

**CHATHAM COUNTY  
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2015**

**PREPARED BY:**

**THE FINANCE DEPARTMENT**

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# CHATHAM COUNTY, NORTH CAROLINA

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## **INTRODUCTORY SECTION**

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FINANCE OFFICE  
POST OFFICE BOX 608  
PITTSBORO, N. C. 27312-0608

ORGANIZED 1770

707 SQUARE MILES

VICKI S. McCONNELL  
FINANCE OFFICER  
PHONE (919) 542-8210

December 11, 2015

To the Board of County Commissioners and Citizens of Chatham County, North Carolina:

State law requires that all local governments publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published for the fiscal year ended June 30, 2015.

Generally accepted accounting principles require that management provide a narrative introduction, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the Management Discussion and Analysis and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

Responsibility for the accuracy, completeness and fairness of the presentations, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material respects and fairly presents the County's financial position and results of operations.

Martin Starnes & Associates, CPAs, P.A., a firm of licensed Certified Public Accountants, have issued an unmodified opinion on the County's financial statements for the year ended June 30, 2015. The independent auditor's report is located at the front of the financial section of this report.

#### *Description of the County*

Founded in 1771 and located at the geographic center of the state, Chatham County encompasses an area of 707 square miles. The County borders Orange, Durham, Wake, Lee, Moore, Randolph, Harnett and Alamance counties and is situated between two of the State's three largest centers of population and commerce, the Research Triangle and the Piedmont Triad.

The proximity to these two areas continues to promote population growth and keep the County's economy healthy. New residents are attracted to the County because of its rural quality of life coupled with close proximity to major metropolitan areas and employment centers. The County's 2015 population was estimated at 67,620. By 2032, the State estimates that the County's population will grow to 115,000.

Most of the County's population continues to reside in the unincorporated area, with only 21.67 percent of residents living in a municipality. The Town of Pittsboro, with a population of 4,133, serves as the County seat.

The County operates under the manager form of government. Policy making and legislative authority are vested in a Board of Commissioners consisting of five members who are elected for four-year terms in even numbered years. The County Manager is appointed by the Board and is responsible for the administration

of the affairs of the County. The County is responsible for and maintains a full range of services inherent in the operation of a county government. These services include general government, public safety, human services, cultural and recreational activities, education, economic and physical development, and environmental protection. The County also operates a water system on a user charge basis. This report includes all the County's activities in maintaining these services.

The County operates under an annual budget ordinance, adopted in accordance with the provisions of the Local Government Budget and Fiscal Control Act. Budgetary control is maintained on a departmental basis and may be amended as changing conditions warrant.

### *Local economy*

The County retains a large agricultural base with a mixture of industrial, tourism, and service businesses helping support the County's economy. Strong economic influences in surrounding areas, such as Cary, Chapel Hill, Durham, Raleigh, and the Research Triangle Park have a positive effect on the growth of the County's population and economy, especially in the northern and eastern sections of the County. These neighboring areas provide much of the employment for approximately fifty-five percent of the County resident labor force. The regional prosperity has enabled Chatham County to currently rank first among the state's one hundred counties in per capita income and second lowest in unemployment. Within the County, the manufacturing sector accounts for the largest percentage of jobs, nearly fifteen percent. Major manufacturers include Arauco NA, Olympic Steel, and Boise Cascade. Various service industries provide another forty percent of jobs in the County. Major service sector employers include Chatham County Schools, Carolina Meadows, Galloway Ridge and Chatham Hospital. Recently, a second Walmart store opened in the County, adding over two hundred new jobs and helping generate new sales tax revenue.

Agriculture and agribusiness (food, fibers, and forestry) remain significant in the local economy. Total farm income in the County for 2012 was \$116,241,960, which ranked 30<sup>th</sup> in the State. One of the most exciting statistics about Chatham County Agriculture is that the 2007 Census of Agriculture showed Chatham County as having 1089 farms. The most recent data from the 2012 Census of Agriculture indicated that Chatham County had increased its number of farms by 50 to 1139. This shows a 44.4% increase in the number of farms when in most locales this number is declining, not increasing. Most farms range in size from 10 to 49 acres and the total number of acres used for farming has changed very little over the past two decades. The stability of the County's agricultural economy is due to (1) a growing number of small sustainable farms focused on specialty products such as organic farming, herbs, cut flowers, unique produce, and diverse nurseries; and (2) continued strength in cattle. The County ranks 2<sup>nd</sup> in the State in beef cattle (fourth in overall cattle production) and 16<sup>th</sup> in broiler chicken production out of the 100 counties. The county also ranks 7<sup>th</sup> in hay production and 14<sup>th</sup> in the horse population as compared to the other counties. The number of dairy farms in Chatham County has remained static over the last 5 years and the county is tied for 8<sup>th</sup> place in the state for number of dairy cattle with 4 other counties. The horticulture industry in the county is diverse and includes some very specialized niche nurseries that produce aquatic/wetlands plants, Asian herbs, shady perennials, crinum, daylilies, orchids, exotic ferns, trees and shrubs. The County is also gaining a reputation as an area of innovative and sustainable agriculture practices. Because of the County's proximity to the Research Triangle and Piedmont Triad metropolitan regions, there is a large demand for local agricultural products. Producers in the County currently are unable to satisfy this demand. Agricultural tourism showcasing our diverse agricultural industry brings many visitors to Chatham County to spend their money then return home. The dynamic agricultural industry of the County is also attracting investors to potential new agribusiness enterprises.

In an attempt to further diversify its employment base, the County constructed a business park, the Central Carolina Business Campus, near the intersection of US 64 and US 421 in Siler City. The County is optimistic that the presence of Chatham Hospital, a UNC Health Care facility, and Central Carolina Community College will help attract other health-related facilities to the Business Campus as the economy continues to improve.

In March 2015, the Chatham Economic Development Corporation (EDC) Board of Directors approved a Strategic Action Agenda 2015-2020 designed to generate more in-county jobs to create opportunity, reduce out-commuting, diversify the tax base, and increase retail sales tax revenues. The plan focuses on employment growth in the towns and economic development areas, and aims to help prepare residents with appropriate training and credentials to fill jobs as they are created. To promote these goals, the EDC is working with the developers of three large sites designed to attract major employers. Chatham Park -- an assemblage of over 7,100 acres in eastern Chatham -- is planning a mixed use development centered on a mid-tech business campus providing over 16 million square feet of office space. The Chatham-Siler City Advanced Manufacturing site-- an 1,802 acre assemblage in western Chatham -- is designed for a large manufacturer and the Moncure-Merry Oaks Industrial Super Park -- an assemblage of almost 2,500 acres in southeastern Chatham -- is currently being readied for the North Carolina site certification program .

The Chatham Park developers submitted a master plan for their proposed planned development district, which has been approved by the Pittsboro Board of Commissioners; three office buildings, a hospice facility, and multiple infrastructure projects are currently under construction. The master plan envisions 22,000 new homes, 22 million square feet of non-residential space, and, at build out in 30-40 years, is projected to create 61,000 new permanent jobs in the County. The 1,800+ acre site in western Chatham has been favorably assessed as a location for an automotive or other large manufacturing user by the international site consulting firm of McCallum-Sweeney. The two property owners worked with the EDC to obtain NC Certified Sites status from the NC Department of Commerce in June 2014. This means that the site has gone through a rigorous process and met 31 criteria that were identified by the state in conjunction with Site Selection consultants that are important to address prior to the location of an industrial facility. The Moncure-Merry Oaks site was assessed as part of the 2014 Duke Site Readiness program.. Last November, McCallum-Sweeney suggested that the site is most appropriate for automotive and aerospace parts or plastics.

In late 2013, Strata Solar, one of the most successful solar energy companies in the nation moved its headquarters to Governors Village in the Northeast portion of the county. The company now employs more than 100 individuals in its offices.

Several major highways (US 15-501, US 1, US 64, and US 421) and numerous state roads access the County and link it to Interstates 40 and 85. The area is served by major freight carriers, bus lines and delivery services, and air transportation is less than one hour away from Raleigh-Durham International Airport in the heart of the Research Triangle Region and Piedmont Triad International Airport in Greensboro. The Blair Municipal Airport, located in Siler City, has a 5,000 foot paved, lighted runway with instrument approach capability and can accommodate small business aircraft. A “reliever airport”, located in neighboring Lee County, is in close proximity to the Moncure industrial area in the southeastern portion of the County.

Chatham County is home to diverse tourism assets, ranging from budget to luxury offerings for visitors allowing the Pittsboro-Siler City Convention & Visitors Bureau (CVB), the county’s official destination marketing organization (DMO), to strategize marketing campaigns to a variety of target audiences.

Among the nature-based sites are Jordan Lake State Recreation Area, Jordan Lake Educational State Forest, numerous hiking and cycling trails, the American Tobacco Trail (multi-county trail), nature preserves and six golf courses. Chatham County is also home to one of only two of North Carolina’s five-star, five-diamond restaurants and five-diamond inns in the state.

Domestic tourism in Chatham County generated an economic impact of \$ 30.77 million in 2013. This was a 4.4% change from 2012. Total payroll generated by the tourism industry in Chatham County reached \$3.6 million, with more than 170 jobs directly attributed to tourism. State and local tax revenues from travel to Chatham County amounted to \$2. 32 million. This represents a \$34.85 tax saving to each county resident. Chatham County’s visitor-related economic impact has generally maintained growth in the last decade; Chatham County consistently maintains a position as one of the top counties in the state for the largest growth. (all economic impact data compiled by U.S. Travel Association).

Multiple visitor-related businesses have continued to open in Chatham County while the CVB staff size of one and budget have remained relatively the same. The CVB has had the opportunity to market the wine, craft beer, spirits and current lodging as a ‘trail’ and that has generated interest in the destination for visitors to have various choices of places to stay and explore. New farm-to-fork eateries have opened as well as retail; both types of businesses enhance the visitor’s itinerary and maximize a trip, particularly considering the cost for refueling vehicles for travel. The CVB has also provided images and content from the tourism website for additional websites, including one for the North Carolina Division of Tourism, Film and Sports Development for RetireNC.com.

The DMO/CVB has continued to teach social media marketing and has been very proactive in requesting to learn about new visitor-related businesses before opening dates in order to guide them on marketing to visitors and collaborating with other visitor-related businesses, both competitors and complementary types. While working with competitors was not always a common concept, the creation of the trails has led to local businesses working together, referring one another, and also working with other area businesses that would be to the benefit of all. The DMO’s Social Media Academy has taught Facebook, Twitter, Pinterest, Instagram, Google+, and other social media products. The focus has been to work with these (primarily small) independently-owned businesses to foster marketing skills and collaboration while sharing tools to assist them in succeeding in obtaining a larger market share through targeting visitors, consumers beyond the local community, to broaden the tax base. The CVB has also provided its visitor-related businesses opportunities for partnership marketing beyond obvious partnerships with N.C. Division of Tourism, Film and Sports Development: 3/50 project; Small Business Saturday, an American Express program; N.C. Department of Environment and Natural Resources N.C. Green Travel Recognition program; and several others.

The travel industry has made up 57 percent of the jobs lost during the great recession, while the rest of the economy has only made up less than half of the jobs lost. This is because companies in the travel industry have added jobs at a 19 percent faster pace than employers in other sectors of the economy since the employment recovery began in the beginning of 2010 (U.S. Travel Association, October 2012).

Furthermore, the CVB has worked with professors at two universities in North Carolina (North Carolina State University (NCSU) and East Carolina University’s Center for Sustainable Tourism) to work on various initiatives. The CVB has educated and worked closely with an NCSU professor for NCSU to apply for grant funding for an innovative rural entrepreneurship program. The CVB consulted on the creation of the People-First Tourism program and Chatham County is one of three counties in North Carolina (Mountains, Piedmont, Coastal counties) to participate, a tourism endeavor with promise and the funding to support micro-tourism businesses. Active participation, the creation of new tours, development of micro-entrepreneurs in tourism, and an opportunity to showcase various parts of the county that are occasionally overlooked is a part of the strategic tourism campaign. Moreover, the DMO works to promote new events and create new initiatives to expand the tourism program, regardless of whether occupancy tax is generated (solely for the CVB’s budget) and/or sales tax for the county; day trip and overnight guests are welcome and marketed to by the DMO. A major event in June that will repeat annually through 2017 is the IRONMAN competition. It launches in Chatham County and of the three athletic activities, swimming (entirely in Chatham County) and cycling (partially takes place in Chatham County) will be reason for much visitor-related economic impact and media spotlight on region, which we continue to garner via national and regional media to date prior to the IRONMAN competition. The County has served as a popular site for sports events, including the multi-county American Tobacco Trail for the annual Boston Marathon qualifier, the Tobacco Road Marathon.

Visitor-related businesses in Chatham County vary in size, with an advantage to the rural charm of the area in that small, independently-owned businesses offer a distinctive product for the Convention & Visitors Bureau to promote, with a Heart of North Carolina Bed & Breakfast and Heart of North Carolina Wine Trails, shops, eateries, and more. Attractions range from a wildlife sanctuary for ‘big cats,’ including tigers, ocelots and binturongs, with guided tours as a unique offering to visitors. Agritourism is one of the

county's top-ranked tourism strengths, alongside the nature sites. Wineries, breweries, a distillery, two wine shops, six farmers' markets and numerous small farms offering tours enhance the visitor experience, plus provide local food and drink for the farm-to-fork trips that tourists seek from Chatham County restaurants. A rural and convenient getaway with excellent proximity for day trips and overnight escapes from neighboring urban counties make Chatham County a significant tourism destination. More information: <http://visitpittsboro.com/about-us>

### *Financial Information*

County management is responsible for establishing and maintaining an internal control structure that is designed to provide reasonable assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition, (2) the reliability of financial records for preparing financial statements in conformity with generally accepted accounting principles and maintaining accountability for assets, and (3) compliance with applicable laws and regulations related to federal and state financial assistance programs. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived; and the evaluation of costs and benefits requires estimates and judgments by management.

### *Long-term financial planning*

The County updates annually during the budget process its seven-year Capital Improvements Program (CIP). The CIP is a systematic way of anticipating, planning, and budgeting for major capital projects. The CIP includes all major projects costing \$25,000 or more. The CIP includes summaries of all major projects and detailed descriptions of each project, including justifications, cost detail, funding sources, and impact on the operating budget.

### *Major Initiatives*

## **OVERVIEW:**

The big story of FY15 occurred in October, 2014, when Chatham County learned that it had earned the highest bond rating possible, AAA, from Standard & Poor's. This achievement means major cost savings for facility projects requiring borrowing. The AAA rating was remarkable feat for a county in our population group. Only eight much larger counties in North Carolina have earned the AAA rating. The county also earned the second highest rating from Moody's. In June, the AAA rating was reaffirmed as part of Chatham County's refunding of \$22.8 million in previously issued debt, with an estimated savings of \$2.6 million.

The economy continued to show signs of recovery. Chatham Park, a 7,700-acre development, broke ground on its first facilities and began major infrastructure work. Permitting revenues also continued to increase due to the booming housing construction market in Chatham County.

Major progress was made with two major economic development sites. The Chatham-Siler City Advanced Manufacturing Site was rezoned heavy-industrial. The Moncure-Merry Oaks Industrial Site passed the Duke Energy Site Readiness Program and was positively evaluated by site selection consultants.

## **COUNTY FACILITIES:**

**Agriculture & Conference Center Underway:** One project that benefited directly from the AAA rating is the new Agriculture & Conference Center, which got underway in FY15. The 35,000-square-foot facility will be near the Central Carolina Community College in Pittsboro. It will be the first facility in the entire county to offer major meeting and expo space as well as office space for Cooperative Extension and several other related agencies. The county will incur income from private rental of the facility, slated to be completed in mid-2016.

**Joint School Bus-County Garage:** In February 2015, construction started for a new joint facility with the school system that will serve as a repair garage for school vehicles, including buses, and county vehicles. The facility replaces “one of the oldest and worst” school system garages in the state. This is the second major project that reflects a partnership with another entity in the county.

**Detention Center:** Chatham County opened its new Detention Center in May of 2015. The new facility was badly needed to address overcrowding and an array of safety and security issues. The jail has approximately 100 beds and features major improvements in safety and security.

**Solid Waste & Recycling Office:** Chatham County started building a new Solid Waste & Recycling Office and scales to replace a very crowded modular facility in need of costly repairs. The old facility placed a burden on customers and staff to go back and forth between the scale house and the office. The facility was funded by solid waste fund balance and was completed in the fall of 2015.

#### **MAJOR ACCOMPLISHMENTS:**

**Coal Ash Settlement:** Chatham County opposed Duke’s Energy’s disposal of coal ash in the county, but the state substantially limited any County regulation or refusal of the site. In the end, the county reached an agreement with Duke Energy to receive \$18 million (\$1.50 per ton of coal ash received by the Brickhaven site) as compensation for costs the county incurs in monitoring the safety of a new coal ash disposal site. The compensation will fund air and water quality monitoring. The agreement caps the amount of ash deposited at the site.

**CodeRED Enhancements:** The County’s CodeRed emergency notification system was enhanced to allow residents to sign up for alerts about weather-related advisories and warnings.

**Smoking Cessation Campaign:** The Public Health Department initiated major efforts to help people stop using all types of tobacco products and e-cigarettes, including public classes, support for county employees and specific efforts aimed at youth. Youth are becoming major users of e-cigarettes.

**Safety Awards:** For the second year in a row, Chatham County received 11 awards from the NC Department of Labor for outstanding safety practices.

**9-1-1 Accreditation:** The county’s 9-1-1 Communications Center successfully implemented a new emergency response program that resulted in international accreditation by the International Academies of Emergency Dispatch. The certification means that communicators are prepared to provide assistance to callers until first responders arrive.

**Community Health Assessment:** The Public Health Department worked with Chatham Hospital to complete the 2014 Community Health Assessment, the first time that it has been a joint effort.

**Health Alliance:** The Chatham Health Alliance was formed in March 2015 to work collaboratively toward solutions to Chatham County’s leading health issues.

**Healthy Homes:** The Public Health Department received a grant to implement a Community-Centered Healthy Homes project.

**Visitor Spending Increases:** A state-wide report released in August 2014 showed that “domestic visitors” spent \$30.77 million in Chatham County during 2012, up 4.4 percent from 2012. This had a positive impact on tax revenues, an estimated tax savings of \$34.85 per county resident.

**Jordan Lake Cleanups:** Chatham County partners with a non-profit group to conduct major removal of trash from the lake’s shoreline. In FY15, the 10,000<sup>th</sup> bag of trash was removed from the lake, a major milestone.

**VoIP Phones:** In January 2015, the MIS Department initiated the first phase of a voice-over-IP phone system for the county, which started with the new detention center and expanded to a few other departments. This project will continue until all departments are on this one unified county system.

**Website Monitoring:** MIS implemented new monitoring of the two main public websites to track such key factors as downtime, outages and response time.

**Food Licensing Certification:** All food licensing staff in the health department became Certified HACCP Food Safety Manager's in March 2015.

**Business by Email:** Central Permitting implemented an email system to send customers copies of receipts and pertinent permit information, which saves money on postage and office supplies. Environmental health implemented email billing for well water monitoring fees to help reduce postage cost to county and increase convenience to residents.

**Major Planning Revisions:** The Planning Department coordinated a review of the first conservation subdivisions approved by the county since the 2008 adoption of the conservation subdivision provisions in the subdivision regulations. They also drafted amendments to multiple regulations to more effectively address minor utilities and provide greater flexibility in their review and approval.

**Land Use Initiatives:** The planning staff supported two planning board subcommittees charged with providing feedback to the Board of Commissioners on interim zoning in unzoned areas of the county and on a comprehensive plan update.

**Bike Lanes:** The planning department successfully submitted and received NCDOT commitment to construct bike lanes in a congested area of northeast Chatham.

**Hard of Hearing Support:** The Council on Aging was chosen by the state to pilot a monthly Hearing Loss Support Group that is facilitated by volunteers who themselves have hearing loss.

**NCFAST:** Social services fully implemented the new NC FAST (Families Accessing Services through Technology) system for the Medicaid program, a state-wide case management system.

**Child Clinical Services:** Social services implemented the first phase of clinical services in the child welfare unit, including initial assessment and Trauma Focused Cognitive Behavioral Therapy.

**Library Outreach Services:** The library system partnered with area high school and vocational service providers to offer library programming to community members with developmental disabilities. They also introduced new outreach services to homebound individuals.

**Online Documents Access:** The Register of Deeds' Office has added access to a state service that allows people to get birth certificates from other counties for those born after 1971. The office also added an online system for people to file all real estate documents (except plats) electronically. Both enhancements are more convenient for customers and saves them time and fuel.

**Soil & Water Conservation:** Chatham County's District Soil & Water Conservation Office was one of only five in the state that received an EPA 319 grant. The office also implemented new conservation planning software.

#### *Awards and Acknowledgements*

**Council on Aging Awards:** The Council on Aging received the 2014 Small Business of the Year Award from the Chatham County Chamber of Commerce in October 2014. They also were selected to be one of 14 non-profits in the state to be enrolled in the inaugural class of the Blue Cross and Blue Shield of North Carolina Foundation's Non-profit Leadership Academy.

**EDC Award:** The Economic Development Corporation was selected as one of five finalists for the Triangle Community Foundation's Innovation Award grants and received some funding for their project.

**Budget & Finance Awards:** In FY15, Chatham County Manager's Office received the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award, the third time that the county received this award in the preceding five years.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Chatham County for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the twenty-sixth consecutive year that the County has received this award. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments – We appreciate the assistance and dedication of the members of the Finance Department throughout the preparation of this report. We would like to thank the entire County staff for the contributions they provided and the County's independent certified public accountants, Martin Starnes & Associates CPAs, P.A., for their assistance and guidance during the report's preparation. We would also like to thank the members of the Board of Commissioners for their continued support throughout the past year.

Respectfully submitted,



Charlie Horne  
County Manager



Vicki McConnell  
Finance Officer

*Chatham County, North Carolina  
Principal Officials  
June 30, 2015*

---

*Board of County Commissioners*

<i>James Crawford</i>	<i>Chairman</i>
<i>Mike Cross</i>	<i>Vice Chairman</i>
<i>Diana Hales</i>	<i>Commissioner</i>
<i>Karen Howard</i>	<i>Commissioner</i>
<i>Walter Petty</i>	<i>Commissioner</i>

*County Officials:*

<i>Charlie Horne</i>	<i>County Manager</i>
<i>Renee Paschal</i>	<i>Assistant County Manager</i>
<i>Vicki McConnell</i>	<i>Finance Officer</i>
<i>Richard Webster</i>	<i>Sheriff</i>
<i>Lunday Riggsbee</i>	<i>Register of Deeds</i>
<i>Jennie Kristiansen</i>	<i>Social Services Director</i>
<i>Layton Long</i>	<i>Health Director</i>
<i>Dawn Stumpf</i>	<i>Elections Director</i>
<i>Jason Sullivan</i>	<i>Planning Director</i>
<i>Jenny Williams</i>	<i>Central Permitting Director</i>
<i>Dan LaMontagne</i>	<i>Public Works Director</i>
<i>Kep Kepley</i>	<i>Tax Administrator</i>
<i>Janet Scott</i>	<i>Emergency Operations Director</i>
<i>Darlene Yudell</i>	<i>Information Services Director</i>
<i>Linda Clarke</i>	<i>Library Services Director</i>
<i>Tracy Burnett</i>	<i>Recreation Director</i>
<i>Neha Shah</i>	<i>Tourism Coordinator</i>
<i>Dennis Streets</i>	<i>Senior Services Director</i>
<i>Dianne Reid</i>	<i>Economic Development Director</i>
<i>Mike Sturdivant</i>	<i>District Conservationist</i>



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

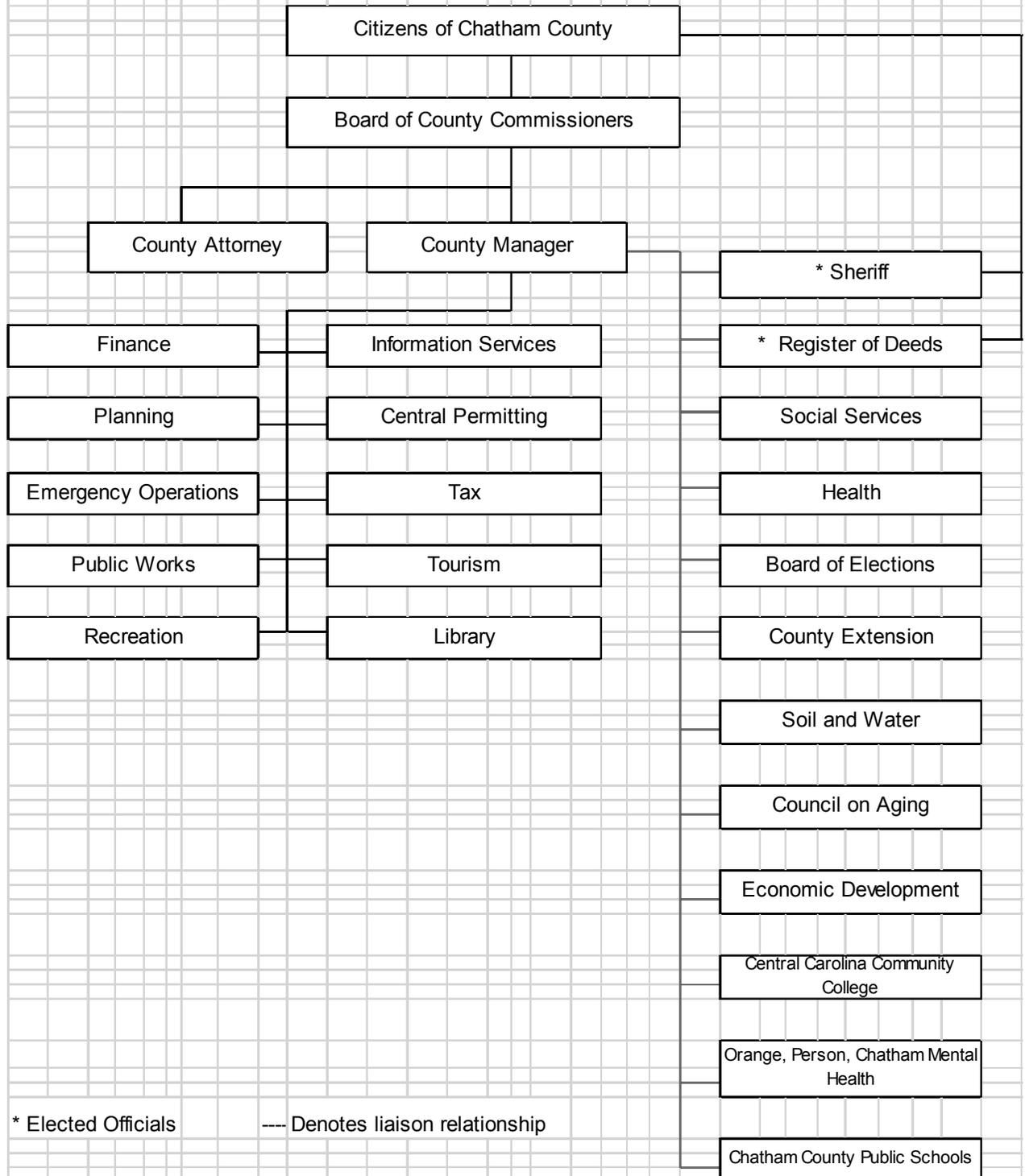
**County of Chatham  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

**Chatham County  
Organization Chart  
Fiscal Year Ended June 30, 2015**



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## **FINANCIAL SECTION**

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# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

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*"A Professional Association of Certified Public Accountants and Management Consultants"*

## **Independent Auditor's Report**

To the Board of Commissioners  
Chatham County  
Pittsboro, North Carolina

### **Report On the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Chatham County, North Carolina, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Chatham County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Chatham County ABC Board were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Chatham County, North Carolina, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Impact Fees Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance and the Other Post-Employment Benefits' Schedules of Funding Progress and Employer Contributions, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Asset and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chatham County's basic financial statements. The introductory information, combining and individual fund financial statements, budgetary schedules, other schedules, statistical section, as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures; including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic

financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory information and the statistical section have not been subjected to the auditing procedures applied in the audit of basic financial statements, and accordingly, we do not express an opinion or provide assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2015 on our consideration of Chatham County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chatham County's internal control over financial reporting and compliance.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, NC  
December 11, 2015

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## Management's Discussion and Analysis

As management of Chatham County, we offer readers of Chatham County's financial statements this narrative overview and analysis of the financial activities of Chatham County for the fiscal year ended June 30, 2015. We encourage readers to read the information presented here, in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

### Financial Highlights

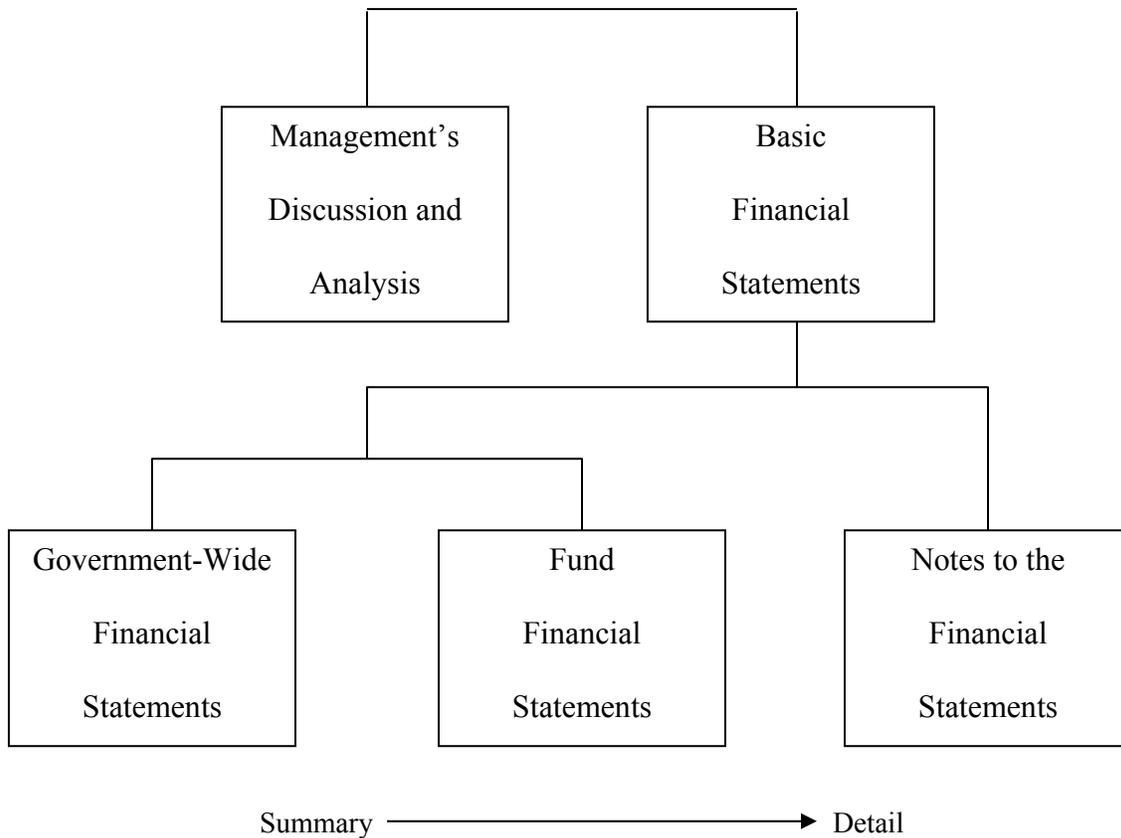
- The assets and deferred outflows of resources of Chatham County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$115,872,137 (*net position*).
- The government's total net position increased by \$16,224,717 primarily, due to ongoing construction of new facilities, including a detention center, an agriculture center, a garage facility and management's continued focus on monitoring spending and maximizing revenue collection.
- As of the close of the current fiscal year, Chatham County's governmental funds reported combined ending fund balances of \$92,258,773, after a net increase in fund balance of \$19,456,997. Approximately 24.82% of this total amount, or \$22,895,323, is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$25,120,834, or 29.82%, of total General Fund expenditures for the fiscal year.
- The County issued \$45,445,000 of limited obligation bonds during the fiscal year. A portion of these funds will be used to construct an agriculture center and a county/school garage. The remaining portion of the funds were used to refund Certificates of Participation issued in 2006 and to refinance an installment purchase that was used to finance the Margaret Pollard Middle School. Chatham County's total debt increased by \$13,815,481 (10.2%) during the current fiscal year.
- In October of 2014, the County's bond rating was upgraded by both Standard and Poor's and Moody's Investor Services. The County received an AAA rating from Standard and Poor's, becoming the smallest county in North Carolina to receive that rating. Moody's Investor Services increased the County's rating to an Aa1.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Chatham County's basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Chatham County.

## Required Components of Annual Financial Report

Figure 1



### Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-Wide Financial Statements**. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits 3 through 11) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the fund financial statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **Notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **Supplemental Information** is provided to show details about the County's nonmajor governmental funds and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the notes is the required supplemental information. This section contains funding information about the County's pension plans.

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net position and how it has changed. Net position is the difference between the total of the County's assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include most of the County's basic services such as public safety, human services, education, parks and recreation, and general administration. Property taxes, sales taxes, and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and waste management services offered by Chatham County. The final category is the component unit. The Chatham County ABC Board is legally separate from the County, however, the County is financially accountable for the Board by appointing its members. Also, the ABC Board is required to distribute its profits to the County.

The government-wide financial statements are on Exhibits A and B of this report.

### **Fund Financial Statements**

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Chatham County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Chatham County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Chatham County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these

current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the governmental funds' Statement of Revenues, Expenditures, and Changes in Fund Balance.

**Proprietary Funds** – Chatham County has two kinds of proprietary fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Chatham County uses enterprise funds to account for its water and sewer activity and for its waste management operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the functions of the County. The County uses an Internal Service Fund to account for one activity – its Self-Insurance Fund. Because this operation benefits predominantly governmental rather than business-type activities, the Internal Service Fund has been included within the governmental activities in the government-wide financial statements.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Chatham County has six fiduciary funds - a pension trust and five agency funds.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 28 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Chatham County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on pages 76-82 of this report.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$115,872,137 as of June 30, 2015. The County's net position increased by \$16,224,717 in the same period. One of the largest portions \$71,481,365 (61.69%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). Chatham County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Chatham County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Chatham County's net position \$6,321,345 (5.46%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$38,069,427 (32.85%) is unrestricted.

