

*Non-Major Governmental Funds*

**COUNTY OF CHATHAM, NORTH CAROLINA**  
**COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2005**

	Total Non-Major Special Revenue Funds	Total Non-Major Capital Project Funds	Total Non-Major Governmental Funds
<b>ASSETS</b>			
Cash, cash equivalents and investments	\$ 5,220,345	\$ 128,603	\$ 5,348,948
Property taxes receivable, net of allowance	112,923	-	112,923
Due from other governmental agencies	103,418	-	103,418
Other receivables	<u>48,596</u>	<u>1,985</u>	<u>50,581</u>
<b>TOTAL</b>	<u>\$ 5,485,282</u>	<u>\$ 130,588</u>	<u>\$ 5,615,870</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 4,998	\$ 6,429	\$ 11,427
Unearned revenues	37,384	-	37,384
Deferred revenues	<u>112,923</u>	<u>-</u>	<u>112,923</u>
Total liabilities	<u>155,305</u>	<u>6,429</u>	<u>161,734</u>
Fund balance:			
Reserved:			
By State statute	152,014	1,985	153,999
For courthouse clocks	56,547	-	56,547
Unreserved:			
Designated - subsequent year's budget	4,229,504	-	4,229,504
Undesignated	<u>891,912</u>	<u>122,174</u>	<u>1,014,086</u>
Total fund balance	<u>5,329,977</u>	<u>124,159</u>	<u>5,454,136</u>
<b>TOTAL</b>	<u>\$ 5,485,282</u>	<u>\$ 130,588</u>	<u>\$ 5,615,870</u>

**COUNTY OF CHATHAM, NORTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

	Total Non-Major Special Revenue Funds	Total Non-Major Capital Project Funds	Total Non-Major Governmental Funds
<b>REVENUES:</b>			
Ad valorem taxes	\$ 2,862,189	\$ -	\$ 2,862,189
Other taxes and licenses	281,433	-	281,433
Restricted intergovernmental	505,491	-	505,491
Permits and fees	404,391	-	404,391
Investment earnings	111,232	3,564	114,796
Other general revenues	19,464	9,501	28,965
<b>Total revenues</b>	<u>4,184,200</u>	<u>13,065</u>	<u>4,197,265</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
General government	425	25,002	25,427
Public safety	3,043,995	-	3,043,995
Economic and physical development	332,889	-	332,889
Cultural and recreational	3,507	203,851	207,358
<b>Total expenditures</b>	<u>3,380,816</u>	<u>228,853</u>	<u>3,609,669</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>803,384</u>	<u>(215,788)</u>	<u>587,596</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
<b>Transfers from (to) other funds:</b>			
General Fund	50,439	100,000	150,439
Enterprise Fund:			
Utility	427,860	-	427,860
Special Revenue:			
Recreation in lieu	-	13,390	13,390
General capital reserve	-	(7,927)	(7,927)
E-911	-	(10,125)	(10,125)
Capital Projects:			
Facilities Improvements	3,992	-	3,992
Southwest Park	(13,390)	-	(13,390)
Mapping	14,060	-	14,060
<b>Total other financing sources (uses)</b>	<u>482,961</u>	<u>95,338</u>	<u>578,299</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>1,286,345</u>	<u>(120,450)</u>	<u>1,165,895</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>4,043,632</u>	<u>244,609</u>	<u>4,288,241</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 5,329,977</u>	<u>\$ 124,159</u>	<u>\$ 5,454,136</u>

## ***Non-Major 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:***

***Revaluation Fund - accounts for the accumulation of funds necessary to cover the cost of real property revaluation.***

***Enhanced 911 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 seizures through court convictions of criminal activities. These funds must be used by the County for law enforcement purposes.***

***School Capital Reserve Fund - accounts for a portion of the cost of new school construction. Funds are used to offset a***

***Recreation - Payment in Lieu Fund - a subdivision lots (except family subdivisions) the cost of recreational facilities within subdivisions. Fees are used to offset the cost of recreational facilities located.***

***Bynum Canoe Access Trust Fund - accounts for funds received from the Triangle Land Conservancy to aid in the maintenance and upkeep of the Haw River canoe access.***

***Industrial Reserve Fund - accounts for the accumulation of funds to be used for industrial recruitment.***

***Parks Foundation Trust Fund - accounts for money received on behalf of the Chatham County Parks Foundation to aid in financing recreational activities.***

***Equipment Capital Reserve Fund - accounts for the accumulation of funds for large capital purchases.***

***Emergency Vehicle Replacement Capital Reserve Fund - accounts for the accumulation of funds to assist local rescue squads with the purchase of emergency vehicles.***

***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.***

***Community Development Fund - accounts for the activities financed under a grant agreement with the North Carolina Department of Commerce.***

***Economic and Community Development Fund - accounts for the activities financed under grant agreements with the North Carolina Department of Commerce.***

***Special Fire District Funds - accounts for the revenues of the fire districts within the County.***

***Courthouse Clock Fund - accounts for monies held for maintenance of the courthouse clocks and for the removal of the clocks and restoration of the courthouse cupola at a future date.***

COUNTY OF CHATHAM, NORTH CAROLINA  
 COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2005

ASSETS	Revaluation	Enhanced 911	Forfeited Property	School Capital Reserve	Recreation - Payment In Lieu	Bynum Canoe Access Inust	Industrial Reserve	Parks Foundation Inust	Equipment Capital Reserve	Emergency Vehicle Replacement Reserve	Personnel Savings Reserve	Community Development	Economic and Community Development	Special Fire Districts	Courthouse Clock	Total
Cash, cash equivalents and investments																
Property taxes receivable, net of allowance for doubtful accounts																
Due from other governmental agencies																
Other receivables	19	31,225	156	116	2,639	40	369	60	6,969	880	2,368	1,136	1,550	676	275	103,418
TOTAL	3,948	1,731,236	99,826	4,114	597,576	8,313	76,258	36,781	1,042,450	181,676	689,484	234,569	394,259	327,970	56,822	5,485,282
Liabilities:																
Accounts payable and accrued liabilities		2,260	238													4,998
Unearned revenues														37,384		37,384
Deferred revenues														112,923		112,923
Total liabilities		2,260	238										2,500	150,307		155,305
Fund balance:																
Reserved:																
By State statute	19	42,276	66,274	116	2,639	40	369	238	6,969	880	2,368	1,136	27,739	676	275	152,014
For Courthouse clocks															56,547	56,547
Unreserved:																
Designated - subsequent year's budget	3,900	1,625,579	14,993	3,757	483,458	8,206	75,300	36,217	947,015	179,455	685,616	31,538		134,470		4,229,504
Undesignated	29	61,121	18,321	241	111,479	67	589	326	88,466	1,341	1,500	201,895	364,020	42,517		891,912
Total fund balance	3,948	1,728,970	99,580	4,114	597,576	8,313	76,258	36,781	1,042,450	181,676	689,484	234,569	391,759	177,663	56,822	5,329,977
TOTAL	3,948	1,731,236	99,826	4,114	597,576	8,313	76,258	36,781	1,042,450	181,676	689,484	234,569	394,259	327,970	56,822	5,485,282

Includes only those funds with remaining assets, liabilities or fund balance.

COUNTY OF CHATHAM, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NON-MAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

REVENUES:	Revaluation	Enhanced 911	Forfeited Property	School Capital Reserve	Recreation - Payment in Lieu	Bynum Canoe Access Trust	Industrial Reserve	Parks Foundation Trust	Equipment Capital Reserve	Emergency Vehicle Replacement Capital Reserve	Personnel Savings Reserve	Community Development	Economic and Community Development	Special Fire Districts	Courthouse Clock	Total
Ad valorem taxes																
Current year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,781,364
Prior year																\$ 61,419
Penalties and interest																19,406
Total ad valorem taxes																2,862,189
Other taxes and licenses		281,433														281,433
Restricted intergovernmental		119,614	91,039										284,838			505,491
Permits and fees					404,391											404,391
Investment earnings	95	38,518	870	3,356	10,621	199	1,829	841	27,048	4,361	11,659	1,950	2,887	1,367	111,232	
Other general revenues								11,709	7,755							19,464
Total revenues	95	439,565	91,909	3,356	415,012	199	1,829	12,550	34,803	4,361	11,659	5,631	2,855,076	1,367	4,184,200	
EXPENDITURES:																
Current:																
General government																425
Public safety		224,667	27,828										2,791,700			3,043,995
Economic and physical development												332,869				332,869
Cultural and recreational								3,507								3,507
Total expenditures		224,667	27,828					3,507					332,869			3,380,616
REVENUES OVER (UNDER)	95	214,898	64,281	3,356	415,012	199	1,829	9,043	34,803	4,361	11,659	5,631	(95,101)	73,376	942	803,384
EXPENDITURES																
OTHER FINANCING SOURCES (USES):																
Transfers from (to) other funds:																
General Fund				(181,707)					26,724		205,422		427,860			50,439
Enterprise - Utility																427,860
Capital Projects:																
Facilities Improvements					(13,390)				3,992							3,992
Southwest Park		10,125							3,935							(13,390)
Mapping																14,060
Total other financing sources (uses)		10,125		(181,707)	(13,390)				34,651		205,422		427,860			482,961
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)	95	225,023	64,281	(178,351)	401,622	199	1,829	9,043	69,454	4,361	217,081	5,631	391,759	73,376	942	1,266,345
EXPENDITURES AND OTHER FINANCING USES																
FUND BALANCE, BEGINNING OF YEAR	3,653	1,503,953	35,307	182,465	195,954	8,114	74,429	27,738	972,996	177,315	472,403	228,930		104,287	55,880	4,043,632
FUND BALANCE, END OF YEAR	3,948	1,728,976	99,586	4,114	597,576	8,313	76,258	36,781	1,042,450	181,676	688,484	234,569	391,759	177,663	56,822	5,329,977

COUNTY OF CHATHAM, NORTH CAROLINA  
 REVALUATION FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2005 (With Comparative Amounts for 2004)

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	<u>Budget</u>	2005 <u>Actual</u>	Variance Positive (Negative)	2004 <u>Actual</u>
REVENUES:				
Investment earnings	\$ -	\$ 95	\$ 95	\$ 340
EXPENDITURES:				
Current:				
General government	<u>3,600</u>	<u>-</u>	<u>3,600</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	(3,600)	95	3,695	340
APPROPRIATED FUND BALANCE	<u>3,600</u>	<u>-</u>	<u>(3,600)</u>	<u>-</u>
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES	<u>\$ -</u>	95	<u>\$ 95</u>	(19,660)
FUND BALANCE, BEGINNING OF YEAR		<u>3,853</u>		<u>23,513</u>
FUND BALANCE, END OF YEAR		<u>\$ 3,948</u>		<u>\$ 3,853</u>

