Series 2012 Limited Obligation Refunding Bonds extinguished the following debt:

\$14,500,000 Private Placement Loan, dated 6/11/2008

\$8,500,000 Private Placement Loan, dated 12/11/2008

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2012, 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	\$ 598,773	\$ -	- Fund land purchases
Nonmajor Governmental	Recreation Payment in Lieu	-	598,773	
Major Governmental	General Fund	24,977	-	- Fund equipment purchases
Nonmajor Governmental	Emergency Vehicle Reserve	-	24,977	
Major Governmental	General Fund	8,666	-	- Reimburse General Fund for
Nonmajor Governmental	School Wastewater Reserve	-	8,666	unused school wastewater funds
Major Governmental	General Fund	1,761,825	-	- Service debt payments
Major Governmental	Capital Improvements Reserve	-	1,761,825	
Major Governmental	General Fund	3,348,263	-	- Service debt payments
Major Governmental	Capital Improvements Reserve	-	3,348,263	
Major Governmental	Facilities Improvements Projects	451,254	-	- Fund facilities improvement
Major Governmental	General Fund	-	451,254	construction projects
Major Governmental	Capital Improvements Reserve	4,305,616	-	- Service future debt on
Major Governmental	General Fund	-	4,305,616	planned capital projects
Major Governmental	Capital Improvements Reserve	744,788	-	- Closed out CCCC project
Major Governmental	Facilities Improvements Projects	-	744,788	
Nonmajor Governmental	Equipment Reserve	116,061	-	- Reimburse equipment reserve
Nonmajor Governmental	Imaging Project	-	116,061	for unused imaging project funds
Total governmental transfers		<u>11,360,223</u>	<u>11,360,223</u>	
Enterprise	Water Projects	100,000	-	- Fund water projects
Enterprise	Utility Reserve	-	100,000	
Enterprise	Waste Management Reserve	164,120	-	- Service future debt on
Enterprise	Waste Management Operating	-	164,120	planned capital projects
Total enterprise transfers		<u>264,120</u>	<u>264,120</u>	
Grand Total		<u>\$ 11,624,343</u>	<u>\$ 11,624,343</u>	

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### IV. 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, 2012.

### V. 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, 2012. The County appropriated \$468,207 to the Authority to supplement its activities for the year ended June 30, 2012.

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 \$549,361 to the Community College for operating purposes during the fiscal year ended June 30, 2012. 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, 2012.

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, 2012

### **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 \$338,866 to the Corporation during the fiscal year ended June 30, 2012. 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, 2012.

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.

### **VI. 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 \$64,497 to the Council during the fiscal year ended June 30, 2012.

### **VII. 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 \$11,991 to Atlantic Power Solutions Inc during the fiscal year ended June 30, 2012.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### VIII. 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	\$ 31,525,469	\$ 18,341,725
Food Stamp Program	9,127,396	-
Temporary Assistance for Needy Families	230,843	-
Adoption Assistance	397,821	106,595
Foster Care	157,601	43,585
Child Care Development	-	299,751
State/County Special Assistance for Adults Women, Infants, and Children	-	458,260
Other	1,112,824	-
	15,692	(138)
Total	<u>\$ 42,567,646</u>	<u>\$ 19,249,778</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.

## **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, 2012

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued		Unfunded AAL (UAAL) (B-A)	Funded Ratio (A / B)	Covered Payroll (C)	UAAL as a % of Covered Payroll (B-A) / C)
		Liability (AAL) - Projected Unit Credit (B)					
12/31/2011	\$ 341,668	\$ 714,314	\$ 372,646	47.83%	\$ 3,022,834	12.33%	
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%	

\* Reflects changes in actuarial assumptions

CHATHAM COUNTY, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTAL INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2012

<b>Schedule of Employer Contributions</b>		
<b>Year Ended June 30</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage of ARC Contributed</b>
2012	\$ 76,860	65.05%
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, 2011
Actuarial cost method:	Projected unit credit
Amortization method:	Level percentage of pay closed
Remaining amortization period:	19 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, 2012

## Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued		Unfunded AAL (UAAL) (B - A)	Funded Ratio (A / B)	Covered Payroll (C)	UAAL as a Percentage Covered Payroll (B - A) / C
		Liability (AAL) - Projected Unit Credit (B)					
12/31/2010	\$ -	\$ 3,646,400		\$ 3,646,400	0.00%	\$ 17,232,259	21.2%
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
	2012	\$ 442,219
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.

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## CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GENERAL FUND CONSOLIDATED  
FOR THE YEAR ENDED JUNE 30, 2012

	General Fund	Personnel Savings Reserve Fund	Total General Fund
<b>Revenues:</b>			
Ad valorem taxes	\$ 55,408,767	\$ -	\$ 55,408,767
Local option sales taxes	8,190,337	-	8,190,337
Other taxes	672,927	-	672,927
Unrestricted intergovernmental revenues	2,077,526	-	2,077,526
Restricted intergovernmental revenues	9,129,722	-	9,129,722
Permits and fees	1,009,820	-	1,009,820
Sales and services	2,786,867	-	2,786,867
Interest earned on investments	68,223	223	68,446
Other general revenues	548,917	-	548,917
Total revenues	<u>79,893,106</u>	<u>223</u>	<u>79,893,329</u>
<b>Expenditures:</b>			
General government	6,466,441	-	6,466,441
Public safety	11,814,341	-	11,814,341
Economic and physical development	2,906,070	-	2,906,070
Human services	16,880,828	-	16,880,828
Cultural and recreation	3,051,720	-	3,051,720
Intergovernmental:			
Education	27,252,405	-	27,252,405
Debt service:			
Principal repayments	5,459,010	-	5,459,010
Interest	4,076,098	-	4,076,098
Total expenditures	<u>77,906,913</u>	<u>-</u>	<u>77,906,913</u>
Revenues over (under) expenditures	<u>1,986,193</u>	<u>223</u>	<u>1,986,416</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	<u>5,742,504</u>	<u>-</u>	<u>5,742,504</u>
Transfers out	<u>(4,756,870)</u>	<u>-</u>	<u>(4,756,870)</u>
Refunding bonds issued:			
Refunding bonds issued	6,717,498	-	6,717,498
Premium on refunding bonds	1,212,927	-	1,212,927
Payment to refunding agent	<u>(7,817,655)</u>	<u>-</u>	<u>(7,817,655)</u>
Total refunding bonds issued	<u>112,770</u>	<u>-</u>	<u>112,770</u>
Total other financing sources (uses)	<u>1,098,404</u>	<u>-</u>	<u>1,098,404</u>
Net change in fund balances	3,084,597	223	3,084,820
<b>Fund Balances:</b>			
Beginning of year - July 1	23,882,752	122,032	24,004,784
End of year - June 30	<u>\$ 26,967,349</u>	<u>\$ 122,255</u>	<u>\$ 27,089,604</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, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	<u>2012</u>			<u>2011</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
<b>Ad Valorem Taxes:</b>				
Current year:				
Real/personal	\$ 50,344,000	\$ 50,929,403	\$ 585,403	\$ 50,137,566
Motor vehicles	2,676,000	2,970,795	294,795	2,754,347
Total	<u>53,020,000</u>	<u>53,900,198</u>	<u>880,198</u>	<u>52,891,913</u>
Prior year:				
Real/personal	700,000	996,890	296,890	848,500
Motor vehicles	190,000	214,365	24,365	213,621
Total	<u>890,000</u>	<u>1,211,255</u>	<u>321,255</u>	<u>1,062,121</u>
Penalties, interest, other	<u>60,000</u>	<u>297,314</u>	<u>237,314</u>	<u>233,014</u>
Total ad valorem taxes	<u>53,970,000</u>	<u>55,408,767</u>	<u>1,438,767</u>	<u>54,187,048</u>
<b>Local Option Sales Tax:</b>				
Article 39 - 1 percent	3,120,000	3,085,961	(34,039)	3,064,001
Article 40 - 1/2 percent	2,888,000	3,086,117	198,117	2,835,460
Article 42 - 1/2 percent	1,962,000	2,019,236	57,236	1,945,238
Article 44 - 1/2 percent	-	(977)	(977)	34,371
Total	<u>7,970,000</u>	<u>8,190,337</u>	<u>220,337</u>	<u>7,879,070</u>
<b>Other Taxes and Licenses:</b>				
Deed stamp excise tax	350,000	382,439	32,439	359,310
Cable TV franchise	35,000	10,167	(24,833)	37,602
Occupancy tax	68,041	78,155	10,114	73,137
Video programming	150,000	153,997	3,997	160,858
Rental vehicles	11,000	9,335	(1,665)	10,110
Public educational governmental access	<u>31,446</u>	<u>38,834</u>	<u>7,388</u>	<u>26,730</u>
Total	<u>645,487</u>	<u>672,927</u>	<u>27,440</u>	<u>667,747</u>
<b>Intergovernmental:</b>				
Unrestricted Intergovernmental:				
Payments in lieu of taxes	93,252	95,892	2,640	93,946
Beer and wine excise tax	203,000	218,677	15,677	221,388
ABC Profit distribution	100,000	100,000	-	100,000
Hold harmless	1,000,000	1,597,914	597,914	1,172,227
Town of Siler City - Business Campus	-	11,031	11,031	51,112
Other	<u>40,000</u>	<u>54,012</u>	<u>14,012</u>	<u>41,618</u>
Total	<u>1,436,252</u>	<u>2,077,526</u>	<u>641,274</u>	<u>1,680,291</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, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	<u>2012</u>			<u>2011</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Restricted Intergovernmental:</b>				
State and federal grants	9,316,943	9,129,722	(187,221)	8,930,763
Other	-	-	-	17,083
Total	<u>9,316,943</u>	<u>9,129,722</u>	<u>(187,221)</u>	<u>8,947,846</u>
Total intergovernmental	<u>10,753,195</u>	<u>11,207,248</u>	<u>454,053</u>	<u>10,628,137</u>
<b>Permits and Fees:</b>				
Inspections fees	550,000	611,607	61,607	753,637
Register of Deeds' fees	335,000	371,433	36,433	349,258
Concealed weapon permits	13,600	18,050	4,450	14,740
Beer and wine permits	2,500	3,145	645	3,080
Other	4,400	5,585	1,185	5,670
Total	<u>905,500</u>	<u>1,009,820</u>	<u>104,320</u>	<u>1,126,385</u>
<b>Sales and Services:</b>				
Collection fees - tax	268,000	288,684	20,684	277,193
Planning	28,000	34,372	6,372	35,985
Social services	40,000	73,490	33,490	87,775
Tax	185,000	180,171	(4,829)	135,078
Fire inspections	30,000	40,662	10,662	56,980
Sheriff	85,799	87,719	1,920	76,230
Health	824,136	1,391,441	567,305	990,288
Environmental	49,000	109,598	60,598	72,918
Library	24,200	33,718	9,518	31,231
Recreation fees	46,395	71,682	25,287	51,543
Project turnaround	27,900	21,155	(6,745)	23,420
Safe Havens	19,192	20,288	1,096	21,793
Central Carolina Community College	76,083	76,083	-	76,083
School	67,990	67,594	(396)	66,485
Charges to other funds	283,299	283,299	-	-
Other	6,000	6,911	911	761
Total	<u>2,060,994</u>	<u>2,786,867</u>	<u>725,873</u>	<u>2,003,763</u>
<b>Investment Earnings:</b>				
Interest on investments	75,000	68,223	(6,777)	53,772
Total	<u>75,000</u>	<u>68,223</u>	<u>(6,777)</u>	<u>53,772</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, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Final Budget	Actual	Variance Over/Under	Actual
<b>Other General Revenues:</b>				
Rent	204,640	216,125	11,485	200,916
Courthouse insurance reimbursement	70,500	-	(70,500)	475,000
Contributions and donations	174,492	188,672	14,180	216,565
Miscellaneous	169,463	144,120	(25,343)	80,948
Total	619,095	548,917	(70,178)	973,429
<b>Total revenues</b>	<b>76,999,271</b>	<b>79,893,106</b>	<b>2,893,835</b>	<b>77,519,351</b>
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Governing Board:</b>				
Salaries and benefits	257,688	248,235	9,453	265,402
Other operating expenditures	109,860	71,314	38,546	58,394
Capital outlay	8,054	-	8,054	-
Total	375,602	319,549	56,053	323,796
<b>County Manager:</b>				
Salaries and benefits	717,744	713,402	4,342	780,199
Other operating expenditures	44,845	33,184	11,661	71,230
Capital outlay	-	-	-	5,388
Total	762,589	746,586	16,003	856,817
<b>Finance:</b>				
Salaries and benefits	520,137	505,675	14,462	513,781
Other operating expenditures	323,020	106,752	216,268	187,220
Total	843,157	612,427	230,730	701,001
<b>Information Services:</b>				
Salaries and benefits	694,675	696,756	(2,081)	711,219
Other operating expenditures	327,888	305,632	22,256	276,688
Capital outlay	20,000	11,624	8,376	203,848
Total	1,042,563	1,014,012	28,551	1,191,755
<b>Tax:</b>				
Salaries and benefits	833,204	822,389	10,815	857,571
Other operating expenditures	483,999	407,845	76,154	344,687
Capital outlay	12,500	12,405	95	9,153
Total	1,329,703	1,242,639	87,064	1,211,411