## Chatham County's Net Position

**Figure 2**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Assets:</b>						
Current and other assets	\$ 105,914,659	\$ 84,641,230	\$ 26,053,510	\$ 25,006,992	\$ 131,968,169	\$ 106,232,474
Capital assets	91,552,373	83,204,777	55,884,163	56,041,182	147,436,536	154,205,750
Total assets	197,467,032	167,846,007	81,937,673	81,048,174	279,404,705	260,438,224
<b>Deferred Outflows of Resources</b>	2,293,089	-	101,325	-	2,394,414	-
<b>Liabilities:</b>						
Long-term liabilities outstanding	134,500,562	119,333,467	18,506,386	19,774,260	153,006,948	121,949,106
Other liabilities	7,174,201	6,385,845	779,000	1,098,990	7,953,201	13,612,164
Total liabilities	141,674,763	125,719,312	19,285,386	20,873,250	160,960,149	135,561,270
<b>Deferred Inflows of Resources</b>	4,661,860	290,169	304,973	-	4,966,833	494,892
<b>Net Position:</b>						
Net investment in capital assets	33,807,327	34,854,762	37,674,038	36,561,427	71,481,365	54,043,475
Restricted	6,321,345	6,900,681	-	-	6,321,345	7,002,729
Unrestricted	13,294,826	81,083	24,774,601	23,613,497	38,069,427	63,335,858
Total net position	\$ 53,423,498	\$ 41,836,526	\$ 62,448,639	\$ 60,174,924	\$ 115,872,137	\$ 124,382,062

Several particular aspects of the County's financial operations positively influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 98.63%, higher than the state-wide average of 97.05%.
- Continued accumulation of funds in the Capital Improvement Reserve Fund. The County Commissioners continued to set aside an equivalent of 5.6 cents on the tax rate to fund capital projects, including a new library completed in 2012, a new judicial facility completed in 2013, a new detention facility completed in 2015, and new construction of an agriculture center, and a joint county/school garage beginning in 2015.
- Continued low cost of debt due to the County's high bond rating.
- Management's proactive stance on monitoring spending across County departments to ensure compliance with the budget.

## Chatham County Changes in Net Position

**Figure 3**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 6,586,955	\$ 6,989,966	\$ 10,933,553	\$ 10,224,217	\$ 17,520,508	\$ 17,214,183
Operating grants and contributions	10,419,601	10,276,378	183,355	152,271	10,602,956	10,428,649
Capital grants and contributions	-	-	-	4,800	-	4,800
General revenues:						
Property taxes	66,026,045	65,632,697	-	-	66,026,045	65,632,697
Sales taxes	10,130,996	9,193,703	-	-	10,130,996	9,193,703
Other taxes and licenses	993,101	645,523	-	-	993,101	645,523
Grants and contributions not restricted	2,538,745	2,399,117	-	-	2,538,745	2,399,117
Unrestricted investment earnings	351,729	286,999	106,554	91,466	458,283	378,465
Other	2,055,854	407,173	-	20,000	2,055,854	427,173
Total revenues	99,103,026	95,831,556	11,223,462	10,492,754	110,326,488	106,324,310
<b>Expenses:</b>						
General government	12,366,637	11,802,932	-	-	12,366,637	11,802,932
Public safety	21,020,275	21,029,450	-	-	21,020,275	21,029,450
Economic and physical development	1,850,614	2,803,531	-	-	1,850,614	2,803,531
Human services	14,699,063	15,071,151	-	-	14,699,063	15,071,151
Cultural and recreational	1,755,623	1,804,748	-	-	1,755,623	1,804,748
Education	29,069,935	71,104,550	-	-	29,069,935	71,104,550
Interest on long-term debt	5,104,152	5,167,547	-	-	5,104,152	5,167,547
Utility	-	-	5,353,260	5,209,241	5,353,260	5,209,241
Southeast water district	-	-	637,255	743,520	637,255	743,520
Solid waste management	-	-	2,796,993	2,991,862	2,796,993	2,991,862
Total expenses	85,866,299	128,783,909	8,787,508	8,944,623	94,653,807	137,728,532
Change in net position before transfers	13,236,727	(32,952,353)	2,435,954	1,548,131	15,672,681	(31,404,222)
Transfers	-	242,305	-	(242,305)	-	-
Special item	552,036	250,000	-	-	552,036	250,000
Change in net position	13,788,763	(32,460,048)	2,435,954	1,305,826	16,224,717	(31,154,222)
<b>Net Position:</b>						
Beginning of year - July 1	41,836,526	74,296,574	60,174,924	58,869,098	102,011,450	133,165,672
Restatement	(2,201,791)	-	(162,239)	-	(2,364,030)	-
Beginning of year - July 1, as restated	39,634,735	74,296,574	60,012,685	58,869,098	99,647,420	133,165,672
End of year - June 30	\$ 53,423,498	\$ 41,836,526	\$ 62,448,639	\$ 60,174,924	\$ 115,872,137	\$ 102,011,450

**Governmental Activities.** Governmental activities increased the County's net position by \$13,788,763, thereby accounting for 84.9% of the total growth in the net position of Chatham County. Key elements of this increase are as follows:

- Continued growth in the County's economy as reflected in an increase in sales tax revenue and impact fees collected on new construction.
- Sale of business park property.
- Maintenance of the County's high tax collection rate.

**Business-Type Activities.** Business-type activities increased Chatham County's net position by \$2,435,954, accounting for 15.1% of the total growth in the government's net position. Key elements of this increase are as follows:

- Continued growth in the County's local economy as reflected in an increase in number of new connections for water services including an increase in the collection of availability fees for those new connections.

### **Financial Analysis of the County's Funds**

As noted earlier, Chatham County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of Chatham County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Chatham County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Chatham County. At the end of the current fiscal year, Chatham County's fund balance available in the General Fund was \$31,052,702, while total fund balance reached \$35,795,857. The governing body of Chatham County has determined that the County should maintain an available fund balance of 20% of General Fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an available fund balance of 34.36% of General Fund expenditures and transfers out, while total fund balance represents 39.61% of that same amount.

At June 30, 2015, the governmental funds of Chatham County reported a combined fund balance of \$92,258,773, a 26.73% increase over last year. The primary reason for this increase is debt proceeds received from the issuance of Limited Obligation Bonds for the construction of new facilities and the refunding of prior issues.

**General Fund Budgetary Highlights.** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased all revenues by \$342,364 and expenditures by \$2,892,771.

**Proprietary Funds.** Chatham County's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. At the end of the fiscal year, unrestricted net position of the Utility Fund amounted to \$20,547,771, for the Southeast Water District \$113,942 and the Waste Management Fund \$4,112,888. The total growth in net position for all proprietary funds was \$2,435,954.

## Capital Asset and Debt Administration

**Capital Assets.** Chatham County's capital assets for its governmental and business-type activities as of June 30, 2015, totals \$147,436,536 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, vehicles, and infrastructure for utility and solid waste management services.

Major capital asset transactions during the year include:

- Sold unused business park land.
- Completion of the judicial project and the library project.
- Addition of construction in progress on the agriculture center, garage, and waste management facility.
- Addition of land acquired from school.

### Chatham County's Capital Assets (net of depreciation)

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Non-Depreciable Assets:</b>						
Land	\$ 12,739,764	\$ 11,877,028	\$ 980,258	\$ 951,812	\$ 13,720,022	\$ 12,828,840
Construction in progress	32,079,178	52,750,807	9,538,661	12,853,443	41,617,839	65,604,250
<b>Depreciable Assets:</b>						
Buildings	43,863,671	16,489,602	727,459	1,058,436	44,591,130	17,548,038
Equipment and vehicles	2,869,760	2,087,340	1,076,404	985,949	3,946,164	3,073,289
Infrastructure:						
Water lines	-	-	43,561,381	40,191,542	43,561,381	40,191,542
Total assets	<u>\$91,552,373</u>	<u>\$83,204,777</u>	<u>\$55,884,163</u>	<u>\$56,041,182</u>	<u>\$ 147,436,536</u>	<u>\$ 139,245,959</u>

Additional information on the County's capital assets can be found in Note 2 of the basic financial statements.

**Long-Term Debt.** As of June 30, 2015, Chatham County had total bonded debt outstanding of \$4,290,000, all of which is debt backed by the full faith and credit of the County.

### Chatham County's Outstanding Debt

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 1,250,000	\$ 2,925,000	\$ 3,040,000	\$ 3,082,000	\$ 4,290,000	\$ 6,007,000
Other long-term obligations	133,250,562	112,762,583	15,466,386	16,397,755	148,716,948	129,160,338
Total	<u>\$ 134,500,562</u>	<u>\$ 115,687,583</u>	<u>\$18,506,386</u>	<u>\$19,479,755</u>	<u>\$ 153,006,948</u>	<u>\$ 135,167,338</u>

Chatham County's total debt increased by \$13,815,481 (10.23%) during the past fiscal year due to limited obligation bonds issued for the construction of a new agriculture center and a county/school garage.

As mentioned in the financial highlights section of this document, Chatham County improved its Aa2 bond rating from Moody's Investor Service to Aa1 and its AA+ rating from Standard and Poor's Corporation to AAA. This bond rating is a clear indication of the sound financial condition of Chatham County. This achievement is a primary factor in keeping interest costs low on the County's outstanding debt.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Chatham County is \$622,686,749.

Additional information regarding Chatham County's long-term debt can be found in Note 2 of this audited financial report.

### **Economic Factors and Next Year's Budgets and Rates**

- In October 2014, Chatham County was upgraded to an AAA rating from Standard and Poor's, becoming the smallest county in North Carolina to receive the highest bond rating. Only eight other counties in North Carolina and 89 across the US have AAA ratings from Standard and Poor's. The County also received an upgrade from Moody's to a rating of Aa1.
- As of 2013, the latest data available, Chatham County has the highest per capita income in the state, 38% higher than the state average.
- Chatham County's seasonally unadjusted unemployment rate (5.1% in August 2015) continues to trend well below the state (6.1%) and is slightly higher than the nation (4.9%). The August 2015 rate is the same as the August 2014 rate. The County's August 2015 rate ranked fifth lowest among other counties in the state.
- The County's property tax rate remained the same from FY (fiscal year) 2015 to 2016: 62.19 cents/\$100 valuation of property. Overall, property taxes are expected to grow 3%. Values for each part of the base is expected to increase/decrease as follows:
  - Real property, 3% increase, mostly due to increased residential development;
  - Public utility values, 7.2% decrease because of the closing of a coal-fueled plant by Duke Energy;
  - Motor vehicles, 8.7% increase due to increased vehicle purchases in the County and state-wide collection of vehicle taxes; and
  - Personal property, 11.1% decrease due to depreciation of business equipment and the loss of tax base from a major taxpayer appeal.
  - Data for FY 2016 is not available, but in FY 2015, the sixth year of its revaluation cycle, Chatham County ranked 16<sup>th</sup> out of 100 counties in property valuation per capita at \$137,617 (which is 31% higher than the state average). Like many counties in the state and nation, Chatham County's sales assessment ratio is slightly above 100%, but has been dropping each year. Commissioners have opted to delay implementation of the next revaluation until FY 2018.

- Sales tax distributed based on where collected grew by 10%, the same as state-wide growth. The County is projecting that sales tax revenues were conservatively estimated at 3% higher in FY 2016.
- Building permit revenue increased 18% between FY 2014 and FY 2015; overall the number of residential permits increased 7%. Register of Deeds stamps, which are paid when properties are sold within the County, were up 11% over FY 14. Both of these revenue sources were conservatively budgeted in FY 2016 at 3% less than FY 2015 projected levels.
- The Economic Development Corporation reports that in the past year 138 jobs were created and \$41.13 million was invested by businesses.

### **Budget Highlights for the Fiscal Year Ending June 30, 2016**

**Governmental Activities.** Chatham's FY 2016 budget was developed to give substance to the goals adopted by the Board of Commissioners during its annual planning session in January 2015. The overarching vision is: "Chatham County is a thriving community with healthy people, a safe environment, and prosperity for all." The vision is supported by the Board's long-term goals:

- Demonstrate sound fiscal stewardship and economic support to ensure we can meet the important service needs of our residents.
- Ensure effective, efficient government that is responsive to the needs and input of all residents.
- Be proactive in protecting natural resources and promoting responsible growth and land use, while recognizing the differing needs and factors across the County.
- Support Pre-K through 12 and the community college in providing a quality education for all students.

In order to further these goals and capitalize on extraordinary opportunities, the budget:

- Continued strong support of Chatham County Schools by allocating an additional \$1.4 million in current expense and \$502,252 in capital outlay. The increased funding will allow the district to add a middle school language program and increase the local salary supplement for teachers and other district employees.
- Allocated \$325,000 to develop a comprehensive land use plan. According to census data, Chatham was the second fastest growing County in the state in FY 2014 (growing by 1,932 residents). This plan will provide a roadmap for decision making across County government. The budget also increased staffing (at a cost of \$82,293) in the planning department to oversee development of the comprehensive plan and prepare for the possibility of zoning.
- Added staff in sedimentation and erosion control (at a cost of \$86,319) to ensure continued excellence in the County's local program, which won the state's 2014 Top Small Program Award, and address the Board's goal: "Ensure the County has effective protections of water resources."
- Allocated \$144,965 for operating costs to open the new Chatham County Agriculture & Conference Center, scheduled to open sometime in mid-2016. The appropriation included a new position to market the facility to outside groups and coordinate events. Together, these new resources help advance the Board's goal: "Support the marketing of the new Agriculture & Conference Center and advocate for lodging to accommodate overnight visitors."

- 
- Allocated \$1.6 million to improve facilities and technology infrastructure, including funding the transfer to the capital reserve needed for the approved capital improvements program.
- Added staff in the Sheriff's Office and placed funds in contingency for additional positions in 911 communications, animal services, and cooperative extension, if circumstances warrant creation of these positions.

### **Requests for Information**

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Vicki McConnell, Finance Officer, Chatham County, Post Office Box 608, Pittsboro, North Carolina 27312. You can also call (919)-542-8210, or visit our website [www.chathamnc.org](http://www.chathamnc.org) for more information.

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## **BASIC FINANCIAL STATEMENTS**

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## CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2015

	Primary Government			Chatham
	Governmental Activities	Business-Type Activities	Total	County Board of Alcoholic Beverage Control
<b>Assets:</b>				
Current:				
Cash, cash equivalents and investments	\$ 79,458,808	\$ 24,399,298	\$ 103,858,106	\$ 873,955
Cash - restricted	17,692,658	348,122	18,040,780	-
Property taxes receivable, net	1,697,509	-	1,697,509	-
Accounts receivable, net	273,572	1,069,985	1,343,557	-
Due from other governments	4,706,463	69,666	4,776,129	-
Other receivables	62,781	41,309	104,090	-
Inventories	-	-	-	319,659
Prepaid items	-	-	-	23,592
Total current assets	<u>103,891,791</u>	<u>25,928,380</u>	<u>129,820,171</u>	<u>1,217,206</u>
Net pension asset	2,022,868	125,130	2,147,998	9,377
Capital assets:				
Land, improvements and construction in progress	44,818,942	10,518,919	55,337,861	-
Other capital assets, net of depreciation	46,733,431	45,365,244	92,098,675	199,603
Total capital assets	<u>91,552,373</u>	<u>55,884,163</u>	<u>147,436,536</u>	<u>199,603</u>
Total assets	<u>197,467,032</u>	<u>81,937,673</u>	<u>279,404,705</u>	<u>1,426,186</u>
<b>Deferred Outflows of Resources:</b>				
Contributions to the pension plan in the current fiscal year	1,377,771	93,522	1,471,293	9,569
Charge on refunding	799,146	-	799,146	-
Pension deferrals	116,172	7,803	123,975	5,274
Total deferred outflows of resources	<u>2,293,089</u>	<u>101,325</u>	<u>2,394,414</u>	<u>14,843</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable and accrued liabilities	6,055,521	430,878	6,486,399	261,313
Liabilities to be paid from restricted assets	1,118,680	348,122	1,466,802	-
Long-term liabilities:				
Due within one year	8,299,294	1,310,478	9,609,772	-
Due in more than one year	126,201,268	17,195,908	143,397,176	-
Total long-term liabilities	<u>134,500,562</u>	<u>18,506,386</u>	<u>153,006,948</u>	<u>-</u>
Total liabilities	<u>141,674,763</u>	<u>19,285,386</u>	<u>160,960,149</u>	<u>261,313</u>
<b>Deferred Inflows of Resources:</b>				
Pension deferrals	4,477,978	304,973	4,782,951	22,854
Unearned revenues - prepaid taxes	183,882	-	183,882	-
Total deferred inflows of resources	<u>4,661,860</u>	<u>304,973</u>	<u>4,966,833</u>	<u>22,854</u>
<b>Net Position:</b>				
Net investment in capital assets	33,807,327	37,674,038	71,481,365	199,603
Restricted for:				
Stabilization by State Statute	4,993,545	-	4,993,545	-
Register of Deeds	320,759	-	320,759	-
Courthouse Clock	66,265	-	66,265	-
Emergency Telephone	575,483	-	575,483	-
Economic Development	19,741	-	19,741	-
Fire Protection	232,138	-	232,138	-
Law Enforcement	113,414	-	113,414	-
Capital improvements	-	-	-	368,674
Working capital	-	-	-	86,711
Unrestricted	<u>13,294,826</u>	<u>24,774,601</u>	<u>38,069,427</u>	<u>501,874</u>
Total net position	<u>\$ 53,423,498</u>	<u>\$ 62,448,639</u>	<u>\$ 115,872,137</u>	<u>\$ 1,156,862</u>

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

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

Functions / Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Primary Government:</b>			
<b>Governmental Activities:</b>			
General government	\$ 12,366,637	\$ 1,075,186	\$ 694,923
Public safety	21,020,275	1,179,357	1,351,988
Economic and physical development	1,850,614	247,520	748,634
Human services	14,699,063	780,664	7,420,434
Cultural and recreational	1,755,623	450,328	203,622
Education	29,069,935	2,853,900	-
Interest on long-term debt	5,104,152	-	-
Total governmental activities	<u>85,866,299</u>	<u>6,586,955</u>	<u>10,419,601</u>
<b>Business-Type Activities:</b>			
Utility	5,353,260	7,346,592	7,420
Southeast Water District	637,255	601,417	-
Solid waste management	2,796,993	2,985,544	175,935
Total business-type activities	<u>8,787,508</u>	<u>10,933,553</u>	<u>183,355</u>
Total primary government	<u>\$ 94,653,807</u>	<u>\$ 17,520,508</u>	<u>\$ 10,602,956</u>
<b>Component Unit:</b>			
Chatham County Board of Alcoholic Beverage Control	\$ 2,832,580	\$ 2,920,789	\$ -

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

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

Functions / Programs	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Chatham
	Governmental Activities	Business Type Activities	Total	County Board of Alcoholic Beverage Control
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ (10,596,528)	\$ -	\$ (10,596,528)	
Public safety	(18,488,930)	-	(18,488,930)	
Economic and physical development	(854,460)	-	(854,460)	
Human services	(6,497,965)	-	(6,497,965)	
Cultural and recreational	(1,101,673)	-	(1,101,673)	
Education	(26,216,035)	-	(26,216,035)	
Interest on long-term debt	(5,104,152)	-	(5,104,152)	
Total governmental activities	<u>(68,859,743)</u>	<u>-</u>	<u>(68,859,743)</u>	
<b>Business-Type Activities:</b>				
Utility	-	2,000,752	2,000,752	
Southeast Water District	-	(35,838)	(35,838)	
Solid waste management	-	364,486	364,486	
Total business-type activities	<u>-</u>	<u>2,329,400</u>	<u>2,329,400</u>	
Total primary government	<u>(68,859,743)</u>	<u>2,329,400</u>	<u>(66,530,343)</u>	
<b>Component Unit:</b>				
Chatham County Board of Alcoholic Beverage Control				\$ <u>88,209</u>
<b>General Revenues:</b>				
Taxes:				
Property taxes, levied for general purposes	66,026,045	-	66,026,045	-
Local option sales tax	10,130,996	-	10,130,996	-
Other taxes and licenses	993,101	-	993,101	-
Grants and contributions not restricted	2,538,745	-	2,538,745	-
Unrestricted investment earnings	351,729	106,554	458,283	185
Miscellaneous	2,055,854	-	2,055,854	-
Total general revenues excluding special items	<u>82,096,470</u>	<u>106,554</u>	<u>82,203,024</u>	<u>185</u>
Special item - Sales of Property	552,036	-	552,036	-
Total general revenues and special items	<u>82,648,506</u>	<u>106,554</u>	<u>82,755,060</u>	<u>185</u>
Change in net position	<u>13,788,763</u>	<u>2,435,954</u>	<u>16,224,717</u>	<u>88,394</u>
<b>Net Position:</b>				
Beginning of year - July 1	41,836,526	60,174,924	102,011,450	1,074,761
Restatement	(2,201,791)	(162,239)	(2,364,030)	(6,293)
Beginning of year - July 1, as restated	<u>39,634,735</u>	<u>60,012,685</u>	<u>99,647,420</u>	<u>1,068,468</u>
End of year - June 30	<u>\$ 53,423,498</u>	<u>\$ 62,448,639</u>	<u>\$ 115,872,137</u>	<u>\$ 1,156,862</u>

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

## CHATHAM COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2015

	Major Funds						Total Nonmajor Funds	Total Governmental Funds
	General	Impact Fees	Capital Improvements Project Reserve	Facilities Improvements	School Construction Fund			
<b>Assets:</b>								
Cash, cash equivalents, and investments	\$ 34,325,453	\$ 4,244,824	\$ 26,963,824	\$ 4,379,442	\$ 1,507,056	\$ 4,179,583	\$ 75,600,182	
Cash - restricted	1,118,680	-	-	10,249,482	6,324,496	-	17,692,658	
Property taxes receivable, net	1,539,475	-	-	-	-	158,034	1,697,509	
Due from other governments	4,488,780	-	-	117,447	16,431	83,805	4,706,463	
Other receivables	258,505	6,480	22,553	61	-	3,613	291,212	
Total assets	<u>\$ 41,730,893</u>	<u>\$ 4,251,304</u>	<u>\$ 26,986,377</u>	<u>\$ 14,746,432</u>	<u>\$ 7,847,983</u>	<u>\$ 4,425,035</u>	<u>\$ 99,988,024</u>	
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>								
<b>Liabilities:</b>								
Accounts payable and accrued liabilities	\$ 3,094,302	\$ -	\$ -	\$ 1,170,117	\$ 385,046	\$ 75,585	\$ 4,725,050	
Liabilities to be paid from restricted assets	1,118,680	-	-	-	-	-	1,118,680	
Total liabilities	<u>4,212,982</u>	<u>-</u>	<u>-</u>	<u>1,170,117</u>	<u>385,046</u>	<u>75,585</u>	<u>5,843,730</u>	
<b>Deferred Inflows of Resources:</b>								
Prepaid taxes	178,449	-	-	-	-	5,433	183,882	
Property taxes receivable	1,539,475	-	-	-	-	158,034	1,697,509	
Health clinic receivable	4,130	-	-	-	-	-	4,130	
Total deferred inflows of resources	<u>1,722,054</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>163,467</u>	<u>1,885,521</u>	
<b>Fund Balances:</b>								
Restricted:								
Stabilization by State Statute	4,743,155	6,480	22,553	117,508	16,431	87,418	4,993,545	
Register of Deeds	320,759	-	-	-	-	-	320,759	
Courthouse Clock	-	-	-	-	-	66,265	66,265	
Future Capital Projects	-	-	-	10,249,482	6,324,496	-	16,573,978	
Emergency Telephone	-	-	-	-	-	575,483	575,483	
Economic and Physical Development	-	-	-	-	-	19,741	19,741	
Fire Protection	-	-	-	-	-	232,138	232,138	
Law Enforcement	-	-	-	-	-	113,414	113,414	
Committed for capital projects	-	-	26,963,824	3,209,325	1,122,010	140,184	31,435,343	
Assigned:								
Subsequent year's expenditures	5,611,109	1,410,554	-	-	-	410,650	7,432,313	
General Government	-	-	-	-	-	2,278,120	2,278,120	
Education	-	2,834,270	-	-	-	-	2,834,270	
Cultural and Recreation	-	-	-	-	-	265,821	265,821	
Unassigned	<u>25,120,834</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,251)</u>	<u>25,117,583</u>	
Total fund balances	<u>35,795,857</u>	<u>4,251,304</u>	<u>26,986,377</u>	<u>13,576,315</u>	<u>7,462,937</u>	<u>4,185,983</u>	<u>92,258,773</u>	
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 41,730,893</u>	<u>\$ 4,251,304</u>	<u>\$ 26,986,377</u>	<u>\$ 14,746,432</u>	<u>\$ 7,847,983</u>	<u>\$ 4,425,035</u>	<u>\$ 99,988,024</u>	

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

Total fund balance - Governmental Funds	\$ 92,258,773
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	91,552,373
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 Position.	3,415,866
Net pension asset	2,022,868
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	1,377,771
Charge on refunding	799,146
Deferred inflows of resources for taxes and other receivables	1,701,639
Pension related deferrals	(4,361,806)
Compensated absences not expected to be materially liquidated with expendable available resources.	(1,524,838)
Other post-employment benefits that are not due and payable in the current period	(2,152,852)
Long-term liabilities, including bonds payable, accrued interest payable, and installment purchases, are not due and payable in the current period and, therefore, are not reported in the funds.	(131,665,442)
Net position of governmental activities	<u>\$ 53,423,498</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, 2015

	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	\$ 58,751,667	\$ -	\$ -	\$ -	\$ -	\$ 7,324,097	\$ 66,075,764
Local option sales tax	10,130,996	-	-	-	-	-	10,130,996
Other taxes	993,101	-	-	-	-	-	993,101
Unrestricted intergovernmental	2,538,745	-	-	-	-	-	2,538,745
Restricted intergovernmental	8,255,121	-	597,750	-	-	594,238	9,447,109
Permits and fees	1,696,158	2,853,900	-	-	-	371,250	4,921,308
Sales and services	2,517,720	-	-	-	-	-	2,517,720
Investment earnings	175,179	28,564	105,524	1,766	842	18,660	330,535
Other general revenues	1,894,619	-	-	-	-	332,141	2,226,760
Total revenues	<u>86,953,306</u>	<u>2,882,464</u>	<u>703,274</u>	<u>1,766</u>	<u>842</u>	<u>8,640,386</u>	<u>99,182,038</u>
<b>Expenditures:</b>							
Current:							
General government	8,015,127	-	-	2,884,344	-	297,200	11,196,671
Public safety	15,290,320	-	-	3,317,058	-	7,932,288	26,539,666
Economic and physical development	2,098,121	-	-	-	-	25,420	2,123,541
Human services	16,942,287	-	-	-	-	-	16,942,287
Cultural and recreational	1,893,923	-	-	-	-	320,800	2,214,723
Intergovernmental:							
Education	28,927,869	-	-	-	2,334,900	-	31,262,769
Debt service:							
Principal retirement	6,032,104	-	-	-	-	-	6,032,104
Interest and fees	5,047,258	-	-	-	-	-	5,047,258
Total expenditures	<u>84,247,009</u>	<u>-</u>	<u>-</u>	<u>6,201,402</u>	<u>2,334,900</u>	<u>8,575,708</u>	<u>101,359,019</u>
Revenues over (under) expenditures	<u>2,706,297</u>	<u>2,882,464</u>	<u>703,274</u>	<u>(6,199,636)</u>	<u>(2,334,058)</u>	<u>64,678</u>	<u>(2,176,981)</u>
<b>Other Financing Sources (Uses):</b>							
Transfers from other funds	8,620,450	-	6,244,740	82,300	-	349,305	15,296,795
Transfers (to) other funds	(6,128,065)	(3,379,082)	(5,102,544)	(198,975)	-	(488,129)	(15,296,795)
Total transfers from (to) other funds	<u>2,492,385</u>	<u>(3,379,082)</u>	<u>1,142,196</u>	<u>(116,675)</u>	<u>-</u>	<u>(138,824)</u>	<u>-</u>
Debt proceeds:							
Premium on limited obligation bonds issued	4,232,945	-	-	1,447,733	868,306	-	6,548,984
Limited obligation bonds issued	26,270,000	-	-	12,000,000	7,175,000	-	45,445,000
Total bonds issued	<u>30,502,945</u>	<u>-</u>	<u>-</u>	<u>13,447,733</u>	<u>8,043,306</u>	<u>-</u>	<u>51,993,984</u>
Payment to refunding bond agent	(30,360,006)	-	-	-	-	-	(30,360,006)
Total other financing sources (uses)	<u>2,635,324</u>	<u>(3,379,082)</u>	<u>1,142,196</u>	<u>13,331,058</u>	<u>8,043,306</u>	<u>(138,824)</u>	<u>21,633,978</u>
Net change in fund balances	5,341,621	(496,618)	1,845,470	7,131,422	5,709,248	(74,146)	19,456,997
<b>Fund Balances:</b>							
Beginning of year - July 1	<u>30,454,236</u>	<u>4,747,922</u>	<u>25,140,907</u>	<u>6,444,893</u>	<u>1,753,689</u>	<u>4,260,129</u>	<u>72,801,776</u>
End of year - June 30	<u>\$ 35,795,857</u>	<u>\$ 4,251,304</u>	<u>\$ 26,986,377</u>	<u>\$ 13,576,315</u>	<u>\$ 7,462,937</u>	<u>\$ 4,185,983</u>	<u>\$ 92,258,773</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, 2015**

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

Net changes in fund balances - total governmental funds \$ 19,456,997

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	9,237,064
Current year's depreciation	(1,641,553)

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

Amount of donated	1,360,495
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Cost of capital asset disposed of during the year, not recognized on modified accrual basis	(608,410)
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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 position. 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.

Principal payment and amortization on long-term debt	36,908,873
Increase in accrued interest payable	(1,034)
Debt proceeds and premium	(51,993,984)
Deferred charge on refunding	799,146

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.

Accrued vacation	52,096
OPEB	(123,722)
Contributions to pension plan in the current fiscal year	1,377,771
Expenses for the pension plan in the current fiscal year	(137,147)
Law enforcement pension	(10,358)
Total	1,158,640

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental fund statements.	(56,592)
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Net revenue of the Self-Insurance Internal Service Fund determined to be governmental-type.	(830,879)
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Total change in net position of governmental activities	\$ 13,788,763
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*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, 2015

	General Fund			Variance With Final Budget Over/Under
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Ad valorem taxes	\$ 57,562,000	\$ 57,562,000	\$ 58,751,667	\$ 1,189,667
Local option sales tax	9,210,000	9,210,000	10,130,996	920,996
Other taxes	760,000	760,000	993,101	233,101
Unrestricted intergovernmental	1,542,869	1,542,869	2,538,745	995,876
Restricted intergovernmental	7,719,183	8,031,976	8,255,121	223,145
Permits and fees	1,508,300	1,508,300	1,696,158	187,858
Sales and services	2,275,394	2,275,394	2,517,720	242,326
Investment earnings	141,200	141,200	175,179	33,979
Other general revenues	611,856	641,427	1,894,619	1,253,192
Total revenues	<u>81,330,802</u>	<u>81,673,166</u>	<u>86,953,306</u>	<u>5,280,140</u>
<b>Expenditures:</b>				
Current:				
General government	8,904,314	8,902,003	8,015,127	886,876
Public safety	16,088,923	16,217,408	15,290,320	927,088
Economic and physical development	2,671,463	2,732,603	2,098,121	634,482
Human services	17,720,662	18,089,177	16,942,287	1,146,890
Cultural and recreational	2,024,553	2,125,371	1,893,923	231,448
Intergovernmental:				
Education	29,856,909	30,011,909	28,927,869	1,084,040
Debt service:				
Principal retirement	6,107,326	7,242,328	6,032,104	1,210,224
Interest and fees	4,531,254	5,477,376	5,047,258	430,118
Total expenditures	<u>87,905,404</u>	<u>90,798,175</u>	<u>84,247,009</u>	<u>6,551,166</u>
Revenues over (under) expenditures	<u>(6,574,602)</u>	<u>(9,125,009)</u>	<u>2,706,297</u>	<u>11,831,306</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	9,743,962	11,655,278	8,620,450	(3,034,828)
Transfers to other funds	(6,005,563)	(6,128,065)	(6,128,065)	-
Total transfers	<u>3,738,399</u>	<u>5,527,213</u>	<u>2,492,385</u>	<u>(3,034,828)</u>
Refunding bonds:				
Refunding bonds issued	-	26,158,353	26,270,000	111,647
Premium on refunding bonds	-	4,344,592	4,232,945	(111,647)
Payment to refunding agent	-	(30,360,006)	(30,360,006)	-
Total refunding bonds	<u>-</u>	<u>142,939</u>	<u>142,939</u>	<u>-</u>
Total other financing sources (uses)	<u>3,738,399</u>	<u>5,670,152</u>	<u>2,635,324</u>	<u>(3,034,828)</u>
Appropriated fund balance	<u>2,836,203</u>	<u>3,454,857</u>	<u>-</u>	<u>(3,454,857)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>5,341,621</u>	<u>\$ 5,341,621</u>
<b>Fund Balances:</b>				
Beginning of year - July 1			<u>30,454,236</u>	
End of year - June 30			<u>\$ 35,795,857</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 - BUDGET AND ACTUAL - GENERAL FUND AND  
ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	<b>Impact Fees Fund</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over/Under</b>
<b>Revenues:</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Local option sales tax	-	-	-	-
Other taxes	-	-	-	-
Unrestricted intergovernmental	-	-	-	-
Restricted intergovernmental	-	-	-	-
Permits and fees	1,250,000	2,067,900	2,853,900	786,000
Sales and services	-	-	-	-
Investment earnings	12,000	20,000	28,564	8,564
Other general revenues	-	-	-	-
Total revenues	<u>1,262,000</u>	<u>2,087,900</u>	<u>2,882,464</u>	<u>794,564</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Economic and physical development	-	-	-	-
Human services	-	-	-	-
Cultural and recreational	-	-	-	-
Intergovernmental:				
Education	1,000,000	1,000,000	-	1,000,000
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Revenues over (under) expenditures	<u>262,000</u>	<u>1,087,900</u>	<u>2,882,464</u>	<u>1,794,564</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	-	-	-	-
Transfers to other funds	(3,433,841)	(3,379,082)	(3,379,082)	-
Total transfers	<u>(3,433,841)</u>	<u>(3,379,082)</u>	<u>(3,379,082)</u>	<u>-</u>
Refunding bonds:				
Refunding bonds issued	-	-	-	-
Premium on refunding bonds	-	-	-	-
Payment to refunding agent	-	-	-	-
Total refunding bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,433,841)</u>	<u>(3,379,082)</u>	<u>(3,379,082)</u>	<u>-</u>
Appropriated fund balance	<u>3,171,841</u>	<u>2,291,182</u>	<u>-</u>	<u>(2,291,182)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(496,618)</u>	<u>\$ (496,618)</u>
<b>Fund Balances:</b>				
Beginning of year - July 1			<u>4,747,922</u>	
End of year - June 30			<u>\$ 4,251,304</u>	