COUNTY OF CHATHAM, NORTH CAROLINA  
 ENHANCED 911  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2005 (With Comparative Amounts for 2004)

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance Positive (Negative)</u>	<u>2004 Actual</u>
<b>REVENUES:</b>				
Other taxes and licenses:				
Enhanced 911 system:				
911 system subscriber fees	\$ 262,000	\$ 281,433	\$ 19,433	\$ 282,965
Restricted intergovernmental:				
Wireless 911 funds	98,000	119,614	21,614	109,314
Investment earnings:				
Enhanced 911 system	7,500	27,663	20,163	14,442
Wireless 911	1,500	10,855	9,355	5,342
	9,000	38,518	29,518	19,784
<b>Total revenues</b>	<b>369,000</b>	<b>439,565</b>	<b>70,565</b>	<b>412,063</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety:				
Enhanced 911 system:				
Salaries and employee benefits	2,700	3,773	(1,073)	1,904
Operating expenditures	935,516	182,949	752,567	135,491
Capital Outlay	-	-	-	89,538
	938,216	186,722	751,494	226,933
Wireless 911:				
Operating expenditures	925,625	28,834	896,791	17,535
Capital Outlay	9,112	9,111	1	-
	934,737	37,945	896,792	17,535
<b>Total expenditures</b>	<b>1,872,953</b>	<b>224,667</b>	<b>1,648,286</b>	<b>244,468</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,503,953)</b>	<b>214,898</b>	<b>1,718,851</b>	<b>167,595</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers from other funds:				
General fund	-	-	-	88,836
Mapping project	-	10,125	10,125	-
<b>Total other financing sources</b>	<b>-</b>	<b>10,125</b>	<b>10,125</b>	<b>88,836</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES</b>	<b>(1,503,953)</b>	<b>225,023</b>	<b>1,728,976</b>	<b>256,431</b>
<b>APPROPRIATED FUND BALANCE</b>	<b>1,503,953</b>	<b>-</b>	<b>(1,503,953)</b>	<b>-</b>
<b>REVENUES, OTHER FINANCING SOURCES AND APPROPRIATED FUND BALANCE OVER EXPENDITURES</b>	<b>\$ -</b>	<b>225,023</b>	<b>\$ 225,023</b>	<b>256,431</b>
<b>FUND BALANCES:</b>				
Beginning of year:				
Enhanced 911		1,198,005		1,038,695
Wireless 911		305,948		208,827
<b>Beginning of year, totals</b>		<b>1,503,953</b>		<b>1,247,522</b>
<b>FUND BALANCES:</b>				
End of year:				
Enhanced 911		1,330,504		1,198,005
Wireless 911		398,472		305,948
<b>End of year, totals</b>		<b>\$ 1,728,976</b>		<b>\$ 1,503,953</b>

**COUNTY OF CHATHAM, NORTH CAROLINA  
 FORFEITED PROPERTY  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2005 (With Comparative Amounts for 2004)**

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance Positive (Negative)</u>	<u>2004 Actual</u>
<b>REVENUES:</b>				
Restricted intergovernmental:				
State controlled substance tax	\$ 14,473	\$ 75,931	\$ 61,458	\$ 42,473
Drug forfeiture funds	-	14,473	14,473	24,286
Other	-	635	635	-
	<u>14,473</u>	<u>91,039</u>	<u>76,566</u>	<u>66,759</u>
Investment earnings	-	870	870	1,158
Total revenues	<u>14,473</u>	<u>91,909</u>	<u>77,436</u>	<u>67,917</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety:				
Controlled substance tax:				
Operating expenditures	27,475	16,502	10,973	49,622
Capital outlay	9,500	-	9,500	-
Forfeited property:				
Operating expenditures	<u>12,579</u>	<u>11,126</u>	<u>1,453</u>	<u>31,363</u>
Total expenditures	<u>49,554</u>	<u>27,628</u>	<u>21,926</u>	<u>80,985</u>
REVENUES OVER (UNDER) EXPENDITURES	(35,081)	64,281	99,362	(13,068)
<b>OTHER FINANCING USES:</b>				
Transfers to other funds:				
General Fund	-	-	-	(20,531)
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(35,081)	64,281	99,362	(33,599)
APPROPRIATED FUND BALANCE	<u>35,081</u>	<u>-</u>	<u>(35,081)</u>	<u>-</u>
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	64,281	<u>\$ 64,281</u>	(33,599)
FUND BALANCE, BEGINNING OF YEAR		<u>35,307</u>		<u>68,906</u>
FUND BALANCE, END OF YEAR		<u>\$ 99,588</u>		<u>\$ 35,307</u>
Fund Balance Distribution:				
Controlled Substance		\$ 2,031		
Forfeited Property		<u>97,557</u>		
		<u>\$ 99,588</u>		

COUNTY OF CHATHAM, NORTH CAROLINA  
SCHOOL CAPITAL RESERVE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005 (With Comparative Amounts for 2004)

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance Positive (Negative)</u>	<u>2004 Actual</u>
REVENUES				
Investment earnings	\$ 1,200	\$ 3,356	\$ 2,156	\$ 2,667
EXPENDITURES:				
Current:				
Education	<u>493</u>	<u>-</u>	<u>493</u>	<u>-</u>
REVENUES OVER EXPENDITURES	707	3,356	2,649	2,667
OTHER FINANCING USES:				
Transfers to other funds:				
General Fund	<u>(181,707)</u>	<u>(181,707)</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(181,000)	(178,351)	2,649	2,667
APPROPRIATED FUND BALANCE	<u>181,000</u>	<u>-</u>	<u>(181,000)</u>	<u>-</u>
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>(178,351)</u>	<u>\$ (178,351)</u>	2,667
FUND BALANCE, BEGINNING OF YEAR		<u>182,465</u>		<u>179,798</u>
FUND BALANCE, END OF YEAR		<u>\$ 4,114</u>		<u>\$ 182,465</u>

COUNTY OF CHATHAM, NORTH CAROLINA  
 RECREATION - PAYMENT IN LIEU  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2005 (With Comparative Amounts for 2004)

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance Positive (Negative)</u>	<u>2004 Actual</u>
<b>REVENUES</b>				
Permits and fees				
Northwood District	\$ 120,000	\$ 395,644	\$ 275,644	\$ 140,921
Jordan Matthews District	5,800	6,431	631	7,515
Chatham Central District	2,000	2,316	316	1,900
Total permits and fees	<u>127,800</u>	<u>404,391</u>	<u>276,591</u>	<u>150,336</u>
Investment earnings	<u>1,000</u>	<u>10,621</u>	<u>9,621</u>	<u>2,266</u>
Total revenues	128,800	415,012	286,212	152,602
<b>EXPENDITURES</b>				
Current:				
Cultural and recreational:				
Other operating expenditures	<u>298,900</u>	<u>-</u>	<u>298,900</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	(170,100)	415,012	585,112	152,602
<b>OTHER FINANCING USES</b>				
Transfers to other funds:				
Southwest Park	<u>(12,032)</u>	<u>(13,390)</u>	<u>(1,358)</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(182,132)	401,622	583,754	152,602
APPROPRIATED FUND BALANCE	<u>182,132</u>	<u>-</u>	<u>(182,132)</u>	<u>-</u>
REVENUES AND APPROPRIATED FUND BALANCE OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	401,622	<u>\$ 401,622</u>	152,602
FUND BALANCE, BEGINNING OF YEAR		<u>195,954</u>		<u>43,352</u>
FUND BALANCE, END OF YEAR		<u>\$ 597,576</u>		<u>\$ 195,954</u>
<b>District Fund Balances:</b>				
Northwood		\$ 577,202		
Jordan Matthews		19,601		
Chatham Central		773		
		<u>\$ 597,576</u>		

COUNTY OF CHATHAM, NORTH CAROLINA  
 BYNUM CANOE ACCESS TRUST  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2005 (With Comparative Amounts for 2004)

	<u>Budget</u>	<u>2005 Actual</u>	Variance Positive (Negative)	<u>2004 Actual</u>
REVENUES				
Investment earnings	\$ 50	\$ 199	\$ 149	\$ 119
EXPENDITURES:				
Current:				
Cultural and recreational:				
Other operating expenditures	<u>8,105</u>	<u>-</u>	<u>8,105</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	(8,055)	199	8,254	119
APPROPRIATED FUND BALANCE	<u>8,055</u>	<u>-</u>	<u>(8,055)</u>	<u>-</u>
REVENUES AND APPROPRIATED FUND BALANCE OVER EXPENDITURES	<u>\$ -</u>	199	<u>\$ 199</u>	119
FUND BALANCE, BEGINNING OF YEAR		<u>8,114</u>		<u>7,995</u>
FUND BALANCE, END OF YEAR		<u>\$ 8,313</u>		<u>\$ 8,114</u>

COUNTY OF CHATHAM, NORTH CAROLINA  
INDUSTRIAL RESERVE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005 (With Comparative Amounts for 2004)

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	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance Positive (Negative)</u>	<u>2004 Actual</u>
REVENUES:				
Investment earnings	\$ -	\$ 1,829	\$ 1,829	\$ 1,533
EXPENDITURES:				
Current:				
Economic and physical development	<u>94,372</u>	<u>-</u>	<u>94,372</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	(94,372)	1,829	96,201	(29,220)
APPROPRIATED FUND BALANCE	<u>94,372</u>	<u>-</u>	<u>(94,372)</u>	<u>-</u>
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>1,829</u>	<u>\$ 1,829</u>	<u>(29,220)</u>
FUND BALANCE, BEGINNING OF YEAR		<u>74,429</u>		<u>103,649</u>
FUND BALANCE, END OF YEAR		<u>\$ 76,258</u>		<u>\$ 74,429</u>

COUNTY OF CHATHAM, NORTH CAROLINA  
PARKS FOUNDATION TRUST  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005 (With Comparative Amounts for 2004)