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Final Budget	Actual	Variance Over/Under	Actual
<b>County Attorney:</b>				
Salaries and benefits	57,651	57,744	(93)	59,458
Professional services	271,560	205,065	66,495	262,816
Other operating expenses	-	-	-	13,401
Total	<u>329,211</u>	<u>262,809</u>	<u>66,402</u>	<u>335,675</u>
<b>Court Facilities:</b>				
Other operating expenditures	78,917	71,784	7,133	73,317
Total	<u>78,917</u>	<u>71,784</u>	<u>7,133</u>	<u>73,317</u>
<b>Elections:</b>				
Salaries and benefits	169,856	167,215	2,641	182,586
Other operating expenses	149,877	113,873	36,004	137,032
Total	<u>319,733</u>	<u>281,088</u>	<u>38,645</u>	<u>319,618</u>
<b>General Services:</b>				
Salaries and benefits	-	20,267	(20,267)	44,405
Other operating expenses	622,340	219,530	402,810	668,578
Capital outlay	5,226	5,116	110	-
Total	<u>627,566</u>	<u>244,913</u>	<u>382,653</u>	<u>712,983</u>
<b>Register of Deeds:</b>				
Salaries and benefits	313,205	308,320	4,885	294,462
Other operating expenses	93,024	84,838	8,186	82,632
Total	<u>406,229</u>	<u>393,158</u>	<u>13,071</u>	<u>377,094</u>
<b>Public Works:</b>				
<b>Facilities Management:</b>				
Salaries and benefits	478,531	487,211	(8,680)	483,682
Other operating expenditures	913,308	731,382	181,926	961,920
Capital outlay	118,991	21,360	97,631	615,052
Total	<u>1,510,830</u>	<u>1,239,953</u>	<u>270,877</u>	<u>2,060,654</u>
<b>Garage:</b>				
Salaries and benefits	96,807	96,992	(185)	98,035
Other operating expenditures	(105,856)	(59,469)	(46,387)	(70,827)
Capital outlay	-	-	-	4,250
Total	<u>(9,049)</u>	<u>37,523</u>	<u>(46,572)</u>	<u>31,458</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, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Final Budget	Actual	Variance Over/Under	Actual
Total public works	1,501,781	1,277,476	224,305	2,092,112
Total general government	7,617,051	6,466,441	1,150,610	8,195,579
<b>Public Safety:</b>				
<b>Sheriff:</b>				
Salaries and benefits	4,228,530	4,276,640	(48,110)	4,348,394
Other operating expenditures	948,849	880,975	67,874	884,291
Capital outlay	258,799	225,959	32,840	419,803
Total	5,436,178	5,383,574	52,604	5,652,488
<b>Jail:</b>				
Salaries and benefits	1,194,740	1,121,787	72,953	1,053,561
Other operating expenses	438,215	340,577	97,638	359,938
Capital outlay	29,000	28,644	356	-
Total	1,661,955	1,491,008	170,947	1,413,499
Total sheriff	7,098,133	6,874,582	223,551	7,065,987
<b>Emergency Operations:</b>				
Salaries and benefits	131,183	135,366	(4,183)	183,142
Other operating expenditures	325,084	270,003	55,081	220,653
Capital outlay	-	-	-	29,950
Total	456,267	405,369	50,898	433,745
<b>Telecommunications:</b>				
Salaries and benefits	1,026,886	1,008,478	18,408	995,217
Other operating expenses	120,238	81,967	38,271	83,098
Total	1,147,124	1,090,445	56,679	1,078,315
<b>Emergency Medical Services:</b>				
Other operating expenditures	9,452	8,845	607	7,963
Assistance to County rescue squads	69,977	69,977	-	45,000
Contracted services	2,108,135	2,102,135	6,000	2,040,908
Total	2,187,564	2,180,957	6,607	2,093,871
Total emergency operations	3,790,955	3,676,771	114,184	3,605,931

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012		Variance Over/Under	2011
	Final Budget	Actual		Actual
<b>Pension Trust Fund</b>	50,000	50,000	-	50,000
<b>Inspections:</b>				
Salaries and benefits	385,114	301,364	83,750	313,069
Other operating expenditures	50,340	32,878	17,462	29,210
Total	435,454	334,242	101,212	342,279
<b>Fire Inspections:</b>				
Salaries and benefits	204,286	204,352	(66)	238,038
Other operating expenses	32,196	23,229	8,967	25,541
Total	236,482	227,581	8,901	263,579
<b>Court-Related Programs:</b>				
Salaries and benefits	264,360	255,172	9,188	231,054
Operating expenses	414,679	395,993	18,686	417,764
Total	679,039	651,165	27,874	648,818
Total public safety	12,290,063	11,814,341	475,722	11,976,594
<b>Economic and Physical Development:</b>				
<b>Planning:</b>				
Salaries and employee benefits	468,881	475,412	(6,531)	627,300
Other operating expenditures	25,319	19,182	6,137	35,659
Total	494,200	494,594	(394)	662,959
<b>Central Permitting:</b>				
Salaries and employee benefits	172,147	172,442	(295)	177,012
Other operating expenses	93,307	34,702	58,605	19,596
Total	265,454	207,144	58,310	196,608
<b>Sedimentation and Erosion Control:</b>				
Salaries and benefits	130,494	122,038	8,456	76,597
Operating expenses	12,601	7,017	5,584	3,503
Total	143,095	129,055	14,040	80,100
<b>Environmental Services:</b>				
Salaries and employee benefits	19,690	19,691	(1)	133,517
Other operating expenditures	11,989	6,488	5,501	35,994
Total	31,679	26,179	5,500	169,511

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Final Budget	Actual	Variance Over/Under	Actual
<b>Affordable Housing/Green Building:</b>				
Salaries and employee benefits	67,186	66,768	418	53,270
Other operating expenditures	4,620	1,892	2,728	7,254
Total	71,806	68,660	3,146	60,524
<b>Economic Development:</b>				
Other operating expenditures	1,154,959	1,156,670	(1,711)	806,777
Total	1,154,959	1,156,670	(1,711)	806,777
<b>County Extension:</b>				
Salaries and benefits	15,071	8,381	6,690	21,317
Other operating expenditures	326,071	297,301	28,770	282,561
Total	341,142	305,682	35,460	303,878
<b>Soil and Water Conservation:</b>				
Salaries and employee benefits	183,771	184,598	(827)	181,736
Other operating expenditures	337,610	237,063	100,547	62,704
Total	521,381	421,661	99,720	244,440
<b>Pittsboro/Siler City Convention &amp; Visitors Bureau:</b>				
Salaries and employee benefits	75,660	76,004	(344)	79,596
Other operating expenses	10,153	9,421	732	8,325
Total	85,813	85,425	388	87,921
Appropriations to non- profit agencies	12,250	11,000	1,250	-
Total economic and physical development	3,121,779	2,906,070	215,709	2,612,718
<b>Human Services:</b>				
<b>Health:</b>				
Salaries and benefits	4,541,783	4,264,074	277,709	4,653,976
Other operating expenditures	1,116,258	917,707	198,551	953,660
Capital outlay	271,800	6,800	265,000	50,963
Total	5,929,841	5,188,581	741,260	5,658,599
<b>Social Services:</b>				
<b>Administration</b>				
Salaries and benefits	4,696,237	4,538,673	157,564	4,660,683
Other operating expenditures	824,148	671,241	152,907	810,830
Total	5,520,385	5,209,914	310,471	5,471,513

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Final Budget	Actual	Variance Over/Under	Actual
<b>Public Assistance:</b>				
Assistance programs	5,135,308	4,487,506	647,802	4,774,922
Total	10,655,693	9,697,420	958,273	10,246,435
<b>Mental Health:</b>				
Mental health appropriation	520,708	495,611	25,097	426,158
Other expenditures	14,461	17,180	(2,719)	135,380
Total	535,169	512,791	22,378	561,538
<b>Council on Aging:</b>				
Salaries and benefits	146,933	147,115	(182)	154,090
Other operating expenditures	21,532	21,346	186	21,659
Appropriation	662,323	662,323	-	708,656
Total	830,788	830,784	4	884,405
<b>Chatham Transit:</b>				
Salaries and benefits	14,391	14,057	334	-
Appropriation	55,000	55,000	-	55,000
Total	69,391	69,057	334	55,000
<b>Appropriations to Non-Profit Agencies:</b>				
Chatham trades	102,600	102,600	-	108,000
Other non-profit agencies	479,967	479,595	372	526,109
Total	582,567	582,195	372	634,109
Total human services	18,603,449	16,880,828	1,722,621	18,040,086
<b>Cultural and Recreational:</b>				
<b>Library:</b>				
Salaries and benefits	787,626	804,195	(16,569)	798,511
Other operating expenditures	546,600	366,560	180,040	374,790
Capital outlay	-	-	-	3,331
Total	1,334,226	1,170,755	163,471	1,176,632
<b>Recreation:</b>				
Salaries and benefits	399,969	352,022	47,947	331,504
Other operating expenditures	328,588	254,639	73,949	298,732
Capital outlay	1,724,947	1,274,304	450,643	73,486
Total	2,453,504	1,880,965	572,539	703,722