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

## CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2015

	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	\$ 20,092,001	\$ 72,755	\$ 4,234,542	\$ 24,399,298	\$ 3,858,626
Cash - restricted	316,987	28,635	2,500	348,122	-
Receivables, net	881,858	90,699	97,428	1,069,985	-
Due from other governments	17,980	-	51,686	69,666	-
Other receivables	22,971	361	17,977	41,309	45,141
Total current assets	21,331,797	192,450	4,404,133	25,928,380	3,903,767
Net pension asset	83,420	-	41,710	125,130	-
Capital assets:					
Land, improvements, and construction in progress	8,871,497	-	1,647,422	10,518,919	-
Other capital assets, net of depreciation	40,145,894	4,882,711	336,639	45,365,244	-
Total capital assets, net	49,017,391	4,882,711	1,984,061	55,884,163	-
Total assets	70,432,608	5,075,161	6,429,904	81,937,673	3,903,767
<b>:Deferred Outflows of Resources:</b>					
Contributions to the pension plan in the current fiscal year	62,348	-	31,174	93,522	-
Pension deferrals	5,202	-	2,601	7,803	-
Total deferred outflows of resources	67,550	-	33,775	101,325	-
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable and accrued liabilities	222,506	49,873	158,499	430,878	487,901
Liabilities to be paid from restricted assets	316,987	28,635	2,500	348,122	-
Compensated absences payable	60,410	-	33,107	93,517	-
General obligation bonds payable	-	44,000	-	44,000	-
Revenue bonds payable	-	29,000	-	29,000	-
Installment notes payable	1,143,961	-	-	1,143,961	-
Total current liabilities	1,743,864	151,508	194,106	2,089,478	487,901
Non-current liabilities:					
Compensated absences payable	20,136	-	11,036	31,172	-
Other post-employment benefits	111,642	-	59,930	171,572	-
General obligation bonds payable	-	2,996,000	-	2,996,000	-
Revenue bonds payable	-	1,752,000	-	1,752,000	-
Installment notes payable	12,245,164	-	-	12,245,164	-
Total non-current liabilities	12,376,942	4,748,000	70,966	17,195,908	-
Total liabilities	14,120,806	4,899,508	265,072	19,285,386	487,901
<b>Deferred Inflows of Resources</b>	203,315	-	101,658	304,973	-
<b>Net Position:</b>					
Net investment in capital assets	35,628,266	61,711	1,984,061	37,674,038	-
Unrestricted	20,547,771	113,942	4,112,888	24,774,601	3,415,866
Total net position	\$ 56,176,037	\$ 175,653	\$ 6,096,949	\$ 62,448,639	\$ 3,415,866

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

## CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
FUND NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	Business-Type Activities - Enterprise			Governmental	
	Utility	Southeast Water District	Solid Waste Management	Self-Insurance Internal Service	
<b>Operating Revenues:</b>					
Charges for services	\$ 7,346,592	\$ 601,417	\$ 2,985,544	\$ 10,933,553	\$ 5,163,054
Other operating revenues	-	-	10,475	10,475	-
Total operating revenues	<u>7,346,592</u>	<u>601,417</u>	<u>2,996,019</u>	<u>10,944,028</u>	<u>5,163,054</u>
<b>Operating Expenses:</b>					
Operating expenses	3,552,330	347,688	2,565,172	6,465,190	6,015,127
Depreciation	<u>1,290,450</u>	<u>106,339</u>	<u>231,821</u>	<u>1,628,610</u>	-
Total operating expenses	<u>4,842,780</u>	<u>454,027</u>	<u>2,796,993</u>	<u>8,093,800</u>	<u>6,015,127</u>
Operating income (loss)	<u>2,503,812</u>	<u>147,390</u>	<u>199,026</u>	<u>2,850,228</u>	<u>(852,073)</u>
<b>Non-Operating Revenues (Expenses):</b>					
Investment earnings	82,081	1,005	23,468	106,554	21,194
Interest and other charges	(510,480)	(183,228)	-	(693,708)	-
Other grants and revenue	<u>7,420</u>	-	<u>165,460</u>	<u>172,880</u>	-
Total non-operating revenues (expenses)	<u>(420,979)</u>	<u>(182,223)</u>	<u>188,928</u>	<u>(414,274)</u>	<u>21,194</u>
Change in net position	<u>2,082,833</u>	<u>(34,833)</u>	<u>387,954</u>	<u>2,435,954</u>	<u>(830,879)</u>
<b>Net Position:</b>					
Beginning of year - July 1	54,201,363	210,486	5,763,075	60,174,924	4,246,745
Restatement	<u>(108,159)</u>	-	<u>(54,080)</u>	<u>(162,239)</u>	-
Beginning of year - July 1, as restated	<u>54,093,204</u>	<u>210,486</u>	<u>5,708,995</u>	<u>60,012,685</u>	<u>4,246,745</u>
End of year - June 30	<u>\$ 56,176,037</u>	<u>\$ 175,653</u>	<u>\$ 6,096,949</u>	<u>\$ 62,448,639</u>	<u>\$ 3,415,866</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, 2015

	Business-Type Activities - Enterprise				Governmental Activities
	Utility	Southeast Water District	Solid Waste Management	Total	Self-Insurance Internal Service
<b>Cash Flows from Operating Activities:</b>					
Cash received from customers	\$ 7,317,239	\$ 610,631	\$ 2,996,672	\$ 10,924,542	\$ 5,163,054
Cash paid for goods and services	(2,577,580)	(348,398)	(1,869,581)	(4,795,559)	-
Cash paid to or on behalf of employees for services	(1,382,778)	-	(702,510)	(2,085,288)	(6,014,122)
Customer deposits received	42,335	1,880	-	44,215	-
Customer deposits returned	(26,445)	-	-	(26,445)	-
Net cash provided (used) by operating activities	<u>3,372,771</u>	<u>264,113</u>	<u>424,581</u>	<u>4,061,465</u>	<u>(851,068)</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>					
Intergovernmental non-operating revenues received	66,047	-	157,896	223,943	-
Net cash provided (used) by non-capital financing activities	<u>66,047</u>	<u>-</u>	<u>157,896</u>	<u>223,943</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisition and construction of capital assets	(229,535)	-	(1,242,056)	(1,471,591)	-
Principal paid on bonds, notes and capital leases	(1,018,141)	(69,000)	-	(1,087,141)	-
Interest paid on bonds, notes and capital leases	(697,036)	(183,228)	-	(880,264)	-
Net cash provided (used) by capital and related financing activities	<u>(1,944,712)</u>	<u>(252,228)</u>	<u>(1,242,056)</u>	<u>(3,438,996)</u>	<u>-</u>
<b>Cash Flows from Investing Activities:</b>					
Interest on investments	81,109	1,116	19,097	101,322	(10,119)
Net increase (decrease) in cash and cash equivalents	1,575,215	13,001	(640,482)	947,734	(861,187)
<b>Cash and Cash Equivalents:</b>					
Beginning of year - July 1	18,833,773	88,389	4,877,524	23,799,686	4,719,813
End of year - June 30	<u>\$ 20,408,988</u>	<u>\$ 101,390</u>	<u>\$ 4,237,042</u>	<u>\$ 24,747,420</u>	<u>\$ 3,858,626</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating income (loss)	\$ 2,503,812	\$ 147,390	\$ 199,026	\$ 2,850,228	\$ (852,073)
<b>Adjustment to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:</b>					
Depreciation and amortization	1,290,450	106,339	231,821	1,628,610	-
Pension expense	6,534	-	3,267	9,801	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(29,353)	9,214	653	(19,486)	-
Increase (decrease) in accounts payable and accrued liabilities	(334,729)	(710)	17,637	(317,802)	1,005
(Increase) decrease in deferred outflows of resources for pensions	(62,348)	-	(31,174)	(93,522)	-
Increase (decrease) in OPEB payable	5,624	-	2,811	8,435	-
Increase (decrease) in customer deposits	-	1,880	-	1,880	-
Increase (decrease) in compensated absences payable	(7,219)	-	540	(6,679)	-
Total adjustments	<u>868,959</u>	<u>116,723</u>	<u>225,555</u>	<u>1,211,237</u>	<u>1,005</u>
Net cash provided (used) by operating activities	<u>\$ 3,372,771</u>	<u>\$ 264,113</u>	<u>\$ 424,581</u>	<u>\$ 4,061,465</u>	<u>\$ (851,068)</u>

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

**CHATHAM COUNTY, NORTH CAROLINA**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2015**

	<b>Law Enforcement Employees' Pension Trust Fund</b>	<b>Agency Funds</b>
<b>Assets:</b>		
Cash, cash equivalents, and investments	\$ 538,947	\$ 233,999
Property taxes receivables, net	-	266,993
Due from other governmental agencies	-	71,020
Other receivables	470	103
Total assets	<u>\$ 539,417</u>	<u>\$ 572,115</u>
<b>Liabilities:</b>		
Due to agency participants	\$ 69	\$ 79,304
Due to other government agencies	-	492,811
Total liabilities	<u>69</u>	<u>572,115</u>
<b>Net Position:</b>		
Assets held in trust for employees' pension benefits	<u>\$ 539,348</u>	<u>\$ -</u>

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

**CHATHAM COUNTY, NORTH CAROLINA**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Law Enforcement Employees' Pension Trust Fund</b>
<b>Additions:</b>	
Employer on-behalf payments	\$ 100,000
Investment earnings	<u>2,017</u>
Total additions	<u>102,017</u>
<b>Deductions:</b>	
Benefit payments	<u>23,441</u>
Change in net position	78,576
<b>Net Position:</b>	
Beginning of year - July 1	<u>460,772</u>
End of year - June 30	<u>\$ 539,348</u>

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

**CHATHAM COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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 67,620. 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 services. 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 district. 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.

<b>Component Unit</b>	<b>Reporting Method</b>	<b>Criteria for Inclusion</b>	<b>Separate Financial Statements</b>
Southeast Water District	Blended	Under State law [NCGS 162A-89], the County's Board of Commissioners also serve as the governing board for the District. The County has operational responsibility for the District.	None Issued
Southwest Water District	Blended	Under State law [NCGS 162A-89], the County's Board of Commissioners also serve as the governing board for the District. The County will have operational responsibility for the District. There were no financial transactions.	None Issued
Northwest Water District	Blended	Under State law [NCGS 162A-89], the County's Board of Commissioners also serve as the governing board for the District. The County will have operational responsibility for the District. There were no financial transactions.	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, US 15-501 Chapel Hill, NC 27516

**CHATHAM COUNTY, NORTH CAROLINA**  
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**B. Basis of Presentation, Basis of Accounting**

**Basis of Presentation**

*Government-Wide Statements:* The Statement of Net Position and the Statement of Activities display information about the primary government net position (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 of which is 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 required to be accounted for in another fund. The Personnel 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.

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*Capital Improvement Capital Project Reserve Fund.* The County transfers annually an amount equivalent to five and six-tenths cents on the property 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, a judicial center, a detention facility, an agriculture center, and a school garage.

*Facilities Improvements 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.* This fund is used to account for the County's water and sewer operations.

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

*Solid Waste Management.* 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:

*Trust Funds.* The County maintains one Pension Trust Fund: the Law Enforcement Employees' Pension 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 LEO Special Separation Allowance Fund accounts for the Law Enforcement Officers' Special Separation Allowance, a single-employer, public employee retirement system. The resources in the LEO Special Separation Allowance Fund have been set aside to pay future obligations of the LEO Special Separation Allowance but are not held in a trust that meets the criteria outlined in GASB Statement 68, paragraph 4.

*Agency Funds.* Agency funds are custodial in nature and do not involve the 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 moneys 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 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; and the Chatham County Municipalities Fund, which accounts for taxes collected and remitted to municipalities located within the County.

**CHATHAM COUNTY, NORTH CAROLINA**  
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*Nonmajor Funds.* The County maintains several legally budgeted funds. The Emergency Telephone System, Forfeited Property, Recreation-Payment in Lieu, Bynum Canoe Access/Easement Monitoring, Economic and Community Development, Courthouse Clock, Library Foundation, and Special Fire Districts are reported as nonmajor special revenue funds. The Tech/System Improvement Project, Chatham Parks Project, Equipment Capital Reserve Project, and Emergency Vehicle Replacement Capital Reserve Project 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, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and 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 and sewer 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 non-operating revenues and expenses.

**CHATHAM COUNTY, NORTH CAROLINA**  
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*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 for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the 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. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. 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 is both restricted and unrestricted net position 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 general revenues.

**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, including the Self-Insurance Internal Service Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the general capital projects funds and enterprise capital projects funds. The enterprise capital projects funds are consolidated with the enterprise operating funds for reporting purposes.

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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 project 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 tie until the annual ordinance can be adopted.

**D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Fund Equity**

**1. Deposits and Investments**

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

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

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

**2. Cash and Cash Equivalents**

The County pools moneys from several funds, except the Pension Trust Fund, 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, and which are not limited as to use, to be cash and cash equivalents.

**3. Restricted Assets**

The unexpended bond proceeds of the facilities improvement and school construction funds are classified as restricted assets because their use is restricted to ongoing capital projects for which the bonds were originally issued. Customer deposits and financial guarantees held by the County before any services are supplied are restricted to the service for which they were collected.

**CHATHAM COUNTY, NORTH CAROLINA**  
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<b>Restricted Assets</b>				
	<b>Customer</b>	<b>Financial</b>	<b>Unexpended</b>	
	<b>Deposits</b>	<b>Guarantees</b>	<b>Bond</b>	<b>Total</b>
			<b>Proceeds</b>	
<b>Governmental Activities:</b>				
General Fund	\$ 14,462	\$ 1,104,218	\$ -	\$ 1,118,680
School Construction Fund Project	-	-	6,324,496	6,324,496
Facilities Improvements Project	-	-	10,249,482	10,249,482
Total governmental activities	14,462	1,104,218	16,573,978	17,692,658
<b>Business-Type Activities:</b>				
Utility	316,987	-	-	316,987
Southeast water district	28,635	-	-	28,635
Solid waste management	2,500	-	-	2,500
Total business-type activities	348,122	-	-	348,122
Total restricted cash	\$ 362,584	\$ 1,104,218	\$ 16,573,978	\$ 18,040,780

**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, 2014.

**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 the lower of cost (first-in, first-out) or market. The inventory of the ABC Board consists of materials and supplies held for consumption or resale. The cost of the inventory carried in the ABC Board is recorded as an expense as it is consumed or sold. 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**  
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**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 County 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 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 and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets 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. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County’s deferred outflows of resources include contributions to the Local Governmental Employees’ Retirement System (LGERS) pension plan, other pension related deferrals, and a charge on refunding in the fiscal year ended June 30, 2015. In addition to liabilities, the statement of net position can also report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and

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so will not be recognized as revenue until then. The County has the following items that meet the criteria for this category - prepaid taxes, taxes receivable, health clinic receivables, and deferrals related to the LGERS pension plan.

**9. Long-Term Obligations**

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the statements of net position. In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

The County's general obligation bonds, serviced by the governmental funds, were issued for the construction of school facilities. Those general obligation bonds issued to finance the construction of facilities utilized in the operations of the Southeast Water District system and which are being retired by its resources are reported as long-term debt in the Southeast Water District Fund. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the County. Principal and interest requirement are appropriated when due.

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, limited obligation bonds, loans from the North Carolina Department of Environment and Natural Resources, and the United States Department of Agriculture. Loan agreements are recorded in the appropriate columns of the government-wide and proprietary fund financial statements. The Southeast Water District issued revenue bonds to construct water lines within the District. Loan agreements are recorded in the proprietary fund financial statements.

**10. 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 has assumed a first-in, first-out method of using accumulated compensation time and 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 accruals for sick leave have been made.

**CHATHAM COUNTY, NORTH CAROLINA**  
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**11. Net Position/Fund Balances**

**Net Position**

Net position in government-wide and proprietary fund financial statements is classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through State statute.

**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 revenue sources that are restricted to specific purposes externally imposed or imposed by law.

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

*Restricted for Register of Deeds* – portion of fund balance that is restricted by State statute for automation enhancement (software) improvements for the Register of Deeds' office.

*Restricted for Courthouse Clock* – portion of fund balance restricted by donor 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 by State statute to enhance the County's 911 system.

*Restricted for Law Enforcement* – portion of fund balance restricted by State statute for law enforcement.

*Restricted for Fire Protection* – portion of fund balance restricted by revenue source for fire protection.

*Restricted for Economic and Physical Development* – portion of fund balance restricted by revenue source for economic and physical development.

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**Committed Fund Balance**

This classification represents the portion of fund balance that can only be used for specific purpose imposed by Chatham County's governing board. The governing board is the highest level of decision-making authority for the County 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 Capital Projects* - portion of fund balance to be used for the construction of capital projects. The governing board has adopted an ordinance committing these funds to these projects.

**Assigned Fund Balance**

Assigned fund balance is the portion of fund balance that Chatham County intends to use for specific purposes. The County's governing board 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 board 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 General Government* – portion of fund balance budgeted by the Board for capital reserve expenditures.

*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 restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only fund that reports a positive unassigned fund balance.

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 unassigned fund balance is at least equal to or greater than 20% of the previous annual operating budget.

**CHATHAM COUNTY, NORTH CAROLINA**  
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**12. Defined Benefit Pension Plans**

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

**II. Detail Notes on All Funds**

**A. Assets**

**1. Deposits**

All of 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 exceeding 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 their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County, the ABC Board, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the ABC Board under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The 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 that deposits are properly secured. The County and the ABC Board have no formal policy regarding custodial credit risk for deposits.

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At June 30, 2015, the County's deposits had a carrying amount of \$31,217,349 and a bank balance of \$31,593,753. Of the bank balance, \$1,278,355 was covered by federal depository insurance and \$30,315,398 was covered by collateral held under the Pooling Method. The County had \$1,720 of cash on hand at year-end.

At June 30, 2015, the carrying amount of deposits for Chatham County ABC Board was \$872,053 and the bank balance was \$873,976. All of the bank balance was covered by federal depository insurance except for \$329,840. The ABC Board had \$1,902 of cash on hand at year-end.

**2. Investments**

As of June 30, 2015, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than</u>		
		<u>6 Months</u>	<u>6-12 Months</u>	<u>1-5 Years</u>
US government agencies	\$ 46,518,249	\$ -	\$ 4,002,566	\$ 42,515,683
Commerical paper	9,985,419	4,998,204	4,987,215	-
NC Capital Management Trust - Cash Portfolio	24,897,998	N/A	N/A	N/A
NC Capital Management Trust - Term Portfolio	<u>10,051,097</u>	<u>10,051,097</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 91,452,763</u>	<u>\$ 15,049,301</u>	<u>\$ 8,989,781</u>	<u>\$ 42,515,683</u>

\*Because the NC Capital Management Trust Term Portfolio has a weighted average maturity of less than 90 days, it was presented as an investment with a maturity of less than 6 months.

*Interest Rate Risk.* As a means of managing its exposure to fair value losses arising from rising interest rates, the County has an informal investment policy that limits investment maturities to a maximum of five years.

*Credit Risk.* The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2015, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. 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, 2015. 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 AAA by Standard & Poor's and Aaa by Moody's Investors Service.

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*Custodial Credit Risk.* For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County’s informal policy indicates that the County shall utilize a third party custodial agent for book entry transactions, all of which shall be a trust department authorized to do trust work in North Carolina who has an account with the Federal Reserve. At June 30, 2015, all of the County’s investments were in the County’s name.

*Concentration of Credit Risk.* The County’s informal investment policy does not limit the amount that the County may invest in any one issuer. The County makes every effort to maintain a diversified investment portfolio according to security type and institution and does not allow for an investment in one issuer in excess of 25% of the County’s total investments. More than 5% of the County’s investments are in the following issuers:

	<b>Percent of Total Investments</b>
Federal Farm Credit Bank	7.65%
Federal Home Loan Bank	20.11%
Federal Home Loan Mortgage Corporation	14.88%
Federal National Mortgage Association	8.19%

**3. 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</b>	<b>Levied</b>	<b>Tax</b>	<b>Interest</b>	<b>Total</b>
2012	\$	4,963,324	\$ 1,178,800	\$ 6,142,124
2013		5,077,312	748,995	5,826,307
2014		5,201,691	299,136	5,500,827
2015		5,275,321	-	5,275,321
Total	\$	20,517,648	\$ 2,226,930	\$ 22,744,578

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**4. Receivables**

Receivables at the government-wide level at June 30, 2015 were as follows:

	<b>Taxes</b>	<b>Accounts</b>	<b>Other</b>	<b>Due from</b>	
	<b>Receivable</b>	<b>Receivable</b>	<b>Receivables</b>	<b>Other</b>	<b>Total</b>
				<b>Governments</b>	
<b>Governmental Activities:</b>					
General	\$ 2,123,284	\$ 372,657	\$ 26,765	\$ 4,488,780	\$ 7,011,486
Other governmental	216,687	61	32,646	217,683	467,077
Internal service	-	41,771	3,370	-	45,141
Total	<u>2,339,971</u>	<u>414,489</u>	<u>62,781</u>	<u>4,706,463</u>	<u>7,523,704</u>
Allowance for doubtful accounts	642,462	140,917	-	-	783,379
Total governmental activities	<u>\$ 1,697,509</u>	<u>\$ 273,572</u>	<u>\$ 62,781</u>	<u>\$ 4,706,463</u>	<u>\$ 6,740,325</u>
<b>Business-Type Activities:</b>					
Utility	\$ -	\$ 970,239	\$ 22,971	\$ 17,980	\$ 1,011,190
Southeast water district	-	94,487	361	-	94,848
Solid waste management	-	137,577	17,977	51,686	207,240
Total	<u>-</u>	<u>1,202,303</u>	<u>41,309</u>	<u>69,666</u>	<u>1,313,278</u>
Allowance for doubtful accounts	-	132,318	-	-	132,318
Total business-type activities	<u>\$ -</u>	<u>\$ 1,069,985</u>	<u>\$ 41,309</u>	<u>\$ 69,666</u>	<u>\$ 1,180,960</u>

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

<b>Governmental Activities:</b>	
Local option sales tax	\$ 2,801,506
Sales tax refunds	325,209
Motor vehicle tax	386,880
Federal and State grants	<u>1,192,868</u>
Total governmental activities	<u>\$ 4,706,463</u>
<b>Business-Type Activities:</b>	
Sales tax refunds	\$ 32,281
White goods disposal tax	4,829
Scrap tire tax	22,934
Federal and State grants	<u>9,622</u>
Total business-type activities	<u>\$ 69,666</u>

**CHATHAM COUNTY, NORTH CAROLINA**  
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**5. Capital Assets**

Governmental capital asset activity for the year ended June 30, 2015, was as follows:

	<b>Balance</b>			<b>Transfers</b>	<b>Balance</b>
	<b>July 1, 2014</b>	<b>Additions</b>	<b>Disposals</b>	<b>In (Out)</b>	<b>June 30, 2015</b>
<b>Non-Depreciable Assets:</b>					
Land	\$ 11,877,028	\$ 1,318,105	\$ 579,454	\$ 124,085	\$ 12,739,764
Construction in progress	<u>52,750,807</u>	<u>8,560,845</u>	<u>21,791</u>	<u>(29,210,683)</u>	<u>32,079,178</u>
Total	<u>64,627,835</u>	<u>9,878,950</u>	<u>601,245</u>	<u>(29,086,598)</u>	<u>44,818,942</u>
<b>Depreciable Assets:</b>					
Buildings	23,981,124	-	-	27,151,958	51,133,082
Equipment and vehicles	<u>10,633,939</u>	<u>718,609</u>	<u>63,706</u>	<u>1,978,897</u>	<u>13,267,739</u>
Total	<u>34,615,063</u>	<u>718,609</u>	<u>63,706</u>	<u>29,130,855</u>	<u>64,400,821</u>
<b>Less Accumulated Depreciation:</b>					
Buildings	7,491,522	456,283	-	-	7,947,805
Equipment and vehicles	<u>8,546,599</u>	<u>1,185,270</u>	<u>56,541</u>	<u>44,257</u>	<u>9,719,585</u>
Total	<u>16,038,121</u>	<u>1,641,553</u>	<u>56,541</u>	<u>44,257</u>	<u>17,667,390</u>
Depreciable assets, net	<u>18,576,942</u>	<u>(922,944)</u>	<u>7,165</u>	<u>29,086,598</u>	<u>46,733,431</u>
Total governmental activities capital assets, net	<u>\$ 83,204,777</u>	<u>\$ 8,956,006</u>	<u>\$ 608,410</u>	<u>\$ -</u>	<u>\$ 91,552,373</u>

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

<b>Governmental Activities:</b>	
General government	\$ 338,380
Public safety	976,276
Human services	190,593
Economic and physical development	8,630
Cultural and recreational	<u>127,674</u>
Total	<u>\$ 1,641,553</u>

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Enterprise Fund capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Balance</u>			<u>Transfers</u>	<u>Balance</u>
	<u>July 1, 2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>In (Out)</u>	<u>June 30, 2015</u>
<b>Utility Fund:</b>					
<b>Non-Depreciable Assets:</b>					
Land	\$ 456,307	\$ -	\$ -	\$ 28,446	\$ 484,753
Construction in progress	<u>12,768,237</u>	<u>48,721</u>	<u>-</u>	<u>(4,430,214)</u>	<u>8,386,744</u>
Total	<u>13,224,544</u>	<u>48,721</u>	<u>-</u>	<u>(4,401,768)</u>	<u>8,871,497</u>
<b>Depreciable Assets:</b>					
Buildings	5,478,618	-	-	-	5,478,618
Equipment and vehicles	1,948,600	180,814	-	(10,193)	2,119,221
Distribution lines	<u>43,611,408</u>	<u>-</u>	<u>-</u>	<u>4,401,768</u>	<u>48,013,176</u>
Total	<u>51,038,626</u>	<u>180,814</u>	<u>-</u>	<u>4,391,575</u>	<u>55,611,015</u>
<b>Less Accumulated Depreciation:</b>					
Buildings	4,529,630	283,540	-	-	4,813,170
Equipment and vehicles	1,246,318	81,320	-	(10,193)	1,317,445
Distribution lines	<u>8,408,916</u>	<u>925,590</u>	<u>-</u>	<u>-</u>	<u>9,334,506</u>
Total	<u>14,184,864</u>	<u>1,290,450</u>	<u>-</u>	<u>(10,193)</u>	<u>15,465,121</u>
Depreciable assets, net	<u>36,853,762</u>	<u>(1,109,636)</u>	<u>-</u>	<u>4,401,768</u>	<u>40,145,894</u>
Total Utility Fund capital assets, net	<u>\$ 50,078,306</u>	<u>\$ (1,060,915)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,017,391</u>
	<u>Balance</u>			<u>Transfers</u>	<u>Balance</u>
	<u>July 1, 2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>In (Out)</u>	<u>June 30, 2015</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	<u>318,450</u>	<u>106,339</u>	<u>-</u>	<u>-</u>	<u>424,789</u>
Depreciable assets, net	<u>4,989,050</u>	<u>(106,339)</u>	<u>-</u>	<u>-</u>	<u>4,882,711</u>
Total Southeast Water District Fund capital assets, net	<u>\$ 4,989,050</u>	<u>\$ (106,339)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,882,711</u>

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	<b>Balance</b>			<b>Transfers</b>	<b>Balance</b>
	<b>July 1, 2014</b>	<b>Additions</b>	<b>Disposals</b>	<b>In (Out)</b>	<b>June 30, 2015</b>
<b>Solid Waste Management</b>					
<b>Non-Depreciable Assets:</b>					
Land	\$ 495,505	\$ -	\$ -	\$ -	\$ 495,505
Construction in progress	85,206	1,066,711	-	-	1,151,917
Total	<u>580,711</u>	<u>1,066,711</u>	<u>-</u>	<u>-</u>	<u>1,647,422</u>
<b>Depreciable Assets:</b>					
Buildings	1,804,717	-	-	-	1,804,717
Equipment and vehicles	2,173,412	175,345	(53,851)	(34,064)	2,260,842
Total	<u>3,978,129</u>	<u>175,345</u>	<u>(53,851)</u>	<u>(34,064)</u>	<u>4,065,559</u>
<b>Less Accumulated Depreciation:</b>					
Buildings	1,695,269	47,437	-	-	1,742,706
Equipment and vehicles	1,889,745	184,384	(53,851)	(34,064)	1,986,214
Total	<u>3,585,014</u>	<u>231,821</u>	<u>(53,851)</u>	<u>(34,064)</u>	<u>3,728,920</u>
Depreciable assets, net	<u>393,115</u>	<u>(56,476)</u>	<u>-</u>	<u>-</u>	<u>336,639</u>
Total Solid Waste Management					
Fund capital assets, net	<u>\$ 973,826</u>	<u>\$1,010,235</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,984,061</u>
Total Enterprise Fund capital assets	<u>\$ 56,041,182</u>	<u>\$ (157,019)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,884,163</u>

**6. Net Investment in Capital Assets**

	<b>Governmental</b>	<b>Business-Type</b>
	<b>Activities</b>	<b>Activities</b>
Capital assets, net of depreciation	<u>\$ 91,552,373</u>	<u>\$ 55,884,163</u>
Long-term debt	125,019,701	18,027,637
Add premium on long-term obligations	5,752,993	182,488
Less unspent debt proceeds	16,573,978	-
Less debt not tied to capital assets	<u>56,453,670</u>	<u>-</u>
Long-term debt related to capital assets	<u>57,745,046</u>	<u>18,210,125</u>
Net investment in capital assets	<u>\$ 33,807,327</u>	<u>\$ 37,674,038</u>

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**7. Construction Commitments**

The government has active construction projects as of June 30, 2015. At June 30, 2015, the government's commitments with contractors were as follows:

<u>Project</u>	<u>Spent To-Date</u>	<u>Remaining Commitment</u>
Detention center	\$ 14,264,057	\$ 69,206
Agriculture center	2,285,008	8,504,025
School bus garage	1,223,738	4,616,762
Solid waste & recycling facility	1,016,839	183,699
Total	<u>\$ 18,789,643</u>	<u>\$ 13,373,692</u>

**8. Discretely Presented Component Units**

Activity for the ABC Board for the year ended June 30, 2015 was as follows:

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2015</u>
<b>Depreciable Assets:</b>				
Leasehold improvements	\$ 199,248	\$ 842	\$ -	\$ 200,090
Equipment and fixtures	106,394	14,550	-	120,944
Total	305,642	15,392	-	321,034
Less accumulated depreciation	(99,988)	(21,443)	-	(121,431)
Total ABC Board capital assets, net	<u>\$ 205,654</u>	<u>\$ (6,051)</u>	<u>\$ -</u>	<u>\$ 199,603</u>

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**B. Liabilities**

**1. Payables**

Payables at the government-wide level at June 30, 2015 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Claims Liability</u>	<u>Total</u>
<b>Governmental Activities:</b>				
General	\$ 2,881,212	\$ 1,055,660	\$ -	\$3,936,872
Internal service	74,901	-	413,000	487,901
Other governmental	<u>1,630,748</u>	<u>-</u>	<u>-</u>	<u>1,630,748</u>
Total governmental activities	<u>\$ 4,586,861</u>	<u>\$ 1,055,660</u>	<u>\$413,000</u>	<u>\$6,055,521</u>
<b>Business-Type Activities:</b>				
Utility	\$ 171,476	\$ 51,030	\$ -	\$ 222,506
Southeast water district	49,873	-	-	49,873
Solid waste management	<u>133,145</u>	<u>25,354</u>	<u>-</u>	<u>158,499</u>
Total business-type activities	<u>\$ 354,494</u>	<u>\$ 76,384</u>	<u>\$ -</u>	<u>\$ 430,878</u>

**2. Operating Leases**

The ABC Board occupies a facility in Moncure that has an operating lease agreement, which expires January 31, 2016. The facility is being leased on a month-to-month basis. The base rental rate was \$1,075 and was adjusted annually. The monthly rent at June 30, 2015 and 2014 was \$1,075.

The Governor's village facility has an operating lease agreement with a three-year term, which expires April 30, 2016. The minimum annual rent is \$20,760 for year 2015, \$21,360 for year 2016. The monthly rent at June 30, 2015 and 2014 was \$1,730 and \$1,730, respectively.

The ABC Board entered into an operating lease agreement with the Pittsboro ABC Board on November 1, 2008 to lease warehouse space from them at their Pittsboro location at a monthly rate of \$250. The lease expired on November 1, 2013. The monthly rent at June 30, 2015 and 2014 was \$250.

The ABC Board has an operating lease for Chatham Crossing, 1132 US Highway 15-501 N, Suite 302, Chapel Hill, North Carolina. The lease is a ten-year lease expiring June 28, 2022. The monthly rent at June 30, 2015 and 2014 was \$4,621 and \$4,492, respectively.

Total lease expense for the years ended June 30, 2015 and 2014 amounted to \$88,593 and \$84,905, respectively.

**CHATHAM COUNTY, NORTH CAROLINA**  
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Minimum future lease payments are as follows:

<b>Year Ending</b>	
<b>June 30</b>	<b>Amount</b>
2016	\$ 74,850
2017	58,700
2018	60,350
2019	62,100
2020	63,900
2021-2022	133,398
Total	<u>\$ 453,298</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 state-wide Local Governmental Employees' Retirement System (LGERS), a cost-sharing, multiple-employer, defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2015 was 7.41% of compensation for law enforcement officers and 7.07% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,465,177 for the year ended June 30, 2015.

*Refunds of Contributions* – County employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By State law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

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

At June 30, 2015, the County reported an asset of \$1,960,376 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2014, the County's proportion was .332%, which was an increase of .012% from its proportion measured as of June 30, 2013.

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For the year ended June 30, 2015, the County recognized pension expense of \$153,545. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ 214,205
Net difference between projected and actual earnings on pension plan investments	-	4,563,710
Changes in proportion and difference between County contributions and proportionate share of contributions	122,253	-
County contributions subsequent to the measurement date	<u>1,465,177</u>	<u>-</u>
Total	<u>\$ 1,587,430</u>	<u>\$ 4,777,915</u>

\$1,465,177 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ending June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2016	\$ (1,163,973)
2017	(1,163,973)
2018	(1,163,973)
2019	<u>(1,163,743)</u>
Total	<u>\$ (4,655,662)</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

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The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	36.0%	2.5%
Global equity	40.5%	6.1%
Real estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation protection	4.5%	3.7%
Total	<u>100%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: fixed income 2.2%, global equity 5.8%, real estate 5.2%, alternatives 9.8%, credit 6.8% and inflation protection 3.4%.

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*Discount Rate.* The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County’s Proportionate Share of the Net Pension Asset to Changes in the Discount Rate.* The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the County’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<b>Discount</b>		
	<b>1% Decrease</b>	<b>Rate</b>	<b>1% Increase</b>
	<u><b>(6.25%)</b></u>	<u><b>(7.25%)</b></u>	<u><b>(8.25%)</b></u>
County's proportionate share of the net pension liability (asset)	<u>\$ 6,654,362</u>	<u>\$ (1,960,376)</u>	<u>\$ (9,213,706)</u>

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

**b. Law Enforcement Officers' Special Separation Allowance**

***1. Plan Description***

The 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. For reporting purposes, the separation allowance is presented as a pension trust fund; however, it does not meet the criteria for trust funds outlined in GASB 68.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2014, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	1
Active plan members	<u>98</u>
Total	<u><u>99</u></u>

A separate report was not issued for the plan.

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**2. Summary of Significant Accounting Policies**

*Basis of Accounting.* The County has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds 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.

**3. 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 cover the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. For the current year, the County contributed \$100,000 or 2.45% of annual covered payroll. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2013 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 of 4.25% - 7.85% per year. Both (a) and (b) included an inflation component of 3.0%. The assumptions did not include postretirement benefit increases. The remaining amortization period at December 31, 2013 was 17 years.