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance Positive (Negative)</u>	<u>2004 Actual</u>
REVENUES				
Investment earnings	\$ -	\$ 841	\$ 841	\$ 396
Other general revenues:				
Donations and fund raising	<u>6,000</u>	<u>11,709</u>	<u>5,709</u>	<u>11,766</u>
Total revenues	6,000	12,550	6,550	12,162
EXPENDITURES:				
Current:				
Cultural and recreational:				
Other operating expenditures	<u>33,525</u>	<u>3,507</u>	<u>30,018</u>	<u>4,467</u>
REVENUES OVER (UNDER) EXPENDITURES	(27,525)	9,043	36,568	7,695
APPROPRIATED FUND BALANCE	<u>27,525</u>	<u>-</u>	<u>(27,525)</u>	<u>-</u>
REVENUES AND APPROPRIATED FUND BALANCE OVER EXPENDITURES	<u>\$ -</u>	<u>9,043</u>	<u>\$ 9,043</u>	<u>7,695</u>
FUND BALANCE, BEGINNING OF YEAR		<u>27,738</u>		<u>20,043</u>
FUND BALANCE, END OF YEAR		<u>\$ 36,781</u>		<u>\$ 27,738</u>

COUNTY OF CHATHAM, NORTH CAROLINA  
EQUIPMENT CAPITAL RESERVE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005 (With Comparative Amounts for 2004)

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance Positive (Negative)</u>	<u>2004 Actual</u>
REVENUES:				
Investment earnings	\$ 6,800	\$ 27,048	\$ 20,248	\$ 14,493
Other general revenues:				
Insurance reimbursements:	<u>-</u>	<u>7,755</u>	<u>7,755</u>	<u>18,666</u>
Total revenues	6,800	34,803	28,003	33,159
EXPENDITURES:				
Current:				
General government:	<u>1,006,520</u>	<u>-</u>	<u>1,006,520</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(999,720)</u>	<u>34,803</u>	<u>1,034,523</u>	<u>33,159</u>
OTHER FINANCING SOURCES (USES):				
Transfers from (to) other funds:				
Mapping Project	-	3,935	3,935	-
Facilities Improvement Project	-	3,992	3,992	-
General Fund	<u>26,724</u>	<u>26,724</u>	<u>-</u>	<u>(37,377)</u>
Total other financing sources (uses)	<u>26,724</u>	<u>34,651</u>	<u>7,927</u>	<u>(37,377)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(972,996)</u>	<u>69,454</u>	<u>1,042,450</u>	<u>(4,218)</u>
APPROPRIATED FUND BALANCE	<u>972,996</u>	<u>-</u>	<u>(972,996)</u>	<u>-</u>
REVENUES, APPROPRIATED FUND BALANCE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	<u>\$ -</u>	<u>69,454</u>	<u>\$ 69,454</u>	<u>(4,218)</u>
FUND BALANCE, BEGINNING OF YEAR		<u>972,996</u>		<u>977,214</u>
FUND BALANCE, END OF YEAR		<u>\$ 1,042,450</u>		<u>\$ 972,996</u>
Reserve Fund Balances:				
General Capital		\$ 373,266		
Vehicle		<u>669,184</u>		
		<u>\$ 1,042,450</u>		

COUNTY OF CHATHAM, NORTH CAROLINA  
 EMERGENCY VEHICLE REPLACEMENT CAPITAL RESERVE  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2005 (With Comparative Amounts for 2004)

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	<u>Budget</u>	<u>2005 Actual</u>	Variance Positive (Negative)	<u>2004 Actual</u>
REVENUES:				
Investment earnings	\$ 1,250	\$ 4,361	\$ 3,111	\$ 2,592
EXPENDITURES:				
Current:				
Public safety	<u>177,195</u>	<u>-</u>	<u>177,195</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	(175,945)	4,361	180,306	2,592
APPROPRIATED FUND BALANCE	<u>175,945</u>	<u>-</u>	<u>(175,945)</u>	<u>-</u>
REVENUES AND APPROPRIATED FUND BALANCE OVER EXPENDITURES	<u>\$ -</u>	4,361	<u>\$ 4,361</u>	2,592
FUND BALANCE, BEGINNING OF YEAR		<u>177,315</u>		<u>174,723</u>
FUND BALANCE, END OF YEAR		<u>\$ 181,676</u>		<u>\$ 177,315</u>

**COUNTY OF CHATHAM, NORTH CAROLINA  
PERSONNEL SAVINGS RESERVE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005 (With Comparative Amounts for 2004)**

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance Positive (Negative)</u>	<u>2004 Actual</u>
REVENUES				
Investment earnings	\$ -	\$ 11,659	\$ 11,659	\$ -
EXPENDITURES:				
General government	<u>89,388</u>	<u>-</u>	<u>89,388</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(89,388)</u>	<u>11,659</u>	<u>101,047</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Transfers from (to) other funds:				
General Fund	-	400,000	400,000	472,403
General Fund	<u>(194,578)</u>	<u>(194,578)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(194,578)</u>	<u>205,422</u>	<u>400,000</u>	<u>472,403</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(283,966)	217,081	501,047	472,403
APPROPRIATED FUND BALANCE	<u>283,966</u>	<u>-</u>	<u>(283,966)</u>	<u>-</u>
REVENUES, OTHER FINANCING SOURCES AND APPROPRIATED FUND BALANCE OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	217,081	<u>\$ 217,081</u>	472,403
FUND BALANCE, BEGINNING OF YEAR		<u>472,403</u>		<u>-</u>
FUND BALANCE, END OF YEAR		<u>\$ 689,484</u>		<u>\$ 472,403</u>

COUNTY OF CHATHAM, NORTH CAROLINA  
 COMMUNITY DEVELOPMENT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2005 (With Comparative Amounts for 2004)

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	<u>Budget</u>	2005 <u>Actual</u>	Variance Positive (Negative)	2004 <u>Actual</u>
REVENUES:				
Investment earnings	\$ 1,500	\$ 5,631	\$ 4,131	\$ 3,346
EXPENDITURES:				
Current:				
Economic and physical development	<u>228,667</u>	<u>-</u>	<u>228,667</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	(227,167)	5,631	232,798	3,346
APPROPRIATED FUND BALANCE	<u>227,167</u>	<u>-</u>	<u>(227,167)</u>	<u>-</u>
REVENUES AND APPROPRIATED FUND BALANCE OVER EXPENDITURES	<u>\$ -</u>	5,631	<u>\$ 5,631</u>	3,346
FUND BALANCE, BEGINNING OF YEAR		<u>228,938</u>		<u>225,592</u>
FUND BALANCE, END OF YEAR		<u>\$ 234,569</u>		<u>\$ 228,938</u>

COUNTY OF CHATHAM, NORTH CAROLINA  
 ECONOMIC AND COMMUNITY DEVELOPMENT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM GRANT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	Project authorization	Prior year	Actual Current year	Total	Variance Positive (Negative)	Completed Projects	Total Forward to 2006
<b>REVENUES:</b>							
Restricted intergovernmental:							
Federal grants:							
CDBG grants:							
Scattered site housing project-2004	\$ 400,000	\$ 2,500	\$ 172,733	\$ 175,233	\$ (224,767)	\$ -	\$ 175,233
Stockyard Road sewer project	850,000	662,404	122,105	784,509	(65,491)	-	784,509
3M re-use project	600,000	172,140	-	172,140	(427,860)	-	172,140
EPA grant:							
3M re-use project	970,000	-	-	-	(970,000)	-	-
	<u>2,820,000</u>	<u>837,044</u>	<u>294,838</u>	<u>1,131,882</u>	<u>(1,688,118)</u>	<u>-</u>	<u>1,131,882</u>
State grants:							
Clean water management trust:							
3M re-use project	1,000,000	107,879	-	107,879	(892,121)	-	107,879
	<u>1,000,000</u>	<u>107,879</u>	<u>-</u>	<u>107,879</u>	<u>(892,121)</u>	<u>-</u>	<u>107,879</u>
Total restricted intergovernmental	3,820,000	944,923	294,838	1,239,761	(2,580,239)	-	1,239,761
Investment earnings	-	5,744	1,950	7,694	7,694	-	7,694
Total revenues	<u>3,820,000</u>	<u>950,667</u>	<u>296,788</u>	<u>1,247,455</u>	<u>(2,572,545)</u>	<u>-</u>	<u>1,247,455</u>
<b>EXPENDITURES:</b>							
Economic and physical development:							
CDBG Scattered Site Housing Project-2004:							
Administration	43,000	2,500	24,945	27,445	15,555	-	27,445
Construction	339,000	-	135,288	135,288	203,712	-	135,288
Service delivery costs	18,000	-	12,500	12,500	5,500	-	12,500
	<u>400,000</u>	<u>2,500</u>	<u>172,733</u>	<u>175,233</u>	<u>224,767</u>	<u>-</u>	<u>175,233</u>
CDBG Stockyard Road Sewer Project:							
Construction	665,335	558,550	95,733	654,283	11,052	-	654,283
Sewer repairs	1,750	1,750	-	1,750	-	-	1,750
Surveying and easement preparation	16,885	16,884	-	16,884	1	-	16,884
Legal and administrative	20,000	3,244	97	3,341	16,659	-	3,341
Engineering and design	124,000	106,553	22,824	129,377	(5,377)	-	129,377
Administration	68,000	46,817	21,183	68,000	-	-	68,000
Contingency	56,030	-	-	-	56,030	-	-
	<u>952,000</u>	<u>733,798</u>	<u>139,837</u>	<u>873,635</u>	<u>78,365</u>	<u>-</u>	<u>873,635</u>