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Final Budget	Actual	Variance Over/Under	Actual
Total cultural and recreational	3,787,730	3,051,720	736,010	1,880,354
<b>Education:</b>				
<b>Public Schools:</b>				
Appropriation	24,944,793	24,919,793	25,000	25,319,697
Capital outlay	1,978,391	1,714,738	263,653	1,106,276
Total	26,923,184	26,634,531	288,653	26,425,973
<b>Community College:</b>				
Community college - current	549,361	549,361	-	509,991
Arts incubator	68,513	68,513	-	68,513
Total	617,874	617,874	-	578,504
Total education	27,541,058	27,252,405	288,653	27,004,477
<b>Debt Service:</b>				
<b>Principal:</b>				
Public schools - principal	3,706,701	3,706,700	1	3,234,795
Community college - principal	840,195	840,195	-	63,897
General building projects - principal	872,115	872,115	-	232,000
Business campus	40,000	40,000	-	40,000
Capital lease principal	-	-	-	12,823
Total	5,459,011	5,459,010	1	3,583,515
<b>Interest and Fees:</b>				
Public schools - interest	2,565,860	2,439,604	126,256	2,664,345
Community college - interest	468,098	468,097	1	470,813
General building projects - interest	749,138	733,512	15,626	741,622
Business campus	325,083	325,083	-	326,683
Capital lease interest	-	-	-	491
Refunding bond issuance cost	112,770	109,802	2,968	-
Total	4,220,949	4,076,098	144,851	4,203,954
Total debt service	9,679,960	9,535,108	144,852	7,787,469
Total expenditures	82,641,090	77,906,913	4,734,177	77,497,277
Revenues over (under) expenditures	(5,641,819)	1,986,193	7,628,012	22,074

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Final Budget	Actual	Variance Over/Under	Actual
<b>Other Financing Sources (Uses):</b>				
<b>Operating Transfers In:</b>				
Special revenue funds:				
Recreation	600,000	598,773	(1,227)	-
Equipment Capital Reserve	284,750	-	(284,750)	452,239
Emergency Vehicle Reserve	24,977	24,977	-	-
Impact fees	3,160,065	3,348,263	188,198	3,849,107
Personnel Savings	-	-	-	609,654
Capital Improvements Reserve	3,286,796	1,761,825	(1,524,971)	1,511,268
Capital projects funds:				
School Wastewater	-	8,666	8,666	-
Total operating transfers in	<u>7,356,588</u>	<u>5,742,504</u>	<u>(1,614,084)</u>	<u>6,422,268</u>
<b>Operating Transfers Out:</b>				
Special revenue funds:				
CIP Reserve:				
General	(4,305,616)	(4,305,616)	-	(4,190,000)
Parks	-	-	-	(300,000)
Enhanced 911	-	-	-	(6,105)
Capital Project - Facilities Improvements	<u>(451,254)</u>	<u>(451,254)</u>	<u>-</u>	<u>-</u>
Total operating transfers out	<u>(4,756,870)</u>	<u>(4,756,870)</u>	<u>-</u>	<u>(4,496,105)</u>
Total operating transfers in (out)	<u>2,599,718</u>	<u>985,634</u>	<u>(1,614,084)</u>	<u>1,926,163</u>
<b>Refunding Bonds Issued:</b>				
Refunding bonds issued	6,717,498	6,717,498	-	-
Premium on refunding bonds	1,212,927	1,212,927	-	-
Payment to refunding agent	<u>(7,817,655)</u>	<u>(7,817,655)</u>	<u>-</u>	<u>-</u>
Total	<u>112,770</u>	<u>112,770</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>2,712,488</u>	<u>1,098,404</u>	<u>(1,614,084)</u>	<u>1,926,163</u>
Net change in fund balance	(2,929,331)	3,084,597	6,013,928	1,948,237
Appropriated fund balance	<u>2,929,331</u>	<u>-</u>	<u>(2,929,331)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>3,084,597</u>	<u>\$ 3,084,597</u>	<u>1,948,237</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>23,882,752</u>		<u>21,934,515</u>
End of year - June 30		<u>\$ 26,967,349</u>		<u>\$ 23,882,752</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, 2012

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings	\$ 1,000	\$ 223	\$ (777)	\$ 1,097
<b>Expenditures:</b>				
General government	101,000	-	101,000	-
Revenues over (under) expenditures	(100,000)	223	100,223	1,097
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds	-	-	-	(609,654)
Appropriated fund balance	100,000	-	(100,000)	-
Total other financing sources (uses)	100,000	-	(100,000)	(609,654)
Net change in fund balance	\$ -	223	\$ 223	(608,557)
<b>Fund Balance:</b>				
Beginning of year - July 1		122,032		730,589
End of year - June 30		\$ 122,255		\$ 122,032

## CHATHAM COUNTY, NORTH CAROLINA

## IMPACT FEES

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2012

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Permits and fees	\$ 1,105,000	\$ 1,512,800	\$ 407,800	\$ 1,585,200
Investment earnings	15,000	16,810	1,810	17,089
Total revenues	<u>1,120,000</u>	<u>1,529,610</u>	<u>409,610</u>	<u>1,602,289</u>
<b>Expenditures:</b>				
Education	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>
Revenues over (under) expenditures	<u>(880,000)</u>	<u>1,529,610</u>	<u>2,409,610</u>	<u>1,602,289</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds:				
General Fund	(3,160,065)	(3,348,263)	(188,198)	(3,849,107)
Appropriated fund balance	<u>4,040,065</u>	<u>-</u>	<u>(4,040,065)</u>	<u>-</u>
Total other financing sources (uses)	<u>880,000</u>	<u>(3,348,263)</u>	<u>(4,228,263)</u>	<u>(3,849,107)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,818,653)</u>	<u>\$ (1,818,653)</u>	<u>(2,246,818)</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>8,369,764</u>		<u>10,616,582</u>
End of year - June 30		<u>\$ 6,551,111</u>		<u>\$ 8,369,764</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, 2012  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental:				
Lottery proceeds	\$ 500,000	\$ 496,589	\$ (3,411)	\$ 636,060
Investment earnings	17,000	33,234	16,234	23,230
Total revenues	517,000	529,823	12,823	659,290
<b>Expenditures:</b>				
General	1,535,820	-	1,535,820	-
Cultural and recreational	200,000	-	200,000	-
Total expenditures	1,735,820	-	1,735,820	-
Revenues over (under) expenditures	(1,218,820)	529,823	1,748,643	659,290
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds:				
General Fund	(3,286,796)	(1,761,825)	1,524,971	2,980,924
General Fund	4,305,616	4,305,616	-	-
Recreation fees	-	-	-	(94,000)
Park project	-	-	-	(1,007,369)
Facilities improvements	-	744,788	744,788	-
Total transfers (to) from other funds	1,018,820	3,288,579	2,269,759	1,879,555
Appropriated fund balance	200,000	-	(200,000)	-
Total other financing sources (uses)	1,218,820	3,288,579	2,069,759	1,879,555
Net change in fund balance	\$ -	3,818,402	\$ 3,818,402	2,538,845
<b>Fund Balance:</b>				
Beginning of year - July 1		17,890,475		15,351,630
End of year - June 30		\$ 21,708,877		\$ 17,890,475

## CHATHAM COUNTY, NORTH CAROLINA

**FACILITIES IMPROVEMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012**

	Project Budget	Actual			Variance Over/Under
		Prior Years	Current Year	Total	
<b>Revenues:</b>					
Investment earnings	\$ 71,612	\$ 71,231	\$ 10,186	\$ 81,417	\$ 9,805
Grant	52,278	52,278	218,238	270,516	218,238
Insurance settlement	6,597,371	2,000,000	1,779,856	3,779,856	(2,817,515)
Donations	274,310	274,310	-	274,310	-
Total revenues	<u>6,995,571</u>	<u>2,397,819</u>	<u>2,008,280</u>	<u>4,406,099</u>	<u>(2,589,472)</u>
<b>Expenditures:</b>					
General government:					
Performance building	4,350,000	4,278,404	(393)	4,278,011	71,989
Total general government	<u>4,350,000</u>	<u>4,278,404</u>	<u>(393)</u>	<u>4,278,011</u>	<u>71,989</u>
Public safety:					
Judicial facility	25,000,000	3,156,879	14,065,964	17,222,843	7,777,157
Courthouse restoration	6,597,371	552,583	1,995,456	2,548,039	4,049,332
Jail	15,000,000	175,047	814,109	989,156	14,010,844
Law enforcement center	558,871	73,477	453,731	527,208	31,663
Total public safety	<u>47,156,242</u>	<u>3,957,986</u>	<u>17,329,260</u>	<u>21,287,246</u>	<u>25,868,996</u>
Cultural and recreational:					
Library	6,896,224	6,909,976	92	6,910,068	(13,844)
Education:					
CCCC - Pittsboro	5,480,251	5,084,890	19,808	5,104,698	375,553
CCCC - Siler City	4,194,100	4,083,416	110,683	4,194,099	1
Total education	<u>9,674,351</u>	<u>9,168,306</u>	<u>130,491</u>	<u>9,298,797</u>	<u>375,554</u>
Total expenditures	<u>68,076,817</u>	<u>24,314,672</u>	<u>17,459,450</u>	<u>41,774,122</u>	<u>26,302,695</u>
Revenues over (under) expenditures	<u>(61,081,246)</u>	<u>(21,916,853)</u>	<u>(15,451,170)</u>	<u>(37,368,023)</u>	<u>23,713,223</u>
<b>Other Financing Sources (Uses):</b>					
Transfers from (to) other funds:					
General Fund	856,593	272,779	451,254	506,593	(350,000)
Capital Reserve	2,090,303	1,872,862	(744,788)	1,345,514	(744,789)
Issuance of long-term debt	58,134,350	23,710,088	14,048,909	37,758,997	(20,375,353)
Total other financing sources (uses)	<u>61,081,246</u>	<u>25,855,729</u>	<u>13,755,375</u>	<u>39,611,104</u>	<u>(21,470,142)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,938,876</u>	<u>\$ (1,695,795)</u>	<u>\$ 2,243,081</u>	<u>\$ 2,243,081</u>