**4. Annual Pension Cost and Net Pension Obligation**

The County's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$ 111,731
Interest on net pension obligation	1,991
Adjustment to annual required contribution	<u>(3,364)</u>
Annual pension cost	110,358
Contributions made	<u>100,000</u>
Increase (decrease) in net pension obligation	10,358
Net pension obligation, beginning of year	<u>39,820</u>
Net pension obligation, end of year	<u><u>\$ 50,178</u></u>

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<b>Three-Year Trend Information</b>			
<b>Year Ended</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation End of Year</b>
<b>June 30</b>	<b>Cost (APC)</b>	<b>Contributed</b>	<b>End of Year</b>
6/30/2013	\$ 80,778	61.90%	\$ 29,342
6/30/2014	90,478	88.42%	39,820
6/30/2015	110,358	90.61%	50,178

**5. Funded Status and Funding Progress**

As of December 31, 2014, the most recent actuarial valuation date, the plan was 43.50% funded. The actuarial accrued liability for benefits was \$1,033,098 and the unfunded actuarial accrued liability (UAAL) was \$583,687. The covered payroll (annual payroll of active employees covered by the plan) was \$4,086,542, and the ratio of the UAAL to the covered payroll was 14.28%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**c. Supplemental Retirement Income Plan for Law Enforcement Officers**

*Plan Description.* The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*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, 2015 were \$271,849, which consisted of \$219,629 from the County and \$52,220 from the law enforcement officers.

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**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, the employees may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2015 were \$1,048,102, which consisted of \$725,955 from the County and \$322,147 from employees.

**e. Deferred Compensation Plan**

*Plan Description.* The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is available to all employees not engaged in law enforcement, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

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

*Funding Policy.* The County does not contribute to the deferred compensation plan. Employees may make voluntary contributions to the plan. Contributions from employees for the year ended June 30, 2015 were \$49,191.

**f. Registers of Deeds' Supplemental Pension Fund**

*Plan Description.* The County also contributes to the Registers of Deeds' Supplemental Pension Fund (the Fund), a non-contributory, defined benefit 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 Government 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. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The 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, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

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*Benefits Provided.* An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$6,116 for the year ended June 30, 2015.

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

At June 30, 2015, the County reported an asset of \$187,622 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating Fund employers. At June 30, 2014, the County's proportion was .828%, which was a decrease of .028% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of (\$6,598). At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
	<u>          </u>	<u>          </u>
Difference between expected and actual experience	\$ 1,722	\$ -
Net difference between projected and actual earnings on pension plan investments	-	1,010
Changes in proportion and difference between County contributions and proportionate share of contributions	-	4,026
County contributions subsequent to the measurement date	<u>6,116</u>	<u>-</u>
Total	<u>\$ 7,838</u>	<u>\$ 5,036</u>

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\$6,116 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year end June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending</b>	<b>Amount</b>
<b>June 30</b>	
2016	\$ (1,300)
2017	(1,300)
2018	(462)
2019	(252)
Total	<u>\$ (3,314)</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 7.75 percent, including inflation and productivity factor
Investment rate of return	5.75 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the fund is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2014 is 2.5%.

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The information above is based on 30-year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

*Discount Rate.* The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County’s Proportionate Share of the Net Pension Asset to Changes in the Discount Rate.* The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 5.75%, as well as what the County’s proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75%) or 1-percentage-point higher (6.75%) than the current rate:

	<b>1% Decrease</b>	<b>Discount</b>	<b>1% Increase</b>
	<b>(4.75%)</b>	<b>Rate (5.75%)</b>	<b>(6.75%)</b>
County's proportionate share of the net pension liability (asset)	\$ (168,472)	\$ (187,622)	\$ (204,074)

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

**g. Other Post-Employment Benefits**

**Healthcare Benefits**

*Plan Description.* Under the terms of a County resolution, the County provides 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. The County is self-insured for its health care coverage and contributes funding for all employee groups annually. Currently, 9 retirees are eligible for post-employment health benefits. 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 premium cost for pre-Medicare eligible health coverage for the retiree. For members that retire with at least 25 years of service, the County pays 75% of the premium cost for pre-Medicare eligible health

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coverage. For members that retire with at least 20 years of service, the County pays 50% of the premium cost for pre-Medicare eligible health coverage. Retirees will cease to be eligible for group health insurance when Medicare becomes available. The retiree is responsible for paying the entire premium cost of dependent coverage if dependent coverage is elected. The County’s obligation to contribute to the plan is established and may be amended by the Board of Commissioners. A separate report was not issued for the plan.

<b>Years of County Service at Retirement</b>	<b>County Contribution</b>
30 or more	100%
25-29	75%
20-24	50%
Less than 20	Not Eligible

Membership of the post-employment health benefit plan consisted of the following at December 31, 2014, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	17
Active plan members	461
Total	478

*Funding Policy.* The County agrees to provide medical insurance to certain retired employees as an extended benefit. The County has chosen to fund the healthcare benefits on a pay-as-you-go basis.

The current annual required contribution (ARC) rate is 2.19% of annual covered payroll. For fiscal year 2015, the County made net contributions in the amount of \$284,812 or 1.51% of annual covered payroll. Contributions made by employees totaled \$30,142.

*Summary of Significant Accounting Policies.* Post-employment 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 other post-employment benefit (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 No. 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

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The following table shows the components of the County's annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the postemployment healthcare benefits:

Annual required contribution	\$	413,050
Interest on net OPEB obligation		87,691
Adjustment to annual required contribution		<u>83,772</u>
Annual OPEB cost (expense)		416,969
Contributions made		<u>284,812</u>
Increase (decrease) in net OPEB obligation		132,157
Net OPEB obligation, beginning of year		<u>2,192,267</u>
Net OPEB obligation, end of year	\$	<u><u>2,324,424</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the HCB Plan, and the net OPEB obligation for 2015 were as follows:

<b>Three-Year Trend Information</b>			
<b>Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation End of Year</b>
<b>June 30</b>	<b>(AOC)</b>	<b>Contributed</b>	<b>End of Year</b>
6/30/2013	\$ 422,761	10.40%	\$ 1,861,712
6/30/2014	431,361	23.40%	2,192,267
6/30/2015	416,969	68.30%	2,324,424

*Funded Status and Funding Progress.* As of December 31, 2014, the most recent actuarial valuation date, the plan was not funded. The actuarially accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$4,078,068. The covered payroll (annual payroll of active employees covered by the plan) was \$18,861,923, and the ratio of the UAAL to the covered payroll was 21.6%. 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 multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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*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 to 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, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 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 pre-Medicare medical cost trend increase of 7.50 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 five year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2014 was 30 years.

**h. Other Employment Benefits**

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. 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. Due to a surplus in the death benefit, a decision was made by the State to temporarily stop employer contributions to the LGERS Death Benefit Plan beginning July 1, 2012. A temporary relief period based on the number of years the employer has contributed as of December 31, 2010 was established as follows:

<u>No. Years Contributing</u>	<u>Years Relief</u>	<u>FY Contributions Resume</u>
Less than 10	1	2014
10-20	2	2015
20 or more	3	2016

The period of reprieve is determined separately for law enforcement officers. Chatham County had a three-year reprieve because it has been contributing for more than 20 years. Contributions will resume in the fiscal year beginning July 1, 2015.

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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. Changes in net position for this trust fund is as follows:

	<b>Law Enforcement Employees' Pension Trust Fund</b>
<b>Additions:</b>	
Employer on-behalf payments	\$ 100,000
Investment earnings	2,017
Total additions	102,017
<b>Deductions:</b>	
Benefit payments	23,441
Net change in assets	78,576
<b>Net Assets:</b>	
Beginning of year, July 1	460,772
End of year, June 30	\$ 539,348

**5. Closure and Post-Closure Landfill 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, 2015 were approximately \$12,917.

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

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**6. Deferred Outflows and Inflows of Resources**

Deferred outflows of resources at year-end are comprised of the following:

<u>Source</u>	<u>Amount</u>
Contributions to pension plan in current fiscal year	\$ 1,471,293
Charge on refunding	799,146
Pension deferrals	123,975

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

<u>Source</u>	<u>Amount</u>
Prepaid taxes not yet earned (general)	\$ 178,449
Prepaid taxes not yet earned (special revenue)	5,433
Taxes receivable, net, less penalties (general)	1,539,475
Taxes receivable, net, less penalties (special revenue)	158,034
Health department fees receivable, net (general)	4,130
Pension related deferrals	4,782,951

**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 replacement cost up to a limit of \$87,516,636. The County carries flood insurance for non-flood zones with a limit of coverage of \$5,000,000. General liability law enforcement, public official, employment practices and employee benefit liability have a \$1,000,000 per occurrence limit, with a \$3,000,000 total aggregate and automobile liability of \$1,000,000 per occurrence. The County purchases a \$5,000,000 umbrella over all of the casualty coverage. The County participates in a self-funded risk financing pool administered by a private company. Through this pool, the County self-insures for workmen's compensation coverage, and purchases reinsurance with a \$550,000 (all others) / \$600,000 (law enforcement) retention per occurrence with a statutory maximum limit and an employer's liability maximum limit of indemnity per occurrence 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 \$100,000 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. In accordance with G.S. 159-29, the County's employees that have access to \$100 or more of the County's funds at any given time are performance bonded through a commercial surety bond. The Finance Officer, Sheriff, Register of Deeds 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 \$300,000.

**CHATHAM COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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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 payment could accrue in the year following discharge of employees.

**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 materially adverse effect on the County’s financial position for the County carries sufficient liability insurance to cover such claims.

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

Accrued claims and judgments, June 30, 2013	\$ 310,000
Additions	4,044,870
Benefits paid	<u>(4,019,870)</u>
Accrued claims and judgments, June 30, 2014	335,000
Additions	5,033,466
Benefits paid	<u>(4,955,466)</u>
Accrued claims and judgments, June 30, 2015	<u>\$ 413,000</u>

**CHATHAM COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**10. Long-Term Obligations**

**a. General Obligation Indebtedness**

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

The County's general obligation bonds payable at June 30, 2015 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 \$ 1,250,000

Serviced by the County's Southeast Water District:  
\$3,200,000 bonds issued March 23, 2010, interest at 4%; due serially to 2049 \$ 3,040,000

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

<u>Year Ending</u> <u>June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 1,250,000	\$ 50,000	\$ 44,000	\$ 121,600
2017	-	-	46,000	119,840
2018	-	-	48,000	118,000
2019	-	-	49,000	116,080
2020	-	-	51,000	114,120
2021-2025	-	-	290,000	538,160
2026-2030	-	-	352,000	475,320
2031-2035	-	-	429,000	399,090
2036-2040	-	-	521,000	306,200
2041-2045	-	-	635,000	193,200
2046-2050	-	-	575,000	56,920
Total	<u>\$ 1,250,000</u>	<u>\$ 50,000</u>	<u>\$ 3,040,000</u>	<u>\$ 2,558,530</u>

At June 30, 2015, Chatham County had a legal debt margin of \$622,686,749.

**CHATHAM COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**b. Revenue Bonds**

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

The County's revenue bonds payable at June 30, 2015 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	\$ 250,000
\$1,624,000 bonds issued March 23, 2010, interest at 4%; due serially to 2049	<u>1,531,000</u>
Total	<u><u>\$ 1,781,000</u></u>

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

<b>Year Ending</b>	<b>Business-Type Activities</b>	
	<b>June 30</b>	<b>Principal</b>
2016	\$ 29,000	\$ 59,758
2017	30,000	58,785
2018	31,000	57,780
2019	32,000	56,742
2020	33,000	55,673
2021-2025	183,000	261,055
2026-2030	214,000	228,430
2031-2035	253,000	190,037
2036-2040	299,000	144,645
2041-2045	352,000	90,985
2046-2050	<u>325,000</u>	<u>27,747</u>
Total	<u><u>\$ 1,781,000</u></u>	<u><u>\$ 1,231,637</u></u>

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 Bond 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%.

**CHATHAM COUNTY, NORTH CAROLINA**  
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The debt service coverage ratio calculation for the year ended June 30, 2015 is as follows:

Operating revenues	\$ 601,417
Operating expenses*	<u>(347,688)</u>
Operating income	253,729
Non-operating revenues (expenses)**	<u>(94,565)</u>
Income available for debt service	159,164
Add prior year reserve	<u>210,486</u>
Total available for debt service	<u><u>\$ 369,650</u></u>
Debt service, principal and interest paid (revenue bond only)	<u>\$ 87,658</u>
Debt service coverage ratio	422%

\* per revenue covenants, this does not include depreciation of \$106,339.

\*\* per revenue covenants, this does not include revenue bond principal and interest of \$87,658.

**c. Other Long-Term Obligations**

The County has executed various other long-term obligations including Qualified Zone Academy bonds, Quality School Construction 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.

**Limited Obligation Bond Issuance**

The County issued Series 2014 Limited Obligation bonds with a closing date of November 13, 2014. The bonds were issued for the construction of a new agriculture center and a joint county-school garage due in semi-annual payments with interest at 3.00% to 5.00% and maturing in 2033.

The Series 2014 Limited Obligation Bonds also included refunding bonds. 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 \$26,270,000 plus a net premium of \$4,232,945 for total bond proceeds of \$30,502,945. The true interest cost of the refunding bonds is approximately 2.6819%. Installments are due annually through November 1, 2033, with interest payments

**CHATHAM COUNTY, NORTH CAROLINA**  
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due on November 1 and May 1. The advance refunding was undertaken to reduce total debt service payments and resulted in an economic gain of \$1,694,169. The Series 2014 Limited Obligation Refunding bonds extinguished the following debt:

\$12,044,146 Certificates of Participation, dated 11/2/2006

\$18,055,860 Private Placement Loan, dated 4/15/2009

Other long-term debt payable by the County at June 30, 2015 is comprised of the following individual issues:

Governmental Activities:

\$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%. Due to federal government sequestration the amount of interest credit received has been reduced by 8.7%. \$ 3,223,828

\$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. 22,790,000

\$6,717,498 refunding limited obligation bonds, Series 2012 issued April 5, 2012; interest at 1.00% to 5.00 %; due serially to 2029. Proceeds used for renovations to a county office building and renovations to an existing high school facility. 5,355,769

\$45,445,000 limited obligation bonds with a financial institution for the construction of a new agriculture center, the Margaret Pollard Middle School and a joint county-school garage due in semi-annual payments with interest at 3.00% to 5.00%; maturing in 2033. 44,310,000

\$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. 12,050,000

\$15,495,000 limited obligation bonds with a financial institution for the construction of a new county jail facility due in semi-annual payments with interest at 2.00 % to 4.00%; maturing in 2033 collateralized by real estate. 14,675,000

\$21,940,000 loan with United States Department of Agriculture (USDA); total loan amount includes three separate loans with USDA; due in annual installments with interest at 3.125%; maturing in 2053 collateralized by real estate. 21,365,104

Total governmental activities 123,769,701

**CHATHAM COUNTY, NORTH CAROLINA**  
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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.	9,629,231
\$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.	88,911
\$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.	3,426,080
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>62,415</u>
Total business-type activities	<u>13,206,637</u>
Total other long-term obligations	<u><u>\$ 136,976,338</u></u>

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

<b>Year Ending</b>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>
2016	\$ 4,280,754	\$ 5,003,175	\$ 961,473	\$ 4,900,003
2017	6,840,521	4,840,355	971,113	749,892
2018	6,845,582	4,593,508	980,751	436,261
2019	6,852,733	4,341,746	993,604	405,631
2020	6,210,196	4,053,523	1,006,456	371,274
2021-2025	31,788,555	16,095,967	5,215,420	1,288,546
2026-2030	28,420,946	8,982,386	3,077,820	243,412
2031-2035	17,671,691	4,363,989	-	-
2036-2040	4,649,439	1,954,641	-	-
2041-2045	3,457,501	1,385,754	-	-
2046-2050	4,032,572	810,683	-	-
2051-2053	2,719,211	171,218	-	-
Total	<u>\$ 123,769,701</u>	<u>\$ 56,596,945</u>	<u>\$ 13,206,637</u>	<u>\$ 8,395,019</u>

**CHATHAM COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**d. Long-Term Obligation Activity**

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2015:

	<b>Balance</b>			<b>Balance</b>	<b>Current</b>
	<b>June 30, 2014</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2015</b>	<b>Portion</b>
<b>Governmental Activities:</b>					
General obligation bonds	\$ 2,925,000	\$ -	\$ 1,675,000	\$ 1,250,000	\$ 1,250,000
Other long-term obligations	111,991,873	45,445,000	33,667,172	123,769,701	4,280,754
Total	114,916,873	45,445,000	35,342,172	125,019,701	5,530,754
Premium on long-term obligations	770,710	6,548,984	1,566,701	5,752,993	1,566,701
LGERS pension	3,621,179	-	3,621,179	-	-
Separation allowance	39,820	110,358	100,000	50,178	-
Other post-employment benefits	2,029,130	390,355	266,633	2,152,852	-
Compensated absences	1,576,934	1,149,743	1,201,839	1,524,838	1,201,839
Total governmental activities	<u>\$ 122,954,646</u>	<u>\$ 53,644,440</u>	<u>\$ 42,098,524</u>	<u>\$ 134,500,562</u>	<u>\$ 8,299,294</u>
<b>Business-Type Activities:</b>					
<b>Utility:</b>					
Other long-term obligations	\$ 14,224,777	\$ -	\$ 1,018,140	\$ 13,206,637	\$ 961,473
Premium on long-term obligations	364,978	-	182,490	182,488	182,488
LGERS pension	164,599	-	164,599	-	-
Other post-employment benefits	106,018	17,747	12,123	111,642	-
Compensated absences	87,765	51,886	59,105	80,546	60,410
Total utility	<u>14,948,137</u>	<u>69,633</u>	<u>1,436,457</u>	<u>13,581,313</u>	<u>1,204,371</u>
<b>Southeast Water District:</b>					
General obligation bonds	3,082,000	-	42,000	3,040,000	44,000
Revenue bonds	1,808,000	-	27,000	1,781,000	29,000
Total southeast water district	<u>4,890,000</u>	<u>-</u>	<u>69,000</u>	<u>4,821,000</u>	<u>73,000</u>
<b>Solid Waste Management:</b>					
LGERS pension	82,299	-	82,299	-	-
Other post-employment benefits	57,119	8,869	6,058	59,930	-
Compensated absences	43,603	36,859	36,319	44,143	33,107
Total utility	<u>183,021</u>	<u>45,728</u>	<u>124,676</u>	<u>104,073</u>	<u>33,107</u>
Total business-type activities	<u>\$ 20,021,158</u>	<u>\$ 115,361</u>	<u>\$ 1,630,133</u>	<u>\$ 18,506,386</u>	<u>\$ 1,310,478</u>

Other post-employment benefits typically have been liquidated in the Self-Insurance Internal Service Fund while compensated absences typically have been liquidated in the General Fund.

The LGERS plan had a net pension asset as of June 30, 2015; however, the plan had a net pension liability at the beginning of the fiscal year.

**CHATHAM COUNTY, NORTH CAROLINA**  
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**Debt Related to Capital Activities** – Of the total governmental activities debt listed only \$57,745,046 relates to assets to which the County holds title. Unspent restricted cash related to this debt amounts to \$16,573,978.

**C. Interfund Balances and Activity**

Transfers to/from other funds at June 30, 2015 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	\$ 138,824	\$ -	Fund land purchases
Nonmajor Governmental	Rec in Lieu	-	138,824	
Major Governmental	General Fund	3,379,082	-	Fund school debt
Major Governmental	Impact Fees Fund	-	3,379,082	
Major Governmental	General Fund	5,102,544	-	Fund debt on planned capital projects
Major Governmental	Capital Improvements Capital Project Reserve	-	5,102,544	
Major Governmental	Capital Improvements Capital Project Reserve	6,045,765	-	Service future debt on planned
Major Governmental	General Fund	-	6,045,765	capital projects
Major Governmental	Capital Improvements Capital Project Reserve	198,975	-	Close out judicial center project
Major Governmental	Facilities Improvements	-	198,975	
Major Governmental	Facilities Improvements	82,300	-	Fund annex building renovations
Major Governmental	General Fund	-	82,300	
Nonmajor Governmental	Parks Project Fund	349,305	-	Fund expenses associated with the
Nonmajor Governmental	Rec in Lieu	-	349,305	development of Briar Chapel Park
<b>Total governmental transfers</b>		<b><u>15,296,795</u></b>	<b><u>15,296,795</u></b>	
Enterprise	Water Capital Reserve	25,934	-	Fund Durham Interconnect
Enterprise	Water Capital Projects	-	25,934	project expenses
Enterprise	Water Capital Reserve	26,099	-	Fund Haywood water main
Enterprise	Water Capital Projects	-	26,099	project expenses
Enterprise	Waste Management Facility Project	1,055,811	-	Fund waste management facility
Enterprise	Waste Management Operating	-	1,055,811	project
<b>Total enterprise transfers</b>		<b><u>1,107,844</u></b>	<b><u>1,107,844</u></b>	
<b>Grand total</b>		<b><u>\$ 16,404,639</u></b>	<b><u>\$ 16,404,639</u></b>	

**CHATHAM COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**D. Fund Balance**

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

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	\$ 35,795,857
Less:	
Stablization by State statute	<u>4,743,155</u>
Available for appropriation	<u><u>\$ 31,052,702</u></u>

Chatham County has 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.

**III. Related Organization**

**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, 2015.

**IV. Joint Ventures**

**a. Cardinal Innovations Healthcare Solutions Area Authority**

The County, in conjunction with Alamance, Cabarrus, Caswell, Davidson, Franklin, Granville, Halifax, Orange, Person, Rowan, Stanly, Union, Vance, and Warren Counties participates in a joint venture to operate Cardinal Innovations Healthcare Solutions Area Authority as a Managed Care Organization. The County appoints three members to the OPC Community Operations Oversight 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, 2015. The County appropriated \$483,192 to the Authority to supplement its activities for the year ended June 30, 2015.

**CHATHAM COUNTY, NORTH CAROLINA**  
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Complete financial statements for Cardinal Innovations Healthcare Solutions Area Authority may be obtained from their administrative offices at 201 Sage Road, Suite 300, Chapel Hill, NC 27514.

**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 \$655,000 to the Community College for operating purposes during the fiscal year ended June 30, 2015. The participating governments do not have an equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2015.

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.

**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 \$569,819 to the Corporation during the fiscal year ended June 30, 2015. 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, 2015.

Complete financial statements for the Chatham County Economic Development Corporation may be obtained from the Corporation's administrative offices at 964 East Street, Pittsboro, North Carolina 27312.

**V. Jointly Governed Organization**

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 \$81,014 to the Council during the fiscal year ended June 30, 2015.

**CHATHAM COUNTY, NORTH CAROLINA**  
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**VI. Related Party Transactions**

The County entered into a generator maintenance contract with Atlantic Power Solutions Inc owned by Walter Petty, Chatham County Commissioner, prior to his election. The Chatham County Board of Commissioners adopted a resolution approving the continuance of the contract in August of 2013 pursuant to NC G.S. 14-234. Walter Petty did not participate in any way or vote on the resolution. The County paid \$47,242 to Atlantic Power Solutions Inc during the fiscal year ended June 30, 2015.

**VII. Benefit Payments Issued by the State**

The amounts listed below were paid directly to individual recipients by the State from federal and State monies. County personnel are involved with certain functions, primarily eligibility determinations, which cause benefit payments to be issued by the State. These amounts disclose the additional financial aid to County, 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	\$ 35,928,480	\$ 19,289,019
NC healthchoice	763,798	240,386
Food stamp program	9,340,545	-
Temporary assistance for needy families	219,541	(121)
Adoption assistance	543,869	141,238
Foster care	149,157	41,040
Child care development	-	263,414
State/County special assistance for adults	-	374,486
Women, infants, and children	1,166,971	-
Other	26,911	-
Total	<u>\$ 48,139,272</u>	<u>\$ 20,349,462</u>

**VIII. Summary Disclosure of Significant Commitments and Contingencies**

**Federal and State-Assisted Programs**

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 moneys 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 moneys.

**CHATHAM COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**IX. Special Item**

During the year ended June 30, 2015, the County sold undeveloped land to a private developer. This item is reflected on the government-wide statements as a special item because it is unusual in nature but under the control of management. The land had a book value of \$565,065, and was sold for \$1,117,101.

**X. Change in Accounting Principles/Restatement**

The County implemented Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, in the fiscal year ended June 30, 2015. The implementation of the statement required the County to record beginning net pension liability and the effects on net position of contributions made by the County during the measurement period (fiscal year ended June 30, 2014). As a result, net position for the governmental and business-type activities decreased by \$2,201,791 and \$162,239, respectively.

## **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

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

- Schedule of Funding Progress for the Law Enforcement 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
- Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) – Local Governmental Employees' Retirement System
- Schedule of County Contributions - Local Governmental Employees' Retirement System
- Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) – Register of Deeds' Supplemental Pension Fund
- Schedule of County Contributions - Register of Deeds' Supplemental Pension Fund

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CHATHAM COUNTY, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTAL INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2015

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)					
12/31/2014	\$ 449,411	\$ 1,033,098	\$ 583,687	43.50%	\$ 4,086,542	14.28%	
12/31/2013	393,999	925,962	531,963	42.55%	3,631,655	14.65%	
12/31/2012	364,744	782,130	417,386	46.63%	3,385,672	12.33%	
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%	

**CHATHAM COUNTY, NORTH CAROLINA**

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTAL INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2015**

<b>Schedule of Employer Contributions</b>		
<b>Year Ended June 30</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage of ARC Contributed</b>
2015	\$ 111,731	89.50%
2014	91,402	87.53%
2013	80,761	61.91%
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%

**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, 2014
Actuarial cost method:	Projected unit credit
Amortization method:	Level dollar, closed
Remaining amortization period:	16 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, 2015

## 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)					
12/31/2014	\$ -	\$ 4,078,068		\$ 4,078,068	0.00%	\$ 18,861,923	21.6%
12/31/2013	-	3,574,308		3,574,308	0.00%	17,259,258	20.7%
12/31/2012	-	3,574,308		3,574,308	0.00%	17,259,258	20.7%
12/31/2011	-	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
2015	\$ 413,050	68.95%
2014	401,019	25.14%
2013	420,063	10.44%
2012	442,219	20.30%
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	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value
Amortization factor	26.1695
Actuarial assumptions:	
Investment rate of return *	4.00%
Medical cost trend rate	7.50% - 5.00%
Year of ultimate trend rate	2020
Includes inflation at	3.00%

**CHATHAM COUNTY, NORTH CAROLINA**

**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY (ASSET)  
LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM  
LAST TWO FISCAL YEARS\***

	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.332%	0.321%
County's proportionate share of the net pension liability (asset) \$	\$ (1,960,376)	\$ 3,868,077
County's covered-employee payroll	\$ 19,459,465	\$ 18,620,663
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-10.074%	20.773%
Plan fiduciary net position as a percentage of the total pension liability**	102.640%	94.350%

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

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

**CHATHAM COUNTY, NORTH CAROLINA**

**SCHEDULE OF THE COUNTY CONTRIBUTIONS  
LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM  
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,465,177	\$ 1,326,337
Contributions in relation to the contractually required contribution	<u>1,465,177</u>	<u>1,326,337</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 20,508,359	\$ 19,459,465
Contributions as a percentage of covered payroll	7.140%	7.110%

## CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY (ASSET)  
REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND  
LAST TWO FISCAL YEARS\***

	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.828%	0.800%
County's proportionate share of the net pension liability (asset) \$	\$ (187,622)	\$ (170,953)
County's covered-employee payroll	\$ 67,396	\$ 65,053
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-278.387%	-262.790%
Plan fiduciary net position as a percentage of the total pension liability	193.880%	190.500%

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

## CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF THE COUNTY CONTRIBUTIONS  
 REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND  
 LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 6,116	\$ 6,758
Contributions in relation to the contractually required contribution	<u>6,116</u>	<u>6,758</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 67,399	\$ 67,396
Contributions as a percentage of covered payroll	9.074%	10.027%

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**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

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## **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  
 JUNE 30, 2015

	<u>General Fund</u>	<u>Personnel Savings Reserve Fund</u>	<u>Eliminations</u>	<u>Total General Fund</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ 58,751,667	\$ -	\$ -	\$ 58,751,667
Local option sales taxes	10,130,996	-	-	10,130,996
Other taxes	993,101	-	-	993,101
Unrestricted intergovernmental revenues	2,538,745	-	-	2,538,745
Restricted intergovernmental revenues	8,255,121	-	-	8,255,121
Permits and fees	1,696,158	-	-	1,696,158
Sales and services	2,517,720	-	-	2,517,720
Interest earned on investments	174,777	402	-	175,179
Other general revenues	1,894,619	-	-	1,894,619
Total revenues	<u>86,952,904</u>	<u>402</u>	<u>-</u>	<u>86,953,306</u>
<b>Expenditures:</b>				
General government	8,015,127	-	-	8,015,127
Public safety	15,290,320	-	-	15,290,320
Economic and physical development	2,098,121	-	-	2,098,121
Human services	16,942,287	-	-	16,942,287
Cultural and recreation	1,893,923	-	-	1,893,923
Intergovernmental:				
Education	28,927,869	-	-	28,927,869
Debt service:				
Principal repayments	6,032,104	-	-	6,032,104
Interest	5,047,258	-	-	5,047,258
Total expenditures	<u>84,247,009</u>	<u>-</u>	<u>-</u>	<u>84,247,009</u>
Revenues over (under) expenditures	<u>2,705,895</u>	<u>402</u>	<u>-</u>	<u>2,706,297</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	8,743,774	-	(123,324)	8,620,450
Transfers out	(6,128,065)	(123,324)	123,324	(6,128,065)
Total transfers	<u>2,615,709</u>	<u>(123,324)</u>	<u>-</u>	<u>2,492,385</u>
Refunding bonds issued	26,270,000	-	-	26,270,000
Premium on refunding bonds	4,232,945	-	-	4,232,945
Payment to refunding agent	(30,360,006)	-	-	(30,360,006)
Total refunding bonds issued	<u>142,939</u>	<u>-</u>	<u>-</u>	<u>142,939</u>
Total other financing sources (uses)	<u>2,758,648</u>	<u>(123,324)</u>	<u>-</u>	<u>2,635,324</u>
Net change in fund balances	5,464,543	(122,922)	-	5,341,621
<b>Fund Balances:</b>				
Beginning of year - July 1	<u>30,331,314</u>	<u>122,922</u>	<u>-</u>	<u>30,454,236</u>
End of year - June 30	<u>\$ 35,795,857</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,795,857</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, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
<b>Ad Valorem Taxes:</b>				
Current year:				
Real/personal	\$ 53,200,000	\$ 53,855,465	\$ 655,465	\$ 52,822,788
Motor vehicles	3,212,000	3,975,299	763,299	4,731,143
Total	56,412,000	57,830,764	1,418,764	57,553,931
Prior year:				
Real/personal	800,000	718,178	(81,822)	927,909
Motor vehicles	100,000	83,531	(16,469)	247,210
Total	900,000	801,709	(98,291)	1,175,119
Penalties, interest, other	250,000	119,194	(130,806)	262,940
Total ad valorem taxes	57,562,000	58,751,667	1,189,667	58,991,990
<b>Local Option Sales Tax:</b>				
Article 39 - 1 percent	3,500,000	3,915,091	415,091	3,549,094
Article 40 - 1/2 percent	3,422,000	3,671,734	249,734	3,335,686
Article 42 - 1/2 percent	2,288,000	2,543,516	255,516	2,307,047
Article 44 - 1/2 percent	-	655	655	1,876
Total local option sales tax	9,210,000	10,130,996	920,996	9,193,703
<b>Other Taxes and Licenses:</b>				
Deed stamp excise tax	500,000	662,621	162,621	542,625
Occupancy tax	78,000	86,018	8,018	87,326
Video programming	147,000	157,225	10,225	-
Rental vehicles	18,000	14,211	(3,789)	15,572
Public educational governmental access	2,000	56,836	54,836	-
Other	15,000	16,190	1,190	-
Total other taxes and licenses	760,000	993,101	233,101	645,523
<b>Intergovernmental:</b>				
Unrestricted intergovernmental:				
Payments in lieu of taxes	-	91,231	91,231	100,166
Beer and wine excise tax	207,000	252,610	45,610	228,841
ABC profit distribution	75,000	82,722	7,722	77,255
Hold harmless	1,250,000	2,101,314	851,314	1,981,932
Town of Siler City - business campus	10,869	10,868	(1)	10,923
Total	1,542,869	2,538,745	995,876	2,399,117
Restricted intergovernmental:				
State and federal grants	7,874,290	8,051,838	177,548	7,864,913
Other	157,686	203,283	45,597	219,612
Total	8,031,976	8,255,121	223,145	8,084,525
Total intergovernmental	9,574,845	10,793,866	1,219,021	10,483,642

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
<b>Permits and Fees:</b>				
Inspections fees	1,025,000	1,279,613	254,613	1,072,217
Register of Deeds fees	450,000	379,551	(70,449)	380,235
Concealed weapon permits	23,000	25,055	2,055	32,000
Beer and wine permits	2,800	3,180	380	3,011
Other	7,500	8,759	1,259	8,347
Total permits and fees	<u>1,508,300</u>	<u>1,696,158</u>	<u>187,858</u>	<u>1,495,810</u>
<b>Sales and Services:</b>				
Collection fees - fire districts	300,000	358,086	58,086	355,996
Planning	65,985	75,124	9,139	89,354
Social services	30,000	38,097	8,097	29,535
Tax	145,000	114,135	(30,865)	112,509
Fire inspections	35,000	39,435	4,435	36,605
Sheriff	83,200	101,571	18,371	90,924
Health	679,497	701,456	21,959	960,557
Environmental services	196,500	272,500	76,000	220,730
Environmental health	248,669	313,348	64,679	281,020
Elections	-	20	20	5,024
Library	33,000	34,462	1,462	34,900
Recreation fees	68,430	81,000	12,570	78,063
Project 360	11,000	5,680	(5,320)	12,795
Safe Havens	19,000	19,402	402	18,769
Charges to other funds	359,513	361,685	2,172	354,532
Other	600	1,719	1,119	753
Total sales and services	<u>2,275,394</u>	<u>2,517,720</u>	<u>242,326</u>	<u>2,682,066</u>
<b>Investment Earnings:</b>				
Interest on investments	140,000	174,777	34,777	145,283
Total investment earnings	<u>140,000</u>	<u>174,777</u>	<u>34,777</u>	<u>145,283</u>
<b>Other General Revenues:</b>				
Rent	224,234	230,611	6,377	249,760
Contributions and donations	276,193	396,077	119,884	452,847
Sale of surplus property	120,000	1,159,535	1,039,535	65,600
Miscellaneous	21,000	108,396	87,396	362,829
Total	<u>641,427</u>	<u>1,894,619</u>	<u>1,253,192</u>	<u>1,131,036</u>
<b>Total revenues</b>	<u>81,671,966</u>	<u>86,952,904</u>	<u>5,280,938</u>	<u>84,769,053</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, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Governing Board:</b>				
Salaries and benefits	253,066	212,430	40,636	231,944
Other operating expenditures	99,580	90,149	9,431	94,204
Total	352,646	302,579	50,067	326,148
<b>County Manager:</b>				
Salaries and benefits	845,488	840,302	5,186	799,889
Other operating expenditures	56,092	35,374	20,718	36,393
Total	901,580	875,676	25,904	836,282
<b>Finance:</b>				
Salaries and benefits	624,587	577,621	46,966	531,956
Other operating expenditures	213,532	138,906	74,626	123,164
Total	838,119	716,527	121,592	655,120
<b>Information Services:</b>				
Salaries and benefits	898,022	841,130	56,892	816,982
Other operating expenditures	566,804	456,647	110,157	387,433
Capital outlay	30,509	-	30,509	215,409
Total	1,495,335	1,297,777	197,558	1,419,824
<b>Tax:</b>				
Salaries and benefits	836,818	838,028	(1,210)	780,405
Other operating expenditures	572,307	442,986	129,321	319,456
Capital outlay	41,000	15,855	25,145	13,733
Total	1,450,125	1,296,869	153,256	1,113,594
<b>County Attorney:</b>				
Salaries and benefits	61,802	61,732	70	60,526
Other operating expenses	272,445	261,614	10,831	204,034
Total	334,247	323,346	10,901	264,560
<b>Court Facilities:</b>				
Other operating expenditures	195,290	193,595	1,695	161,046
<b>Elections:</b>				
Salaries and benefits	193,153	188,931	4,222	178,895
Other operating expenses	168,599	157,641	10,958	150,109
Total	361,752	346,572	15,180	329,004
<b>General Services:</b>				
Other operating expenses	846,208	529,888	316,320	1,417,062
Total	846,208	529,888	316,320	1,417,062