COUNTY OF CHATHAM, NORTH CAROLINA  
 ECONOMIC AND COMMUNITY DEVELOPMENT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL (Continued)  
 FROM GRANT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	Project authorization	Prior year	Actual		Variance Positive (Negative)	Completed Projects	Total Forward to 2006
			Current year	Total			
EXPENDITURES: (Continued)							
Economic and physical development: (Continued)							
CDBG 3M Re-Use Project:							
Administration	\$ 126,240	\$ 95,560	\$ 13,000	\$ 108,560	\$ 17,680	\$ -	\$ 108,560
Construction engineering	366,610	202,062	5,979	208,041	158,569	-	208,041
Environmental assessment	35,000	35,000	-	35,000	-	-	35,000
Surveying / easements	18,000	-	-	-	18,000	-	-
Legal and administrative	40,000	4,500	1,340	5,840	34,160	-	5,840
Construction	2,555,460	-	-	-	2,555,460	-	-
Contingency	928,690	-	-	-	928,690	-	-
	<u>4,070,000</u>	<u>337,122</u>	<u>20,319</u>	<u>357,441</u>	<u>3,712,559</u>	<u>-</u>	<u>357,441</u>
Total expenditures	<u>5,422,000</u>	<u>1,073,420</u>	<u>332,889</u>	<u>1,406,309</u>	<u>4,015,691</u>	<u>-</u>	<u>1,406,309</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,602,000)</u>	<u>(122,753)</u>	<u>(36,101)</u>	<u>(158,854)</u>	<u>1,443,146</u>	<u>-</u>	<u>(158,854)</u>
OTHER FINANCING SOURCES:							
Transfers from other funds:							
3M Reuse Project:							
Industrial Reserve	-	20,753	-	20,753	20,753	-	20,753
Utility Operating	-	-	427,860	427,860	427,860	-	427,860
CDBG Stockyard Road Sewer Project:							
Utility Capital Reserve	102,000	102,000	-	102,000	-	-	102,000
	<u>102,000</u>	<u>122,753</u>	<u>427,860</u>	<u>550,613</u>	<u>448,613</u>	<u>-</u>	<u>550,613</u>
Loan proceeds:							
CDBG 3M Re-Use Project:							
Clean Water Bond Fund	1,500,000	-	-	-	(1,500,000)	-	-
Total other financing sources	<u>1,602,000</u>	<u>122,753</u>	<u>427,860</u>	<u>550,613</u>	<u>(1,051,387)</u>	<u>-</u>	<u>550,613</u>
REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>391,759</u>	<u>\$ 391,759</u>	<u>\$ 391,759</u>	<u>\$ -</u>	<u>\$ 391,759</u>
FUND BALANCE, BEGINNING OF YEAR			-				
FUND BALANCE, END OF YEAR			<u>\$ 391,759</u>				

COUNTY OF CHATHAM, NORTH CAROLINA  
 SPECIAL FIRE DISTRICTS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2005

ASSETS	Bell's Annex	Bennett	Bonlee	Central Chatham	Circle City	Goldston	Hope	Moncure	North Chatham	Parkwood	Staley	West Sanford	Totals
Cash, cash equivalents and investments	\$ 877	\$ 6,813	\$ 10,583	\$ 18,331	\$ 25,856	\$ 13,506	\$ 20,319	\$ 3,973	\$ 90,936	\$ 18,571	\$ 2,655	\$ 1,951	\$ 214,371
Property taxes receivable	1,831	5,059	11,617	20,877	23,103	15,121	14,219	15,356	45,369	1,243	3,349	2,179	159,323
Allowance for uncollectible taxes	(500)	(1,400)	(3,300)	(5,800)	(6,500)	(4,200)	(4,000)	(6,200)	(12,700)	(300)	(900)	(600)	(46,400)
Other receivables	3	18	32	54	74	35	60	17	287	84	7	5	676
<b>TOTAL</b>	<b>\$ 2,211</b>	<b>\$ 10,490</b>	<b>\$ 18,932</b>	<b>\$ 33,462</b>	<b>\$ 42,533</b>	<b>\$ 24,462</b>	<b>\$ 30,598</b>	<b>\$ 13,146</b>	<b>\$ 123,892</b>	<b>\$ 19,598</b>	<b>\$ 5,111</b>	<b>\$ 3,535</b>	<b>\$ 327,970</b>
<b>LIABILITIES AND FUND BALANCE</b>													
Liabilities:													
Unearned revenues	\$ 503	\$ 2,628	\$ 1,369	\$ 2,515	\$ 4,230	\$ 3,029	\$ 4,689	\$ 3,336	\$ 13,011	\$ 420	\$ 937	\$ 717	\$ 37,384
Deferred revenues	1,331	3,659	8,317	15,077	16,603	10,921	10,219	9,156	32,669	943	2,449	1,579	\$ 112,923
<b>Total liabilities</b>	<b>1,834</b>	<b>6,287</b>	<b>9,686</b>	<b>17,592</b>	<b>20,833</b>	<b>13,950</b>	<b>14,908</b>	<b>12,492</b>	<b>45,680</b>	<b>1,363</b>	<b>3,386</b>	<b>2,296</b>	<b>150,307</b>
Fund balance:													
Reserved:													
Restricted by State statute	3	18	32	54	74	35	60	17	287	84	7	5	676
Unreserved:													
Designated - subsequent year's budget	370	2,700	7,500	15,000	19,000	8,000	10,000	-	65,000	4,000	1,700	1,200	134,470
Undesignated	4	1,485	1,714	816	2,626	2,477	5,630	637	12,925	14,151	18	34	42,517
<b>Total fund balance</b>	<b>377</b>	<b>4,293</b>	<b>9,246</b>	<b>15,870</b>	<b>21,700</b>	<b>10,512</b>	<b>15,690</b>	<b>654</b>	<b>78,212</b>	<b>18,235</b>	<b>1,725</b>	<b>1,239</b>	<b>177,663</b>
<b>TOTAL</b>	<b>\$ 2,211</b>	<b>\$ 10,490</b>	<b>\$ 18,932</b>	<b>\$ 33,462</b>	<b>\$ 42,533</b>	<b>\$ 24,462</b>	<b>\$ 30,598</b>	<b>\$ 13,146</b>	<b>\$ 123,892</b>	<b>\$ 19,598</b>	<b>\$ 5,111</b>	<b>\$ 3,535</b>	<b>\$ 327,970</b>

COUNTY OF CHATHAM, NORTH CAROLINA  
 SPECIAL FIRE DISTRICTS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2005

	Combined Totals		Bells Annex Fire District		Bennett Fire District				
	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Budget	Actual	Variance Positive (Negative)	Variance Positive (Negative)
REVENUES:									
Ad valorem taxes:									
Current year	\$ 2,745,575	\$ 2,781,364	\$ 35,789	\$ 33,851	\$ 33,015	\$ 64,706	\$ 64,435	\$ (836)	\$ (271)
Prior year	-	61,419	61,419	-	782	-	2,084	782	2,084
Penalties and interest	-	19,406	19,406	-	248	-	632	248	632
Total ad valorem taxes	2,745,575	2,862,189	116,614	33,851	34,045	64,706	67,151	194	2,445
Investment earnings	-	2,887	2,887	-	20	-	94	20	94
Total revenues	2,745,575	2,865,076	119,501	33,851	34,065	64,706	67,245	214	2,539
EXPENDITURES:									
Current:									
Public safety:									
Fire protection contracts	2,671,183	2,656,908	14,275	32,977	32,977	64,043	64,043	-	-
Commissions	136,419	134,792	1,627	1,831	1,700	3,036	3,004	131	32
Total expenditures	2,807,602	2,791,700	15,902	34,808	34,677	67,079	67,047	131	32
REVENUES OVER (UNDER) EXPENDITURES	(62,027)	73,376	135,403	(957)	(612)	(2,373)	198	345	2,571
APPROPRIATED FUND BALANCE	62,027	-	(62,027)	957	-	2,373	-	(957)	(2,373)
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES	\$ -	\$ 73,376	\$ 73,376	\$ -	\$ (612)	\$ -	\$ 198	\$ (612)	\$ 198
FUND BALANCE, BEGINNING OF YEAR		104,287			989		4,005		
FUND BALANCE, END OF YEAR		\$ 177,663			\$ 377		\$ 4,203		

(Continued)

COUNTY OF CHATHAM, NORTH CAROLINA  
 SPECIAL FIRE DISTRICTS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL (Continued)  
 FOR THE YEAR ENDED JUNE 30, 2005

	Bonlee Fire District		Central Chatham Fire District		Circle City Fire District		Goldston Fire District			
	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Budget	Actual	Budget	Actual	Variance Positive (Negative)
REVENUES:										
Ad valorem taxes:										
Current year	\$ 125,411	\$ 124,873	\$ (538)	\$ 162,128	\$ 159,928	\$ (2,200)	\$ 326,885	\$ 326,885	\$ 129,348	\$ (1,013)
Prior year	-	4,357	4,357	-	9,552	9,552	10,509	10,509	5,525	10,509
Penalties and interest	-	1,220	1,220	-	2,306	2,306	3,334	3,334	1,696	3,334
Total ad valorem taxes	125,411	130,450	5,039	162,128	171,786	9,658	340,728	340,728	136,569	12,830
Investment earnings	-	139	139	-	201	201	322	322	157	322
Total revenues	125,411	130,589	5,178	162,128	171,987	9,859	341,050	341,050	136,726	13,152
EXPENDITURES:										
Current:										
Public safety:										
Fire protection contracts	120,303	120,303	-	154,362	154,362	-	314,115	314,115	127,141	-
Commissions	6,108	6,106	2	7,766	7,765	1	16,583	16,459	6,223	124
Total expenditures	126,411	126,409	2	162,128	162,127	1	330,698	330,574	133,364	124
REVENUES OVER (UNDER) EXPENDITURES	(1,000)	4,180	5,180	-	9,860	9,860	(2,800)	10,476	3,362	13,276
APPROPRIATED FUND BALANCE	1,000	-	(1,000)	-	-	-	2,800	-	-	(2,800)
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES	-	4,180	4,180	-	9,860	9,860	-	10,476	3,362	10,476
FUND BALANCE, BEGINNING OF YEAR	-	5,066	5,066	-	6,010	6,010	-	11,224	7,150	-
FUND BALANCE, END OF YEAR	-	9,246	9,246	-	15,870	15,870	-	21,700	10,512	10,476

(Continued)

COUNTY OF CHATHAM, NORTH CAROLINA  
 SPECIAL FIRE DISTRICTS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL (Continued)  
 FOR THE YEAR ENDED JUNE 30, 2005

	Hope Fire District			Moncure Fire District			North Chatham Fire District			Parkwood Fire District		
	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:												
Ad valorem taxes:												
Current year	\$ 218,447	\$ 221,038	\$ 2,591	\$ 254,981	\$ 231,646	\$ (23,335)	\$ 1,320,645	\$ 1,367,090	\$ 46,445	\$ 53,419	\$ 70,522	\$ 17,103
Prior year	-	6,348	6,348	-	3,120	3,120	-	16,630	16,630	-	253	253
Penalties and interest	-	2,089	2,089	-	1,320	1,320	-	5,776	5,776	-	150	150
Total ad valorem taxes	218,447	229,475	11,028	254,981	236,086	(18,895)	1,320,645	1,389,496	68,851	53,419	70,925	17,506
Investment earnings	-	263	263	-	168	168	-	1,243	1,243	-	211	211
Total revenues	218,447	229,738	11,291	254,981	236,254	(18,727)	1,320,645	1,390,739	70,094	53,419	71,136	17,717
EXPENDITURES:												
Current:												
Public safety:												
Fire protection contracts	215,204	215,204	-	245,652	231,377	14,275	1,293,291	1,293,291	-	50,932	50,932	-
Commissions	10,743	10,671	72	12,329	11,294	1,035	65,599	65,599	-	3,487	3,408	79
Total expenditures	225,947	225,875	72	257,981	242,671	15,310	1,358,890	1,358,890	-	54,419	54,340	79
REVENUES OVER (UNDER) EXPENDITURES	(7,500)	3,863	11,363	(3,000)	(6,417)	(3,417)	(38,245)	31,849	70,094	(1,000)	16,796	17,796
APPROPRIATED FUND BALANCE	7,500	-	(7,500)	3,000	-	(3,000)	38,245	-	(38,245)	1,000	-	(1,000)
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES	\$ -	\$ 3,863	\$ 3,863	\$ -	\$ (6,417)	\$ (6,417)	\$ -	\$ 31,849	\$ 31,849	\$ -	\$ 16,796	\$ 16,796
FUND BALANCE, BEGINNING OF YEAR		11,827			7,071			46,363			1,439	
FUND BALANCE, END OF YEAR		\$ 15,690			\$ 654			\$ 78,212			\$ 18,235	