## CHATHAM COUNTY, NORTH CAROLINA

SCHOOL CONSTRUCTION FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	Project Budget	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
<b>Revenues:</b>					
Grant	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000
Investment earnings	-	101,291	6,527	107,818	107,818
Total revenues	-	101,291	56,527	157,818	157,818
<b>Expenditures:</b>					
Education:					
Construction:					
Facility improvements (QSCB)	4,396,129	1,259,895	1,890,865	3,150,760	1,245,369
Margaret Pollard Middle School	24,000,000	21,372,100	136,242	21,508,342	2,491,658
Northwood expansion	4,500,000	4,256,445	233,830	4,490,275	9,725
Northeast High School	463,237	373,711	-	373,711	89,526
Total expenditures	33,359,366	27,262,151	2,260,937	29,523,088	3,836,278
Revenues over (under) expenditures	(33,359,366)	(27,160,860)	(2,204,410)	(29,365,270)	3,994,096
<b>Other Financing Sources (Uses):</b>					
Debt obligations issued:					
Margaret Pollard Middle School	24,000,000	24,060,386	-	24,060,386	60,386
Northwood expansion	4,500,000	4,224,846	-	4,224,846	(275,154)
Quality school construction bonds	4,396,129	4,396,129	-	4,396,129	-
Northeast High School	463,237	-	-	-	(463,237)
Total debt obligations issued	33,359,366	32,681,361	-	32,681,361	(678,005)
Transfers from (to) other funds:					
Capital reserve	-	1,754,548	-	1,754,548	1,754,548
Total other financing sources (uses)	33,359,366	34,435,909	-	34,435,909	1,076,543
Net change in fund balance	\$ -	\$ 7,275,049	\$ (2,204,410)	\$ 5,070,639	\$ 5,070,639

**NONMAJOR GOVERNMENTAL FUNDS**

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## CHATHAM COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>			
Cash, cash equivalents, and investments	\$ 986,809	\$ 2,361,973	\$ 3,348,782
Property taxes receivable, net of allowance	236,077	-	236,077
Due from other governmental agencies	124,050	4,133	128,183
Other receivables	1,494	1,371	2,865
Total assets	<u>\$ 1,348,430</u>	<u>\$ 2,367,477</u>	<u>\$ 3,715,907</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 70,873	\$ 68,346	\$ 139,219
Unearned revenues	22,882	-	22,882
Deferred revenues	236,077	-	236,077
Total liabilities	<u>329,832</u>	<u>68,346</u>	<u>398,178</u>
<b>Fund Balances:</b>			
Restricted:			
Stabilization by State statute	125,544	5,504	131,048
For courthouse clocks	65,649	-	65,649
Emergency telephone	50,637	-	50,637
Fire protection	9,362	-	9,362
Police protection	21,392	-	21,392
Committed	-	2,293,627	2,293,627
Assigned:			
Subsequent year's budget	643,380	-	643,380
Cultural and recreation	138,907	-	138,907
Unassigned	(36,273)	-	(36,273)
Total fund balances	<u>1,018,598</u>	<u>2,299,131</u>	<u>3,317,729</u>
Total liabilities and fund balances	<u>\$ 1,348,430</u>	<u>\$ 2,367,477</u>	<u>\$ 3,715,907</u>

## CHATHAM COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 5,770,599	\$ -	\$ 5,770,599
Restricted intergovernmental	713,772	208,486	922,258
Permits and fees	174,678	-	174,678
Investment earnings	4,430	4,100	8,530
Other general revenues	-	14,973	14,973
Total revenues	<u>6,663,479</u>	<u>227,559</u>	<u>6,891,038</u>
<b>Expenditures:</b>			
Public safety	7,261,586	-	7,261,586
Economic and physical development	170,668	-	170,668
Cultural and recreational	-	199,139	199,139
Total expenditures	<u>7,432,254</u>	<u>199,139</u>	<u>7,631,393</u>
Revenues over (under) expenditures	(768,775)	28,420	(740,355)
<b>Other Financing Sources (Uses):</b>			
Transfers from (to) other funds	<u>(598,773)</u>	<u>(33,643)</u>	<u>(632,416)</u>
Net change in fund balances	(1,367,548)	(5,223)	(1,372,771)
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>2,386,146</u>	<u>2,304,354</u>	<u>4,690,500</u>
End of year - June 30	<u>\$ 1,018,598</u>	<u>\$ 2,299,131</u>	<u>\$ 3,317,729</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, 2012**

	<b>Emergency Telephone System Fund</b>	<b>Forfeited Property</b>	<b>Recreation Payment In Lieu</b>	<b>Bynum Canoe Access Trust</b>
<b>Assets:</b>				
Cash, cash equivalents and investments	\$ 75,211	\$ 48,412	\$ 578,011	\$ 8,771
Property taxes receivable, net	-	-	-	-
Due from other governmental agencies	87,621	156	-	-
Other receivables	563	28	739	6
Total assets	<u>\$ 163,395</u>	<u>\$ 48,596</u>	<u>\$ 578,750</u>	<u>\$ 8,777</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 24,574	\$ 1,020	\$ -	\$ -
Unearned revenues	-	-	-	-
Deferred revenues	-	-	-	-
Total liabilities	<u>24,574</u>	<u>1,020</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Restricted:				
Stabilization by State Statute	88,184	184	739	6
Courthouse clock	-	-	-	-
Emergency telephone	50,637	-	-	-
Fire protection	-	-	-	-
Police protection	-	21,392	-	-
Assigned:				
Subsequent year's budget	-	26,000	450,000	8,500
Cultural and recreation	-	-	128,011	271
Unassigned	-	-	-	-
Total fund balances	<u>138,821</u>	<u>47,576</u>	<u>578,750</u>	<u>8,777</u>
Total liabilities and fund balances	<u>\$ 163,395</u>	<u>\$ 48,596</u>	<u>\$ 578,750</u>	<u>\$ 8,777</u>

**Schedule 10**

<b><u>Economic and Community Development</u></b>	<b><u>Courthouse Clock</u></b>	<b><u>Library Foundation</u></b>	<b><u>Special Fire Districts</u></b>	<b><u>Total</u></b>
\$ 1,445	\$ 65,649	\$ 10,625	\$ 198,685	\$ 986,809
-	-	-	236,077	236,077
36,273	-	-	-	124,050
-	42	6	110	1,494
<u>\$ 37,718</u>	<u>\$ 65,691</u>	<u>\$ 10,631</u>	<u>\$ 434,872</u>	<u>\$ 1,348,430</u>
\$ 37,718	\$ -	\$ -	\$ 7,561	\$ 70,873
-	-	-	22,882	22,882
-	-	-	236,077	236,077
<u>37,718</u>	<u>-</u>	<u>-</u>	<u>266,520</u>	<u>329,832</u>
36,273	42	6	110	125,544
-	65,649	-	-	65,649
-	-	-	-	50,637
-	-	-	9,362	9,362
-	-	-	-	21,392
-	-	-	158,880	643,380
-	-	10,625	-	138,907
<u>(36,273)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,273)</u>
<u>-</u>	<u>65,691</u>	<u>10,631</u>	<u>168,352</u>	<u>1,018,598</u>
<u>\$ 37,718</u>	<u>\$ 65,691</u>	<u>\$ 10,631</u>	<u>\$ 434,872</u>	<u>\$ 1,348,430</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, 2012**

	<u>Emergency Telephone System Fund</u>	<u>Forfeited Property</u>	<u>Recreation Payment In Lieu</u>	<u>Bynum Canoe Access Trust</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	529,415	13,689	-	-
Permits and fees	-	-	174,678	-
Investment earnings	1,720	81	2,131	16
Total revenues	<u>531,135</u>	<u>13,770</u>	<u>176,809</u>	<u>16</u>
<b>Expenditures:</b>				
Public safety	1,489,723	15,043	-	-
Economic and physical development	-	-	-	-
Total expenditures	<u>1,489,723</u>	<u>15,043</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(958,588)</u>	<u>(1,273)</u>	<u>176,809</u>	<u>16</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds	-	-	(598,773)	-
Net change in fund balance	(958,588)	(1,273)	(421,964)	16
<b>Fund Balances:</b>				
Beginning of year - July 1	1,097,409	48,849	1,000,714	8,761
End of year - June 30	<u>\$ 138,821</u>	<u>\$ 47,576</u>	<u>\$ 578,750</u>	<u>\$ 8,777</u>

**Schedule 11**

<b><u>Economic and Community Development</u></b>	<b><u>Courthouse Clock</u></b>	<b><u>Library Foundation</u></b>	<b><u>Special Fire Districts</u></b>	<b><u>Total</u></b>
\$ -	\$ -	\$ -	\$ 5,770,599	\$ 5,770,599
170,668	-	-	-	713,772
-	-	-	-	174,678
-	120	19	343	4,430
<u>170,668</u>	<u>120</u>	<u>19</u>	<u>5,770,942</u>	<u>6,663,479</u>
-	-	-	5,756,820	7,261,586
170,668	-	-	-	170,668
<u>170,668</u>	<u>-</u>	<u>-</u>	<u>5,756,820</u>	<u>7,432,254</u>
-	120	19	14,122	(768,775)
-	-	-	-	(598,773)
-	120	19	14,122	(1,367,548)
-	65,571	10,612	154,230	2,386,146
<u>\$ -</u>	<u>\$ 65,691</u>	<u>\$ 10,631</u>	<u>\$ 168,352</u>	<u>\$ 1,018,598</u>

## CHATHAM COUNTY, NORTH CAROLINA

**EMERGENCY TELEPHONE SYSTEM FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR  
THE FISCAL YEAR ENDED JUNE 30, 2011**

	2012			2011
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental:				
Service fee collections		\$ 529,415		\$ 452,028
Investment earnings	-	1,720	-	2,075
Total revenues	\$ 488,828	531,135	\$ 42,307	454,103
<b>Expenditures:</b>				
General government				
Public safety:				
Emergency telephone system:				
Phone system/furniture		457,258		131,660
Software		103,602		35,786
Hardware		345,047		447,760
Training		1,700		1,968
Implemental functions		49,469		133,700
Total emergency telephone system		957,076		619,214
Public safety need	-	532,647	-	193,146
Total expenditures	1,586,237	1,489,723	96,514	812,360
Revenues over (under) expenditures	(1,097,409)	(958,588)	138,821	(358,257)
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds				
General	-	-	-	6,105
Appropriated fund balance	1,097,409	-	(1,097,409)	-
Total other financing sources (uses)	1,097,409	-	(1,097,409)	6,105
Net change in fund balance	\$ -	(958,588)	\$ (958,588)	(352,152)
<b>Fund Balances:</b>				
Beginning of year - July 1		1,097,409		1,449,561
End of year - June 30		\$ 138,821		\$ 1,097,409

## CHATHAM COUNTY, NORTH CAROLINA

**FORFEITED PROPERTY  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR  
THE FISCAL YEAR ENDED JUNE 30, 2011**

	2012			2011
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental:				
Controlled substance tax	\$ 2,100	\$ 9,854	\$ 7,754	\$ 7,544
Drug forfeiture funds	-	3,835	3,835	40,874
Investment earnings:				
Controlled substance tax	-	12	12	11
Drug forfeiture funds	-	69	69	65
Total revenues	<u>2,100</u>	<u>13,770</u>	<u>11,670</u>	<u>48,494</u>
<b>Expenditures:</b>				
Public safety:				
Controlled substance tax:				
Operating expenditures	3,600	3,390	210	4,893
Forfeited property:				
Operating expenditures	41,000	11,653	29,347	23,699
Capital outlay	-	-	-	8,599
Total expenditures	<u>44,600</u>	<u>15,043</u>	<u>29,557</u>	<u>37,191</u>
Revenues over (under) expenditures	<u>(42,500)</u>	<u>(1,273)</u>	<u>41,227</u>	<u>11,303</u>
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance:				
Controlled substance tax	1,500	-	(1,500)	-
Drug forfeiture funds	41,000	-	(41,000)	-
Total other financing sources (uses)	<u>42,500</u>	<u>-</u>	<u>(42,500)</u>	<u>-</u>
Net change in fund balance:				
Controlled substance tax	-	6,476	6,476	2,662
Drug forfeiture funds	-	(7,749)	(7,749)	8,641
Total	<u>\$ -</u>	<u>(1,273)</u>	<u>\$ (1,273)</u>	<u>11,303</u>
<b>Fund Balance:</b>				
Beginning of year - July 1				
Controlled substance tax		7,200		4,538
Drug forfeiture funds		41,649		33,008
		<u>48,849</u>		<u>37,546</u>
End of year - June 30				
Controlled substance tax		13,676		7,200
Drug forfeiture funds		33,900		41,649
Total fund balance		<u>\$ 47,576</u>		<u>\$ 48,849</u>