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
<b>Register of Deeds:</b>				
Salaries and benefits	336,433	343,375	(6,942)	328,990
Other operating expenses	103,168	81,314	21,854	87,550
Capital outlay	12,450	12,450	-	15,020
Total	452,051	437,139	14,912	431,560
<b>Public Works:</b>				
Facilities Management:				
Salaries and benefits	778,613	780,088	(1,475)	751,618
Other operating expenditures	876,287	896,602	(20,315)	839,943
Capital outlay	18,550	18,469	81	23,905
Total	1,673,450	1,695,159	(21,709)	1,615,466
<b>Total general government</b>	<b>8,900,803</b>	<b>8,015,127</b>	<b>885,676</b>	<b>8,569,666</b>
<b>Public Safety:</b>				
<b>Sheriff:</b>				
Salaries and benefits	5,392,542	5,346,582	45,960	5,194,168
Other operating expenditures	1,042,956	961,893	81,063	962,222
Capital outlay	476,678	473,846	2,832	495,969
Total	6,912,176	6,782,321	129,855	6,652,359
<b>Jail:</b>				
Salaries and benefits	2,774,167	2,469,267	304,900	1,776,826
Other operating expenses	662,548	553,510	109,038	463,788
Capital outlay	5,950	5,598	352	-
Total	3,442,665	3,028,375	414,290	2,240,614
Total sheriff	10,354,841	9,810,696	544,145	8,892,973
<b>Emergency Operations:</b>				
Salaries and benefits	206,134	215,600	(9,466)	199,382
Other operating expenditures	351,098	229,103	121,995	218,411
Capital outlay	-	16,679	(16,679)	-
Total	557,232	461,382	95,850	417,793
<b>Telecommunications:</b>				
Salaries and benefits	1,309,668	1,203,597	106,071	1,119,468
Other operating expenses	142,166	114,059	28,107	101,477
Capital outlay	68,388	-	68,388	33,545
Total	1,520,222	1,317,656	202,566	1,254,490
<b>Emergency Medical Services:</b>				
Other operating expenditures	5,006	8,526	(3,520)	10,544
Assistance to County rescue squads	45,000	45,000	-	45,000
Contracted services	2,318,460	2,297,060	21,400	2,230,155
Total	2,368,466	2,350,586	17,880	2,285,699
Total emergency operations	4,445,920	4,129,624	316,296	3,957,982

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
<b>Pension Trust Fund</b>	100,000	100,000	-	80,000
<b>Inspections:</b>				
Salaries and benefits	385,035	381,268	3,767	369,705
Other operating expenditures	49,180	36,866	12,314	41,299
Total	434,215	418,134	16,081	411,004
<b>Fire Inspections:</b>				
Salaries and benefits	224,783	223,911	872	217,858
Other operating expenses	28,466	20,958	7,508	22,710
Total	253,249	244,869	8,380	240,568
<b>Court-Related Programs:</b>				
Salaries and benefits	301,158	309,299	(8,141)	280,600
Operating expenses	328,025	277,698	50,327	338,140
Total	629,183	586,997	42,186	618,740
<b>Total public safety</b>	<b>16,217,408</b>	<b>15,290,320</b>	<b>927,088</b>	<b>14,201,267</b>
<b>Economic and Physical Development:</b>				
<b>Planning:</b>				
Salaries and employee benefits	421,835	381,025	40,810	363,427
Other operating expenditures	34,000	28,100	5,900	20,127
Capital outlay	-	-	-	7,145
Total	455,835	409,125	46,710	390,699
<b>Central Permitting:</b>				
Salaries and employee benefits	274,415	273,991	424	226,410
Other operating expenses	87,206	64,027	23,179	58,153
Total	361,621	338,018	23,603	284,563
<b>Environmental Services:</b>				
Salaries and employee benefits	142,003	132,565	9,438	139,482
Other operating expenditures	14,044	9,383	4,661	9,310
Total	156,047	141,948	14,099	148,792
<b>Economic Development:</b>				
Other operating expenditures	1,075,796	569,819	505,977	1,214,306
<b>County Extension:</b>				
Salaries and benefits	29,390	25,113	4,277	19,248
Other operating expenditures	332,246	310,769	21,477	288,114
Total	361,636	335,882	25,754	307,362
<b>Soil and Water Conservation:</b>				
Salaries and employee benefits	195,051	194,588	463	183,706
Other operating expenditures	31,966	20,300	11,666	18,049
Total	227,017	214,888	12,129	201,755

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
<b>Pittsboro/Siler City Convention &amp; Visitors Bureau:</b>				
Salaries and employee benefits	81,099	81,250	(151)	79,742
Other operating expenses	13,552	7,191	6,361	8,565
Total	94,651	88,441	6,210	88,307
<b>Total economic and physical development</b>	<b>2,732,603</b>	<b>2,098,121</b>	<b>634,482</b>	<b>2,635,784</b>
<b>Human Services:</b>				
<b>Health:</b>				
Salaries and benefits	4,482,151	4,234,763	247,388	4,217,154
Other operating expenditures	1,186,443	1,009,695	176,748	1,011,967
Capital outlay	117,154	73,865	43,289	87,488
Total	5,785,748	5,318,323	467,425	5,316,609
<b>Social Services:</b>				
Administration				
Salaries and benefits	5,115,156	4,803,863	311,293	4,709,179
Other operating expenditures	744,910	606,223	138,687	632,284
Capital outlay	43,700	43,625	75	-
Total	5,903,766	5,453,711	450,055	5,341,463
Public Assistance:				
Assistance programs	4,240,766	4,060,856	179,910	3,764,534
Total social services	10,144,532	9,514,567	629,965	9,105,997
<b>Mental Health:</b>				
Mental health appropriation	511,248	485,585	25,663	483,407
Other expenditures	-	-	-	1,637
Total	511,248	485,585	25,663	485,044
<b>Council on Aging:</b>				
Salaries and benefits	180,074	180,412	(338)	143,909
Other operating expenditures	701,294	700,860	434	701,359
Total	881,368	881,272	96	845,268
<b>Chatham Transit:</b>				
Salaries and benefits	77,498	55,755	21,743	75,448
Appropriation	80,547	80,547	-	80,547
Total	158,045	136,302	21,743	155,995
<b>Appropriations to Non-Profit Agencies:</b>				
Chatham trades	202,733	202,733	-	121,000
Pass-through grants	134,003	134,003	-	164,073
Other non-profit agencies	271,500	269,502	1,998	281,991
Total	608,236	606,238	1,998	567,064
<b>Total human services</b>	<b>18,089,177</b>	<b>16,942,287</b>	<b>1,146,890</b>	<b>16,475,977</b>

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
<b>Cultural and Recreational:</b>				
<b>Library:</b>				
Salaries and benefits	914,554	882,058	32,496	851,884
Other operating expenditures	410,727	316,813	93,914	336,092
Capital outlay	-	-	-	3,295
Total	<u>1,325,281</u>	<u>1,198,871</u>	<u>126,410</u>	<u>1,191,271</u>
<b>Recreation:</b>				
Salaries and benefits	447,727	425,675	22,052	402,942
Other operating expenditures	348,863	265,946	82,917	240,792
Capital outlay	3,500	3,431	69	3,888
Total	<u>800,090</u>	<u>695,052</u>	<u>105,038</u>	<u>647,622</u>
<b>Total cultural and recreational</b>	<u>2,125,371</u>	<u>1,893,923</u>	<u>231,448</u>	<u>1,838,893</u>
<b>Education:</b>				
<b>Public Schools:</b>				
Appropriation	26,828,453	26,818,413	10,040	25,551,130
Capital outlay	<u>2,528,456</u>	<u>1,454,456</u>	<u>1,074,000</u>	<u>2,540,020</u>
Total	<u>29,356,909</u>	<u>28,272,869</u>	<u>1,084,040</u>	<u>28,091,150</u>
<b>Community College:</b>				
Community college - current	<u>655,000</u>	<u>655,000</u>	<u>-</u>	<u>606,735</u>
Total education	<u>30,011,909</u>	<u>28,927,869</u>	<u>1,084,040</u>	<u>28,697,885</u>
<b>Debt Service:</b>				
<b>Principal:</b>				
Public schools - principal	4,252,997	3,042,775	1,210,222	3,543,415
Community college - principal	762,940	762,940	-	762,941
General building projects - principal	2,134,941	2,134,940	1	963,551
Business campus	91,450	91,449	1	40,000
Total	<u>7,242,328</u>	<u>6,032,104</u>	<u>1,210,224</u>	<u>5,309,907</u>
<b>Interest and Fees:</b>				
Public schools - interest	2,644,823	2,160,113	484,710	2,140,589
Community college - interest	372,803	372,803	-	403,473
General building projects - interest	2,096,579	2,051,758	44,821	1,845,391
Business campus	363,171	307,145	56,026	321,883
Issuance cost	-	155,439	(155,439)	-
Total	<u>5,477,376</u>	<u>5,047,258</u>	<u>430,118</u>	<u>4,711,336</u>
Total debt service	<u>12,719,704</u>	<u>11,079,362</u>	<u>1,640,342</u>	<u>10,021,243</u>
<b>Total expenditures</b>	<u>90,796,975</u>	<u>84,247,009</u>	<u>6,549,966</u>	<u>82,440,715</u>
Revenues over (under) expenditures	<u>(9,125,009)</u>	<u>2,705,895</u>	<u>11,830,904</u>	<u>2,328,338</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, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
<b>Other Financing Sources (Uses):</b>				
<b>Operating Transfers In:</b>				
Personnel savings	122,501	123,324	823	-
Special revenue funds:				
Recreation	-	138,824	138,824	116,223
Enhanced 911	50,835	-	(50,835)	-
Impact fees	3,379,082	3,379,082	-	3,433,841
Capital projects funds:				
Capital improvements reserve	7,013,860	5,102,544	(1,911,316)	4,367,239
Enterprise fund - water capital reserve	1,089,000	-	(1,089,000)	-
Total operating transfers in	<u>11,655,278</u>	<u>8,743,774</u>	<u>(2,911,504)</u>	<u>7,917,303</u>
<b>Operating Transfers Out:</b>				
Capital Projects:				
CIP Reserve:				
General	(6,045,765)	(6,045,765)	-	(5,915,128)
Capital project - facilities improvements	-	-	-	(1,380,529)
School construction	-	-	-	(1,256,299)
Facilities improvements	(82,300)	(82,300)	-	-
Enterprise Fund:				
Business campus project	-	-	-	(127,695)
Total operating transfers out	<u>(6,128,065)</u>	<u>(6,128,065)</u>	<u>-</u>	<u>(8,679,651)</u>
Total operating transfers in (out)	<u>5,527,213</u>	<u>2,615,709</u>	<u>(2,911,504)</u>	<u>(762,348)</u>
<b>Refunding Bonds Issued:</b>				
Refunding bonds issued	26,158,353	26,270,000	111,647	-
Premium on refunding bonds	4,344,592	4,232,945	(111,647)	-
Payment to refunding agent	(30,360,006)	(30,360,006)	-	-
Total	<u>142,939</u>	<u>142,939</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>5,670,152</u>	<u>2,758,648</u>	<u>(2,911,504)</u>	<u>(762,348)</u>
Net change in fund balance	(3,454,857)	5,464,543	8,919,400	1,565,990
Appropriated fund balance	<u>3,454,857</u>	-	<u>(3,454,857)</u>	-
Net change in fund balance	<u>\$ -</u>	5,464,543	<u>\$ 5,464,543</u>	1,565,990
<b>Fund Balance:</b>				
Beginning of year - July 1		30,331,314		28,765,324
End of year - June 30		<u>\$ 35,795,857</u>		<u>\$ 30,331,314</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, 2015

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings	\$ 600	\$ 402	\$ (198)	\$ 421
<b>Expenditures:</b>				
General government	600	-	600	-
Revenues over (under) expenditures	-	402	402	421
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds:				
General Fund	(122,502)	(123,324)	(822)	-
Appropriated fund balance	122,502	-	(122,502)	-
Net change in fund balance	\$ -	(122,922)	\$ (122,922)	421
<b>Fund Balance:</b>				
Beginning of year - July 1		122,922		122,501
End of year - June 30		\$ -		\$ 122,922

## CHATHAM COUNTY, NORTH CAROLINA

## MAJOR - IMPACT FEES

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2015

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Permits and fees	\$ 2,067,900	\$ 2,853,900	\$ 786,000	\$ 2,480,400
Investment earnings	20,000	28,564	8,564	23,463
Total revenues	<u>2,087,900</u>	<u>2,882,464</u>	<u>794,564</u>	<u>2,503,863</u>
<b>Expenditures:</b>				
Education	1,000,000	-	1,000,000	-
Revenues over (under) expenditures	<u>1,087,900</u>	<u>2,882,464</u>	<u>1,794,564</u>	<u>2,503,863</u>
<b>Other Financing Sources (Uses):</b>				
Transfer to other funds				
General Fund	(3,379,082)	(3,379,082)	-	(3,433,841)
Total other financing sources (uses)	<u>(3,379,082)</u>	<u>(3,379,082)</u>	<u>-</u>	<u>(3,433,841)</u>
Appropriated fund balance	2,291,182	-	(2,291,182)	-
Net change in fund balance	<u>\$ -</u>	<u>(496,618)</u>	<u>\$ (496,618)</u>	<u>(929,978)</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		4,747,922		5,677,900
End of year - June 30		<u>\$ 4,251,304</u>		<u>\$ 4,747,922</u>

## CHATHAM COUNTY, NORTH CAROLINA

**MAJOR - CAPITAL IMPROVEMENT RESERVE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015			2014
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Restricted intergovernmental:				
Lottery proceeds	\$ 500,000	\$ 597,750	\$ 97,750	\$ 573,328
Investment earnings	<u>75,000</u>	<u>105,524</u>	<u>30,524</u>	<u>79,511</u>
Total revenues	<u>575,000</u>	<u>703,274</u>	<u>128,274</u>	<u>652,839</u>
<b>Expenditures:</b>				
General government	<u>1,518,221</u>	<u>-</u>	<u>1,518,221</u>	<u>-</u>
Revenues over (under) expenditures	<u>(943,221)</u>	<u>703,274</u>	<u>1,646,495</u>	<u>652,839</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds:				
Transfer from other funds				
General Fund	6,045,765	6,045,765	-	5,915,128
Facilities improvements	<u>-</u>	<u>198,975</u>	<u>198,975</u>	<u>-</u>
Total transfers from other funds	6,045,765	6,244,740	198,975	5,915,128
Transfer to other funds				
General Fund	<u>(5,102,544)</u>	<u>(5,102,544)</u>	<u>-</u>	<u>(4,367,239)</u>
Total other financing sources (uses)	<u>943,221</u>	<u>1,142,196</u>	<u>198,975</u>	<u>1,547,889</u>
Net change in fund balance	<u>\$ -</u>	<u>1,845,470</u>	<u>\$ 1,845,470</u>	<u>2,200,728</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>25,140,907</u>		<u>22,940,179</u>
End of year - June 30		<u>\$ 26,986,377</u>		<u>\$ 25,140,907</u>

## CHATHAM COUNTY, NORTH CAROLINA

**MAJOR - FACILITIES IMPROVEMENTS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	Project Budget	Actual			Variance Over/Under
		Prior Years	Current Year	Total	
<b>Revenues:</b>					
Intergovernmental					
State grants	\$ 218,238	\$ 218,238	\$ -	\$ 218,238	\$ -
Investment earnings	79,543	78,687	1,766	80,453	910
Other general revenues:					
Insurance settlement	6,597,371	5,281,997	-	5,281,997	(1,315,374)
Donations	274,310	274,310	-	274,310	-
Total other general revenues	6,871,681	5,556,307	-	5,556,307	(1,315,374)
Total revenues	7,169,462	5,853,232	1,766	5,854,998	(1,314,464)
<b>Expenditures:</b>					
General government:					
Agriculture center	11,500,000	614,877	2,884,344	3,499,221	8,000,779
Annex renovations	1,590,449	1,556,810	-	1,556,810	33,639
Total general government	13,090,449	2,171,687	2,884,344	5,056,031	8,034,418
Public safety:					
Judicial facility	22,711,946	22,443,550	69,421	22,512,971	198,975
Courthouse restoration	6,597,371	5,569,237	(21,521)	5,547,716	1,049,655
Jail	16,781,728	13,102,347	3,269,158	16,371,505	410,223
Total public safety	46,091,045	41,115,134	3,317,058	44,432,192	1,658,853
Cultural and recreational:					
Library	7,218,032	6,697,712	-	6,697,712	520,320
Total	66,399,526	49,984,533	6,201,402	56,185,935	10,213,591
Other:					
Education:					
CCCC - Pittsboro	5,399,323	5,398,102	-	5,398,102	1,221
Total expenditures	71,798,849	55,382,635	6,201,402	61,584,037	10,214,812
Revenues over (under) expenditures	(64,629,387)	(49,529,403)	(6,199,636)	(55,729,039)	8,900,348
<b>Other Financing Sources (Uses):</b>					
Transfers from (to) other funds:					
General Fund	1,590,449	3,157,931	82,300	3,240,231	1,649,782
Capital reserve	(364,430)	1,767,861	(198,975)	1,568,886	1,933,316
Total transfers from (to) other funds	1,226,019	4,925,792	(116,675)	4,809,117	3,583,098
Issuance of long-term debt (net)					
Premium on limited obligation bond	-	-	1,447,733	1,447,733	1,447,733
Limited obligation bonds issued	63,403,368	51,048,504	12,000,000	63,048,504	(354,864)
Total proceeds	63,403,368	51,048,504	13,447,733	64,496,237	1,092,869
Total other financing sources (uses)	64,629,387	55,974,296	13,331,058	69,305,354	4,675,967
Net change in fund balance	\$ -	\$ 6,444,893	\$ 7,131,422	\$ 13,576,315	\$ 13,576,315

## CHATHAM COUNTY, NORTH CAROLINA

MAJOR - SCHOOL CONSTRUCTION FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	Project Budget	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
<b>Revenues:</b>					
Investment earnings	\$ -	\$ -	\$ 842	\$ 842	\$ 842
<b>Expenditures:</b>					
Education:					
Construction:					
School bus garage	8,000,000	130,146	1,589,507	1,719,653	6,280,347
Northeast High School	463,237	373,711	-	373,711	89,526
Total capital	8,463,237	503,857	1,589,507	2,093,364	6,369,873
Facility improvements					
Mobile classrooms	-	-	15,850	15,850	(15,850)
Roof replacements	5,193,860	1,154,776	729,543	1,884,319	3,309,541
Total facility improvements	5,193,860	1,154,776	745,393	1,900,169	3,293,691
Total expenditures	13,657,097	1,658,633	2,334,900	3,993,533	9,663,564
Revenues over (under) expenditures	(13,657,097)	(1,658,633)	(2,334,058)	(3,992,691)	9,664,406
<b>Other Financing Sources (Uses):</b>					
Transfers from (to) other funds:					
Transfer from other funds					
Capital reserve	-	998,364	-	998,364	998,364
General Fund	4,221,204	1,256,299	-	1,256,299	(2,964,905)
Total	4,221,204	2,254,663	-	2,254,663	(1,966,541)
Proceeds from borrowing:					
Limited obligation bonds issued	8,000,000	-	7,175,000	7,175,000	(825,000)
Premium on borrowing	-	-	868,306	868,306	868,306
Roof replacements	972,656	1,157,659	-	1,157,659	185,003
Northeast High School	463,237	-	-	-	(463,237)
Total debt obligations issued	9,435,893	1,157,659	8,043,306	9,200,965	(234,928)
Total other financing sources (uses)	13,657,097	3,412,322	8,043,306	11,455,628	(2,201,469)
Net change in fund balance	\$ -	\$ 1,753,689	\$ 5,709,248	\$ 7,462,937	\$ 7,462,937

**NONMAJOR GOVERNMENTAL FUNDS**

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## CHATHAM COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2014

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>			
Cash, cash equivalents, and investments	\$ 1,692,700	\$ 2,486,883	\$ 4,179,583
Property taxes receivable, net of allowance	158,034	-	158,034
Due from other governmental agencies	82,790	1,015	83,805
Other receivables	1,623	1,990	3,613
Total assets	<u>\$ 1,935,147</u>	<u>\$ 2,489,888</u>	<u>\$ 4,425,035</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	<u>\$ 5,991</u>	<u>\$ 69,594</u>	<u>\$ 75,585</u>
<b>Deferred Inflows of Resources:</b>			
Unearned revenues	5,433	-	5,433
Taxes receivable	158,034	-	158,034
Total deferred inflows of resources	<u>163,467</u>	<u>-</u>	<u>163,467</u>
<b>Fund Balances:</b>			
Restricted:			
Stabilization by State statute	84,413	3,005	87,418
Courthouse clock	66,265	-	66,265
Emergency telephone	575,483	-	575,483
Fire protection	232,138	-	232,138
Law enforcement	113,414	-	113,414
Economic and physical development	19,741	-	19,741
Committed	-	140,184	140,184
Assigned:			
Subsequent year's budget	410,650	-	410,650
General government	-	2,278,120	2,278,120
Cultural and recreation	265,821	-	265,821
Unassigned	(2,236)	(1,015)	(3,251)
Total fund balances	<u>1,765,689</u>	<u>2,420,294</u>	<u>4,185,983</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,935,147</u>	<u>\$ 2,489,888</u>	<u>\$ 4,425,035</u>

## CHATHAM COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 7,324,097	\$ -	\$ 7,324,097
Restricted intergovernmental	594,238	-	594,238
Permits and fees	371,250	-	371,250
Investment earnings	9,290	9,370	18,660
Other general revenues	1,350	330,791	332,141
Total revenues	<u>8,300,225</u>	<u>340,161</u>	<u>8,640,386</u>
<b>Expenditures:</b>			
General government	-	297,200	297,200
Public safety	7,932,288	-	7,932,288
Economic and physical development	25,420	-	25,420
Cultural and recreational	-	320,800	320,800
Total expenditures	<u>7,957,708</u>	<u>618,000</u>	<u>8,575,708</u>
Revenues over (under) expenditures	<u>342,517</u>	<u>(277,839)</u>	<u>64,678</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from (to) other funds	(488,129)	349,305	(138,824)
Net change in fund balances	(145,612)	71,466	(74,146)
<b>Fund Balances:</b>			
Beginning of year - July 1	1,911,301	2,348,828	4,260,129
End of year - June 30	<u>\$ 1,765,689</u>	<u>\$ 2,420,294</u>	<u>\$ 4,185,983</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/Easement Monitoring** – Accounts for the funds received from Triangle Land Conservancy to aid in the maintenance and upkeep of the Haw River canoe access and fund received from Mid-Atlantic Mitigation, LLC at the request of the Soil and Water Conservation District for easement monitoring.
- **Economic and Community Development Fund** – Accounts for the activities financed under grant agreements from 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, 2015

	<u>Emergency Telephone System Fund</u>	<u>Forfeited Property</u>	<u>Recreation Payment In Lieu</u>	<u>Bynum Canoe Access/ Easement Monitoring</u>	<u>Economic and Community Development</u>
<b>Assets:</b>					
Cash, cash equivalents and investments	\$ 575,662	\$ 113,414	\$ 665,386	\$ 19,741	\$ -
Property taxes receivable, net	-	-	-	-	-
Due from other governmental agencies	42,345	122	-	-	-
Other receivables	558	101	701	17	-
Total assets	<u>\$ 618,565</u>	<u>\$ 113,637</u>	<u>\$ 666,087</u>	<u>\$ 19,758</u>	<u>\$ -</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 179	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>179</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>					
Prepaid taxes	-	-	-	-	-
Taxes receivable	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>					
Restricted:					
Stabilization by State statute	42,903	223	701	17	-
Courthouse clock	-	-	-	-	-
Emergency telephone	575,483	-	-	-	-
Economic and physical development	-	-	-	19,741	-
Fire protection	-	-	-	-	-
Law enforcement	-	113,414	-	-	-
Assigned:					
Subsequent year's budget	-	-	400,000	-	-
Cultural and recreation	-	-	265,386	-	-
Total restricted and assigned	618,386	113,637	666,087	19,758	-
Unassigned	-	-	-	-	-
Total fund balances	<u>618,386</u>	<u>113,637</u>	<u>666,087</u>	<u>19,758</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 618,565</u>	<u>\$ 113,637</u>	<u>\$ 666,087</u>	<u>\$ 19,758</u>	<u>\$ -</u>

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL REVENUE FUNDS - NONMAJOR FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2015

	<u>Courthouse Clock</u>	<u>Library Foundation</u>	<u>Special Fire Districts</u>	<u>Total</u>
<b>Assets:</b>				
Cash, cash equivalents and investments	\$ 66,265	\$ 11,085	\$ 241,147	\$ 1,692,700
Property taxes receivable, net	-	-	158,034	158,034
Due from other governmental agencies	-	-	40,323	82,790
Other receivables	58	10	178	1,623
Total assets	<u>\$ 66,323</u>	<u>\$ 11,095</u>	<u>\$ 439,682</u>	<u>\$ 1,935,147</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 5,812	\$ 5,991
Total liabilities	<u>-</u>	<u>-</u>	<u>5,812</u>	<u>5,991</u>
<b>Deferred Inflows of Resources:</b>				
Prepaid taxes	-	-	5,433	5,433
Taxes receivable	-	-	158,034	158,034
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>163,467</u>	<u>163,467</u>
<b>Fund Balances:</b>				
Restricted:				
Stabilization by State statute	58	10	40,501	84,413
Courthouse clock	66,265	-	-	66,265
Emergency telephone	-	-	-	575,483
Economic and physical development	-	-	-	19,741
Fire protection	-	-	232,138	232,138
Law enforcement	-	-	-	113,414
Assigned:				
Subsequent year's budget	-	10,650	-	410,650
Cultural and recreation	-	435	-	265,821
Total restricted and assigned	<u>66,323</u>	<u>11,095</u>	<u>272,639</u>	<u>1,767,925</u>
Unassigned	<u>-</u>	<u>-</u>	<u>(2,236)</u>	<u>(2,236)</u>
Total fund balances	<u>66,323</u>	<u>11,095</u>	<u>270,403</u>	<u>1,765,689</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 66,323</u>	<u>\$ 11,095</u>	<u>\$ 439,682</u>	<u>\$ 1,935,147</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, 2015

	Emergency Telephone System Fund	Forfeited Property	Recreation Payment In Lieu	Bynum Canoe Access/ Easement Monitoring	Economic and Community Development
<b>Revenues:</b>					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	454,224	114,594	-	-	25,420
Permits and fees	-	-	371,250	-	-
Investment earnings	2,407	302	3,997	81	-
Other general revenues	-	1,157	-	-	-
Total revenues	<u>456,631</u>	<u>116,053</u>	<u>375,247</u>	<u>81</u>	<u>25,420</u>
<b>Expenditures:</b>					
Public safety	377,722	38,940	-	-	-
Economic and physical development	-	-	-	-	25,420
Total expenditures	<u>377,722</u>	<u>38,940</u>	<u>-</u>	<u>-</u>	<u>25,420</u>
Revenues over (under) expenditures	<u>78,909</u>	<u>77,113</u>	<u>375,247</u>	<u>81</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>					
Transfers from (to) other funds	-	-	(488,129)	-	-
Net change in fund balances	78,909	77,113	(112,882)	81	-
<b>Fund Balances:</b>					
Beginning of year - July 1	<u>539,477</u>	<u>36,524</u>	<u>778,969</u>	<u>19,677</u>	<u>-</u>
End of year - June 30	<u>\$ 618,386</u>	<u>\$ 113,637</u>	<u>\$ 666,087</u>	<u>\$ 19,758</u>	<u>\$ -</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, 2015

	<u>Courthouse Clock</u>	<u>Library Foundation</u>	<u>Special Fire Districts</u>	<u>Total</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ -	\$ -	\$ 7,324,097	\$ 7,324,097
Restricted intergovernmental	-	-	-	594,238
Permits and fees	-	-	-	371,250
Investment earnings	274	45	2,184	9,290
Other general revenues	-	193	-	1,350
Total revenues	<u>274</u>	<u>238</u>	<u>7,326,281</u>	<u>8,300,225</u>
<b>Expenditures:</b>				
Public safety	-	-	7,515,626	7,932,288
Economic and physical development	-	-	-	25,420
Total expenditures	<u>-</u>	<u>-</u>	<u>7,515,626</u>	<u>7,957,708</u>
Revenues over (under) expenditures	<u>274</u>	<u>238</u>	<u>(189,345)</u>	<u>342,517</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>(488,129)</u>
Net change in fund balances	274	238	(189,345)	(145,612)
<b>Fund Balances:</b>				
Beginning of year - July 1	<u>66,049</u>	<u>10,857</u>	<u>459,748</u>	<u>1,911,301</u>
End of year - June 30	<u>\$ 66,323</u>	<u>\$ 11,095</u>	<u>\$ 270,403</u>	<u>\$ 1,765,689</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, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR  
THE FISCAL YEAR ENDED JUNE 30, 2014**

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental:				
Service fee collections	\$ 454,202	\$ 454,224	\$ 22	\$ 606,564
Investment earnings	1,000	2,407	1,407	1,425
Total revenues	<u>455,202</u>	<u>456,631</u>	<u>1,429</u>	<u>607,989</u>
<b>Expenditures:</b>				
Public safety:				
Emergency telephone system				
Phone system/furniture	317,222	239,499	77,723	179,416
Software	61,650	59,857	1,793	147,618
Hardware	215,310	22,409	192,901	95,508
Training	11,000	10,788	212	2,550
Implemental functions	50,020	45,169	4,851	46,019
Total emergency telephone system	<u>655,202</u>	<u>377,722</u>	<u>277,480</u>	<u>471,111</u>
Revenues over (under) expenditures	(200,000)	78,909	278,909	136,878
Appropriated fund balance	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>78,909</u>	<u>\$ 78,909</u>	<u>136,878</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>539,477</u>		<u>402,599</u>
End of year - June 30		<u>\$ 618,386</u>		<u>\$ 539,477</u>

## CHATHAM COUNTY, NORTH CAROLINA

**FORFEITED PROPERTY  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR  
THE FISCAL YEAR ENDED JUNE 30, 2014**

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental:				
Controlled substance tax	\$ 9,000	\$ 6,866	\$ (2,134)	\$ 5,096
Drug forfeiture funds	6,900	107,728	100,828	2,227
Investment earnings:				
Controlled substance tax	-	30	30	91
Drug forfeiture funds	-	272	272	46
Other general revenues:				
Controlled substance tax	-	1,157	1,157	215
Total revenues	<u>15,900</u>	<u>116,053</u>	<u>100,153</u>	<u>7,675</u>
<b>Expenditures:</b>				
Public safety:				
Controlled substance tax:				
Operating expenditures	16,000	13,175	2,825	2,428
Capital outlay	9,000	9,000	-	-
Forfeited property:				
Operating expenditures	12,500	13,365	(865)	9,277
Capital outlay	3,400	3,400	-	12,044
Total expenditures	<u>40,900</u>	<u>38,940</u>	<u>1,960</u>	<u>23,749</u>
Revenues over (under) expenditures	<u>(25,000)</u>	<u>77,113</u>	<u>102,113</u>	<u>(16,074)</u>
Appropriated fund balance:				
Controlled substance tax	16,000	-	(16,000)	-
Drug forfeiture funds	9,000	-	(9,000)	-
Total	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>	<u>-</u>
Net change in fund balance				
Controlled substance tax	-	(14,122)	(14,122)	2,974
Drug forfeiture funds	-	91,235	91,235	(19,048)
Total	<u>\$ -</u>	<u>77,113</u>	<u>\$ 77,113</u>	<u>(16,074)</u>
<b>Fund Balance:</b>				
Beginning of year - July 1				
Controlled substance tax		24,967		21,993
Drug forfeiture funds		11,557		30,605
		<u>36,524</u>		<u>52,598</u>
End of year - June 30				
Controlled substance tax		10,845		24,967
Drug forfeiture funds		102,792		11,557
		<u>\$ 113,637</u>		<u>\$ 36,524</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, 2015  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR  
 THE FISCAL YEAR ENDED JUNE 30, 2014

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Permits and fees	\$ 153,000	\$ 371,250	\$ 218,250	\$ 271,280
Investment earnings	1,500	3,997	2,497	2,351
Total revenues	<u>154,500</u>	<u>375,247</u>	<u>220,747</u>	<u>273,631</u>
<b>Other Financing Sources (Uses):</b>				
Transfer to other funds:				
General Fund	(254,500)	(138,824)	115,676	(116,223)
Capital project	<u>(350,000)</u>	<u>(349,305)</u>	<u>695</u>	<u>(27,515)</u>
Total other financing sources (uses)	<u>(604,500)</u>	<u>(488,129)</u>	<u>116,371</u>	<u>(143,738)</u>
Appropriated fund balance	<u>450,000</u>	<u>-</u>	<u>(450,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(112,882)</u>	<u>\$ (112,882)</u>	<u>129,893</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>778,969</u>		<u>649,076</u>
End of year - June 30		<u>\$ 666,087</u>		<u>\$ 778,969</u>

## CHATHAM COUNTY, NORTH CAROLINA

**BYNUM CANOE ACCESS/EASEMENT MONITORING  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR  
THE FISCAL YEAR ENDED JUNE 30, 2014**

	2015			2014
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ 10,834
Investment earnings	40	81	41	49
Total revenues	<u>40</u>	<u>81</u>	<u>41</u>	<u>10,883</u>
<b>Expenditures:</b>				
Cultural and recreational	<u>8,540</u>	-	<u>8,540</u>	-
Total expenditures	<u>8,540</u>	-	<u>8,540</u>	-
Revenues over (under) expenditures	(8,500)	81	8,581	10,883
Appropriated fund balance	<u>8,500</u>	-	<u>(8,500)</u>	-
Net change in fund balance	<u>\$ -</u>	81	<u>\$ 81</u>	10,883
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>19,677</u>		<u>8,794</u>
End of year - June 30		<u>\$ 19,758</u>		<u>\$ 19,677</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  
FOR YEAR ENDED JUNE 30, 2015**