(Continued)

COUNTY OF CHATHAM, NORTH CAROLINA  
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL AND CHANGES IN FUND  
 BALANCE - SPECIAL FIRE DISTRICTS (Continued)  
 FOR THE YEAR ENDED JUNE 30, 2005

	Staley Fire District		West Sanford Fire District		Variance Positive (Negative)
	Budget	Actual	Budget	Actual	
REVENUES:					
Ad valorem taxes					
Current year	\$ 31,506	\$ 30,776	\$ 22,127	\$ 21,808	\$ (319)
Prior year	-	1,336	-	923	923
Penalties and interest	-	379	-	256	256
Total ad valorem taxes	<u>31,506</u>	<u>32,491</u>	<u>22,127</u>	<u>22,987</u>	<u>860</u>
Investment earnings	-	42	-	27	27
Total revenues	<u>31,506</u>	<u>32,533</u>	<u>22,127</u>	<u>23,014</u>	<u>887</u>
EXPENDITURES:					
Current:					
Public safety:					
Fire protection contracts	30,819	30,819	22,344	22,344	-
Commissions	1,482	1,481	1,140	1,082	58
Total expenditures	<u>32,301</u>	<u>32,300</u>	<u>23,484</u>	<u>23,426</u>	<u>58</u>
REVENUES OVER (UNDER) EXPENDITURES	(795)	233	(1,357)	(412)	945
APPROPRIATED FUND BALANCE	795	-	1,357	-	(1,357)
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>233</u>	<u>\$ -</u>	<u>(412)</u>	<u>(412)</u>
FUND BALANCE, BEGINNING OF YEAR		<u>1,492</u>		<u>1,651</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,725</u>		<u>\$ 1,239</u>		

COUNTY OF CHATHAM, NORTH CAROLINA  
 COURTHOUSE CLOCK  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2005 (With Comparative Amounts for 2004)

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	<u>Budget</u>	<u>2005 Actual</u>	Variance Positive (Negative)	<u>2004 Actual</u>
REVENUES:				
Investment earnings	\$ -	\$ 1,367	\$ 1,367	\$ 821
EXPENDITURES:				
Current:				
General government:				
Other operating expenditures	<u>425</u>	<u>425</u>	-	<u>425</u>
REVENUES OVER (UNDER) EXPENDITURES	(425)	942	1,367	396
APPROPRIATED FUND BALANCE	<u>425</u>	-	(425)	-
REVENUES AND APPROPRIATED FUND BALANCE OVER EXPENDITURES	<u>\$ -</u>	942	<u>\$ 942</u>	396
FUND BALANCE, BEGINNING OF YEAR		<u>55,880</u>		<u>55,484</u>
FUND BALANCE, END OF YEAR		<u>\$ 56,822</u>		<u>\$ 55,880</u>

### ***Non-Major Capital Projects 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:***

***Mapping Project – accounts for the funds used for the development of the County's Geographic Information System countywide mapping project.***

***Facilities Improvement Project – accounts for the financing and construction of additional office space within the Courthouse Annex, the Health and Office facilities in Pittsboro and Siler City and a new judicial facility.***

***Southwest Chatham Park Project – accounts for the financing and construction of a park for the recreational use of residents of Chatham County.***

***School Wastewater Project – accounts for funds used to help maintain and improve existing school wastewater systems.***

***Imaging Project – accounts for funds used to begin the process of imaging county records and storing that information electronically.***

COUNTY OF CHATHAM, NORTH CAROLINA  
 COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2005

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<b>ASSETS</b>	Imaging Project	Southwest Chatham Park Project	School Wastewater Improvement Project	Total
Cash, cash equivalents and investments	\$ 89,698	\$ 31,750	\$ 7,155	\$ 128,603
Other receivables	<u>6</u>	<u>1,945</u>	<u>34</u>	<u>1,985</u>
<b>TOTAL</b>	<u>\$ 89,704</u>	<u>\$ 33,695</u>	<u>\$ 7,189</u>	<u>\$ 130,588</u>
 <b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	<u>\$ -</u>	<u>\$ 6,429</u>	<u>\$ -</u>	<u>\$ 6,429</u>
Fund Balance:				
Reserved by State statute	6	1,945	34	1,985
Unreserved - undesignated	<u>89,698</u>	<u>25,321</u>	<u>7,155</u>	<u>122,174</u>
Total fund balance	<u>89,704</u>	<u>27,266</u>	<u>7,189</u>	<u>124,159</u>
<b>TOTAL</b>	<u>\$ 89,704</u>	<u>\$ 33,695</u>	<u>\$ 7,189</u>	<u>\$ 130,588</u>

Includes only those funds with remaining assets, liabilities or fund balance.

COUNTY OF CHATHAM, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - NON-MAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Mapping Project	Facilities Improvements	Imaging Project	Southwest Chatham Southwest Park Project	School Wastewater Improvement Project	Total
<b>REVENUES:</b>						
Investment earnings	\$ 370	\$ 95	\$ 6	\$ 2,921	\$ 172	\$ 3,564
Other general revenues	-	-	-	9,501	-	9,501
<b>Total revenues</b>	<b>370</b>	<b>95</b>	<b>6</b>	<b>12,422</b>	<b>172</b>	<b>13,065</b>
<b>EXPENDITURES:</b>						
General government	14,700	-	10,302	-	-	25,002
Cultural and recreational	-	-	-	203,851	-	203,851
<b>Total expenditures</b>	<b>14,700</b>	<b>-</b>	<b>10,302</b>	<b>203,851</b>	<b>-</b>	<b>228,853</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(14,330)</b>	<b>95</b>	<b>(10,296)</b>	<b>(191,429)</b>	<b>172</b>	<b>(215,788)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers from (to) other funds:						
General Fund	-	-	100,000	-	-	100,000
Recreation in lieu	-	-	-	13,390	-	13,390
General Capital Reserve	(3,935)	(3,992)	-	-	-	(7,927)
E-911	(10,125)	-	-	-	-	(10,125)
<b>Total other financing sources (uses)</b>	<b>(14,060)</b>	<b>(3,992)</b>	<b>100,000</b>	<b>13,390</b>	<b>-</b>	<b>95,338</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(28,390)</b>	<b>(3,897)</b>	<b>89,704</b>	<b>(178,039)</b>	<b>172</b>	<b>(120,450)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>28,390</b>	<b>3,897</b>	<b>-</b>	<b>205,305</b>	<b>7,017</b>	<b>244,609</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 89,704</b>	<b>\$ 27,266</b>	<b>\$ 7,189</b>	<b>\$ 124,159</b>

COUNTY OF CHATHAM, NORTH CAROLINA  
MAPPING PROJECT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	Project budget	Prior years	Actual Current year	Total	Variance Positive (Negative)
REVENUES:					
Investment earnings	\$ -	\$ 13,690	\$ 370	\$ 14,060	\$ 14,060
EXPENDITURES:					
General government:					
Operating expenditures:					
Contract administration	193,000	178,300	14,700	193,000	-
REVENUES OVER (UNDER) EXPENDITURES	(193,000)	(164,610)	(14,330)	(178,940)	14,060
OTHER FINANCING SOURCES (USES):					
Transfers from (to) other funds:					
Special Revenue Funds:					
Enhanced 910	153,000	153,000	(10,125)	142,875	(10,125)
Mapping Project Reserve	40,000	40,000	(3,935)	36,065	(3,935)
Total other financing sources (uses)	193,000	193,000	(14,060)	178,940	(14,060)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ 28,390	(28,390)	\$ -	\$ -
FUND BALANCE:					
Beginning of year, July 1			28,390		
End of year, June 30			\$ -		

This schedule is included to show budgetary compliance.

COUNTY OF CHATHAM, NORTH CAROLINA  
 FACILITIES IMPROVEMENT  
 SCHEDULE OF REVENUES, EXPENDITURE AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	Project budget	Prior year	Actual Current year	Total	Variance positive (negative)
REVENUES:					
Investment earnings	\$ -	\$ 1,007	\$ 95	\$ 1,102	\$ 1,102
EXPENDITURES:					
General government:					
Capital outlay	<u>159,373</u>	<u>156,483</u>	<u>-</u>	<u>156,483</u>	<u>2,890</u>
REVENUES OVER (UNDER) EXPENDITURES	(159,373)	(155,476)	95	(155,381)	3,992
OTHER FINANCING SOURCES (USES):					
Transfers from (to) other funds:					
Equipment Capital Reserve	<u>159,373</u>	<u>159,373</u>	<u>(3,992)</u>	<u>155,381</u>	<u>(3,992)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ 3,897</u>	<u>(3,897)</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE:					
Beginning of year, July 1			<u>3,897</u>		
End of year, June 30			<u>\$ -</u>		

COUNTY OF CHATHAM, NORTH CAROLINA  
IMAGING PROJECT  
SCHEDULE OF REVENUES, EXPENDITURE AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	Project budget	Prior year	Actual Current year	Total	Variance positive (negative)
REVENUES:					
Investment earnings	\$ -	\$ -	\$ 6	\$ 6	\$ 6
EXPENDITURES:					
General government:					
Contracted services	<u>200,000</u>	-	<u>10,302</u>	<u>10,302</u>	<u>189,698</u>
REVENUES OVER (UNDER) EXPENDITURES	(200,000)	-	(10,296)	(10,296)	189,704
OTHER FINANCING SOURCES:					
Transfers from other funds:					
General fund	<u>200,000</u>	-	<u>100,000</u>	<u>100,000</u>	<u>(100,000)</u>
REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	89,704	<u>\$ 89,704</u>	<u>\$ 89,704</u>
FUND BALANCE:					
Beginning of year, July 1			-		
End of year, June 30			<u>\$ 89,704</u>		