## CHATHAM COUNTY, NORTH CAROLINA

RECREATION - PAYMENT IN LIEU  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2012  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR  
 THE FISCAL YEAR ENDED JUNE 30, 2011

	2012			2011
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Permits and fees	\$ 153,500	\$ 174,678	\$ 21,178	\$ 103,570
Investment earnings	1,500	2,131	631	1,330
Total revenues	<u>155,000</u>	<u>176,809</u>	<u>21,809</u>	<u>104,900</u>
<b>Expenditures:</b>				
Cultural and recreational	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Revenues over (under) expenditures	<u>150,000</u>	<u>176,809</u>	<u>26,809</u>	<u>104,900</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds	(600,000)	(598,773)	1,227	91,808
Appropriated fund balance	<u>450,000</u>	<u>-</u>	<u>(450,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(150,000)</u>	<u>(598,773)</u>	<u>(448,773)</u>	<u>91,808</u>
Net change in fund balance	<u>\$ -</u>	<u>(421,964)</u>	<u>\$ (421,964)</u>	196,708
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>1,000,714</u>		<u>804,006</u>
End of year - June 30		<u>\$ 578,750</u>		<u>\$ 1,000,714</u>

## CHATHAM COUNTY, NORTH CAROLINA

**BYNUM CANOE ACCESS TRUST  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2012  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR  
 THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>2012</u>			<u>2011</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	\$ 20	\$ 16	\$ (4)	\$ 13
<b>Expenditures:</b>				
Cultural and recreational	8,520	-	8,520	-
Revenues over (under) expenditures	(8,500)	16	8,516	13
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds				
Appropriated fund balance	8,500	-	(8,500)	-
Net change in fund balance	\$ -	16	\$ 16	13
<b>Fund Balance:</b>				
Beginning of year - July 1		8,761		8,748
End of year - June 30		<u>\$ 8,777</u>		<u>\$ 8,761</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 FISCAL YEAR  
ENDED JUNE 30, 2012**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual</u>	
			<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Restricted intergovernmental:				
Federal grants:				
Scattered Site Housing Project-2010	\$ 400,000	\$ 7,327	\$ 142,670	\$ 149,997
Economic Recovery-2010	500,000	3,130	27,943	31,073
Urgent Repair Program - 2012	-	-	27	27
Single Family Rehabilitation - 2012	-	-	28	28
Total revenues	<u>900,000</u>	<u>10,457</u>	<u>170,668</u>	<u>181,125</u>
<b>Expenditures:</b>				
Economic and physical development:				
Single Family Rehabilitation - 2012:				
Administration	-	-	28	28
Total	-	-	28	28
CDBG Scattered Site Housing Project-2010:				
Administration	40,000	7,327	24,260	31,587
Construction	360,000	-	118,410	118,410
Total	<u>400,000</u>	<u>7,327</u>	<u>142,670</u>	<u>149,997</u>
Urgent Repair Program - 2012				
Administration	-	-	27	27
Total	-	-	27	27
CDBG - Economic Recovery				
Administration	50,000	3,130	17,193	20,323
Construction	450,000	-	10,750	10,750
Total	<u>500,000</u>	<u>3,130</u>	<u>27,943</u>	<u>31,073</u>
Total expenditures	<u>900,000</u>	<u>10,457</u>	<u>170,668</u>	<u>181,125</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			-	
End of year - June 30			<u>\$ -</u>	

## CHATHAM COUNTY, NORTH CAROLINA

**COURTHOUSE CLOCK**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR**  
**THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>2012</u>			<u>2011</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 120	\$ 120	\$ 98
<b>Expenditures:</b>				
General government	65,473	-	65,473	-
Revenues over (under) expenditures	(65,473)	120	65,593	98
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	65,473	-	(65,473)	-
Net change in fund balance	\$ -	120	\$ 120	98
<b>Fund Balance:</b>				
Beginning of year - July 1		65,571		65,473
End of year - June 30		\$ 65,691		\$ 65,571

## CHATHAM COUNTY, NORTH CAROLINA

**LIBRARY FOUNDATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR**  
**THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>2012</u>			<u>2011</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 19	\$ 19	\$ 15
Other general revenues	-	-	-	10,000
Total revenues	-	19	19	10,015
Net change in fund balance	\$ -	19	\$ 19	10,015
<b>Fund Balance:</b>				
Beginning of year - July 1		10,612		597
End of year - June 30		\$ 10,631		\$ 10,612

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**CHATHAM COUNTY, NORTH CAROLINA**

**SPECIAL FIRE DISTRICTS  
COMBINING BALANCE SHEET  
JUNE 30, 2012**

	<u>Combined</u>	<u>Bell's Annex</u>	<u>Bennett</u>	<u>Bonlee</u>	<u>Central Chatham</u>
<b>Assets:</b>					
Cash, cash equivalents, and investments	\$ 198,685	\$ 5,990	\$ 2,181	\$ 18,637	\$ 10,029
Property taxes receivable, net	236,077	1,504	4,172	11,807	22,763
Other receivables	<u>110</u>	<u>1</u>	<u>2</u>	<u>6</u>	<u>4</u>
Total assets	<u>\$ 434,872</u>	<u>\$ 7,495</u>	<u>\$ 6,355</u>	<u>\$ 30,450</u>	<u>\$ 32,796</u>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 7,561	\$ 5,728	\$ 426	\$ -	\$ -
Unearned revenues	22,882	257	901	741	2,556
Deferred revenues	<u>236,077</u>	<u>1,504</u>	<u>4,172</u>	<u>11,807</u>	<u>22,763</u>
Total liabilities	<u>266,520</u>	<u>7,489</u>	<u>5,499</u>	<u>12,548</u>	<u>25,319</u>
<b>Fund Balances:</b>					
Stabilization by State Statute	110	1	2	6	4
Assigned:					
Fire protection	<u>168,242</u>	<u>5</u>	<u>854</u>	<u>17,896</u>	<u>7,473</u>
Total fund balances	<u>168,352</u>	<u>6</u>	<u>856</u>	<u>17,902</u>	<u>7,477</u>
Total liabilities and fund balances	<u>\$ 434,872</u>	<u>\$ 7,495</u>	<u>\$ 6,355</u>	<u>\$ 30,450</u>	<u>\$ 32,796</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>
\$ 57,790	\$ 12,404	\$ 14,728	\$ 38,977	\$ 23,965	\$ 11,303	\$ 1,583	\$ 1,098
35,522	13,852	12,005	74,167	51,971	2,741	4,534	1,039
<u>24</u>	<u>3</u>	<u>6</u>	<u>18</u>	<u>40</u>	<u>5</u>	<u>-</u>	<u>1</u>
<u>\$ 93,336</u>	<u>\$ 26,259</u>	<u>\$ 26,739</u>	<u>\$ 113,162</u>	<u>\$ 75,976</u>	<u>\$ 14,049</u>	<u>\$ 6,117</u>	<u>\$ 2,138</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,274	\$ 133
4,106	1,277	1,561	2,015	8,348	860	148	112
<u>35,522</u>	<u>13,852</u>	<u>12,005</u>	<u>74,167</u>	<u>51,971</u>	<u>2,741</u>	<u>4,534</u>	<u>1,039</u>
<u>39,628</u>	<u>15,129</u>	<u>13,566</u>	<u>76,182</u>	<u>60,319</u>	<u>3,601</u>	<u>5,956</u>	<u>1,284</u>
24	3	6	18	40	5	-	1
<u>53,684</u>	<u>11,127</u>	<u>13,167</u>	<u>36,962</u>	<u>15,617</u>	<u>10,443</u>	<u>161</u>	<u>853</u>
<u>53,708</u>	<u>11,130</u>	<u>13,173</u>	<u>36,980</u>	<u>15,657</u>	<u>10,448</u>	<u>161</u>	<u>854</u>
<u>\$ 93,336</u>	<u>\$ 26,259</u>	<u>\$ 26,739</u>	<u>\$ 113,162</u>	<u>\$ 75,976</u>	<u>\$ 14,049</u>	<u>\$ 6,117</u>	<u>\$ 2,138</u>

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
COMBINING SCHEDULE OF REVENUES,  
EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 5,701,117	\$ 5,770,599	\$ 69,482
Investment earnings	-	343	343
Total revenues	<u>5,701,117</u>	<u>5,770,942</u>	<u>69,825</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	5,488,714	5,480,659	8,055
Commissions	282,915	276,161	6,754
Total expenditures	<u>5,771,629</u>	<u>5,756,820</u>	<u>14,809</u>
Revenues over (under) expenditures	<u>(70,512)</u>	<u>14,122</u>	<u>84,634</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>70,512</u>	-	<u>(70,512)</u>
Net change in fund balance	<u>\$ -</u>	14,122	<u>\$ 14,122</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>154,230</u>	
End of year - June 30		<u>\$ 168,352</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
COMBINING SCHEDULE OF REVENUES,  
EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2012

	<b>Bells Annex Fire District</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 78,415	\$ 73,614	\$ (4,801)
Investment earnings	-	7	7
Total revenues	<u>78,415</u>	<u>73,621</u>	<u>(4,794)</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	79,667	78,892	775
Commissions	3,748	3,465	283
Total expenditures	<u>83,415</u>	<u>82,357</u>	<u>1,058</u>
Revenues over (under) expenditures	<u>(5,000)</u>	<u>(8,736)</u>	<u>(3,736)</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>5,000</u>	-	<u>(5,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(8,736)</u>	<u>\$ (8,736)</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>8,742</u>	
End of year - June 30		<u>\$ 6</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
COMBINING SCHEDULE OF REVENUES,  
EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2012

	<b>Bennett Fire District</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 88,857	\$ 87,975	\$ (882)
Investment earnings	-	5	5
Total revenues	<u>88,857</u>	<u>87,980</u>	<u>(877)</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	87,738	86,271	1,467
Commissions	4,319	4,015	304
Total expenditures	<u>92,057</u>	<u>90,286</u>	<u>1,771</u>
Revenues over (under) expenditures	<u>(3,200)</u>	<u>(2,306)</u>	<u>894</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>3,200</u>	-	<u>(3,200)</u>
Net change in fund balance	<u>\$ -</u>	<u>(2,306)</u>	<u>\$ (2,306)</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>3,162</u>	
End of year - June 30		<u>\$ 856</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
COMBINING SCHEDULE OF REVENUES,  
EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2012