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total</u>
		<u>Prior Years</u>	<u>Current Year</u>	
<b>Revenues:</b>				
Restricted intergovernmental				
Grant - Scattered Site Housing Project - 2010	\$ 400,000	\$ 381,688	\$ -	\$ 381,688
Grant - Single Family Rehabilitation - 2012	<u>380,000</u>	<u>330,622</u>	<u>25,420</u>	<u>356,042</u>
Total revenues	<u>780,000</u>	<u>712,310</u>	<u>25,420</u>	<u>737,730</u>
<b>Expenditures:</b>				
Economic and physical development:				
Single Family Rehabilitation - 2012:				
Administration	73,010	61,553	5,432	66,985
Construction	<u>306,990</u>	<u>269,069</u>	<u>19,988</u>	<u>289,057</u>
Total	<u>380,000</u>	<u>330,622</u>	<u>25,420</u>	<u>356,042</u>
CDBG Scattered Site Housing Project - 2010:				
Administration	40,000	37,404	-	37,404
Construction	<u>360,000</u>	<u>344,284</u>	<u>-</u>	<u>344,284</u>
Total	<u>400,000</u>	<u>381,688</u>	<u>-</u>	<u>381,688</u>
Total expenditures	<u>780,000</u>	<u>712,310</u>	<u>25,420</u>	<u>737,730</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			<u>-</u>	
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, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR**  
**THE FISCAL YEAR ENDED JUNE 30, 2014**

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 274	\$ 274	\$ 226
<b>Expenditures:</b>				
General government	65,625	-	65,625	-
Revenues over (under) expenditures	(65,625)	274	65,899	226
Appropriated fund balance	65,625	-	(65,625)	-
Net change in fund balance	<u>\$ -</u>	274	<u>\$ 274</u>	226
<b>Fund Balance:</b>				
Beginning of year - July 1		66,049		65,823
End of year - June 30		<u>\$ 66,323</u>		<u>\$ 66,049</u>

## CHATHAM COUNTY, NORTH CAROLINA

**LIBRARY FOUNDATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR**  
**THE FISCAL YEAR ENDED JUNE 30, 2014**

	2015			2014
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	\$ 50	\$ 45	\$ (5)	\$ 37
Other general revenues	-	193	193	167
Total revenues	<u>50</u>	<u>238</u>	<u>188</u>	<u>204</u>
<b>Expenditures:</b>				
Cultural and recreational	<u>10,700</u>	-	<u>10,700</u>	-
Total expenditures	<u>10,700</u>	-	<u>10,700</u>	-
Revenues over (under) expenditures	<u>(10,650)</u>	<u>238</u>	<u>10,888</u>	<u>204</u>
Appropriated fund balance	<u>10,650</u>	-	<u>(10,650)</u>	-
Net change in fund balance	<u>\$ -</u>	<u>238</u>	<u>\$ 238</u>	<u>204</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>10,857</u>		<u>10,653</u>
End of year - June 30		<u>\$ 11,095</u>		<u>\$ 10,857</u>

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CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
COMBINING BALANCE SHEET  
JUNE 30, 2015

	<u>Combined</u>	<u>Bell's Annex</u>	<u>Bennett</u>	<u>Bonlee</u>	<u>Central Chatham</u>	<u>Circle City</u>	<u>Goldston</u>
<b>Assets:</b>							
Cash, cash equivalents, and investments	\$ 241,147	\$ 6,016	\$ 2,286	\$ 7,877	\$ 3,623	\$ 35,986	\$ 8,599
Property taxes receivable, net	158,034	6,236	4,335	12,026	17,109	29,902	12,987
Due from other governments	40,323	471	741	1,521	3,127	5,692	1,590
Other receivables	178	4	2	5	1	23	5
Total assets	<u>\$ 439,682</u>	<u>\$ 12,727</u>	<u>\$ 7,364</u>	<u>\$ 21,429</u>	<u>\$ 23,860</u>	<u>\$ 71,603</u>	<u>\$ 23,181</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>							
<b>Liabilities:</b>							
Accounts payable and accrued liabilities	\$ 5,812	\$ -	\$ -	\$ -	\$ 5,812	\$ -	\$ -
<b>Deferred Inflows of Resources:</b>							
Property taxes receivable	158,034	6,236	4,335	12,026	17,109	29,902	12,987
Prepaid taxes	5,433	1	1	165	47	515	88
Total deferred inflows of resources	<u>163,467</u>	<u>6,237</u>	<u>4,336</u>	<u>12,191</u>	<u>17,156</u>	<u>30,417</u>	<u>13,075</u>
<b>Fund Balances:</b>							
Restricted:							
Stabilization by State Statute	40,501	475	743	1,526	3,128	5,715	1,595
Fire protection	232,138	6,015	2,285	7,712	-	35,471	8,511
Unassigned	(2,236)	-	-	-	(2,236)	-	-
Total fund balances	<u>270,403</u>	<u>6,490</u>	<u>3,028</u>	<u>9,238</u>	<u>892</u>	<u>41,186</u>	<u>10,106</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 439,682</u>	<u>\$ 12,727</u>	<u>\$ 7,364</u>	<u>\$ 21,429</u>	<u>\$ 23,860</u>	<u>\$ 71,603</u>	<u>\$ 23,181</u>

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
COMBINING BALANCE SHEET  
JUNE 30, 2015

	<u>Hope</u>	<u>Moncure</u>	<u>North Chatham</u>	<u>Parkwood</u>	<u>Staley</u>	<u>Northview</u>
<b>Assets:</b>						
Cash, cash equivalents, and investments	\$ 12,589	\$ 25,123	\$ 126,464	\$ 5,062	\$ 6,928	\$ 594
Property taxes receivable, net	9,276	16,087	44,445	1,003	3,925	703
Due from other governments	3,153	2,534	20,079	914	327	174
Other receivables	9	21	98	4	5	1
Total assets	<u>\$ 25,027</u>	<u>\$ 43,765</u>	<u>\$ 191,086</u>	<u>\$ 6,983</u>	<u>\$ 11,185</u>	<u>\$ 1,472</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Deferred Inflows of Resources:</b>						
Property taxes receivable	9,276	16,087	44,445	1,003	3,925	703
Prepaid taxes	363	3,193	837	-	-	223
Total deferred inflows of resources	<u>9,639</u>	<u>19,280</u>	<u>45,282</u>	<u>1,003</u>	<u>3,925</u>	<u>926</u>
<b>Fund Balances:</b>						
Restricted:						
Stabilization by State Statute	3,162	2,555	20,177	918	332	175
Fire protection	12,226	21,930	125,627	5,062	6,928	371
Unassigned	-	-	-	-	-	-
Total fund balances	<u>15,388</u>	<u>24,485</u>	<u>145,804</u>	<u>5,980</u>	<u>7,260</u>	<u>546</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,027</u>	<u>\$ 43,765</u>	<u>\$ 191,086</u>	<u>\$ 6,983</u>	<u>\$ 11,185</u>	<u>\$ 1,472</u>

## CHATHAM COUNTY, NORTH CAROLINA

**SPECIAL FIRE DISTRICTS  
 COMBINING SCHEDULE OF REVENUES,  
 EXPENDITURES, AND CHANGES  
 IN FUND BALANCE  
 FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Combined Special Fire Districts</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 7,099,355	\$ 7,324,097	\$ 224,742
Investment earnings	-	2,184	2,184
Total revenues	<u>7,099,355</u>	<u>7,326,281</u>	<u>226,926</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	7,175,633	7,173,687	1,946
Commissions	<u>345,922</u>	<u>341,939</u>	<u>3,983</u>
Total public safety	<u>7,521,555</u>	<u>7,515,626</u>	<u>5,929</u>
Revenues over (under) expenditures	<u>(422,200)</u>	<u>(189,345)</u>	<u>232,855</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>422,200</u>	-	<u>(422,200)</u>
Net change in fund balance	<u>\$ -</u>	<u>(189,345)</u>	<u>\$ (189,345)</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>459,748</u>	
End of year - June 30		<u>\$ 270,403</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Bells Annex Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 94,706	\$ 100,387	\$ 5,681
Investment earnings	-	34	34
Total revenues	<u>94,706</u>	<u>100,421</u>	<u>5,715</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	90,734	90,734	-
Commissions	<u>4,672</u>	<u>4,582</u>	<u>90</u>
Total public safety	<u>95,406</u>	<u>95,316</u>	<u>90</u>
Revenues over (under) expenditures	<u>(700)</u>	<u>5,105</u>	<u>5,805</u>
Appropriated fund balance	<u>700</u>	<u>-</u>	<u>(700)</u>
Net change in fund balance	<u>\$ -</u>	<u>5,105</u>	<u>\$ 5,105</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>1,385</u>	
End of year - June 30		<u>\$ 6,490</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015

	<b>Bennett Fire District</b>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 96,908	\$ 99,586	\$ 2,678
Investment earnings	-	40	40
Total revenues	<u>96,908</u>	<u>99,626</u>	<u>2,718</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	95,064	95,064	-
Commissions	4,544	4,466	78
Total public safety	<u>99,608</u>	<u>99,530</u>	<u>78</u>
Revenues over (under) expenditures	<u>(2,700)</u>	<u>96</u>	<u>2,796</u>
Appropriated fund balance	<u>2,700</u>	<u>-</u>	<u>(2,700)</u>
Net change in fund balance	<u>\$ -</u>	<u>96</u>	<u>\$ 96</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>2,932</u>	
End of year - June 30		<u>\$ 3,028</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015

	<b>Bonlee Fire District</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 209,081	\$ 214,657	\$ 5,576
Investment earnings	-	66	66
Total revenues	<u>209,081</u>	<u>214,723</u>	<u>5,642</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	210,955	210,955	-
Commissions	10,126	9,771	355
Total public safety	<u>221,081</u>	<u>220,726</u>	<u>355</u>
Revenues over (under) expenditures	<u>(12,000)</u>	<u>(6,003)</u>	<u>5,997</u>
Appropriated fund balance	<u>12,000</u>	<u>-</u>	<u>(12,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(6,003)</u>	<u>\$ (6,003)</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>15,241</u>	
End of year - June 30		<u>\$ 9,238</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Central Chatham Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 323,134	\$ 316,459	\$ (6,675)
Investment earnings	-	116	116
Total revenues	<u>323,134</u>	<u>316,575</u>	<u>(6,559)</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	328,300	326,354	1,946
Commissions	14,834	14,243	591
Total public safety	<u>343,134</u>	<u>340,597</u>	<u>2,537</u>
Revenues over (under) expenditures	<u>(20,000)</u>	<u>(24,022)</u>	<u>(4,022)</u>
Appropriated fund balance	<u>20,000</u>	-	<u>(20,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(24,022)</u>	<u>\$ (24,022)</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>24,914</u>	
End of year - June 30		<u>\$ 892</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Circle City Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 1,041,080	\$ 1,065,617	\$ 24,537
Investment earnings	-	273	273
Total revenues	<u>1,041,080</u>	<u>1,065,890</u>	<u>24,810</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	1,038,521	1,038,521	-
Commissions	50,359	50,030	329
Total public safety	<u>1,088,880</u>	<u>1,088,551</u>	<u>329</u>
Revenues over (under) expenditures	<u>(47,800)</u>	<u>(22,661)</u>	<u>25,139</u>
Appropriated fund balance	<u>47,800</u>	-	<u>(47,800)</u>
Net change in fund balance	<u>\$ -</u>	<u>(22,661)</u>	<u>\$ (22,661)</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>63,847</u>	
End of year - June 30		<u>\$ 41,186</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Goldston Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 210,150	\$ 217,022	\$ 6,872
Investment earnings	-	76	76
Total revenues	<u>210,150</u>	<u>217,098</u>	<u>6,948</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	214,310	214,310	-
Commissions	10,340	9,804	536
Total public safety	<u>224,650</u>	<u>224,114</u>	<u>536</u>
Revenues over (under) expenditures	<u>(14,500)</u>	<u>(7,016)</u>	<u>7,484</u>
Appropriated fund balance	<u>14,500</u>	-	<u>(14,500)</u>
Net change in fund balance	<u>\$ -</u>	<u>(7,016)</u>	<u>\$ (7,016)</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>17,122</u>	
End of year - June 30		<u>\$ 10,106</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015

	<b>Hope Fire District</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 348,614	\$ 361,585	\$ 12,971
Investment earnings	-	120	120
Total revenues	<u>348,614</u>	<u>361,705</u>	<u>13,091</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	353,841	353,841	-
Commissions	16,773	16,433	340
Total public safety	<u>370,614</u>	<u>370,274</u>	<u>340</u>
Revenues over (under) expenditures	<u>(22,000)</u>	<u>(8,569)</u>	<u>13,431</u>
Appropriated fund balance	<u>22,000</u>	-	<u>(22,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(8,569)</u>	<u>\$ (8,569)</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>23,957</u>	
End of year - June 30		<u>\$ 15,388</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Moncure Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 665,538	\$ 690,570	\$ 25,032
Investment earnings	-	238	238
Total revenues	<u>665,538</u>	<u>690,808</u>	<u>25,270</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	711,597	711,597	-
Commissions	33,941	33,077	864
Total public safety	<u>745,538</u>	<u>744,674</u>	<u>864</u>
Revenues over (under) expenditures	<u>(80,000)</u>	<u>(53,866)</u>	<u>26,134</u>
Appropriated fund balance	<u>80,000</u>	-	<u>(80,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(53,866)</u>	<u>\$ (53,866)</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>78,351</u>	
End of year - June 30		<u>\$ 24,485</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015

	<b>North Chatham Fire District</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 3,748,537	\$ 3,880,519	\$ 131,982
Investment earnings	-	1,091	1,091
Total revenues	<u>3,748,537</u>	<u>3,881,610</u>	<u>133,073</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	3,766,545	3,766,545	-
Commissions	181,992	181,693	299
Total public safety	<u>3,948,537</u>	<u>3,948,238</u>	<u>299</u>
Revenues over (under) expenditures	<u>(200,000)</u>	<u>(66,628)</u>	<u>133,372</u>
Appropriated fund balance	<u>200,000</u>	-	<u>(200,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(66,628)</u>	<u>\$ (66,628)</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>212,432</u>	
End of year - June 30		<u>\$ 145,804</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Parkwood Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 290,630	\$ 298,908	\$ 8,278
Investment earnings	-	84	84
Total revenues	<u>290,630</u>	<u>298,992</u>	<u>8,362</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	291,083	291,083	-
Commissions	14,547	14,258	289
Total public safety	<u>305,630</u>	<u>305,341</u>	<u>289</u>
Revenues over (under) expenditures	<u>(15,000)</u>	<u>(6,349)</u>	<u>8,651</u>
Appropriated fund balance	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(6,349)</u>	<u>\$ (6,349)</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>12,329</u>	
End of year - June 30		<u>\$ 5,980</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015

	Staley Fire District		
	Final Budget	Actual	Variance Over/Under
<b>Revenues:</b>			
Ad valorem taxes	\$ 45,065	\$ 51,976	\$ 6,911
Investment earnings	-	32	32
Total revenues	<u>45,065</u>	<u>52,008</u>	<u>6,943</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	46,398	46,398	-
Commissions	<u>2,467</u>	<u>2,343</u>	<u>124</u>
Total public safety	<u>48,865</u>	<u>48,741</u>	<u>124</u>
Revenues over (under) expenditures	<u>(3,800)</u>	<u>3,267</u>	<u>7,067</u>
Appropriated fund balance	<u>3,800</u>	-	<u>(3,800)</u>
Net change in fund balance	<u>\$ -</u>	<u>3,267</u>	<u>\$ 3,267</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>3,993</u>	
End of year - June 30		<u>\$ 7,260</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Northview Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 25,912	\$ 26,811	\$ 899
Investment earnings	-	14	14
Total revenues	<u>25,912</u>	<u>26,825</u>	<u>913</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	28,285	28,285	-
Commissions	1,327	1,239	88
Total public safety	<u>29,612</u>	<u>29,524</u>	<u>88</u>
Revenues over (under) expenditures	<u>(3,700)</u>	<u>(2,699)</u>	<u>1,001</u>
Appropriated fund balance	<u>3,700</u>	-	<u>(3,700)</u>
Net change in fund balance	<u>\$ -</u>	<u>(2,699)</u>	<u>\$ (2,699)</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>3,245</u>	
End of year - June 30		<u>\$ 546</u>	

## NONMAJOR CAPITAL PROJECT FUNDS

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

### Individual Fund Descriptions:

- **Chatham Park Projects** – Accounts for the financing and construction of parks for the recreational use of residents of the County.
- **Equipment Capital Reserve Project** – Accounts for the accumulation of funds for large capital purchases.
- **Emergency Vehicle Replacement Capital Reserve Project** – Accounts for the accumulation of funds to assist local rescue squads with the purchase of emergency vehicles.
- **Tech/System Improvement Project Computer System** – Accounts for the funds used to purchase financial software for the County and to fund upgrades to the County's computer systems.

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## CHATHAM COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2015

	<u>Chatham Park Projects</u>	<u>Tech/System Improvement Projects</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	\$ 204,783	\$ 3,980	\$ 2,159,935	\$ 118,185	\$ 2,486,883
Due from other governments	-	1,015	-	-	1,015
Other receivables	-	-	1,887	103	1,990
Total assets	<u>\$ 204,783</u>	<u>\$ 4,995</u>	<u>\$ 2,161,822</u>	<u>\$ 118,288</u>	<u>\$ 2,489,888</u>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 64,599	\$ 4,995	\$ -	\$ -	\$ 69,594
Total liabilities	<u>64,599</u>	<u>4,995</u>	<u>-</u>	<u>-</u>	<u>69,594</u>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Stabilization by State Statute	-	1,015	1,887	103	3,005
Committed	140,184	-	-	-	140,184
Assigned	-	-	2,159,935	118,185	2,278,120
Unassigned	-	(1,015)	-	-	(1,015)
Total fund balances	<u>140,184</u>	<u>-</u>	<u>2,161,822</u>	<u>118,288</u>	<u>2,420,294</u>
Total liabilities and fund balances	<u>\$ 204,783</u>	<u>\$ 4,995</u>	<u>\$ 2,161,822</u>	<u>\$ 118,288</u>	<u>\$ 2,489,888</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, 2015

	<u>Chatham Park Projects</u>	<u>Tech/System Improvements Project</u>	<u>Equipment Capital Reserve Project</u>	<u>Emergency Vehicle Replacement Capital Reserve Project</u>	<u>Total</u>
<b>Revenues:</b>					
Investment earnings	\$ -	\$ -	\$ 8,881	\$ 489	\$ 9,370
Other general revenues	<u>10,000</u>	<u>296,410</u>	<u>24,381</u>	<u>-</u>	<u>330,791</u>
Total revenues	<u>10,000</u>	<u>296,410</u>	<u>33,262</u>	<u>489</u>	<u>340,161</u>
<b>Expenditures:</b>					
General government	-	297,200	-	-	297,200
Cultural and recreational	<u>320,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>320,800</u>
Total expenditures	<u>320,800</u>	<u>297,200</u>	<u>-</u>	<u>-</u>	<u>618,000</u>
Revenues over (under) expenditures	(310,800)	(790)	33,262	489	(277,839)
<b>Other Financing Sources (Uses):</b>					
Transfers from (to) other funds	<u>349,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>349,305</u>
Net change in fund balances	38,505	(790)	33,262	489	71,466
<b>Fund Balance:</b>					
Beginning of year - July 1	<u>101,679</u>	<u>790</u>	<u>2,128,560</u>	<u>117,799</u>	<u>2,348,828</u>
End of year - June 30	<u>\$ 140,184</u>	<u>\$ -</u>	<u>\$ 2,161,822</u>	<u>\$ 118,288</u>	<u>\$ 2,420,294</u>

## 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, 2015

	Project Budget	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
<b>Revenues:</b>					
Intergovernmental					
State grants	\$ 1,022,951	\$ 708,486	\$ -	\$ 708,486	\$ (314,465)
Investment earnings	-	6	-	6	6
Other general revenues:					
Grants	80,000	80,000	-	80,000	-
Donations	50,000	40,000	10,000	50,000	-
Total other general revenues	130,000	120,000	10,000	130,000	-
Total revenues	1,152,951	828,492	10,000	838,492	(314,459)
<b>Expenditures:</b>					
Cultural and recreational:					
Briar Chapel	1,088,461	195,171	304,234	499,405	589,056
Northeast Park	2,016,705	1,828,182	16,566	1,844,748	171,957
Total expenditures	3,105,166	2,023,353	320,800	2,344,153	761,013
Revenues over (under) expenditures	(1,952,215)	(1,194,861)	(310,800)	(1,505,661)	446,554
<b>Other Financing Sources (Uses):</b>					
Transfers from (to) other funds:					
Recreation in Lieu	773,996	195,171	349,305	544,476	(229,520)
Capital Improvements Reserve - Park	1,178,219	1,101,369	-	1,101,369	(76,850)
Total other financing sources (uses)	1,952,215	1,296,540	349,305	1,645,845	(306,370)
Net change in fund balance	\$ -	\$ 101,679	\$ 38,505	\$ 140,184	\$ 140,184

## CHATHAM COUNTY, NORTH CAROLINA

TECH/SYSTEM IMPROVEMENTS PROJECT  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE FISCAL YEAR  
 ENDED JUNE 30, 2015

	<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>					
Other general revenues	\$ 1,500,000	\$ 370,000	\$ 296,410	\$ 666,410	\$ (833,590)
Total revenues	<u>1,500,000</u>	<u>370,000</u>	<u>296,410</u>	<u>666,410</u>	<u>(833,590)</u>
<b>Expenditures:</b>					
General government	<u>1,500,000</u>	<u>369,210</u>	<u>297,200</u>	<u>666,410</u>	<u>833,590</u>
Total expenditures	<u>1,500,000</u>	<u>369,210</u>	<u>297,200</u>	<u>666,410</u>	<u>833,590</u>
Revenues over (under) expenditures	<u>-</u>	<u>790</u>	<u>(790)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 790</u>	<u>\$ (790)</u>	<u>\$ -</u>	<u>\$ -</u>

## CHATHAM COUNTY, NORTH CAROLINA

**EQUIPMENT CAPITAL PROJECT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR  
FOR YEAR ENDED JUNE 30, 2014**

	<u>2015</u>			<u>2014</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	\$ 6,000	\$ 8,881	\$ 2,881	\$ 7,298
Other general revenues	-	24,381	24,381	-
Total revenues	<u>6,000</u>	<u>33,262</u>	<u>27,262</u>	<u>7,298</u>
<b>Expenditures:</b>				
General government	<u>700,000</u>	-	<u>700,000</u>	-
Revenues over (under) expenditures	(694,000)	33,262	727,262	7,298
Appropriated fund balance	<u>694,000</u>	-	<u>(694,000)</u>	-
Net change in fund balance	<u>\$ -</u>	33,262	<u>\$ 33,262</u>	7,298
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>2,128,560</u>		<u>2,121,262</u>
End of year - June 30		<u>\$ 2,161,822</u>		<u>\$ 2,128,560</u>

## CHATHAM COUNTY, NORTH CAROLINA

EMERGENCY VEHICLE REPLACEMENT CAPITAL PROJECT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2015  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR  
 THE FISCAL YEAR ENDED JUNE 30, 2014

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings	\$ 300	\$ 489	\$ 189	\$ 403
<b>Expenditures:</b>				
Public safety	117,300	-	117,300	-
Revenues over (under) expenditures	(117,000)	489	117,489	403
Appropriated fund balance	117,000	-	(117,000)	-
Net change in fund balance	\$ -	489	\$ 489	403
<b>Fund Balance:</b>				
Beginning of year - July 1		117,799		117,396
End of year - June 30		\$ 118,288		\$ 117,799

## 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.
- **Water Equipment Replacement Fund** – Accounts for capital outlay for various water equipment 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, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR  
THE FISCAL YEAR ENDED JUNE 30, 2014

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Operating revenues:				
Charges for services:				
Water sales	\$ 5,112,762	\$ 5,778,726	\$ 665,964	\$ 5,505,931
Sewer charges	20,000	17,366	(2,634)	18,712
Total charges for services	5,132,762	5,796,092	663,330	5,524,643
Non-operating revenues:				
Investment earnings	13,000	17,065	4,065	12,965
Other non-operating revenues	-	7,420	7,420	1,801
Total revenues	5,145,762	5,820,577	674,815	5,539,409
<b>Expenditures:</b>				
Operating expenditures:				
Salaries and employee benefits	1,337,578	1,325,369	12,209	1,337,156
Repairs and maintenance	336,995	312,525	24,470	307,795
Other operating expenditures	2,273,911	2,159,959	113,952	2,142,452
Total	3,948,484	3,797,853	150,631	3,787,403
Capital outlay	189,215	180,814	8,401	30,534
Debt service:				
Principal	1,018,142	1,018,140	2	1,068,381
Interest	514,550	510,480	4,070	591,364
Total expenditures	5,670,391	5,507,287	163,104	5,477,682
Revenues over (under) expenditures	(524,629)	313,290	837,919	61,727
<b>Other Financing Sources (Uses):</b>				
Intrafund transfers from (to) other funds:				
Capital Reserve	-	296,410	296,410	-
Total other financing sources (uses)	-	296,410	296,410	-
Fund balance appropriated	524,629	-	(524,629)	-

**CHATHAM COUNTY, NORTH CAROLINA**

**UTILITY FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR  
THE FISCAL YEAR ENDED JUNE 30, 2014**

	2015		2014
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues and other financing sources			<u>Actual</u>
(under) expenditures and other financing uses	\$ -	609,700	\$ 61,727

This schedule is included to show budgetary compliance.

**Reconciliation from Budgetary Basis to Full Accrual:**

Revenue:	
Water Reserve	1,613,663
Equipment Reserve	1,853
Reconciling items:	
Intrafund transfers	(296,410)
Capital outlay	180,814
Debt principal	1,018,140
Depreciation	(1,290,450)
Decrease (increase) in vacation pay accrual	7,219
Contributions to the pension plan in the current year	62,348
Pension expense	(6,534)
Premium amortization	182,490
Change in net position	<u>\$ 2,082,833</u>

## CHATHAM COUNTY, NORTH CAROLINA

WATER CAPITAL RESERVE  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2015  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR  
 THE FISCAL YEAR ENDED JUNE 30, 2014

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Charges for services	\$ 1,001,000	\$ 1,550,500	\$ 549,500	\$ 1,110,563
Investment earnings	57,500	63,163	5,663	59,382
Total revenues	<u>1,058,500</u>	<u>1,613,663</u>	<u>555,163</u>	<u>1,169,945</u>
<b>Expenditures:</b>				
Capital outlay:				
Facilities project	<u>1,067,980</u>	<u>-</u>	<u>1,067,980</u>	<u>(370)</u>
Revenues over (under) expenditures	<u>(9,480)</u>	<u>1,613,663</u>	<u>1,623,143</u>	<u>1,170,315</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfers from (to):				
Water Capital Project	(1,089,000)	(52,033)	1,036,967	(3,210,000)
Utility Fund	<u>-</u>	<u>(296,410)</u>	<u>(296,410)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,089,000)</u>	<u>(348,443)</u>	<u>740,557</u>	<u>(3,210,000)</u>
Fund balance appropriated	<u>1,098,480</u>	<u>-</u>	<u>(1,098,480)</u>	<u>-</u>
Revenues and other financing sources (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,265,220</u>	<u>\$ 1,265,220</u>	<u>\$ (2,039,685)</u>

## CHATHAM COUNTY, NORTH CAROLINA

VEHICLE REPLACEMENT RESERVE  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2015  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR  
 THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>2015</u>			<u>2014</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	\$ 1,000	\$ 1,853	\$ 853	\$ 1,532
<b>Expenditures:</b>				
Capital	1,000	-	1,000	-
Revenues over (under) expenditures	-	1,853	1,853	1,532
Revenues and other financing sources (under) expenditures and other financing uses	\$ -	\$ 1,853	\$ 1,853	\$ 1,532

## 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, 2015

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total	
<b>Revenues:</b>					
Intergovernmental:					
Grant - Department of Transportation	\$ 399,882	\$ 399,882	\$ -	\$ 399,882	\$ -
Investment earnings	22,777	28,056	-	28,056	5,279
Total revenues	<u>422,659</u>	<u>427,938</u>	<u>-</u>	<u>427,938</u>	<u>5,279</u>
<b>Expenditures:</b>					
Capital outlay:					
Haywood	138,310	-	14,100	14,100	124,210
Durham Interconnect	4,857,085	4,405,324	24,890	4,430,214	426,871
Business Campus	<u>8,382,761</u>	<u>8,362,913</u>	<u>9,731</u>	<u>8,372,644</u>	<u>10,117</u>
Total expenditures	<u>13,378,156</u>	<u>12,768,237</u>	<u>48,721</u>	<u>12,816,958</u>	<u>561,198</u>
Revenues over (under) expenditures	<u>(12,955,497)</u>	<u>(12,340,299)</u>	<u>(48,721)</u>	<u>(12,389,020)</u>	<u>566,477</u>
<b>Other Financing Sources (Uses):</b>					
Transfers (to) from other funds					
General Fund	257,695	257,695	-	257,695	-
Capital improvements reserve	7,364,593	7,364,593	-	7,364,593	-
Intrafund transfers:					
Water capital reserve	4,767,587	4,067,518	52,033	4,119,551	(648,036)
Proceeds from borrowing for:					
Durham Interconnect	<u>565,622</u>	<u>674,576</u>	<u>-</u>	<u>674,576</u>	<u>108,954</u>
Total other financing sources (uses)	<u>12,955,497</u>	<u>12,364,382</u>	<u>52,033</u>	<u>12,416,415</u>	<u>(539,082)</u>
Revenues and other financing sources (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 24,083</u>	<u>\$ 3,312</u>	<u>\$ 27,395</u>	<u>\$ 27,395</u>

## CHATHAM COUNTY, NORTH CAROLINA

SOUTHEAST WATER DISTRICT  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2015  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR  
 THE FISCAL YEAR ENDED JUNE 30, 2014

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Operating revenues:				
Charges for services	\$ 559,500	\$ 601,417	\$ 41,917	\$ 632,761
Non-operating revenues:				
Investment earnings	1,200	1,005	(195)	1,323
Total revenues	560,700	602,422	41,722	634,084
<b>Expenditures:</b>				
Operating expenditures	347,762	347,688	74	400,309
Debt service:				
Principal	69,000	69,000	-	68,000
Interest	183,938	183,228	710	237,061
Total expenditures	600,700	599,916	784	705,370
Revenues over (under) expenditures	(40,000)	2,506	42,506	(71,286)
Fund balance appropriated	40,000	-	(40,000)	-
Revenues and other financing sources (under) expenditures and other financing uses	\$ -	2,506	\$ 2,506	\$ (71,286)

This schedule is included to show budgetary compliance.

**Reconciliation from Budgetary Basis to Full Accrual:**

Reconciling items:

Debt principal	69,000
Depreciation	(106,339)
Change in net position	\$ (34,833)

CHATHAM COUNTY, NORTH CAROLINA

WASTE MANAGEMENT FUND  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2015

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Operating revenues:				
Charges for services:				
Collection center fees	\$ 2,062,000	\$ 2,152,930	\$ 90,930	\$ 2,124,905
Disposal fees	585,000	628,980	43,980	604,333
Other charges for services	181,400	203,634	22,234	227,012
Total charges for services	2,828,400	2,985,544	157,144	2,956,250
Other operating revenues	4,850	10,475	5,625	-
Total operating revenues	2,833,250	2,996,019	162,769	2,956,250
Non-operating revenues:				
Investment earnings	8,000	19,628	11,628	13,072
Sale of capital assets	-	-	-	20,000
Other non-operating revenue:				
Scrap tire disposal tax	78,000	85,452	7,452	80,326
White goods disposal tax	19,500	21,522	2,022	20,512
Solid waste disposal tax	34,200	41,934	7,734	38,674
Other non-operating revenues	-	16,552	16,552	10,958
Total non-operating revenues	139,700	185,088	45,388	183,542
Total revenues	2,972,950	3,181,107	208,157	3,139,792
<b>Expenditures:</b>				
Operating expenditures:				
Salaries and employee benefits	763,826	674,687	89,139	706,394
Repairs and maintenance	201,270	166,226	35,044	105,919
Other operating expenditures	2,039,435	1,751,626	287,809	1,887,604
Total	3,004,531	2,592,539	411,992	2,699,917
Capital outlay	196,550	175,345	21,205	48,960
Total expenditures	3,201,081	2,767,884	433,197	2,748,877
Revenues over (under) expenditures	(228,131)	413,223	641,354	390,915
<b>Other Financing Sources (Uses):</b>				
Intrafund transfers from (to) other funds:				
Waste Management Capital Reserve	(80,884)	-	80,884	-
Waste Management Facilities Project	(1,229,717)	(1,055,811)	173,906	(96,106)
Total other financing sources (uses)	(1,310,601)	(1,055,811)	254,790	(96,106)
Fund balance appropriated	1,538,732	-	(1,538,732)	-

**CHATHAM COUNTY, NORTH CAROLINA**

**WASTE MANAGEMENT FUND  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		2014
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues and other financing sources			<u>Actual</u>
(under) expenditures and other financing uses	\$ -	(642,588)	\$ (642,588)
			\$ 294,809

This schedule is included to show budgetary compliance.

**Reconciliation from Budgetary Basis to Full Accrual:**

Waste Management Reserve revenue	3,840
Transfers in (out) - Waste Management Capital Project	1,055,811
Reconciling items:	
Capital outlay	175,345
Depreciation	(231,821)
Decrease (increase) in vacation pay accrual	(540)
Contribution to pension plan in current year	31,174
Pension expense	(3,267)
Change in net position	<u>\$ 387,954</u>

## CHATHAM COUNTY, NORTH CAROLINA

## WASTE MANAGEMENT RESERVE

## SCHEDULE OF REVENUES AND EXPENDITURES -

## BUDGET AND ACTUAL (NON-GAAP)

## FOR THE YEAR ENDED JUNE 30, 2015

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 3,840	\$ 3,840	\$ 3,176
<b>Expenditures:</b>				
Capital	80,884	-	80,884	-
Revenues over (under) expenditures	(80,884)	3,840	84,724	3,176
<b>Other Financing Sources (Uses):</b>				
Intrafund transfers from (to) other funds:				
Solid Waste Management Operating	80,884	-	(80,884)	-
Total other financing sources (uses)	80,884	-	(80,884)	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 3,840	\$ 3,840	\$ 3,176

## CHATHAM COUNTY, NORTH CAROLINA

WASTE MANAGEMENT CAPITAL PROJECT - OFFICE FACILITY  
 SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)  
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Project Budget</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>	
<b>Expenditures:</b>					
Economic and physical development	\$ 1,339,850	\$ 85,206	\$ 1,066,711	\$ 1,151,917	\$ 187,933
Revenues over (under) expenditures	(1,339,850)	(85,206)	(1,066,711)	(1,151,917)	187,933
<b>Other Financing Sources (Uses):</b>					
Transfers from (to) other funds:					
Waste Management Operating	<u>1,339,850</u>	<u>96,106</u>	<u>1,055,811</u>	<u>1,151,917</u>	<u>(187,933)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 10,900</u>	<u>\$ (10,900)</u>	<u>\$ -</u>	<u>\$ -</u>

## **INTERNAL SERVICE FUND**

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

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## CHATHAM COUNTY, NORTH CAROLINA

## SELF-INSURANCE INTERNAL SERVICE FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN NET POSITION - FINANCIAL PLAN AND ACTUAL (NON-GAAP)

## FOR THE YEAR ENDED JUNE 30, 2015

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Financial Plan	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Charges for services:				
Health insurance	\$ 4,395,228	\$ 4,501,115	\$ 105,887	\$ 4,208,143
Dental insurance	293,300	303,180	9,880	296,699
Workers' compensation	358,340	358,759	419	342,064
Total charges for services	<u>5,046,868</u>	<u>5,163,054</u>	<u>116,186</u>	<u>4,846,906</u>
Investment earnings	<u>20,000</u>	<u>21,194</u>	<u>1,194</u>	<u>23,092</u>
Total revenues	<u>5,066,868</u>	<u>5,184,248</u>	<u>117,380</u>	<u>4,869,998</u>
<b>Expenditures:</b>				
Benefits paid:				
Health insurance	4,739,228	4,770,936	(31,708)	3,506,411
Dental insurance	258,800	212,047	46,753	208,999
Workers' compensation	215,970	75,483	140,487	304,460
Administrative costs:				
Health insurance	776,000	783,517	(7,517)	659,136
Dental insurance	34,500	35,274	(774)	30,521
Workers' compensation	<u>142,370</u>	<u>137,870</u>	<u>4,500</u>	<u>76,969</u>
Total expenditures	<u>6,166,868</u>	<u>6,015,127</u>	<u>151,741</u>	<u>4,786,496</u>
Revenues over (under) expenditures	(1,100,000)	(830,879)	269,121	83,502
Appropriated fund balance	<u>1,100,000</u>	<u>-</u>	<u>(1,100,000)</u>	<u>-</u>
Revenues and other financing sources				
(under) expenditures and other financing uses	<u>\$ -</u>	<u>(830,879)</u>	<u>\$ (830,879)</u>	83,502
<b>Net Position:</b>				
Beginning of year - July 1		<u>4,246,745</u>		<u>4,163,243</u>
End of year - June 30		<u>\$ 3,415,866</u>		<u>\$ 4,246,745</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.