**COUNTY OF CHATHAM, NORTH CAROLINA**  
**SOUTHWEST CHATHAM PARK PROJECT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005**

	<u>Project authorization</u>	<u>Prior years</u>	<u>Actual Current year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>					
Restricted intergovernmental:					
State grants	\$ 250,000	\$ 250,000	\$ -	\$ 250,000	\$ -
Investment earnings	5,129	3,907	2,921	6,828	1,699
Other general revenues:					
Grants from non-profit organizations	6,000	-	6,000	6,000	-
Local fundraising	2,267	2,117	3,501	5,618	3,351
Other	6,000	6,000	-	6,000	-
	<u>14,267</u>	<u>8,117</u>	<u>9,501</u>	<u>17,618</u>	<u>3,351</u>
Total revenues	<u>269,396</u>	<u>262,024</u>	<u>12,422</u>	<u>274,446</u>	<u>5,050</u>
<b>EXPENDITURES:</b>					
Cultural and recreational:					
Capital outlay:					
Professional services	45,117	29,906	4,645	34,551	10,566
Facilities	301,164	142,837	170,820	313,657	(12,493)
Equipment	27,385	-	27,365	27,365	20
Land purchase	95,436	95,435	-	95,435	1
Land clearing, grading, drainage	38,261	38,541	1,021	39,562	(1,301)
Contingency	24,065	-	-	-	24,065
Total expenditures	<u>531,428</u>	<u>306,719</u>	<u>203,851</u>	<u>510,570</u>	<u>20,858</u>
REVENUES OVER (UNDER) EXPENDITURES	(262,032)	(44,695)	(191,429)	(236,124)	25,908
<b>OTHER FINANCING SOURCES:</b>					
Transfers from other funds:					
Recreation in lieu	12,032	-	13,390	13,390	1,358
General Fund	250,000	250,000	-	250,000	-
Total other financing sources	<u>262,032</u>	<u>250,000</u>	<u>13,390</u>	<u>263,390</u>	<u>1,358</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	\$ -	\$ 205,305	(178,039)	\$ 27,266	\$ 27,266
<b>FUND BALANCE:</b>					
Beginning of year, July 1			205,305		
End of year, June 30			\$ 27,266		

**COUNTY OF CHATHAM, NORTH CAROLINA  
 SCHOOL WASTEWATER IMPROVEMENT PROJECT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005**

	<u>Project authorization</u>	<u>Prior years</u>	<u>Actual Current year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
REVENUES:					
Investment earnings	\$ 5,000	\$ 4,841	\$ 172	\$ 5,013	\$ 13
EXPENDITURES:					
Intergovernmental:					
Educational:					
Capital outlay - construction	<u>33,375</u>	<u>26,199</u>	<u>-</u>	<u>26,199</u>	<u>7,176</u>
REVENUES OVER (UNDER)					
EXPENDITURES	(28,375)	(21,358)	172	(21,186)	7,189
OTHER FINANCING SOURCES:					
Transfers from other funds:					
School Wastewater Capital Reserve	<u>28,375</u>	<u>28,375</u>	<u>-</u>	<u>28,375</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 7,017</u>	172	<u>\$ 7,189</u>	<u>\$ 7,189</u>
FUND BALANCE:					
Beginning of year, July 1			<u>7,017</u>		
End of year, June 30			<u>\$ 7,189</u>		

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### ***Enterprise Funds***

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

### ***Individual Fund Descriptions:***

***Utility Fund – accounts for the water and sewer operations of the County.***

***Solid Waste Management Fund – accounts for the operations of the County's collection and disposal of solid waste.***

COUNTY OF CHATHAM, NORTH CAROLINA  
 UTILITY FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2005 (With Comparative Amounts for 2004)

	Budget	2005 Actual	Variance Positive (Negative)	2004 Actual
<b>REVENUES:</b>				
Charges for services	\$ 3,399,486	\$ 3,619,982	\$ 220,496	\$ 3,087,774
Intergovernmental - grant funds	-	427,860	427,860	-
Other operating revenues	-	904	904	35
Investment earnings	12,000	39,268	27,268	18,049
<b>Total revenues</b>	<b>3,411,486</b>	<b>4,088,014</b>	<b>676,528</b>	<b>3,105,858</b>
<b>EXPENDITURES:</b>				
Salaries and employee benefits	846,908	819,419	27,489	719,861
Operating expenditures	2,129,849	1,689,001	440,848	1,553,722
Capital outlay	35,000	68,809	(33,809)	68,258
Debt service:				
Principal	131,117	131,115	2	610,659
Interest	71,758	65,548	6,210	89,382
<b>Total expenditures</b>	<b>3,214,632</b>	<b>2,773,892</b>	<b>440,740</b>	<b>3,041,882</b>
<b>REVENUES OVER EXPENDITURES</b>	<b>196,854</b>	<b>1,314,122</b>	<b>1,117,268</b>	<b>63,976</b>
<b>OTHER FINANCING USES:</b>				
Transfers to other funds:				
Economic and community development	-	(427,860)	(427,860)	-
Enterprise Fund:				
Water Capital Reserve	(85,261)	-	85,261	-
Vehicle Replacement Reserve	(114,893)	(114,893)	-	(50,246)
Water Capital Projects	(22,000)	(22,000)	-	(58,868)
<b>Total other financing uses</b>	<b>(222,154)</b>	<b>(564,753)</b>	<b>(342,599)</b>	<b>(109,114)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(25,300)</b>	<b>749,369</b>	<b>774,669</b>	<b>(45,138)</b>
<b>APPROPRIATED FUND BALANCE</b>	<b>25,300</b>	<b>-</b>	<b>(25,300)</b>	<b>-</b>
<b>REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>\$ -</b>	<b>\$ 749,369</b>	<b>\$ 749,369</b>	<b>\$ (45,138)</b>

This schedule is included to show budgetary compliance.

**RECONCILIATION TO NET INCOME**

Revenues and appropriated fund balance under (under) expenditures and other financing uses:	
Utility Fund	\$ 749,369
Water Capital Reserve	476,530
Vehicle Replacement Reserve	120,845
Water Capital Projects	(246,521)
	<u>1,100,223</u>
Reconciling items:	
Debt principal	131,115
Capital outlay	68,809
Capital outlay in Water Capital Projects	1,152,026
Depreciation	(652,529)
Increase in accrued vacation pay	(4,697)
Reduction of provision for doubtful accounts	39,055
	<u>1,834,002</u>
<b>Net income</b>	<b>\$ 1,834,002</b>

COUNTY OF CHATHAM, NORTH CAROLINA  
 WATER CAPITAL RESERVE  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2005 (With Comparative Amounts for 2004)

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance Positive (Negative)</u>	<u>2004 Actual</u>
REVENUES:				
Charges for services	\$ 240,000	\$ 830,580	\$ 590,580	\$ 324,700
Investment earnings	<u>11,400</u>	<u>16,550</u>	<u>5,150</u>	<u>25,775</u>
Total revenues	251,400	847,130	595,730	350,475
EXPENDITURES:				
Capital outlay:				
Construction	<u>1,893,901</u>	<u>-</u>	<u>1,893,901</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,642,501)</u>	<u>847,130</u>	<u>2,489,631</u>	<u>350,475</u>
OTHER FINANCING SOURCES (USES):				
Transfers from (to) other funds:				
General Fund	500,000	500,000	-	500,000
Enterprise Fund:				
Utility Capital Projects	<u>(734,400)</u>	<u>(870,600)</u>	<u>(136,200)</u>	<u>(1,883,538)</u>
Total other financing sources (uses)	<u>(234,400)</u>	<u>(370,600)</u>	<u>(136,200)</u>	<u>(1,383,538)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(1,876,901)	476,530	2,353,431	(1,033,063)
APPROPRIATED FUND BALANCE	<u>1,876,901</u>	<u>-</u>	<u>(1,876,901)</u>	<u>-</u>
REVENUES, OTHER FINANCING SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ 476,530</u>	<u>\$ 476,530</u>	<u>\$ (1,033,063)</u>

This schedule is included to show budgetary compliance.

COUNTY OF CHATHAM, NORTH CAROLINA  
 VEHICLE REPLACEMENT RESERVE  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2005 (With Comparative Amounts for 2004)

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance Positive (Negative)</u>	<u>2004 Actual</u>
REVENUES				
Investment earnings	\$ 1,000	\$ 5,952	\$ 4,952	\$ 2,943
EXPENDITURES:				
Capital outlay - vehicles	<u>325,893</u>	<u>-</u>	<u>325,893</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(324,893)</u>	<u>5,952</u>	<u>330,845</u>	<u>2,943</u>
OTHER FINANCING SOURCES (USES):				
Transfers from (to) other funds:				
Enterprise Fund:				
Utility Fund	114,893	114,893		114,893
Utility Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>(64,647)</u>
Total other financing sources (uses)	<u>114,893</u>	<u>114,893</u>	<u>-</u>	<u>50,246</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(210,000)</u>	<u>120,845</u>	<u>330,845</u>	<u>53,189</u>
APPROPRIATED FUND BALANCE	<u>210,000</u>	<u>-</u>	<u>(210,000)</u>	<u>-</u>
REVENUES, OTHER FINANCING SOURCES AND APPROPRIATED FUND BALANCE OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ 120,845</u>	<u>\$ 120,845</u>	<u>\$ 53,189</u>

This schedule is included to show budgetary compliance.