	<b>Bonlee Fire District</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 201,374	\$ 210,636	\$ 9,262
Investment earnings	-	20	20
Total revenues	<u>201,374</u>	<u>210,656</u>	<u>9,282</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	196,915	196,915	-
Commissions	<u>10,459</u>	<u>9,958</u>	<u>501</u>
Total expenditures	<u>207,374</u>	<u>206,873</u>	<u>501</u>
Revenues over (under) expenditures	<u>(6,000)</u>	<u>3,783</u>	<u>9,783</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>6,000</u>	-	<u>(6,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>3,783</u>	<u>\$ 3,783</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>14,119</u>	
End of year - June 30		<u>\$ 17,902</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
COMBINING SCHEDULE OF REVENUES,  
EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2012

	<b>Central Chatham Fire District</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 268,535	\$ 274,769	\$ 6,234
Investment earnings	-	12	12
Total revenues	<u>268,535</u>	<u>274,781</u>	<u>6,246</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	255,096	255,096	-
Commissions	13,439	12,886	553
Total expenditures	<u>268,535</u>	<u>267,982</u>	<u>553</u>
Revenues over (under) expenditures	-	6,799	6,799
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>6,799</u>	<u>\$ 6,799</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>678</u>	
End of year - June 30		<u>\$ 7,477</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
COMBINING SCHEDULE OF REVENUES,  
EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Circle City Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 944,260	\$ 975,151	\$ 30,891
Investment earnings	-	78	78
Total revenues	<u>944,260</u>	<u>975,229</u>	<u>30,969</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	928,260	928,260	-
Commissions	47,000	46,936	64
Total expenditures	<u>975,260</u>	<u>975,196</u>	<u>64</u>
Revenues over (under) expenditures	<u>(31,000)</u>	<u>33</u>	<u>31,033</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>31,000</u>	<u>-</u>	<u>(31,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>33</u>	<u>\$ 33</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>53,675</u>	
End of year - June 30		<u>\$ 53,708</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
COMBINING SCHEDULE OF REVENUES,  
EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2012

	<b>Goldston Fire District</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 207,288	\$ 215,006	\$ 7,718
Investment earnings	-	11	11
Total revenues	<u>207,288</u>	<u>215,017</u>	<u>7,729</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	196,688	196,688	-
Commissions	10,600	10,066	534
Total expenditures	<u>207,288</u>	<u>206,754</u>	<u>534</u>
Revenues over (under) expenditures	-	8,263	8,263
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	-	-	-
Net change in fund balance	<u>\$ -</u>	8,263	<u>\$ 8,263</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>2,867</u>	
End of year - June 30		<u>\$ 11,130</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
COMBINING SCHEDULE OF REVENUES,  
EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2012

	<b>Hope Fire District</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 331,492	\$ 342,339	\$ 10,847
Investment earnings	-	22	22
Total revenues	<u>331,492</u>	<u>342,361</u>	<u>10,869</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	325,738	325,738	-
Commissions	16,672	16,118	554
Total expenditures	<u>342,410</u>	<u>341,856</u>	<u>554</u>
Revenues over (under) expenditures	<u>(10,918)</u>	<u>505</u>	<u>11,423</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>10,918</u>	<u>-</u>	<u>(10,918)</u>
Net change in fund balance	<u>\$ -</u>	<u>505</u>	<u>\$ 505</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>12,668</u>	
End of year - June 30		<u>\$ 13,173</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
COMBINING SCHEDULE OF REVENUES,  
EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2012

	<b>Moncure Fire District</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 531,368	\$ 551,483	\$ 20,115
Investment earnings	-	49	49
Total revenues	<u>531,368</u>	<u>551,532</u>	<u>20,164</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	503,524	503,524	-
Commissions	27,844	26,812	1,032
Total expenditures	<u>531,368</u>	<u>530,336</u>	<u>1,032</u>
Revenues over (under) expenditures	<u>-</u>	<u>21,196</u>	<u>21,196</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>21,196</u>	<u>\$ 21,196</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>15,784</u>	
End of year - June 30		<u>\$ 36,980</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
COMBINING SCHEDULE OF REVENUES,  
EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>North Chatham Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 2,696,573	\$ 2,685,249	\$ (11,324)
Investment earnings	-	120	120
Total revenues	<u>2,696,573</u>	<u>2,685,369</u>	<u>(11,204)</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	2,575,916	2,575,916	-
Commissions	130,657	128,884	1,773
Total expenditures	<u>2,706,573</u>	<u>2,704,800</u>	<u>1,773</u>
Revenues over (under) expenditures	<u>(10,000)</u>	<u>(19,431)</u>	<u>(9,431)</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>10,000</u>	-	<u>(10,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(19,431)</u>	<u>\$ (19,431)</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>35,088</u>	
End of year - June 30		<u>\$ 15,657</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
COMBINING SCHEDULE OF REVENUES,  
EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2012

	<b>Parkwood Fire District</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 269,535	\$ 276,809	\$ 7,274
Investment earnings	-	15	15
Total revenues	<u>269,535</u>	<u>276,824</u>	<u>7,289</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	257,759	257,759	-
Commissions	14,135	13,424	711
Total expenditures	<u>271,894</u>	<u>271,183</u>	<u>711</u>
Revenues over (under) expenditures	<u>(2,359)</u>	<u>5,641</u>	<u>8,000</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>2,359</u>	-	<u>(2,359)</u>
Net change in fund balance	<u>\$ -</u>	<u>5,641</u>	<u>\$ 5,641</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>4,807</u>	
End of year - June 30		<u>\$ 10,448</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
COMBINING SCHEDULE OF REVENUES,  
EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2012

	<b>Staley Fire District</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 51,003	\$ 50,161	\$ (842)
Investment earnings	-	2	2
Total revenues	<u>51,003</u>	<u>50,163</u>	<u>(840)</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	50,713	50,174	539
Commissions	<u>2,325</u>	<u>2,336</u>	<u>(11)</u>
Total expenditures	<u>53,038</u>	<u>52,510</u>	<u>528</u>
Revenues over (under) expenditures	<u>(2,035)</u>	<u>(2,347)</u>	<u>(312)</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>2,035</u>	-	<u>(2,035)</u>
Net change in fund balance	<u>\$ -</u>	<u>(2,347)</u>	<u>\$ (2,347)</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>2,508</u>	
End of year - June 30		<u>\$ 161</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
COMBINING SCHEDULE OF REVENUES,  
EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2012

	<b>Northview Fire District</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 32,417	\$ 27,407	\$ (5,010)
Investment earnings	-	2	2
Total revenues	<u>32,417</u>	<u>27,409</u>	<u>(5,008)</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	30,700	25,426	5,274
Commissions	1,717	1,261	456
Total expenditures	<u>32,417</u>	<u>26,687</u>	<u>5,730</u>
Revenues over (under) expenditures	<u>-</u>	<u>722</u>	<u>722</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>722</u>	<u>\$ 722</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>132</u>	
End of year - June 30		<u>\$ 854</u>	

## CHATHAM COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012

	<u>Imaging Project</u>	<u>Chatham Park Projects</u>	<u>School Wastewater Improvement Project</u>	<u>Equipment Capital Reserve Project</u>	<u>Emergency Vehicle Replacement Capital Reserve Project</u>	<u>Total</u>
<b>Assets:</b>						
Cash, cash equivalents, and investments	\$ -	\$ 83,560	\$ -	\$ 2,104,913	\$ 173,500	\$ 2,361,973
Due from other governments	-	4,133	-	-	-	4,133
Other receivables	-	-	-	1,250	121	1,371
Total assets	<u>\$ -</u>	<u>\$ 87,693</u>	<u>\$ -</u>	<u>\$ 2,106,163</u>	<u>\$ 173,621</u>	<u>\$ 2,367,477</u>
<b>Liabilities and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ 68,346	\$ -	\$ -	\$ -	\$ 68,346
Total liabilities	<u>-</u>	<u>68,346</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,346</u>
<b>Fund Balances:</b>						
<b>Restricted:</b>						
Stabilization by State Statute	-	4,133	-	1,250	121	5,504
Committed	-	15,214	-	2,104,913	173,500	2,293,627
Total fund balances	<u>-</u>	<u>19,347</u>	<u>-</u>	<u>2,106,163</u>	<u>173,621</u>	<u>2,299,131</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 87,693</u>	<u>\$ -</u>	<u>\$ 2,106,163</u>	<u>\$ 173,621</u>	<u>\$ 2,367,477</u>

## CHATHAM COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Imaging Project</u>	<u>Chatham Park Projects</u>	<u>School Wastewater Improvement Project</u>	<u>Equipment Capital Reserve Project</u>	<u>Emergency Vehicle Replacement Capital Reserve Project</u>	<u>Total</u>
<b>Revenues:</b>						
Investment earnings	\$ 100	\$ -	\$ 8	\$ 3,637	\$ 355	\$ 4,100
Restricted intergovernmental	-	208,486	-	-	-	208,486
Other general revenues	-	10,000	-	4,973	-	14,973
Total revenues	<u>100</u>	<u>218,486</u>	<u>8</u>	<u>8,610</u>	<u>355</u>	<u>227,559</u>
<b>Expenditures:</b>						
Cultural and recreational	-	199,139	-	-	-	199,139
Total expenditures	<u>-</u>	<u>199,139</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,139</u>
Revenues over (under) expenditures	<u>100</u>	<u>19,347</u>	<u>8</u>	<u>8,610</u>	<u>355</u>	<u>-</u> <u>28,420</u>
<b>Other Financing Sources (Uses):</b>						
Transfers from (to) other funds	<u>(116,061)</u>	<u>-</u>	<u>(8,666)</u>	<u>116,061</u>	<u>(24,977)</u>	<u>(33,643)</u>
Net change in fund balance	(115,961)	19,347	(8,658)	124,671	(24,622)	(5,223)
<b>Fund Balances:</b>						
Beginning of year - July 1	<u>115,961</u>	<u>-</u>	<u>8,658</u>	<u>1,981,492</u>	<u>198,243</u>	<u>2,304,354</u>
End of year - June 30	<u>\$ -</u>	<u>\$ 19,347</u>	<u>\$ -</u>	<u>\$ 2,106,163</u>	<u>\$ 173,621</u>	<u>\$ 2,299,131</u>

## CHATHAM COUNTY, NORTH CAROLINA

**IMAGING PROJECT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR**  
**ENDED JUNE 30, 2012**

	Project Budget	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
<b>Revenues:</b>					
Investment earnings	\$ -	\$ 22,005	\$ 100	\$ 22,105	\$ 22,105
<b>Expenditures:</b>					
General government:					
Contracted services	75,000	71,736	-	71,736	3,264
Equipment	325,000	134,308	-	134,308	190,692
Total expenditures	400,000	206,044	-	206,044	193,956
Revenues over (under) expenditures	(400,000)	(184,039)	100	(183,939)	216,061
<b>Other Financing Sources (Uses):</b>					
Transfers from (to) other funds:					
General Fund	400,000	300,000	-	300,000	(100,000)
General Capital Reserve	-	-	(116,061)	(116,061)	(116,061)
Total other financing sources (uses)	400,000	300,000	(116,061)	183,939	(216,061)
Net change in fund balance	\$ -	\$ 115,961	\$ (115,961)	\$ -	\$ -