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CHATHAM COUNTY, NORTH CAROLINA

TRUST AND AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>Social Services:</b>				
Assets:				
Cash, cash equivalents, and investments	\$ 91,113	\$ 18,794	\$ 30,603	\$ 79,304
Liabilities:				
Due to agency participants	\$ 91,113	\$ 141,333	\$ 153,142	\$ 79,304
<b>Chatham County Cooperative Extension:</b>				
Assets:				
Cash, cash equivalents, and investments	\$ 103,861	\$ 64,445	\$ 61,651	\$ 106,655
Due from other governmental agencies	763	558	828	493
Other receivables	310	103	310	103
Total assets	<u>\$ 104,934</u>	<u>\$ 65,106</u>	<u>\$ 62,789</u>	<u>\$ 107,251</u>
Liabilities:				
Due to other governmental agencies	\$ 104,934	\$ 112,024	\$ 109,707	\$ 107,251
<b>Goldston-Gulf Sanitary District:</b>				
Assets:				
Cash, cash equivalents, and investments	\$ 1,758	\$ 43,780	\$ 43,761	\$ 1,777
Property taxes receivable	10,224	86,243	87,373	9,094
Due from other governmental agencies	626	605	626	605
Other receivables	2	-	2	-
Total assets	<u>\$ 12,610</u>	<u>\$ 130,628</u>	<u>\$ 131,762</u>	<u>\$ 11,476</u>
Liabilities:				
Due to other governmental agencies	\$ 12,610	\$ 149,316	\$ 150,450	\$ 11,476
<b>Chatham County Municipalities:</b>				
Assets:				
Cash, cash equivalents, and investments	\$ 34,683	\$ 2,244,816	\$ 2,233,236	\$ 46,263
Property taxes receivable	255,895	5,266,763	5,264,759	257,899
Due from other governmental agencies	47,913	50,610	47,912	50,611
Total assets	<u>\$ 338,491</u>	<u>\$ 7,562,189</u>	<u>\$ 7,545,907</u>	<u>\$ 354,773</u>
Liabilities:				
Due to other governmental agencies	\$ 338,491	\$ 8,140,268	\$ 8,123,986	\$ 354,773
<b>Fines and Forfeitures:</b>				
Assets:				
Due from other governmental agencies	\$ 20,059	\$ 192,467	\$ 193,215	\$ 19,311
Liabilities:				
Due to other governmental agencies	\$ 20,059	\$ 289,721	\$ 290,469	\$ 19,311

CHATHAM COUNTY, NORTH CAROLINA

TRUST AND AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>Combining Totals:</b>				
Assets:				
Cash, cash equivalents, and investments	\$ 231,415	\$ 2,371,835	\$ 2,369,251	\$ 233,999
Property taxes receivable	266,119	5,353,006	5,352,132	266,993
Due from other governmental agencies	69,361	244,240	242,581	71,020
Other receivables	312	103	312	103
Total assets	<u>\$ 567,207</u>	<u>\$ 7,969,184</u>	<u>\$ 7,964,276</u>	<u>\$ 572,115</u>
Liabilities:				
Due to agency participants	\$ 91,113	\$ 141,333	\$ 153,142	\$ 79,304
Due to other governmental agencies	476,094	8,691,329	8,674,612	492,811
Total liabilities	<u>\$ 567,207</u>	<u>\$ 8,832,662</u>	<u>\$ 8,827,754</u>	<u>\$ 572,115</u>

**OTHER SUPPLEMENTAL SCHEDULES**

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## CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE  
JUNE 30, 2015

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2014</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2015</u>
2014-2015	\$ -	\$ 58,636,579	\$ 57,830,764	\$ 805,815
2013-2014	865,119	-	557,401	307,718
2012-2013	339,936	-	145,422	194,514
2011-2012	211,050	-	60,454	150,596
2010-2011	114,114	-	17,157	96,957
2009-2010	77,294	-	12,788	64,506
2008-2009	75,238	-	4,712	70,526
2007-2008	167,032	-	4,147	162,885
2006-2007	50,048	-	3,634	46,414
2005-2006	97,960	-	2,833	95,127
2004-2005	43,243	-	37,300	5,943
2003-2004	10,567	-	5,535	5,032
2002-2003	5,301	-	275	5,026
2001-2002	2,961	-	256	2,705
2000-2001	1,387	-	224	1,163
1999-2000	1,043	-	224	819
1998-1999	910	-	208	702
1997-1998	104	-	-	104
Total	<u>\$ 2,063,307</u>	<u>\$ 58,636,579</u>	<u>\$ 58,683,334</u>	<u>2,016,552</u>
Plus: Uncollected 2015 ad valorem taxes receivable on tax discoveries				106,732
Less: Allowance for uncollectible ad valorem taxes receivable				<u>583,809</u>
Ad valorem taxes receivable (net)				<u>\$ 1,539,475</u>
<b>Reconciliation with Revenues:</b>				
Ad valorem taxes - General Fund				\$ 58,751,667
Reconciling items:				
Interest collected and penalties				(147,650)
Releases and other credits				<u>79,317</u>
Total collections and credits				<u>\$ 58,683,334</u>

## CHATHAM COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY  
COUNTY-WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2015

	County-Wide			Total Levy	
	Property	Rate	Amount of Levy	Property	Registered
	Valuation			Excluding Registered Motor Vehicles	Motor Vehicles
<b>Original Levy:</b>					
Property taxed at current year's rate	9,369,900,127	\$ 0.6219	\$ 58,266,530	\$ 54,312,812	\$ 3,953,718
Motor vehicles/other property taxed at prior year's rate	1,389,945		8,644	-	8,644
Penalties	-		72,145	72,145	-
Total	<u>9,371,290,072</u>		<u>58,347,319</u>	<u>54,384,957</u>	<u>3,962,362</u>
<b>Discoveries:</b>					
Current year's taxes	11,090,990	0.6219	68,975	59,015	9,960
Prior year taxes	63,798,982		396,526	388,603	7,923
Penalties	-		40,333	40,333	-
Total	<u>74,889,972</u>		<u>505,834</u>	<u>487,951</u>	<u>17,883</u>
<b>Abatements:</b>					
Current year's taxes	(12,643,035)	0.6219	(78,627)	(76,240)	(2,387)
Prior year taxes	(15,293,970)		(95,087)	(95,049)	(38)
Penalties	-		(42,860)	(42,860)	-
Total	<u>(27,937,005)</u>		<u>(216,574)</u>	<u>(214,149)</u>	<u>(2,425)</u>
Total property valuation	<u>\$9,418,243,039</u>				
<b>Net Levy</b>			58,636,579	54,658,759	3,977,820
Uncollected taxes at June 30, 2015			<u>805,815</u>	<u>803,294</u>	<u>2,521</u>
<b>Current Year's Taxes Collected</b>			<u>\$ 57,830,764</u>	<u>\$ 53,855,465</u>	<u>\$ 3,975,299</u>
<b>Current Levy Collection Percentage</b>			<u>98.63%</u>	<u>98.53%</u>	<u>99.94%</u>

## CHATHAM COUNTY, NORTH CAROLINA

### ANALYSIS OF CURRENT YEAR LEVY COUNTY-WIDE LEVY FOR THE YEAR ENDED JUNE 30, 2015

#### Secondary Market Disclosures:

#### Assessed Valuation:

Assessment Ratio (1)	100%
Real Property	\$ 8,090,965,839
Personal Property	1,119,557,141
Public Service Companies (2)	<u>207,720,059</u>
Total Assessed Valuation	<u>\$ 9,418,243,039</u>
Tax Rate per \$100	<u>\$ 0.6219</u>
Levy (includes discoveries, releases and abatements) (3)	<u>\$ 58,636,579</u>

In addition to the County-wide rate, the following lists the levy by the County on behalf of fire protection/rescue districts for the fiscal year ended June 30, 2015:

#### Fire protection districts:

Bennett	\$ 98,977
Bonlee	216,422
Central Chatham	314,195
Circle City	1,060,047
Goldston	215,917
Hope	358,611
Moncure	689,252
North Chatham	3,879,711
Bells Annex	99,170
Parkwood	298,041
Staley	51,044
Northview	<u>26,390</u>
Total	<u>\$ 7,307,777</u>

- (1) Percentage of appraised value has been established by statute.
- (2) Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.
- (3) The levy includes penalties.

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## **STATISTICAL SECTION**

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This part of Chatham County’s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

	Page
<p>Financial Trends:            These schedules contain trend information to help the reader understand how the County’s financial performance and well being have changed over time.</p>	147
<p>Revenue Capacity:            These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.</p>	152
<p>Debt Capacity:            These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.</p>	156
<p>Demographic and Economic Information:            These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.</p>	160
<p>Operating Information:            These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.</p>	163

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**Schedule 1**  
**Chatham County**  
**Net Position by Component,**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities										
Net investment in capital assets	\$ 12,719,715	\$ 7,741,414	\$ 18,908,698	\$ 22,709,797	\$ 15,859,270	\$ 32,810,111	\$ 23,297,981	\$ 34,705,133	\$ 35,625,472	\$ 33,807,327
Restricted	10,812,624	9,746,808	11,349,573	12,855,774	10,842,494	7,136,044	7,002,729	20,001,062	12,422,065	6,321,345
Unrestricted	14,128,291	22,382,921	21,084,015	21,777,774	34,672,300	29,602,312	36,666,777	19,590,379	(6,211,010)	13,294,826
Total governmental activities net position	<u>\$ 37,660,630</u>	<u>\$ 39,871,143</u>	<u>\$ 51,342,286</u>	<u>\$ 57,343,345</u>	<u>\$ 61,374,064</u>	<u>\$ 69,548,467</u>	<u>\$ 66,967,487</u>	<u>\$ 74,296,574</u>	<u>\$ 41,836,527</u>	<u>\$ 53,423,498</u>
Business-type activities										
Net investment in capital assets	\$ 27,823,599	\$ 31,463,132	\$ 26,576,409	\$ 27,529,979	\$ 30,882,753	\$ 32,259,505	\$ 30,745,494	\$ 33,240,609	\$ 36,926,405	\$ 37,674,038
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	489,679	13,393,494	22,894,239	24,033,435	23,588,855	23,504,559	26,669,081	25,628,489	23,248,519	24,774,601
Total business-type activities	<u>\$ 28,313,278</u>	<u>\$ 44,856,626</u>	<u>\$ 49,470,648</u>	<u>\$ 51,563,414</u>	<u>\$ 54,471,608</u>	<u>\$ 55,764,064</u>	<u>\$ 57,414,575</u>	<u>\$ 58,869,098</u>	<u>\$ 60,174,924</u>	<u>\$ 62,448,639</u>
Primary government										
Net investment in capital assets	\$ 40,543,314	\$ 39,204,546	\$ 45,485,107	\$ 50,239,776	\$ 46,742,023	\$ 65,069,616	\$ 54,043,475	\$ 67,945,742	\$ 72,551,877	\$ 71,481,365
Restricted	10,812,624	9,746,808	11,349,573	12,855,774	10,842,494	7,136,044	7,002,729	20,001,062	12,422,065	6,321,345
Unrestricted	14,617,970	35,776,415	43,978,254	45,811,209	58,261,155	53,106,871	63,335,858	45,218,868	17,037,509	38,069,427
Total primary government net position	<u>\$ 65,973,908</u>	<u>\$ 84,727,769</u>	<u>\$ 100,812,934</u>	<u>\$ 108,906,759</u>	<u>\$ 115,845,672</u>	<u>\$ 125,312,531</u>	<u>\$ 124,382,062</u>	<u>\$ 133,165,672</u>	<u>\$ 102,011,451</u>	<u>\$ 115,872,137</u>

**Schedule 2**  
**Chatham County**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental activities:										
General government	\$ 8,361,335	\$ 14,749,712	\$ 9,091,006	\$ 10,102,929	\$ 10,818,058	\$ 10,222,252	\$ 6,973,790	\$ 10,439,515	\$ 11,802,931	\$ 12,366,637
Public safety	11,727,157	13,108,924	14,939,371	15,884,103	16,990,469	18,684,461	19,891,626	20,060,250	21,029,450	21,020,275
Economic and physical development	1,430,694	1,457,224	1,997,214	2,527,951	2,942,520	2,784,443	2,750,430	1,980,219	2,803,531	1,850,614
Human Services	15,596,417	14,917,605	16,771,176	17,972,592	16,982,791	16,811,310	15,694,203	15,530,646	15,071,151	14,699,063
Cultural and recreation	1,096,622	1,166,711	914,814	1,165,209	1,492,221	1,287,933	743,753	1,842,358	1,804,748	1,755,623
Education	18,865,604	17,406,676	23,446,647	27,107,738	26,912,507	27,098,335	43,711,018	32,680,272	71,104,550	29,069,935
Interest on long term debt	708,846	2,245,981	2,206,846	2,142,244	4,338,047	4,203,953	4,076,098	4,219,127	5,167,547	5,104,152
Total governmental activities expenses	<u>57,786,675</u>	<u>65,052,833</u>	<u>69,367,074</u>	<u>76,902,766</u>	<u>80,476,613</u>	<u>81,092,687</u>	<u>93,840,918</u>	<u>86,752,387</u>	<u>128,783,908</u>	<u>85,866,299</u>
Business-type activities:										
Utility	3,725,512	4,652,320	4,391,967	6,510,166	5,414,372	5,280,325	4,909,100	5,008,867	5,209,241	5,353,260
Southeast Water District				-	38,429	510,016	757,410	798,953	743,520	637,255
Waste Management	2,283,192	2,403,738	2,429,930	2,722,888	2,614,383	2,860,614	2,851,055	2,906,654	2,991,862	2,796,993
Total business-type activities expenses	<u>6,008,704</u>	<u>7,056,058</u>	<u>6,821,897</u>	<u>9,233,054</u>	<u>8,067,184</u>	<u>8,650,955</u>	<u>8,517,565</u>	<u>8,714,474</u>	<u>8,944,623</u>	<u>8,787,508</u>
Total primary government expenses	<u>\$ 63,795,379</u>	<u>\$ 72,108,891</u>	<u>\$ 76,188,971</u>	<u>\$ 86,135,820</u>	<u>\$ 88,543,797</u>	<u>\$ 89,743,642</u>	<u>\$ 102,358,483</u>	<u>\$ 95,466,861</u>	<u>\$ 137,728,531</u>	<u>\$ 94,653,807</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 1,343,636	\$ 2,111,099	\$ 3,567,054	\$ 3,119,552	\$ 3,280,517	\$ 844,125	\$ 1,262,817	\$ 1,350,060	\$ 1,268,706	\$ 1,075,186
Public safety	1,469,610	1,341,927	1,091,981	1,049,327	629,957	1,000,242	762,623	1,151,403	1,274,668	1,179,357
Economic and physical development	1,798,850	130,038	238,642	96,280	77,404	1,694,671	1,656,769	197,730	310,837	247,520
Human Services	1,413,671	1,431,842	1,383,731	1,234,678	1,242,156	1,099,856	1,464,931	1,186,509	1,271,112	780,664
Cultural and recreation	727,301	74,336	67,407	180,461	203,736	186,344	347,672	454,496	384,243	450,328
Education	-	-	-	-	-	-	-	2,154,828	2,480,400	2,853,900
Operating grants and contributions:										
General government	472,083	37,000	9,570	-	200,550	16,730	21,946	92,730	326,456	694,923
Public safety	717,511	1,399,850	980,157	600,365	1,238,785	1,165,095	1,384,574	1,337,957	1,463,474	1,351,988
Economic and physical development	252,905	187,132	83,884	39,466	51,288	414,946	684,540	1,629,610	677,944	748,634
Human Services	7,140,619	6,743,573	7,587,739	7,970,044	8,293,361	8,060,955	7,865,277	7,489,253	6,973,557	7,420,434
Cultural and recreation	188,452	434,340	189,703	178,184	379,485	524,682	395,369	212,462	211,619	203,622
Education	-	4,681,750	622,672	1,476,174	2,910,859	636,060	546,589	558,850	623,328	-
Capital grants and contributions:										
General government	-	300,000	-	-	-	-	-	-	-	-
Public safety	-	40,760	-	573,089	-	-	-	-	-	-
Economic and physical development	135,734	-	-	167,750	-	-	-	-	-	-
Cultural and recreation	-	669,408	799,460	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>15,660,372</u>	<u>19,583,055</u>	<u>16,622,000</u>	<u>16,685,370</u>	<u>18,508,098</u>	<u>15,643,706</u>	<u>16,393,107</u>	<u>17,815,888</u>	<u>17,266,344</u>	<u>17,006,556</u>
Business-type activities:										
Utility:										
Charges for services	6,391,357	7,061,858	6,389,997	5,998,859	5,445,328	6,065,705	6,423,457	6,390,263	6,635,206	7,346,592
Operating grants and contributions	-	-	-	-	399,882	-	1,200	1,189	6,601	7,420
Capital grants and contributions	-	224,199	490,520	224,809	797,520	-	-	-	-	-
Southeast Water District:										
Charges for services	-	-	-	221,500	469,586	588,714	559,207	582,425	632,761	601,417
Waste Management:										
Charges for services	2,462,755	2,551,646	2,636,893	2,831,684	2,804,645	3,140,391	2,995,148	2,971,742	2,956,250	2,985,544
Operating grants and contributions	24,552	29,179	16,319	10,337	207,651	-	139,771	136,801	150,470	175,935
Total business-type activities program revenues	<u>8,878,664</u>	<u>9,866,882</u>	<u>9,533,729</u>	<u>9,287,189</u>	<u>10,124,612</u>	<u>9,794,810</u>	<u>10,118,783</u>	<u>10,082,420</u>	<u>10,381,288</u>	<u>11,116,908</u>
Total primary government program revenues	<u>\$ 24,539,036</u>	<u>\$ 29,449,937</u>	<u>\$ 26,155,729</u>	<u>\$ 25,972,559</u>	<u>\$ 28,632,710</u>	<u>\$ 25,438,516</u>	<u>\$ 26,511,890</u>	<u>\$ 27,898,308</u>	<u>\$ 27,647,632</u>	<u>\$ 28,123,464</u>

**Schedule 2**  
**Chatham County**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (42,126,303)	\$ (45,469,778)	\$ (52,745,074)	\$ (60,217,396)	\$ (61,968,515)	\$ (65,448,981)	\$ (77,447,811)	\$ (68,936,499)	\$ (111,517,564)	\$ (68,859,743)
Business-type activities	<u>2,869,960</u>	<u>2,810,824</u>	<u>2,711,832</u>	<u>54,135</u>	<u>2,057,428</u>	<u>1,143,855</u>	<u>1,601,218</u>	<u>1,367,946</u>	<u>1,436,665</u>	<u>2,329,400</u>
Total primary government net (expense)/revenue	<u>\$ (39,256,343)</u>	<u>\$ (42,658,954)</u>	<u>\$ (50,033,242)</u>	<u>\$ (60,163,261)</u>	<u>\$ (59,911,087)</u>	<u>\$ (64,305,126)</u>	<u>\$ (75,846,593)</u>	<u>\$ (67,568,553)</u>	<u>\$ (110,080,899)</u>	<u>\$ (66,530,343)</u>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Taxes:										
Property taxes levied for general purpose	40,921,187	44,168,586	48,824,974	55,283,404	56,250,972	59,903,369	61,548,697	63,637,790	65,632,697	66,026,045
Local option sales tax	10,795,324	12,116,870	12,408,159	9,950,751	8,063,692	7,879,070	8,190,337	8,523,462	9,193,703	10,130,996
Other taxes and licenses	909,223	1,275,472	1,059,404	676,981	666,961	667,747	672,927	776,265	645,523	993,101
Grants and contributions not restricted to specific programs	296,077	-	-	-	-	-	-	1,998,194	2,399,117	2,538,745
Unrestricted investment earnings	1,570,250	3,005,627	2,600,150	1,188,792	448,324	157,610	154,371	166,260	286,999	351,729
Miscellaneous	-	302,038	817,532	864,647	1,339,064	2,646,943	2,520,642	345,098	407,173	2,055,854
Extraordinary item - Insurance recovery						2,475,000	1,779,856	830,517	250,000	-
Extraordinary item - Sales of property										552,036
Transfers	<u>(1,088,098)</u>	<u>(13,188,302)</u>	<u>(1,494,003)</u>	<u>(1,746,120)</u>	<u>(769,779)</u>	<u>(106,355)</u>	<u>-</u>	<u>(12,000)</u>	<u>242,305</u>	<u>-</u>
Total governmental activities	<u>53,403,963</u>	<u>47,680,291</u>	<u>64,216,216</u>	<u>66,218,455</u>	<u>65,999,234</u>	<u>73,623,384</u>	<u>74,866,830</u>	<u>76,265,586</u>	<u>79,057,517</u>	<u>82,648,506</u>
Business-type activities:										
Other taxes and licenses	-	-	-	-	-	-	-	-	-	-
Investment earnings	253,409	544,222	408,187	292,511	80,987	42,246	49,293	52,092	91,466	106,554
Miscellaneous	-	-	-	-	-	-	-	22,485	20,000	-
Transfers	<u>1,088,098</u>	<u>13,188,302</u>	<u>1,494,003</u>	<u>1,746,120</u>	<u>769,779</u>	<u>106,355</u>	<u>-</u>	<u>12,000</u>	<u>(242,305)</u>	<u>-</u>
Total business-type activities	<u>1,341,507</u>	<u>13,732,524</u>	<u>1,902,190</u>	<u>2,038,631</u>	<u>850,766</u>	<u>148,601</u>	<u>49,293</u>	<u>86,577</u>	<u>(130,839)</u>	<u>106,554</u>
Total primary government	<u>\$ 54,745,470</u>	<u>\$ 61,412,815</u>	<u>\$ 66,118,406</u>	<u>\$ 68,257,086</u>	<u>\$ 66,850,000</u>	<u>\$ 73,771,985</u>	<u>\$ 74,916,123</u>	<u>\$ 76,352,163</u>	<u>\$ 78,926,678</u>	<u>\$ 82,755,060</u>
<b>Change in Net Position</b>										
Governmental activities	11,277,660	2,210,513	11,471,142	6,001,059	4,030,719	8,174,403	(2,580,980)	7,329,087	(32,460,047)	13,788,763
Business-type activities	<u>4,211,467</u>	<u>16,543,348</u>	<u>4,614,022</u>	<u>2,092,766</u>	<u>2,908,194</u>	<u>1,292,456</u>	<u>1,650,511</u>	<u>1,454,523</u>	<u>1,305,826</u>	<u>2,435,954</u>
Total primary government	<u>\$ 15,489,127</u>	<u>\$ 18,753,861</u>	<u>\$ 16,085,164</u>	<u>\$ 8,093,825</u>	<u>\$ 6,938,913</u>	<u>\$ 9,466,859</u>	<u>\$ (930,469)</u>	<u>\$ 8,783,610</u>	<u>\$ (31,154,221)</u>	<u>\$ 16,224,717</u>

**Schedule 3**  
**Chatham County**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved:										
State statute	\$ 4,444,553	\$ 4,690,687	\$ 4,941,227	\$ 3,880,540	\$ 3,747,748					
Future Register of Deeds technology enhancements	<u>99,433</u>	<u>57,375</u>	<u>96,708</u>	<u>130,253</u>	<u>160,439</u>					
Total reserved	<u>4,543,986</u>	<u>4,748,062</u>	<u>5,037,935</u>	<u>4,010,793</u>	<u>3,908,187</u>					
Unreserved										
Designated for subsequent year's expenditures	8,291,375	5,914,568	5,346,172	2,868,549	3,956,467					
Undesignated	<u>11,164,574</u>	<u>11,166,453</u>	<u>11,309,598</u>	<u>15,509,646</u>	<u>14,069,861</u>					
Total General Fund	<u>\$ 23,999,935</u>	<u>\$ 21,829,083</u>	<u>\$ 21,693,705</u>	<u>\$ 22,388,988</u>	<u>\$ 21,934,515</u>					
General Fund (GASB 54)										
Restricted:										
Stabilization by State Statute						\$ 3,703,273	\$ 4,496,057	\$ 3,902,936	\$ 4,872,993	\$ 4,743,155
Future Register of Deeds technology enhancements						<u>191,698</u>	<u>227,443</u>	<u>271,108</u>	<u>294,320</u>	<u>320,759</u>
Total restricted						3,894,971	4,723,500	4,174,044	5,167,313	5,063,914
Assigned:										
Subsequent year's expenditures						885,148	5,098,248	4,537,988	3,081,207	5,611,109
Unassigned						<u>19,224,665</u>	<u>17,267,856</u>	<u>20,175,793</u>	<u>22,205,716</u>	<u>25,120,834</u>
Total General Fund (GASB 54)						<u>\$ 24,004,784</u>	<u>\$ 27,089,604</u>	<u>\$ 28,887,825</u>	<u>\$ 30,454,236</u>	<u>\$ 35,795,857</u>
All Other Governmental Funds										
Reserved:										
State statute	\$ 170,033	\$ 151,825	\$ 129,864	\$ 184,801	\$ 1,082,945					
Courthouse Clock	<u>58,446</u>	<u>61,213</u>	<u>65,526</u>	<u>65,908</u>	<u>65,473</u>					
Total reserved	<u>228,479</u>	<u>213,038</u>	<u>195,390</u>	<u>250,709</u>	<u>1,148,418</u>					
Unreserved:										
Designated for subsequent year's expenditures:										
Special revenue funds	12,102,780	18,758,496	20,110,535	17,638,715	9,507,388					
Undesignated										
Special revenue funds	2,327,861	3,959,745	8,774,022	12,350,962	21,470,412					
Capital projects funds	<u>631,496</u>	<u>12,214,388</u>	<u>1,959,474</u>	<u>25,102,248</u>	<u>15,290,354</u>					
Total all other governmental funds	<u>\$ 15,290,616</u>	<u>\$ 35,145,667</u>	<u>\$ 31,039,421</u>	<u>\$ 55,342,634</u>	<u>\$ 47,416,572</u>					
All Other Governmental Funds (GASB 54)										
Restricted:										
Stabilization by State Statute						\$ 2,044,101	\$ 2,132,189	\$ 1,145,226	\$ 719,969	\$ 250,390
Special Revenue Funds						1,196,972	147,040	418,546	1,013,504	1,007,041
Capital Projects Funds						<u>6,101,939</u>	<u>2,552,044</u>	<u>14,263,246</u>	<u>5,540,939</u>	<u>16,573,978</u>
Total restricted						<u>9,343,012</u>	<u>4,831,273</u>	<u>15,827,018</u>	<u>7,274,412</u>	<u>17,831,409</u>
Committed:										
Capital Projects Funds						<u>23,345,381</u>	<u>26,768,930</u>	<u>29,183,376</u>	<u>27,303,285</u>	<u>31,435,343</u>
Assigned:										
Subsequent year's expenditures						4,611,577	4,570,336	3,989,032	2,751,832	1,821,204
General Government									2,244,430	2,278,120
Education						4,326,547	2,618,264	2,501,286	2,450,191	2,834,270
Cultural and Recreation						<u>561,334</u>	<u>138,907</u>	<u>94,544</u>	<u>328,521</u>	<u>265,821</u>
Total assigned						<u>9,499,458</u>	<u>7,327,507</u>	<u>6,584,862</u>	<u>7,774,974</u>	<u>7,199,415</u>
Unassigned						<u>(23,187)</u>	<u>(36,273)</u>	<u>(65,467)</u>	<u>(5,131)</u>	<u>(3,251)</u>
Total all other governmental funds (GASB 54)						<u>\$ 42,164,664</u>	<u>\$ 38,891,437</u>	<u>\$ 51,529,789</u>	<u>\$ 42,347,540</u>	<u>\$ 56,462,916</u>

Note: Change in display of fund balance is due to the implementation of GASB 54.

**Schedule 4  
Chatham County  
Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Ad Valorem Taxes	\$ 40,855,011	\$ 44,177,175	\$ 48,784,474	\$ 55,283,404	\$ 56,442,939	\$ 59,709,827	\$ 61,179,366	\$ 63,789,388	\$ 66,313,838	\$ 66,075,764
Local Option Sales Tax	10,795,324	12,116,870	12,408,159	9,950,751	8,063,692	7,879,070	8,190,337	8,523,462	9,193,703	10,130,996
Other Taxes	1,190,279	1,275,472	1,059,404	676,981	666,961	667,747	672,927	776,265	645,523	993,101
Unrestricted Intergovernmental	296,077	302,038	621,352	409,580	510,701	1,680,291	2,077,526	1,998,194	2,399,117	2,538,745
Restricted Intergovernmental	8,525,600	10,163,629	9,297,224	11,005,072	12,696,721	10,818,468	10,816,807	9,921,914	9,802,315	9,447,109
Permits and fees	3,982,710	5,072,503	4,509,647	2,710,247	2,807,424	2,815,155	2,697,298	3,753,304	4,247,490	4,921,308
Sales and Services	2,149,637	2,518,975	2,119,952	2,124,535	2,140,541	2,003,763	2,786,867	2,681,657	2,682,066	2,517,720
Interest	1,462,119	2,860,932	2,553,682	1,118,860	428,567	149,101	143,733	153,463	263,907	330,535
Other General Revenues	457,772	735,067	514,315	571,459	1,208,389	3,323,003	2,343,746	2,560,252	1,152,252	2,226,760
<b>Total Revenues</b>	<b>69,714,529</b>	<b>79,222,661</b>	<b>81,868,209</b>	<b>83,850,889</b>	<b>84,965,935</b>	<b>89,046,425</b>	<b>90,908,607</b>	<b>94,157,899</b>	<b>96,700,211</b>	<b>99,182,038</b>
<b>Expenditures</b>										
General Government	6,383,451	5,932,620	6,457,534	7,477,881	7,881,354	6,860,351	4,547,711	7,108,896	8,215,662	7,968,083
Public Safety	12,611,934	13,632,266	14,897,674	15,860,442	17,017,236	18,216,894	20,197,041	20,161,438	21,320,729	22,692,563
Economic and Physical Development	1,560,560	1,597,715	2,258,714	2,812,434	3,243,989	3,119,621	3,076,738	3,243,630	3,196,635	2,123,541
Human Services	16,901,091	17,337,446	17,787,381	18,754,209	17,809,834	17,982,081	16,908,799	16,697,736	16,388,489	16,824,797
Culture and Recreation	1,168,626	1,176,258	563,870	1,214,198	1,427,977	1,800,537	878,823	1,839,156	1,831,710	1,890,492
Education	17,605,501	36,903,233	23,988,603	27,079,337	26,175,310	25,573,034	42,932,342	32,318,872	29,310,870	29,543,117
Capital Outlay	2,317,578	3,692,657	14,588,085	12,232,960	28,114,915	17,562,785	7,182,131	12,508,508	14,273,016	9,237,064
Debt Service:										
Principal Retirement	1,921,403	1,897,335	1,867,123	2,032,568	3,618,029	3,583,515	5,459,010	5,070,455	5,309,907	6,032,104
Interest and fees	704,040	2,396,306	2,206,846	2,142,244	4,338,047	4,203,954	4,076,098	3,833,802	4,711,336	5,047,258
<b>Total Expenditures</b>	<b>61,174,184</b>	<b>84,565,836</b>	<b>84,615,830</b>	<b>89,606,273</b>	<b>109,626,691</b>	<b>98,902,772</b>	<b>105,258,693</b>	<b>101,882,493</b>	<b>104,558,354</b>	<b>101,359,019</b>
Excess of revenues Over (Under) Expenditures	8,540,345	(5,343,175)	(2,747,621)	(5,755,384)	(24,660,756)	(9,856,347)	(14,350,086)	(7,724,594)	(7,858,143)	(2,176,981)
<b>Other financing sources (uses):</b>										
Transfers from (to) other funds	(1,088,098)	(13,188,302)	(1,494,003)	(1,746,120)	(769,779)	(106,355)	-	(12,000)	242,305	-
Proceeds from borrowings	-	36,215,676	-	32,500,000	17,050,000	6,781,063	-	-	-	-
Debt obligations issued	-	-	-	-	-	-	-	21,001,158	-	45,445,000
Refunding bonds issued	-	-	-	-	-	-	20,766,407	-	-	-
Premium on refunding bonds issued	-	-	-	-	-	-	1,212,927	-	-	-
Premium on limited obligation bonds issued	-	-	-	-	-	-	-	1,172,009	-	6,548,984
Payment to refunding bond agent	-	-	-	-	-	-	(7,817,655)	-	-	(30,360,006)
Proceeds from capital lease	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(1,088,098)</b>	<b>23,027,374</b>	<b>(1,494,003)</b>	<b>30,753,880</b>	<b>16,280,221</b>	<b>6,674,708</b>	<b>14,161,679</b>	<b>22,161,167</b>	<b>242,305</b>	<b>21,633,978</b>
<b>Net change in fund balances</b>	<b>\$ 7,452,247</b>	<b>\$ 17,684,199</b>	<b>\$ (4,241,624)</b>	<b>\$ 24,998,496</b>	<b>\$ (8,380,535)</b>	<b>\$ (3,181,639)</b>	<b>\$ (188,407)</b>	<b>\$ 14,436,573</b>	<b>\$ (7,615,838)</b>	<b>\$ 19,456,997</b>
Debt service as a percentage of noncapital expenditures	4.46%	5.31%	5.82%	5.40%	9.76%	9.57%	9.72%	9.96%	11.10%	12.03%

**Schedule 5  
Chatham County  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Utilities</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate (1)</b>	<b>Estimated Actual Taxable Value (2)</b>
2006	\$ 5,061,240,873	\$ 917,075,780	\$ 210,662,816	\$ 6,188,979,469	\$ 0.5970	\$ 6,188,979,469
2007	5,429,237,639	1,010,100,813	226,267,625	6,665,606,077	0.5970	6,834,416,156
2008	5,859,984,203	1,019,232,386	229,712,960	7,108,929,549	0.6170	8,020,906,633
2009	5,943,156,265	1,460,284,713	235,160,945	7,638,601,923	0.6530	8,618,528,628
2010	7,307,293,917	941,237,468	245,125,578	8,493,656,963	0.6022	8,484,324,206
2011	7,447,218,800	996,196,743	250,159,010	8,693,574,553	0.6219	8,531,476,500
2012	7,595,281,840	997,189,774	252,455,361	8,844,926,975	0.6219	8,451,105,461
2013	7,762,384,556	1,101,205,185	247,205,251	9,110,794,992	0.6219	8,705,135,670
2014	7,911,664,627	1,255,924,366	208,776,076	9,376,365,069	0.6219	9,006,209,844
2015	8,090,965,839	1,119,557,141	207,720,059	9,418,243,039	0.6219	*

\* Information not available

Source: Chatham County Tax Assessor. Appraised by Chatham County Board of Equalization at 100% of estimated sound value.