**COUNTY OF CHATHAM, NORTH CAROLINA**  
**WATER CAPITAL PROJECTS**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2005**

	Project authorization	Prior years	Actual Current year	Total	Variance Positive (Negative)
<b>REVENUES:</b>					
Investment earnings	\$ 23,220	\$ 19,215	\$ 2,905	\$ 22,120	\$ (1,100)
<b>EXPENDITURES:</b>					
Capital outlay:					
USDA project	110,700	44,831	34,748	79,579	31,121
Westward distribution project	7,972,459	643,942	(7,738)	636,204	7,336,255
Pea Ridge Road project	6,641,953	476,619	14,416	491,035	6,150,918
North Chatham hydraulics	1,610,137	97,500	174,324	271,824	1,338,313
Water plant modifications	1,032,004	368,611	660,854	1,029,465	2,539
Silk Hope school	1,507,385	-	46,000	46,000	1,461,385
Jordan Lake plant upgrade	6,175,000	-	30,000	30,000	6,145,000
Jordan Lake west side intake	6,214,047	-	-	-	6,214,047
Business Park phase I & II	5,411,817	-	195,288	195,288	5,216,529
American Moulding	473,000	-	4,134	4,134	468,866
Total expenditures	<u>37,148,502</u>	<u>1,631,503</u>	<u>1,152,026</u>	<u>2,783,529</u>	<u>34,364,973</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(37,125,282)</u>	<u>(1,612,288)</u>	<u>(1,149,121)</u>	<u>(2,761,409)</u>	<u>34,363,873</u>
<b>OTHER FINANCING SOURCES:</b>					
Transfers from other funds:					
General Fund	473,000	-	10,000	10,000	(463,000)
Enterprise Fund:					
Operating					
Water plant modifications	80,868	58,868	22,000	80,868	-
Water Capital Reserve:					
USDA projects	87,480	37,500	49,980	87,480	-
Westward distribution project	-	643,942	25,000	668,942	668,942
Pea Ridge Road project	-	476,619	45,000	521,619	521,619
North Chatham hydraulics	-	97,500	165,000	262,500	262,500
Water plant modifications	951,136	657,977	290,620	948,597	(2,539)
Silk Hope school	-	-	50,000	50,000	50,000
Jordan Lake plant upgrade	-	-	40,000	40,000	40,000
Business Park phase I & II	-	-	205,000	205,000	205,000
Proceeds from borrowing for:					
Westward distribution project	7,972,459	-	-	-	(7,972,459)
Pea Ridge Road project	6,641,953	-	-	-	(6,641,953)
North Chatham hydraulics	1,610,137	-	-	-	(1,610,137)
Silk Hope school	1,507,385	-	-	-	(1,507,385)
Jordan Lake plant upgrade	6,175,000	-	-	-	(6,175,000)
Jordan Lake west side intake	6,214,047	-	-	-	(6,214,047)
Business Park phase I & II	5,411,817	-	-	-	(5,411,817)
Total other financing sources	<u>37,125,282</u>	<u>1,972,406</u>	<u>902,600</u>	<u>2,875,006</u>	<u>(34,250,276)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDR) EXPENDITURES	<u>\$ -</u>	<u>\$ 360,118</u>	<u>\$ (246,521)</u>	<u>\$ 113,597</u>	<u>\$ 113,597</u>

This schedule is included to show budgetary compliance.

COUNTY OF CHATHAM, NORTH CAROLINA  
SOLID WASTE MANAGEMENT FUND  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2005 (With Comparative Amounts for 2004)

	Budget	2005 Actual	Variance Positive (Negative)	2004 Actual
<b>REVENUES:</b>				
Charges for services	\$ 2,148,338	\$ 2,234,136	\$ 85,798	\$ 2,266,083
Other operating revenues	58,000	73,136	15,136	72,219
Investment earnings	2,000	32,628	30,628	11,271
Proceeds on disposition of asset	-	-	-	23,400
Grants and subsidies	10,000	40,002	30,002	61,414
<b>Total revenues</b>	<b>2,218,338</b>	<b>2,379,902</b>	<b>161,564</b>	<b>2,434,387</b>
<b>EXPENDITURES:</b>				
Collection and disposal:				
Salaries and employee benefits	602,341	563,964	38,377	570,581
Operating expenditures	1,550,065	1,323,495	226,570	1,434,293
Capital outlay	38,832	30,406	8,426	4,623
<b>Total expenditures</b>	<b>2,191,238</b>	<b>1,917,865</b>	<b>273,373</b>	<b>2,009,497</b>
<b>REVENUES OVER EXPENDITURES</b>	<b>27,100</b>	<b>462,037</b>	<b>434,937</b>	<b>424,890</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers from (to) other funds:				
Enterprise Fund:				
Solid Waste Capital Reserve	45,000	30,406	(14,594)	41,250
Solid Waste Capital Reserve	(73,100)	(73,100)	-	-
<b>Total other financing sources (uses)</b>	<b>(28,100)</b>	<b>(42,694)</b>	<b>(14,594)</b>	<b>41,250</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(1,000)</b>	<b>419,343</b>	<b>420,343</b>	<b>466,140</b>
<b>APPROPRIATED FUND BALANCE</b>	<b>1,000</b>	<b>-</b>	<b>(1,000)</b>	<b>-</b>
<b>REVENUES, OTHER FINANCING SOURCES AND APPROPRIATED FUND BALANCE OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>\$ -</b>	<b>\$ 419,343</b>	<b>\$ 419,343</b>	<b>\$ 466,140</b>

This schedule is included to show budgetary compliance.

**RECONCILIATION TO NET INCOME**

Revenues, other financing sources and fund balance appropriated  
over expenditures and other financing uses:

Solid Waste Management Fund	\$ 419,343
Solid Waste Management Reserve	48,429
Solid Waste Capital Projects	384

Reconciling items:

Capital outlay	30,406
Capital outlay in Solid Waste Capital Projects	373
Depreciation	(210,431)
Decrease (Increase) in vacation pay accrual	(6,241)
Provision for doubtful accounts	(4,100)

Net income \$ 278,163

COUNTY OF CHATHAM, NORTH CAROLINA  
SOLID WASTE MANAGEMENT RESERVE  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2005 (With Comparative Amounts for 2004)

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance Positive (Negative)</u>	<u>2004 Actual</u>
REVENUES:				
Investment earnings	\$ 1,800	\$ 5,735	\$ 3,935	\$ 3,797
EXPENDITURES:				
Environmental protection	<u>232,933</u>	<u>-</u>	<u>232,933</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(231,133)</u>	<u>5,735</u>	<u>236,868</u>	<u>3,797</u>
OTHER FINANCING SOURCES (USES):				
Transfers from (to) other funds:				
Enterprise Fund:				
Solid Waste Management Operating	-	73,100	73,100	-
Solid Waste Management Operating	-	(30,406)	(30,406)	(41,250)
Total other financing sources (uses)	<u>-</u>	<u>42,694</u>	<u>42,694</u>	<u>(41,250)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(231,133)</u>	<u>48,429</u>	<u>279,562</u>	<u>(37,453)</u>
APPROPRIATED FUND BALANCE	<u>231,133</u>	<u>-</u>	<u>(231,133)</u>	<u>-</u>
REVENUES, FINANCING SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ 48,429</u>	<u>\$ 48,429</u>	<u>\$ (37,453)</u>

This schedule is included to show budgetary compliance.

COUNTY OF CHATHAM, NORTH CAROLINA  
SOLID WASTE CAPITAL PROJECTS  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2005

	Project budget	Prior years	Actual Current year	Total	Variance Positive (Negative)
REVENUES					
Investment earnings	\$ -	\$ 23,303	\$ 757	\$ 24,060	\$ 24,060
EXPENDITURES:					
Capital outlay:					
Engineering	3,923	3,923	-	3,923	-
Wells / abandonment	27,217	25,807	373	26,180	1,037
Land	173,888	168,608	-	168,608	5,280
Surveying	14,150	12,212	-	12,212	1,938
Appraisal	1,850	1,850	-	1,850	-
Legal services	11,809	11,809	-	11,809	-
	<u>232,837</u>	<u>224,209</u>	<u>373</u>	<u>224,582</u>	<u>8,255</u>
REVENUES OVER (UNDER) EXPENDITURES	(232,837)	(200,906)	384	(200,522)	32,315
OTHER FINANCING SOURCES:					
Transfers from other funds:					
Solid Waste Management	<u>232,837</u>	<u>232,837</u>	<u>-</u>	<u>232,837</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	\$ -	\$ 31,931	\$ 384	\$ 32,315	\$ 32,315

This schedule is included to show budgetary compliance.

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***Internal Service Fund***

***Self-Insurance Internal Service Fund – accounts for health and workmen’s compensation insurance premiums received and health and workmen’s compensation insurance claims paid under the County’s self-insured health and workmen’s compensation benefits plan.***

COUNTY OF CHATHAM, NORTH CAROLINA  
 SELF-INSURANCE INTERNAL SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 NET ASSETS - FINANCIAL PLAN AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2005 (With Comparative Amounts for 2004)

	Financial Plan	2005 Actual	Variance Positive (Negative)	2004 Actual
REVENUES:				
Charges for services	\$ 2,542,781	\$ 2,646,647	\$ 103,866	\$ 2,385,032
Investment earnings	28,000	49,095	21,095	36,343
Total revenues	<u>2,570,781</u>	<u>2,695,742</u>	<u>124,961</u>	<u>2,421,375</u>
EXPENDITURES:				
Other operating expenditures:				
Benefits paid:				
Health insurance	1,970,091	1,594,039	376,052	1,892,780
Dental insurance	-	-	-	1,946
Workers compensation	180,801	72,863	107,938	63,785
Administrative costs:				
Health insurance	375,258	366,020	9,238	334,966
Workers compensation	44,631	42,000	2,631	42,126
Total expenditures	<u>2,570,781</u>	<u>2,074,922</u>	<u>495,859</u>	<u>2,335,603</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>620,820</u>	<u>\$ 620,820</u>	<u>85,772</u>
FUND BALANCE, BEGINNING OF YEAR		<u>668,639</u>		<u>582,867</u>
FUND BALANCE, END OF YEAR		<u>\$ 1,289,459</u>		<u>\$ 668,639</u>

This schedule is included to show budgetary compliance.