## CHATHAM COUNTY, NORTH CAROLINA

**CHATHAM PARK PROJECTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR**  
**ENDED JUNE 30, 2012**

	Project Budget	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
<b>Revenues:</b>					
Restricted intergovernmental:					
State grants	\$ 708,486	\$ 500,000	\$ 208,486	\$ 708,486	\$ -
Grant	80,000	70,000	-	70,000	(10,000)
Donations	50,000	10,000	10,000	20,000	(30,000)
Investment earnings	-	6	-	6	6
Total revenues	<u>838,486</u>	<u>580,006</u>	<u>218,486</u>	<u>798,492</u>	<u>(39,994)</u>
<b>Expenditures:</b>					
Cultural and recreational:					
Briar Chapel	419,478	-	-	-	419,478
Northeast Park	<u>2,016,705</u>	<u>1,681,375</u>	<u>199,139</u>	<u>1,880,514</u>	<u>136,191</u>
Total expenditures	<u>2,436,183</u>	<u>1,681,375</u>	<u>199,139</u>	<u>1,880,514</u>	<u>555,669</u>
Revenues over (under) expenditures	<u>(1,597,697)</u>	<u>(1,101,369)</u>	<u>19,347</u>	<u>(1,082,022)</u>	<u>515,675</u>
<b>Other Financing Sources (Uses):</b>					
Transfers from (to) other funds:					
Recreation in Lieu	419,478	-	-	-	(419,478)
Capital Improvements Reserve - Park	<u>1,178,219</u>	<u>1,101,369</u>	<u>-</u>	<u>1,101,369</u>	<u>(76,850)</u>
Total other financing sources (uses)	<u>1,597,697</u>	<u>1,101,369</u>	<u>-</u>	<u>1,101,369</u>	<u>(496,328)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,347</u>	<u>\$ 19,347</u>	<u>\$ 19,347</u>

## CHATHAM COUNTY, NORTH CAROLINA

**SCHOOL WASTEWATER IMPROVEMENT PROJECT  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE FISCAL YEAR  
 ENDED JUNE 30, 2012**

	<u>Project Budget</u>	<u>Actual</u>		<u>Total</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
<b>Revenues:</b>					
Investment earnings	\$ 5,000	\$ 6,482	\$ 8	\$ 6,490	\$ 1,490
<b>Expenditures:</b>					
Intergovernmental:					
Educational:					
Capital outlay - construction	33,375	26,199	-	26,199	7,176
Revenues over (under) expenditures	(28,375)	(19,717)	8	(19,709)	8,666
<b>Other Financing Sources (Uses):</b>					
Transfers from (to) other funds:	28,375	28,375	(8,666)	19,709	(8,666)
Net change in fund balance	\$ -	\$ 8,658	\$ (8,658)	\$ -	\$ -

## CHATHAM COUNTY, NORTH CAROLINA

**EQUIPMENT CAPITAL RESERVE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR  
FOR YEAR ENDED JUNE 30, 2011**

	<u>2012</u>			<u>2011</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	\$ 2,800	\$ 3,637	\$ 837	\$ 3,647
Other general revenues	-	4,973	4,973	420
Total revenues	<u>2,800</u>	<u>8,610</u>	<u>5,810</u>	<u>4,067</u>
<b>Expenditures:</b>				
General government	<u>684,750</u>	<u>-</u>	<u>684,750</u>	<u>-</u>
Revenues over (under) expenditures	<u>(681,950)</u>	<u>8,610</u>	<u>690,560</u>	<u>4,067</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds	-	116,061	116,061	(452,239)
Appropriated fund balance	<u>681,950</u>	<u>-</u>	<u>(681,950)</u>	
Total other financing sources (uses)	<u>681,950</u>	<u>116,061</u>	<u>(565,889)</u>	<u>(452,239)</u>
Net change in fund balance	<u>\$ -</u>	<u>124,671</u>	<u>\$ 124,671</u>	<u>(448,172)</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>1,981,492</u>		<u>2,429,664</u>
End of year - June 30		<u>\$ 2,106,163</u>		<u>\$ 1,981,492</u>

## CHATHAM COUNTY, NORTH CAROLINA

**EMERGENCY VEHICLE REPLACEMENT CAPITAL RESERVE  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2012  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR  
 THE FISCAL YEAR ENDED JUNE 30, 2011**

	2012		2011	
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	\$ 250	\$ 355	\$ 105	\$ 297
<b>Expenditures:</b>				
Public safety	170,273	-	170,273	-
Revenues over (under) expenditures	(170,023)	355	170,378	297
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds	(24,977)	(24,977)	-	-
Appropriated fund balance	195,000	-	(195,000)	-
Total other financing sources (uses)	170,023	(24,977)	(195,000)	-
Net change in fund balance	\$ -	(24,622)	\$ (24,622)	297
<b>Fund Balance:</b>				
Beginning of year - July 1		198,243		197,946
End of year - June 30		\$ 173,621		\$ 198,243

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## 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, 2012  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR  
 THE FISCAL YEAR ENDED JUNE 30, 2011

	2012			2011
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Charges for services	\$ 4,888,100	\$ 5,519,380	\$ 631,280	\$ 5,532,952
Other miscellaneous revenues	-	20,714	20,714	1,253
Investment earnings	10,000	7,960	(2,040)	7,961
Total revenues	<u>4,898,100</u>	<u>5,548,054</u>	<u>649,954</u>	<u>5,542,166</u>
<b>Expenditures:</b>				
Salaries and employee benefits	1,227,171	1,224,250	2,921	1,262,105
Operating expenditures	2,490,342	1,998,846	491,496	2,348,256
Repairs and maintenance	272,629	234,166	38,463	70,468
Capital outlay	226,267	185,173	41,094	159,184
Debt service:				
Principal	996,361	1,036,249	(39,888)	2,220,902
Interest	661,199	634,627	26,572	581,279
Total expenditures	<u>5,873,969</u>	<u>5,313,311</u>	<u>560,658</u>	<u>6,642,194</u>
Revenues over (under) expenditures	<u>(975,869)</u>	<u>234,743</u>	<u>1,210,612</u>	<u>(1,100,028)</u>
<b>Other Financing Sources (Uses):</b>				
Interfund transfers:				
Capital reserve	752,124	-	(752,124)	-
Vehicle replacement	40,870	-	(40,870)	-
CDBG	-	-	-	106,355
Proceeds from refunding	-	12,077,502	12,077,502	-
Premium	-	912,446	912,446	-
Payment to refunding agent	-	(12,989,948)	(12,989,948)	-
Appropriated fund balance	182,875	-	(182,875)	-
Total other financing sources (uses)	<u>975,869</u>	<u>-</u>	<u>(975,869)</u>	<u>106,355</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>234,743</u>	<u>\$ 234,743</u>	<u>\$ (993,673)</u>

This schedule is included to show budgetary compliance.

**Reconciliation to Net Income:**

Revenue:	
Water Capital Reserve	912,064
Vehicle Replacement Reserve	1,155
Water Capital Projects	4,059
Reconciling items:	
Limited Obligation Bonds issued	(12,077,502)
Premium on issuance	(912,446)
Debt principal	14,026,197
Capital outlay	185,173
Depreciation	(1,001,795)
Premium amortization	182,489
Bad debt expense	10,401
Increase in accrued vacation pay	(8,306)
Net income	<u>\$ 1,556,232</u>

## CHATHAM COUNTY, NORTH CAROLINA

WATER CAPITAL RESERVE  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2012  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR  
 THE FISCAL YEAR ENDED JUNE 30, 2011

	2012			2011
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Charges for services	\$ 300,000	\$ 884,200	\$ 584,200	\$ 531,500
Investment earnings	18,000	27,864	9,864	22,850
Total revenues	<u>318,000</u>	<u>912,064</u>	<u>594,064</u>	<u>554,350</u>
<b>Expenditures:</b>				
Capital outlay:				
Construction	<u>2,822,000</u>	<u>-</u>	<u>2,822,000</u>	<u>-</u>
Revenues over (under) expenditures	<u>(2,504,000)</u>	<u>912,064</u>	<u>3,416,064</u>	<u>554,350</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfers	(852,124)	(100,000)	752,124	(404,374)
Fund balance appropriated	<u>3,356,124</u>	<u>-</u>	<u>(3,356,124)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,504,000</u>	<u>(100,000)</u>	<u>(2,604,000)</u>	<u>(404,374)</u>
Revenues and other financing sources (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 812,064</u>	<u>\$ 812,064</u>	<u>\$ 149,976</u>

## CHATHAM COUNTY, NORTH CAROLINA

**VEHICLE REPLACEMENT RESERVE  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR  
THE FISCAL YEAR ENDED JUNE 30, 2011**

	2012			2011
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Other operating revenues	\$ -	\$ 363	\$ 363	\$ -
Investment earnings	1,000	792	(208)	646
Total revenues	1,000	1,155	155	646
<b>Expenditures:</b>				
Operating expenses	260,130	-	260,130	-
Revenues over (under) expenditures	(259,130)	1,155	260,285	646
<b>Other Financing Sources (Uses):</b>				
Interfund transfers	(40,870)	-	40,870	-
Appropriated fund balance	300,000	-	(300,000)	-
Total other financing sources (uses)	259,130	-	(259,130)	-
Revenues and other financing sources (under) expenditures and other financing uses	\$ -	\$ 1,155	\$ 1,155	\$ 646

## CHATHAM COUNTY, NORTH CAROLINA

**WATER CAPITAL PROJECTS  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FROM INCEPTION AND FOR THE FISCAL YEAR  
ENDED JUNE 30, 2012**

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total	
<b>Revenues:</b>					
Investment earnings	\$ 22,777	\$ 64,868	\$ 4,059	\$ 68,927	\$ 46,150
Grant - Department of Transportation	399,882	399,882	-	399,882	-
Unrestricted intergovernmental	397,219	397,220	-	397,220	1
Total revenues	819,878	861,970	4,059	866,029	46,151
<b>Expenditures:</b>					
Capital outlay:					
Westward Distribution Project	14,897,219	13,050,129	44,647	13,094,776	1,802,443
Durham Interconnect	4,291,463	66,560	86,691	153,251	4,138,212
Business Campus	8,382,761	8,252,761	11,885	8,264,646	118,115
Total expenditures	27,571,443	21,369,450	143,223	21,512,673	6,058,770
Revenues over (under) expenditures	(26,751,565)	(20,507,480)	(139,164)	(20,646,644)	6,104,921
<b>Other Financing Sources (Uses):</b>					
Transfers (to) from other funds					
General Fund	257,695	130,000	-	130,000	(127,695)
Capital improvements reserve	7,364,593	7,364,593	-	7,364,593	-
Intrafund transfers - Water Capital Reserve	4,629,277	404,374	100,000	504,374	(4,124,903)
Proceeds from borrowing for:					
Westward Distribution Project	14,500,000	14,500,000	-	14,500,000	-
Total other financing sources (uses)	26,751,565	22,398,967	100,000	22,498,967	(4,252,598)
Revenues and other financing sources (under) expenditures and other financing uses	\$ -	\$ 1,891,487	\$ (39,164)	\$ 1,852,323	\$ 1,852,323