Notes:

(1) Per \$100 of value.

(2) The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year. The ratio for the most recent year is not yet available.

**Schedule 6  
Chatham County  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years**

	Year Taxes Are Payable									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Chatham County	\$ 0.5970	\$ 0.5970	\$ 0.6170	\$ 0.6530	\$ 0.6022	\$ 0.6219	\$ 0.6219	\$ 0.6219	\$ 0.6219	\$ 0.6219
<u>Municipality Rates:</u>										
Town of Pittsboro	0.3730	0.3730	0.3730	0.3630	0.3020	0.3020	0.3020	0.3673	0.4033	0.4033
Town of Siler City	0.4300	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4800
Town of Goldston	0.1200	0.1200	0.1200	0.1200	0.1400	0.1400	0.1400	0.1900	0.1900	0.1900
Town of Cary	0.4200	0.4200	0.4200	0.3300	0.3300	0.3300	0.3300	0.3300	0.3500	0.3500
<u>Fire Districts:</u>										
Bells Annex	0.0600	0.0600	0.0700	0.0700	0.0620	0.0660	0.0660	0.0880	0.0880	0.0880
Bennett	0.0700	0.0700	0.0700	0.0700	0.0655	0.0700	0.0700	0.0800	0.0800	0.0800
Bonlee	0.0600	0.0600	0.0700	0.0700	0.0570	0.0650	0.0700	0.0700	0.0700	0.0700
Central Chatham	0.0600	0.0600	0.0600	0.0600	0.0552	0.0800	0.0800	0.0800	0.0800	0.0900
Circle City	0.0750	0.0750	0.0800	0.1000	0.0900	0.1000	0.1082	0.1158	0.1158	0.1158
Goldston	0.0700	0.0700	0.0700	0.0800	0.0659	0.0800	0.0800	0.0800	0.0800	0.0800
Hope	0.0700	0.0700	0.0700	0.0700	0.0614	0.0600	0.0667	0.0685	0.0685	0.0685
Moncure	0.0800	0.0850	0.0850	0.0850	0.0839	0.0842	0.0875	0.1104	0.1104	0.1104
North Chatham	0.0600	0.0600	0.0700	0.0700	0.0620	0.0660	0.0660	0.0880	0.0880	0.0880
Parkwood	0.1000	0.1000	0.1000	0.1000	0.0960	0.0960	0.1000	0.1000	0.1000	0.1000
Staley	0.1000	0.1000	0.0938	0.1000	0.0905	0.1000	0.1000	0.1000	0.1000	0.1000
Northview	0.0950	0.0950	0.0860	0.1090	0.1090	0.0835	0.0835	0.0830	0.0830	0.0830
<u>Sanitary District:</u>										
Gulf-Goldston	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500

Note: Tax rates per \$100 of property valuation

Schedule 7  
 Chatham County  
 Principal Property Tax Payers  
 Current Year and Nine Years Ago

Taxpayer	Type of Business	Fiscal Year 2015			Fiscal Year 2006		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy Progress (formerly Carolina Power & Light Co and Progress Energy)	Public Utility - Electric	\$ 106,780,044	1	1.13%	\$ 136,491,360	1	2.21%
Arauco (formerly Uniboard USA LLC)	Mfg of Engineered Wood Products	101,336,877	2	1.08%			
Chatham Park Investors LLC	Real Estate	99,781,341	3	1.06%			
Galloway Ridge Inc.	Retirement Community	89,736,550	4	0.95%	32,337,438	5	0.52%
Carolina Meadows Inc.	Assisted Living	72,772,784	5	0.77%	71,254,652	2	1.15%
Minnesota Mining & Manufacturing Co.	Mining	44,154,393	6	0.47%	47,697,351	3	0.77%
NNP Briar Chapel LLC	Real Estate	35,919,829	7	0.38%			
General Shale Brick Inc.	Brick	35,695,590	8	0.38%	21,306,650	9	0.34%
Public Service Co of NC	Public Utility - Natural Gas	25,082,958	9	0.27%			
Governors Club Inc	Real Estate	24,243,324	10	0.26%			
Triangle Brick Co	Brick				34,506,380	4	0.56%
Fitch Creations Inc.	Real Estate				21,751,570	7	0.35%
Honeywell Int'l, Inc. (formerly Allied Signal & Performance Fibers)	Polyester Fibers				28,836,527	6	0.47%
Townsend Farms	Poultry				21,537,808	8	0.35%
Summit Properties Partnership	Real Estate				18,940,889	10	0.31%
Totals		\$ 635,503,690		6.75%	\$ 434,660,625		7.02%

Source: Chatham County Tax Assessor

**Schedule 8  
Chatham County  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year (Net)</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Original Levy</b>		<b>Amount</b>	<b>Percentage of Adjusted Levy</b>
2006	\$ 37,204,376	\$ 36,281,367	97.52%	\$ 827,882	\$ 37,109,249	99.74%
2007	40,181,438	39,221,169	97.61%	913,855	40,135,024	99.88%
2008	43,952,341	42,958,322	97.74%	831,134	43,789,456	99.63%
2009	50,423,363	49,113,549	97.40%	1,239,288	50,352,837	99.86%
2010	51,324,966	50,081,361	97.58%	1,179,099	51,260,460	99.87%
2011	54,118,464	52,891,913	97.73%	1,129,594	54,021,507	99.82%
2012	55,092,804	53,900,198	97.84%	1,042,010	54,942,208	99.73%
2013	56,753,860	55,446,864	97.70%	1,112,482	56,559,346	99.66%
2014	58,419,050	57,553,931	98.52%	557,401	58,111,332	99.47%
2015	58,636,579	57,830,764	98.63%	-	57,830,764	98.63%

Source: Chatham County Tax Department

**Schedule 9  
Chatham County  
Ratios of Outstanding Debt by Type,  
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Per Capita (1)	Percentage of Personal Income (1)
	General Obligation Bonds	COPS/LOBS & Installment Loans	Capital Leases	General Obligation Bonds	Revenue Bonds	LOBS & Installment Loans			
2006	\$ 17,065,000	\$ 371,081	\$ 50,107			\$ 1,354,950	\$ 18,841,138	\$ 335	0.84%
2007	15,200,000	35,735,389	48,464			7,444,153	58,428,006	1,012	2.46%
2008	13,375,000	35,704,696	37,034			21,804,122	70,920,852	1,154	2.77%
2009	11,585,000	67,974,003	25,159			21,180,678	100,764,840	1,597	3.62%
2010	9,835,000	83,168,310	12,823	\$ 3,200,000	\$ 1,886,000	20,537,563	118,639,696	1,832	4.27%
2011	8,120,000	88,093,680	-	3,200,000	1,886,000	18,316,661	119,616,341	1,884	4.09%
2012	6,385,000	97,911,077	-	3,162,000	1,861,000	16,367,966	125,687,043	1,968	4.06%
2013	4,635,000	116,619,394	-	3,123,000	1,835,000	15,840,626	142,053,020	2,201	4.43%
2014	2,925,000	112,762,583	-	3,082,000	1,808,000	14,589,755	135,167,338	2,029	3.79%
2015	1,250,000	129,522,694	-	3,040,000	1,781,000	13,389,125	148,982,819	2,203	*

\* Information not available

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**Schedule 10  
Chatham County  
Ratios of Net General Bonded Debt Outstanding,  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Personal Income(1)</b>	<b>Percentage of Actual Taxable Value of Property(2)</b>	<b>Per Capita(1)</b>
2006	\$ 17,065,000	0.76%	0.28%	\$ 303
2007	15,200,000	0.64%	0.23%	263
2008	13,375,000	0.52%	0.19%	218
2009	11,585,000	0.42%	0.15%	184
2010	13,035,000	0.47%	0.15%	201
2011	11,320,000	0.39%	0.13%	178
2012	9,547,000	0.31%	0.11%	149
2013	7,758,000	0.24%	0.09%	120
2014	6,007,000	0.17%	0.06%	90
2015	4,290,000	*	0.05%	63

\* Information not available

Notes: Details regarding the County's outstanding debt can be found in the notes to the Financial Statements.

(1) See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(2) See schedule 5 for property value data.

**Schedule 11**  
**Chatham County**  
**Legal Debt Margin Information,**  
**Last Ten Fiscal Years**  
(dollars in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Assessed Value of Property	\$ 6,188,979	\$ 6,665,606	\$ 7,108,930	\$ 7,638,602	\$ 8,493,657	\$ 8,693,575	\$ 8,844,927	\$ 9,110,795	\$ 9,376,365	\$ 9,418,243
Debt Limit, 8% of Assessed Value (Statutory Limitation)	495,118	533,248	568,714	611,088	679,493	695,486	707,594	728,864	750,109	753,459
Amount of Debt Applicable to Limit										
Gross debt	19,212	58,428	70,921	100,765	118,640	119,616	125,687	142,053	135,167	148,983
Less: Debt outstanding for water purposes	1,354	7,444	21,804	21,181	25,624	23,403	21,391	20,799	19,480	18,210
Total net debt applicable to limit	17,858	50,984	49,117	79,584	93,016	96,214	104,296	121,254	115,688	130,773
Legal Debt Margin	\$ 477,260	\$ 482,265	\$ 519,598	\$ 531,504	\$ 586,476	\$ 599,272	\$ 603,298	\$ 607,609	\$ 634,422	\$ 622,687
Total net debt applicable to the limit as a percentage of debt lim	3.61%	9.56%	8.64%	13.02%	13.69%	13.83%	14.74%	16.64%	15.42%	17.36%

Note: NC Statute GS159-55 limits the County's outstanding debt to 8% of the appraised value of property subject to taxation. The legal debt margin is the difference between the debt limit and the county's net debt outstanding applicable to the limit and represents the county's legal borrowing authority.

**Schedule 12  
Chatham County  
Direct and Overlapping Governmental Activities Debt  
As of June 30, 2015**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Direct Debt:</b>			
Chatham County	\$ 130,772,694	100.00%	\$ 130,772,694
<b>Other Debt:</b>			
Town of Cary	<u>190,720,000</u>	2.24%	<u>4,272,128</u>
<b>Total</b>	<b><u>\$ 321,492,694</u></b>		<b><u>\$ 135,044,822</u></b>

Source: Outstanding debt provided by Town of Cary.

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages are estimated by determining the portion of another governmental unit's taxable assessed value within the County's boundaries and dividing it by each unit's total taxable assessed value.

**Schedule 13  
Chatham County  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

<u>Year</u>	<u>Population</u>	<u>Personal Income (D) (thousands of dollars)</u>	<u>Per Capita Personal Income(D)</u>	<u>Public School Enrollment(E)</u>	<u>Unemployment Rate(F)</u>
2006	56,274 B	\$ 2,232,147	\$ 38,426	7,410	4.00%
2007	57,708 B	2,375,153	39,704	7,516	4.20%
2008	61,455 G	2,557,154	41,901	7,615	5.50%
2009	63,077 G	2,781,686	43,894	7,524	8.90%
2010	64,772 G	2,776,755	42,870	7,591	7.10%
2011	63,505 G	2,922,436	45,804	7,750	7.60%
2012	63,870 C	3,093,642	48,191	7,938	7.00%
2013	64,553 C	3,204,182	49,084	8,065	6.30%
2014	66,618 C	3,563,765	53,336	8,193	4.50%
2015	67,620 C	*	*	8,330	5.20%

\* Information not yet available.

Notes:

- (A) North Carolina State Data Center. Estimates are as of beginning of fiscal year.
- (B) North Carolina Department of Commerce. Estimates are as of beginning of fiscal year.
- (C) North Carolina Office of State Budget and Management
- (D) Bureau of Economic Analysis, US Department of Commerce. Figures are for the prior calendar year.
- (E) Chatham County Board of Education
- (F) Employment Security Commission of North Carolina
- (G) US Census Bureau

**Schedule 14  
Chatham County  
Principal Employers  
Current Year and Nine Years Ago\***

<u>Employer</u>	<u>2015</u>		
	<u>Employees (1)</u>	<u>Rank</u>	<u>Percentage of Total County Employment (2)</u>
Chatham County Schools	1,373	1	4.42%
Chatham County	518	2	1.67%
Wal-Mart	426	3	1.37%
Carolina Meadows	410	4	1.32%
Galloway Ridge	354	5	1.14%
Arauco (formerly Uniboard USA LLC)	290	6	0.93%
Chatham Hospital	219	7	0.71%
Fitch Creations	168	8	0.54%
Performance Bicycle	160	9	0.52%
Palletone of NC	140	10	0.45%
Total	<u>4,058</u>		

\*Data is not available for nine years ago

Source: (1) Respective Businesses

Source: (2) NC ESC (total employment)

**Schedule 15**  
**Chatham County**  
**Full-time Equivalent County Government Employees by Function,**  
**Last Ten Fiscal Years**

Function/Program	Full-Time Equivalent Employees as of June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government	52	58	65	65	74	69	65	67	68	70
Public Safety	110	120	121	126	129	129	136	149	162	171
Economic and Physical Development	13	16	20	19	17	17	18	18	16	17
Human Services	135	146	147	150	147	145	151	151	152	154
Cultural and Recreation	11	11	13	13	14	18	24	24	23	22
Water	17	21	22	22	20	24	23	22	22	22
Waste Management	13	13	12	11	12	13	13	13	12	12
<b>Total</b>	<b>351</b>	<b>385</b>	<b>400</b>	<b>406</b>	<b>413</b>	<b>415</b>	<b>430</b>	<b>444</b>	<b>455</b>	<b>468</b>

Source: County Finance Department

Notes:

Vacant positions are not included in the above numbers.

This schedule represents number of persons employed as of June 30 of each year.

Full time personnel work 2,080 hours per year (less vacation and sick leave).

Schedule 16  
 Chatham County  
 Operating Indicators by Function/Program  
 Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities:</b>										
<b>General Government:</b>										
Land records recorded	17,338	16,575	14,043	13,716	12,394	12,121	14,092	17,608	12,707	12,717
Marriage licenses issued	302	289	293	275	265	264	251	281	286	343
New registered voters	2,130	2,229	4,315	7,030	1,784	2,714	2,714	5,421	2,530	3,046
<b>Public Safety:</b>										
Civil processes served	2,554	2,480	2,473	3,553	4,897	4,931	4,151	4,654	3,944	3,527
Applications for pistol permits	343	333	356	1,106	757	984	917	2,312	678	890
911 calls received	29,293	30,323	56,284	59,636	82,663	85,821	99,384	103,295	136,875	164,970
Fire inspections conducted	1,405	1,389	1,277	1,405	1,332	1,074	806	591	648	712
<b>Economic and Physical Development:</b>										
Zoning permits issued	1,300	1,205	1,237	871	995	917	1,062	1,158	1,558	1,805
Building permits issued (single-family dwellings)	933	990	398	244	261	245	313	396	636	674
<b>Human Services:</b>										
Total patients seen in health clinics	8,598	6,619	7,485	6,703	5,236	7,240	8,150	5,403	4,789	5,614
Children and families receiving Medicaid	2,876	2,905	3,000	3,838	3,934	3,986	4,137	6,151	7,012	5,777
Total child support collections	\$2,680,108	\$2,785,162	\$2,810,175	\$2,918,833	\$2,856,686	\$2,947,071	\$2,892,255	\$2,785,510	\$2,559,088	\$2,523,317
<b>Cultural and Recreational:</b>										
Library patron visits (3 branches)	181,738	159,265	171,087	196,577	150,853	152,775	173,743	191,003	189,074	178,820
Participants in youth sports	*	1,265	1,182	1,315	1,086	942	879	902	863	918
<b>Education:</b>										
Average daily membership	7,410	7,516	7,615	7,524	7,591	7,750	7,938	8,065	8,193	8,330
County appropriation per student (rounded)	\$2,626	\$3,048	\$3,478	\$3,907	\$4,183	\$4,171	\$4,130	\$4,130	\$4,276	\$4,019
<b>Business-Type Activities:</b>										
<b>Water:</b>										
Number of new connections	370	331	191	234	281	263	266	315	370	483
Gallons of water consumed (in thousands)	513,276	535,247	527,844	654,149	700,351	696,127	660,518	637,843	664,271	607,396
<b>Waste Management:</b>										
Tons of recyclables	3,111	3,896	3,370	3,237	3,729	3,341	3,546	4,154	4,249	4,627
Tons of waste managed	11,566	11,571	11,782	11,378	11,507	11,438	11,173	10,741	11,099	11,338

\* Information not available

Sources: Various county departments; average daily membership provided by Chatham County Schools.

Schedule 17  
 Chatham County  
 Capital Asset Statistics by Function/Program  
 Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Public Safety:</b>										
Jail Capacity	51	51	51	51	51	51	51	51	51	110
Total Sheriff Vehicles	86	86	101	105	107	109	109	108	111	126
<b>Cultural and Recreational:</b>										
Park Acreage	48	48	233	233	233	233	437	437	437	437
Libraries (branches)	3	3	3	3	3	3	3	3	3	3
<b>Business-Type:</b>										
<b>Water:</b>										
Miles of Water Main	260	282	312	342	372	395	395	395	395	415
Number of Elevated Storage Tanks	9	9	9	9	9	8	8	9	9	9
<b>Waste Management:</b>										
Collection Centers	12	12	12	12	12	12	12	12	12	12

Sources: Various county departments and county asset records.

# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

## **Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards***

### **Independent Auditor's Report**

To the Board of Commissioners  
Chatham County  
Pittsboro, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable of the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Chatham County, North Carolina, (the County) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 11, 2015. The financial statements of the Chatham County ABC Board were not audited in accordance with *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001 that we consider to be a material weakness.

## **Compliance and Other Matters**

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

## **Chatham County's Response to Finding**

Chatham County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

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

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, NC  
December 11, 2015

# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## **Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; In Accordance With OMB Circular A-133; And The State Single Audit Implementation Act**

### **Independent Auditor's Report**

To the Board of Commissioners  
Chatham County  
Pittsboro, North Carolina

#### **Report On Compliance for Each Major Federal Program**

We have audited the compliance of Chatham County, North Carolina, with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2015. Chatham County's major Federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Chatham County's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Chatham County's compliance with those requirements and performing, such other procedures as we considered necessary in the circumstances.

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

730 13th Avenue Drive SE ♦ Hickory, North Carolina 28602 ♦ Phone 828-327-2727 ♦ Fax 828-328-2324  
13 South Center Street ♦ Taylorsville, North Carolina 28681 ♦ Phone 828-632-9025 ♦ Fax 828-632-9085  
Toll Free Both Locations 1-800-948-0585 ♦ Website: [www.martinstarnes.com](http://www.martinstarnes.com)

### ***Opinion on Each Major Federal Program***

In our opinion, Chatham County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2015.

### **Report On Internal Control Over Compliance**

Management of Chatham County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Chatham County's internal control over compliance with the types of requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Chatham County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, NC  
December 11, 2015

# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## **Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; In Accordance With OMB Circular A-133; And The State Single Audit Implementation Act**

### **Independent Auditor's Report**

To the Board of Commissioners  
Chatham County  
Pittsboro, North Carolina

#### **Report On Compliance for Each Major State Program**

We have audited the compliance of Chatham County, North Carolina, with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Chatham County's major State programs for the year ended June 30, 2015. Chatham County's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Chatham County's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Chatham County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major State Program***

In our opinion, Chatham County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2015.

### **Report On Internal Control Over Compliance**

Management of Chatham County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Chatham County's internal control over compliance with the requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Chatham County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on our requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, NC  
December 11, 2015

**CHATHAM COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**1. Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?   X   Yes        No
- Significant deficiency(s) identified that are not considered to be material weaknesses?        Yes   X   None reported

Non-compliance material to financial statements noted?        Yes   X   No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?        Yes   X   No
- Significant deficiency(s) identified that are not considered to be material weaknesses?        Yes   X   None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?        Yes   X   No

Identification of major federal programs:

**Program Name**

**CFDA#**

Medicaid Cluster 93.778, 93.777, 93.775  
Child Care Development Fund Cluster 93.575, 93.596

Dollar threshold used to distinguish between Type A and Type B Programs: \$1,347,788

Auditee qualified as low-risk auditee?        Yes   X   No



## CHATHAM COUNTY, NORTH CAROLINA

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2015

#### 2. Findings Related to the Audit of the Basic Financial Statements

##### **Finding 2015-001:**

**Criteria:** Management should have a system in place to reduce the likelihood of errors in reporting employee census data and to ensure that employee census data is complete and accurate.

**Condition:** The County did not timely identify errors in reporting of census data for one employee. The employee was improperly not contributing to the Orbit system resulting in no County payments being made on behalf of this employee or withholdings from the employee's paycheck.

**Context:** One employee was not being properly reported in the Orbit system. The County had approximately 462 employees participating in LGERS at December 31, 2014.

**Effect:** Census data reported, while materially complete, did not reflect all eligible employees.

**Cause:** One employee was not being properly reported in the Orbit system.

**Recommendation:** On a monthly basis, care should be taken to ensure proper reconciliation between Orbit and County payroll records.

**Name of Contact Person:** Vicki McConnell, Finance Officer

**Management's Response:** Management concurs with the finding. Management will exercise due care in the monthly reconciliation of data between Orbit and County records. Management believes that this was an isolated incident that has since been resolved.

#### 3. Federal Award Findings and Questioned Costs

None reported.

#### 4. State Award Findings and Questioned Costs

None reported.

**CHATHAM COUNTY, NORTH CAROLINA**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

None reported.

## CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
<b>Federal Awards:</b>			
<b><u>U.S. Dept. of Agriculture</u></b>			
<b>Passed-through the N.C. Dept. of Health and Human Services:</b>			
<b>Division of Social Services:</b>			
<b>Administration:</b>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program:			
Supplemental Nutrition Assistance Program	10.561	\$ 298,389	\$ 65
Supplemental Nutrition Assistance Program-Fraud	10.561	4,735	-
<b>Direct Benefit Payments:</b>			
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	1,166,971	-
Summer Food Services Program for Children	10.559	222	-
<b>Passed through Triangle J Council of Governments</b>			
USDA Supplement	10.570	20,422	-
<b>Total U.S. Dept. of Agriculture</b>		<b>1,490,739</b>	<b>65</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
<b>Passed through N.C. Housing Finance Agency</b>			
HOME Investments Partnership Program-Single Family Rehabilitation	14.239	25,420	-
<b>Total U.S. Department of Housing and Urban Development</b>		<b>25,420</b>	<b>-</b>
<b><u>U.S. Dept. of Justice</u></b>			
<b>Direct Program:</b>			
Equitable Sharing Program	16.922	16,765	-
<b>Passed-through N.C. Dept. of Crime Control and Public Safety:</b>			
Grants to Encourage Arrest Policies & Enforcement of Protection Orders Program	16.590	74,192	-
Edward Byrne Memorial Justice Assistance Grant	16.738	607	-
Crime Victim Assistance	16.575	37,136	-
<b>Direct Program:</b>			
Supervised Visitation, Safe Havens for Children	16.527	110,029	-
Grants to Encourage Arrest Policies & Enforcement of Protection Orders Program	16.590	74,765	-
Bulletproof Vest Partnership Program	16.607	5,443	-
Joint Law Enforcement Operations	16.111	4,414	-
State Criminal Alien Assistance Program	16.606	5,172	-
<b>Total U.S. Dept. of Justice</b>		<b>328,523</b>	<b>-</b>
<b><u>U. S. Department of Homeland Security</u></b>			
<b>Passed-through N.C. Dept. of Crime Control and Public Safety:</b>			
<b>Division of Emergency Management</b>			
Emergency Management Performance Grants	97.042	36,450	-
<b>Total U. S. Department of Homeland Security</b>		<b>36,450</b>	<b>-</b>

## CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
<b><u>U.S. Dept. of Health and Human Services</u></b>			
<b>Centers for Disease Control and Prevention</b>			
<b>Passed-through the N.C. Dept. of Health and Human Services:</b>			
<b>Division of Public Health:</b>			
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	40,030	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	28	-
Immunization Cooperative Agreements	93.268	12,062	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	20,546	-
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	8,363	-
HIV Prevention Activities - Health Department Based	93.940	1,000	-
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	217	-
Preventative Health and Health Services Block Grant	93.991	9,916	-
Child Lead Poisoning Surveillance financed in part by Prevention and Public Health (PPHF) Program	93.753	26,666	-
<b><u>Administration on Aging</u></b>			
<b><u>Division of Aging and Adult Services</u></b>			
<b>Passed through Triangle J Council of Governments:</b>			
Special Programs for the Aging - Title III D			
Disease Prevention and Health Promotion Services	93.043	5,274	320
<b><u>Aging Cluster:</u></b>			
Special Programs for the Aging - Title III B			
Grants for Supportive Services and Senior Centers			
Access Services	93.044	49,583	2,917
In-Home Services	93.044	38,558	2,268
Special Programs for the Aging			
Title III C - Nutrition Services			
Congregate Nutrition	93.045	79,767	4,692
Home Delivered Meals	93.045	47,031	2,767
<b>Total Aging Cluster</b>		<b>214,939</b>	<b>12,644</b>
National Family Caregiver Support, Title III, Part E	93.052	30,728	2,846
<b><u>Administration of Children and Families</u></b>			
<b>Passed-through the N.C. Dept. of Health and Human Services:</b>			
<b>Division of Social Services:</b>			
<b><u>Foster Care and Adoption Cluster (Note 4)</u></b>			
<b>Administration:</b>			
Title IV-E Adoption Training	93.659	42,291	-
IV-E Adoption	93.659	1,722	-
Title IV-E Foster Care	93.658	251,892	48,047
Foster Care	93.658	176,550	-

## CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
<b>Direct Benefit Payments:</b>			
Foster Care	93.658	149,157	41,040
Adoption Assistance	93.659	543,869	141,238
<b>Total Foster Care and Adoption Cluster (Note 4)</b>		<b>1,165,481</b>	<b>230,325</b>
Promoting Safe and Stable Families	93.556	23,114	-
Temporary Assistance for Needy Families (TANF) Cluster:			
TANF	93.558	3,574	-
Work First Administration	93.558	49,118	-
Work First Service	93.558	242,527	-
Child Support Enforcement:			
IV-D Administration	93.563	300,038	-
IV-D Offset Fees - ESC	93.563	45	-
IV-D Offset Fees - Federal	93.563	1,135	-
Refugee and Entrant Assistance - State Administered Program	93.566	334	-
Low Income Home Energy Assistance:			
Crisis Intervention Program	93.568	141,115	-
Low Income Energy Administration	93.568	28,538	-
Low Income Home Energy	93.568	187,500	-
Stephanie Tubb Jones Child Welfare Services Program:			
Permanency Planning - Families for Kids	93.645	12,727	-
Social Services Block Grant:			
CPS TANF to SSBG	93.667	346,959	-
In Home Services	93.667	1,566	-
In-Home Services over 60	93.667	12,690	-
Other Services and Training	93.667	158,014	15,612
Chafee Foster Care Independence Program	93.674	15,159	3,790
State Children's Insurance Program			
<b>Administration:</b>			
State Children's Insurance Program - N.C. Health Choice	93.767	32,108	2,874
<b>Direct Benefit Payments:</b>			
State Children's Insurance Program - N.C. Health Choice	93.767	763,798	240,386
Division of Medical Assistance			
Medical Assistance Program Cluster			
<b>Administration:</b>			
Adt Cr Hm Cs Mgt/Spec	93.778	4,572	2,286
Medical Assistance	93.778	20,889	-
Medical Assistance Administration	93.778	1,073,330	-
Medical Transportation Administration	93.778	37,554	-
Medical Transportation Service	93.778	2,796	1,450
State County Special Assistance	93.778	25,805	-
Division of Medical Assistance			
<b>Direct Benefit Payments:</b>			
Medical Assistance Program	93.778	35,928,480	19,289,019
Total Medical Assistance Program Cluster		<u>37,093,426</u>	<u>19,292,755</u>
<b>Direct Benefit Payments</b>			
Temporary Assistance for Needy Families			
TANF Payments and Penalties - TANF Cluster	93.558	226,177	(112)
Family Support Payments to States - Assistance Payments	93.560	(129)	(36)
Chafee Foster Care Independence Program	93.674	26,689	-

## CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
<b>Division of Child Development:</b>			
<b>Subsidized Child Care (Note 4)</b>			
<b><u>Child Care Development Fund Cluster:</u></b>			
Division of Social Services:			
Child Care Development Fund-Administration	93.596	63,146	-
Division of Child Development:			
Child Care and Development -- Discretionary	93.575	873,459	-
Child Care and Development Fund -- Mandatory	93.596	292,262	-
Child Care and Development Fund -- Match	93.596	266,327	92,465
Total Child Care Development Fund Cluster		1,495,194	92,465
Temporary Assistance for Needy Families (TANF) Cluster	93.558	236,285	-
Foster Care Title IV-E	93.658	18,262	9,458
State Funds			
State Appropriations		-	101,806
TANF-MOE		-	193,036
Total Subsidized Child Care (Note 4)		1,749,741	396,765
<b><u>Health Resources and Services Administration</u></b>			
<b>Passed-through the N.C. Dept. of Health and Human Services:</b>			
<b>Division of Public Health:</b>			
Maternal and Child Health Services Block Grant to the States	93.994	63,351	47,518
<b><u>Office of Population Affairs</u></b>			
<b>Passed-through the N.C. Dept. of Health and Human Services:</b>			
<b>Division of Public Health</b>			
Family Planning Services	93.217	30,558	-
Total U.S. Dept. of Health and Human Services		43,045,122	20,245,687
Total Federal Awards		44,926,254	20,245,752
<b>State Awards:</b>			
<b><u>N.C. Dept. of Cultural Resources</u></b>			
<b>Division of State Library</b>			
State Aid to Public Libraries		-	96,442
Additional State Aid to Public Libraries		-	5,000
Total N.C. Dept. of Cultural Resources		-	101,442

## CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
<b><u>N.C. Department of Environment and Natural Resources</u></b>			
White Goods Management Program		-	2,596
Scrap Tire Program		-	2,826
Electronics Program		-	5,054
Agricultural Cost Share-Technical Assistance		-	23,104
Education Grant		-	3,600
<b>Total N.C. Dept. of Environment and Natural Resources</b>		-	<b>37,180</b>
<b><u>N.C. Department of Health and Human Services</u></b>			
<b>Division of Social Services:</b>			
<b>Administration and Services</b>			
AFDC-Program Integrity		-	251
Energy Assistance Private Grants		-	15,375
State Child Welfare/CPS/CS		-	106,462
<b>Direct Benefit Payments:</b>			
State/County Special Assistance for Adults			
Domiciliary Care Payments		-	372,066
State Foster Home		-	55,583
State Foster Home Maximization		-	27,948
CWS Adoption Subsidy & Vendor		-	179,004
F/C At Risk Maximization		-	879
<b>Total Division of Social Services</b>		-	<b>757,568</b>
<b>Division of Public Health</b>			
Environmental Health			
Food and Lodging Fees		-	11,228
General Aid to Counties		-	80,708
General Communicable Disease Control		-	1,610
Child Health		-	967
Maternal Health		-	12,751
HMHC-Family Planning		-	2,185
Maternal Health (HMHC)		-	2,323
HIV/STD State		-	400
HIV/STD SSBD Aid		-	100
Sexually Transmitted Diseases		-	1,379
Risk Reduction/Health Promotion		-	6,285
School Nurse Funding Initiative		-	94,865
TB Medical Services		-	540
Tuberculosis		-	9,148
Women's Health Service Fund		-	8,652
<b>Total Division of Public Health</b>		-	<b>233,141</b>
<b>Total N. C. Department of Health and Human Services</b>		-	<b>990,709</b>

## CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
<b><u>N.C. Dept. of Public Instruction</u></b>			
Public School Building Capital Fund-Lottery Proceeds		-	597,750
<b>Total N.C. Dept. of Public Instruction</b>		-	<b>597,750</b>
<b><u>N.C. Dept. of Public Safety</u></b>			
Juvenile Crime Prevention Program-Administration		-	14,420
Juvenile Crime Prevention Program-Administration		-	127,975
State Forfeiture Funds		-	22,175
<b>Total N.C. Dept. of Public Safety</b>		-	<b>164,570</b>
<b><u>N.C. Dept. of Transportation</u></b>			
Rural Operating Assistance Program (ROAP) Cluster			
ROAP-Elderly and Disabled Transportation Assistance Program		-	62,524
ROAP Rural General Public Program		-	71,479
ROAP Work First Transitional - Employment		-	16,583
<b>Total N.C Dept. of Transportation</b>		-	<b>150,586</b>
<b><u>Passed through Triangle J Council of Governments</u></b>			
In-Home Services for Frail Older Individuals		-	212,570
Access for Grants for Supportive Services and Senior Centers		-	27,712
Fan/Heat Program		-	780
Home Delivered Meals		-	57,308
Senior Center Development		-	23,360
<b>Total Passed through Triangle J Council</b>		-	<b>321,730</b>
<b>Total State awards</b>		-	<b>2,363,967</b>
<b>Total Federal and State awards</b>		<b>\$ 44,926,254</b>	<b>\$ 22,609,719</b>

**CHATHAM COUNTY, NORTH CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Notes to the Schedule of Expenditures of Federal and State Financial Awards:**

**Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and State grant activity of Chatham County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2015. The information in this SEFSA is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of Chatham County, it is not intended to and does not present the financial position, changes in net position or cash flows of Chatham County.

**Note 2 - Summary of Significant Accounting Policies**

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* or cost principles contained in the Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursements. Pass-through entity identifying numbers are presented where available.

**Note 3 - Subrecipients**

Of the federal and state expenditures presented in the schedule, Chatham County provided federal and state awards to subrecipients as follows:

<u>Subrecipient/Program Title</u>	<u>CFDA Number</u>	<u>State/Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
<b>Communities in Schools</b>				
Juvenile Crime Prevention Program			\$ -	\$ 136,500
<b>Chatham County Transit Network</b>				
Elderly and Disabled Trans Assist Prog		36235.19.1.2	-	62,524
Rural General Public Program		36228.22.5.1	-	71,479
Work First / Employment Transport		36236.11.3.1	-	16,583
<b>El Futuro</b>				
Juvenile Crime Prevention Program			-	11,794
<b>Haven House</b>				
Juvenile Crime Prevention Program			-	9,524
<b>NC Admin Office of the Courts</b>				
Juvenile Crime Prevention Program			-	4,547
<b>Total Passed Through to Subrecipients</b>			<u>\$ -</u>	<u>\$ 312,951</u>

**Note 4 - State Clustered Programs**

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care and Foster Care and Adoption.

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