## CHATHAM COUNTY, NORTH CAROLINA

SOUTHEAST WATER DISTRICT  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2012  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR  
 THE FISCAL YEAR ENDED JUNE 30, 2011

	2012			2011
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Charges for services	\$ 507,180	\$ 559,207	\$ 52,027	\$ 588,714
Investment earnings	-	906	906	1,254
Total revenues	<u>507,180</u>	<u>560,113</u>	<u>52,933</u>	<u>589,968</u>
<b>Expenditures:</b>				
Operating expenditures	460,000	459,739	261	318,756
Debt service:				
Principal	63,000	63,000	-	-
Interest	<u>191,260</u>	<u>191,260</u>	<u>-</u>	<u>191,260</u>
Total expenditures	<u>714,260</u>	<u>713,999</u>	<u>261</u>	<u>510,016</u>
Revenues over (under) expenditures	<u>(207,080)</u>	<u>(153,886)</u>	<u>53,194</u>	<u>79,952</u>
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	<u>207,080</u>	<u>-</u>	<u>(207,080)</u>	<u>-</u>
Total other financing sources (uses)	<u>207,080</u>	<u>-</u>	<u>(207,080)</u>	<u>-</u>
Revenues and other financing sources (under) expenditures and other financing uses	<u>\$ -</u>	<u>(153,886)</u>	<u>\$ (153,886)</u>	<u>\$ 79,952</u>
<b>Reconciliation to Net Income:</b>				
Reconciling items:				
Debt principal		63,000		
Bad debt expense		(261)		
Depreciation		<u>(106,150)</u>		
Net income (loss)		<u>\$ (197,297)</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, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	2012			2011
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Charges for services	\$ 2,700,500	\$ 2,941,456	\$ 240,956	\$ 2,704,555
Other operating revenues			-	177,601
Investment earnings	5,000	6,926	1,926	4,556
Sale of capital asset	-	-	-	53,228
Other revenue:				
Scrap tire disposal tax	70,000	78,465	8,465	73,932
White goods disposal tax	18,000	19,958	1,958	18,562
Solid waste disposal tax	40,000	41,348	1,348	41,720
Nuisance tire grant	5,000	1,005	(3,995)	4,708
Electronics	4,500	4,838	338	4,447
White Goods Disposal Grant	-	45,903	45,903	44,792
Grant	-	-	-	16,796
Other revenue	-	1,946	1,946	50
Total revenues	<u>2,843,000</u>	<u>3,141,845</u>	<u>298,845</u>	<u>3,144,947</u>
<b>Expenditures:</b>				
Collection and disposal:				
Salaries and employee benefits	699,802	703,280	(3,478)	717,244
Operating expenditures	1,952,100	1,737,935	214,165	1,735,886
Repairs and maintenance	145,975	135,033	10,942	135,033
Capital outlay	108,416	106,064	2,352	41,808
Total expenditures	<u>2,906,293</u>	<u>2,682,312</u>	<u>223,981</u>	<u>2,629,971</u>
Revenues over (under) expenditures	<u>(63,293)</u>	<u>459,533</u>	<u>522,826</u>	<u>514,976</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds:				
Solid Waste Capital Reserve	(164,120)	(164,120)	-	75,000
Fund balance appropriated	<u>227,413</u>	<u>-</u>	<u>(227,413)</u>	<u>-</u>
Total other financing sources (uses)	<u>63,293</u>	<u>(164,120)</u>	<u>(227,413)</u>	<u>75,000</u>
Revenues and other financing sources (under) expenditures and other financing uses	<u>\$ -</u>	<u>295,413</u>	<u>\$ 295,413</u>	<u>\$ 589,976</u>

This schedule is included to show budgetary compliance.

**Reconciliation from budgetary basis to full accrual.**

Solid Waste Management Reserve revenue	786
Transfers in - Waste Management Reserve	164,120
Reconciling items:	
Capital outlay	106,064
Depreciation	(275,173)
Decrease (increase) in vacation pay accrual	1,894
Bad debt expense	(1,528)
Net income	<u>\$ 291,576</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, 2012  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings	\$ 1,000	\$ 786	\$ (214)	\$ 754
<b>Expenditures:</b>				
Environmental protection	165,120	-	165,120	-
Revenues over (under) expenditures	(164,120)	786	164,906	754
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds:				
Solid Waste Management Operating	164,120	164,120	-	-
Solid Waste Management Operating	-	-	-	(75,000)
Total other financing sources (uses)	164,120	164,120	-	(75,000)
Revenues and other financing sources (under) expenditures and other financing uses	\$ -	\$ 164,906	\$ 164,906	\$ (74,246)

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## **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, 2012**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	2012			2011
	Financial Plan	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Charges for services				
Health insurance	\$ 3,716,198	\$ 3,800,361	\$ 84,163	\$ 3,862,256
Dental insurance	267,390	275,725	8,335	278,498
Workers compensation	291,291	293,732	2,441	302,892
Total charges for services	<u>4,274,879</u>	<u>4,369,818</u>	<u>94,939</u>	<u>4,443,646</u>
Investment earnings	7,000	10,638	3,638	8,509
Total revenues	<u>4,281,879</u>	<u>4,380,456</u>	<u>98,577</u>	<u>4,452,155</u>
<b>Expenditures:</b>				
Other operating expenditures:				
Benefits paid:				
Health insurance	3,250,000	2,933,336	316,664	3,270,057
Dental insurance	242,390	181,452	60,938	194,121
Workers compensation	666,291	400,412	265,879	311,633
Administrative costs:				
Health insurance	570,000	676,173	(106,173)	556,519
Dental insurance	25,000	21,843	3,157	20,219
Workers compensation	68,967	64,467	4,500	84,777
Total expenditures	<u>4,822,648</u>	<u>4,277,683</u>	<u>544,965</u>	<u>4,437,326</u>
Revenues over (under) expenditures	<u>(540,769)</u>	<u>102,773</u>	<u>643,542</u>	<u>14,829</u>
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	<u>540,769</u>	<u>-</u>	<u>(540,769)</u>	<u>-</u>
Revenues and other financing sources (under) expenditures and other financing uses	<u>\$ -</u>	<u>102,773</u>	<u>\$ 102,773</u>	<u>14,829</u>
<b>Net Assets:</b>				
Beginning of year - July 1		<u>3,987,608</u>		<u>3,972,779</u>
End of year - June 30		<u>\$ 4,090,381</u>		<u>\$ 3,987,608</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.

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**CHATHAM COUNTY, NORTH CAROLINA**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
TRUST AND AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>Social Services:</b>				
<b>Assets:</b>				
Cash, cash equivalents, and investments	\$ 106,439	\$ 235,027	\$ 271,189	\$ 70,277
<b>Liabilities:</b>				
Due to agency participants	\$ 106,439	\$ 240,368	\$ 276,530	\$ 70,277
<b>Chatham County Cooperative Extension:</b>				
<b>Assets:</b>				
Cash, cash equivalents, and investments	\$ 147,533	\$ 80,352	\$ 85,134	\$ 142,751
Due from other governmental agencies	710	538	710	538
Other receivables	37	726	74	688
Total assets	<u>\$ 148,280</u>	<u>\$ 81,616</u>	<u>\$ 85,919</u>	<u>\$ 143,977</u>
<b>Liabilities:</b>				
Due to other governmental agencies	<u>\$ 148,280</u>	<u>\$ 128,092</u>	<u>\$ 132,395</u>	<u>\$ 143,977</u>
<b>Goldston-Gulf Sanitary District:</b>				
<b>Assets:</b>				
Cash, cash equivalents, and investments	\$ 2,766	\$ 105,254	\$ 105,916	\$ 2,104
Property taxes receivable	10,604	196,700	196,237	11,067
Allowance for uncollected taxes	(2,058)	-	229	(2,287)
Other receivables	-	1	-	1
Total assets	<u>\$ 11,312</u>	<u>\$ 301,955</u>	<u>\$ 302,382</u>	<u>\$ 10,886</u>
<b>Liabilities:</b>				
Due to other governmental agencies	<u>\$ 11,312</u>	<u>\$ 404,985</u>	<u>\$ 405,412</u>	<u>\$ 10,885</u>
<b>Chatham County Municipalities:</b>				
<b>Assets:</b>				
Cash, cash equivalents, and investments	\$ 34,314	\$ 3,141,873	\$ 3,128,594	\$ 47,592
Property taxes receivable	192,783	6,148,605	5,952,005	389,383
Allowance for uncollected taxes	(37,423)	5,513	47,419	(79,329)
Total assets	<u>\$ 189,674</u>	<u>\$ 9,295,991</u>	<u>\$ 9,128,019</u>	<u>\$ 357,646</u>
<b>Liabilities:</b>				
Due to other governmental agencies	<u>\$ 189,674</u>	<u>\$ 12,268,722</u>	<u>\$ 12,100,750</u>	<u>\$ 357,646</u>

CHATHAM COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
TRUST AND AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>Fines and Forfeitures:</b>				
<b>Assets:</b>				
Cash	\$ -	\$ 309,868	\$ 309,868	\$ -
Due from other governmental agencies	32,208	23,674	32,208	23,674
Total assets	<u>\$ 32,208</u>	<u>\$ 333,542</u>	<u>\$ 342,076</u>	<u>\$ 23,674</u>
<b>Liabilities:</b>				
Due to other governmental agencies	<u>\$ 32,208</u>	<u>\$ 325,008</u>	<u>\$ 333,542</u>	<u>\$ 23,674</u>
<b>State Motor Vehicle Tax Fund:</b>				
<b>Assets:</b>				
Cash, cash equivalents, and investments	<u>\$ 1,952</u>	<u>\$ 23,919</u>	<u>\$ 23,720</u>	<u>\$ 2,151</u>
<b>Liabilities:</b>				
Due to other governmental agencies	<u>\$ 1,952</u>	<u>\$ 23,919</u>	<u>\$ 23,720</u>	<u>\$ 2,151</u>
<b>Combining Totals:</b>				
<b>Assets:</b>				
Cash, cash equivalents, and investments	\$ 293,004	\$ 3,896,293	\$ 3,924,422	\$ 264,875
Property taxes receivable	203,387	6,345,305	6,148,242	400,450
Allowance for uncollected taxes	(39,481)	5,513	47,648	(81,616)
Due from other governmental agencies	32,918	24,212	32,919	24,212
Other receivables	37	727	74	689
Total assets	<u>\$ 489,865</u>	<u>\$ 10,272,050</u>	<u>\$ 10,153,305</u>	<u>\$ 608,610</u>
<b>Liabilities:</b>				
Due to agency participants	\$ 106,439	\$ 240,368	\$ 276,530	\$ 70,277
Due to other governmental agencies	383,426	13,150,725	12,995,819	538,333
Total liabilities	<u>\$ 489,865</u>	<u>\$ 13,391,093</u>	<u>\$ 13,272,349</u>	<u>\$ 608,610</u>