RECONCILIATION FROM FINANCIAL PLAN  
 BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL

Revenues over expenditures	\$ 620,820
Reconciling items	
Change in claims and judgments	<u>24,000</u>
Net income	<u>\$ 644,820</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 - accounts for the monies of indigents for which the County acts as an agent.***

***Chatham County Cooperative Extension Fund - accounts for fees collected for programs conducted by the Chatham County Cooperative Extension.***

***Goldston-Gulf Sanitary District Agency Fund - accounts for taxes collected for a special tax district located within the County.***

***Chatham County Municipalities Agency Fund - accounts for taxes collected and remitted to municipalities located within the County.***

***Fines and Forfeitures Fund - accounts for fines and forfeitures collected by the County that are required to be remitted to the Chatham County Board of Education.***

**COUNTY OF CHATHAM, NORTH CAROLINA  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED JUNE 30, 2005**

	Balance July 1, 2004	Additions	Reductions	Balance June 30, 2005
<b>SOCIAL SERVICES</b>				
Assets:				
Cash, cash equivalents and investments	\$ 59,320	\$ 33,727	\$ 20,449	\$ 72,598
Liabilities:				
Due to agency participants	\$ 59,320	\$ 216,768	\$ 203,490	\$ 72,598
<b>CHATHAM COUNTY COOPERATIVE EXTENSION</b>				
Assets:				
Cash, cash equivalents and investments	\$ 32,902	\$ 57,143	\$ 34,188	\$ 55,857
Other receivables	113	274	113	274
<b>TOTAL</b>	<b>\$ 33,015</b>	<b>\$ 57,417</b>	<b>\$ 34,301</b>	<b>\$ 56,131</b>
Liabilities:				
Due to other governmental agencies	\$ 33,015	\$ 84,029	\$ 60,913	\$ 56,131
<b>GOLDSTON-GULF SANITARY DISTRICT</b>				
Assets:				
Cash, cash equivalents and investments	\$ 922	\$ 74,980	\$ 74,461	\$ 1,441
Property taxes receivable	5,919	79,199	79,210	5,908
Allowance for uncollected taxes	(1,600)	(100)	-	(1,700)
Other receivables	1	1	1	1
<b>TOTAL</b>	<b>\$ 5,242</b>	<b>\$ 154,080</b>	<b>\$ 153,672</b>	<b>\$ 5,650</b>
Liabilities:				
Due to other governmental agencies	\$ 5,242	\$ 154,080	\$ 153,672	\$ 5,650
<b>CHATHAM COUNTY MUNICIPALITIES</b>				
Assets:				
Cash, cash equivalents and investments	\$ 27,065	\$ 1,109,696	\$ 1,103,202	\$ 33,559
Property taxes receivable	125,105	1,137,334	1,119,203	143,236
Allowance for uncollected taxes	(33,700)	(6,500)	-	(40,200)
<b>TOTAL</b>	<b>\$ 118,470</b>	<b>\$ 2,240,530</b>	<b>\$ 2,222,405</b>	<b>\$ 136,595</b>
Liabilities:				
Due to other governmental agencies	\$ 118,470	\$ 2,240,530	\$ 2,222,405	\$ 136,595

(Continued)

**COUNTY OF CHATHAM, NORTH CAROLINA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2005**

	Balance <u>July 1, 2004</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2005</u>
<b>FINES AND FORFEITURES</b>				
Assets:				
Due from other governmental agencies	\$ 30,116	\$ 23,451	\$ 30,116	\$ 23,451
Liabilities:				
Due to other governmental agencies	\$ 30,116	\$ 344,108	\$ 350,773	\$ 23,451
<b>COMBINING TOTALS</b>				
Assets:				
Cash, cash equivalents and investments	\$ 120,209	\$ 1,275,546	\$ 1,232,300	\$ 163,455
Property taxes receivable	131,024	1,216,533	1,198,413	149,144
Allowance for uncollected taxes	(35,300)	(6,600)	-	(41,900)
Due from other governmental agencies	30,116	23,451	30,116	23,451
Other receivables	114	275	114	275
<b>TOTAL</b>	<b>\$ 246,163</b>	<b>\$ 2,509,205</b>	<b>\$ 2,460,943</b>	<b>\$ 294,425</b>
Liabilities:				
Due to agency participants	\$ 59,320	\$ 216,768	\$ 203,490	\$ 72,598
Due to other governmental agencies	186,843	2,822,747	2,787,763	221,827
<b>TOTAL</b>	<b>\$ 246,163</b>	<b>\$ 3,039,515</b>	<b>\$ 2,991,253</b>	<b>\$ 294,425</b>

*Other Supplemental Schedules*

**COUNTY OF CHATHAM, NORTH CAROLINA**  
**SCHEDULE OF CASH AND CASH EQUIVALENTS/INVESTMENTS**  
**June 30, 2005**

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Cash		
Cash on hand		\$ 1,610
Deposits:		
Cash in bank		<u>33,148,280</u>
Total cash		33,149,890
Investments:		
North Carolina Capital Management Trust		<u>3,939,046</u>
Total cash and investments		<u>\$ 37,088,936</u>

Distribution by Funds:		
General Fund		\$ 20,590,870
Special Revenue Funds		9,721,755
Capital Project Funds		128,603
Enterprise Funds		4,934,948
Internal Service Fund		1,282,314
Fiduciary Funds		266,991
Agency Funds		<u>163,455</u>
Total cash and investments		<u>\$ 37,088,936</u>

**COUNTY OF CHATHAM, NORTH CAROLINA  
SCHEDULE OF AD VALOREM TAXES RECEIVABLE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2005**

<u>Fiscal Year</u>	<u>Uncollected balance June 30, 2004</u>	<u>Additions</u>	<u>Collections and credits</u>	<u>Uncollected balance June 30, 2005</u>
2004-05	\$ -	\$ 32,755,524	\$ 31,935,773	\$ 819,751
2003-04	832,032		588,699	243,333
2002-03	262,927	-	126,319	136,608
2001-02	150,531	-	46,752	103,779
2000-01	94,543	-	17,272	77,271
1999-00	60,813	-	8,580	52,233
1998-99	45,433	-	5,574	39,859
1997-98	57,594	-	5,164	52,430
1996-97	37,292	-	1,891	35,401
1995-96	25,753	-	1,531	24,222
1994-95	30,666	-	30,182	484
	<u>\$ 1,597,584</u>	<u>\$ 32,755,524</u>	<u>\$ 32,767,737</u>	1,585,371
Plus: uncollected 2004-2005 ad valorem taxes reivable on annually registered vehicles				488,726
Less allowance for uncollected taxes receivable General Fund				<u>444,154</u>
Ad valorem taxes receivable (net)				<u>\$ 1,629,943</u>
Reconciliation with revenues: Ad valorem taxes - General Fund				<u>\$ 32,945,469</u>
Reconciling items:				
Interest collected and penalties				(244,656)
Refunds of prior years' ad valorem taxes				7,794
Releases and other credits				<u>59,130</u>
Total reconciling items				<u>(177,732)</u>
Total collections and credits				<u>\$ 32,767,737</u>

COUNTY OF CHATHAM, NORTH CAROLINA  
ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY  
FOR THE YEAR ENDED JUNE, 30, 2005

	County-wide			Property Excluding Registered Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Amount of Levy		
Property taxed at current year's rate	\$ 4,832,935,015	0.6464	\$ 31,240,624	\$ 29,592,709	\$ 1,647,915
Motor vehicles taxed at prior year's rate	176,013,426		1,137,753	-	1,137,753
Penalties	-		48,325	48,325	-
<b>Total</b>	<b>5,008,948,441</b>		<b>32,426,702</b>	<b>29,641,034</b>	<b>2,785,668</b>
Discoveries:					
Current year's taxes	29,944,085	0.6464	193,560	173,629	19,931
Prior years' taxes	60,170,021		410,173	394,566	15,607
Penalties	-		58,703	58,703	-
<b>Total</b>	<b>90,114,106</b>		<b>662,436</b>	<b>626,898</b>	<b>35,538</b>
Abatements:					
Current year's taxes	(35,537,103)	0.6464	(229,714)	(206,432)	(23,282)
Prior years' taxes	(14,597,502)		(96,055)	(74,645)	(21,410)
Penalties	-		(7,845)	(7,845)	-
	<b>(50,134,605)</b>		<b>(333,614)</b>	<b>(288,922)</b>	<b>(44,692)</b>
<b>Total valuation</b>	<b>\$ 5,048,927,942</b>				
Net levy			32,755,524	29,979,010	2,776,514
Uncollected taxes at June 30, 2005			(819,751)	(547,885)	(271,866)
Current year's taxes collected			<u>\$ 31,935,773</u>	<u>\$ 29,431,125</u>	<u>\$ 2,504,648</u>
Current levy collection percentage			<u>97.50%</u>	<u>98.17%</u>	<u>90.21%</u>

(Continued)

**COUNTY OF CHATHAM, NORTH CAROLINA  
ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY (Continued)  
FOR THE YEAR ENDED JUNE, 30, 2005**

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**Secondary Market Disclosures:**

Assessed Valuation:	
Assessment ratio	100% <sup>(1)</sup>
Real property	\$ 4,009,698,146
Personal property	820,310,444
Public service companies	<u>218,919,352</u> <sup>(2)</sup>
Total assessed valuation	\$ 5,048,927,942
Tax rate per \$100	0.6464
Levy (includes discoveries, releases and abatements)	<u>\$ 32,755,524</u> <sup>(3)</sup>

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

Fire protections districts	<u>\$ 2,855,451</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 interest and penalties.

COUNTY OF CHATHAM, NORTH CAROLINA  
 SCHEDULE OF INTERFUND TRANSFERS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Transfers	
	From	To
<b>TRANSFERS FROM / TO OTHER FUNDS</b>		
<u>General Fund</u>		
Special Revenue Funds:		
Equipment Capital Reserve	\$ 473,276	\$ 500,000
Impact Fees	250,210	-
Personnel Savings	194,578	400,000
School Capital Reserve	181,707	-
Capital Projects Funds:		
Imaging	-	100,000
Enterprise Funds:		
Water Capital Reserve	-	500,000
Water Capital Projects	-	10,000
<u>Special Revenue Funds</u>		
Enhanced 911:		
Mapping Project	10,125	-
Recreation - Payments In Lieu		
Southwest Park	-	13,390
School Capital Reserve		
General Fund	-	181,707
Equipment Capital Reserve:		
General Fund	500,000	473,276
Facilities Project	3,992	-
Mapping Project	3,935	-
Impact Fees:		
General Fund	-	250,210
Personnel Savings:		
General Fund	400,000	194,578
Economic and Community Development		
Utility Operating Fund	427,860	-
<u>Capital Projects Funds</u>		
Southwest Park:		
Recreation - Payment in Lieu	13,390	-
Mapping		
E-911	-	10,125
Equipment Reserve	-	3,935
Facilities Improvements		
Equipment Reserve	-	3,992
Imaging Project		
General Fund	100,000	-
<u>Enterprise Funds</u>		
Utility Operating Fund:		
Economic and Community Development	-	427,860
Water Vehicle Reserve	-	114,893
Water Capital Projects	427,860	449,860
Water Capital Reserve Fund:		
General Fund	500,000	-
Water Capital Projects	-	870,600
Water Vehicle Reserve:		
Utility Operating Fund	114,893	-
Water Capital Projects Fund:		
Utility Operating Fund	449,860	427,860
Water Capital Reserve	870,600	-
General Fund	10,000	-
Solid Waste Management Fund:		
Solid Waste Management Capital Reserve	30,406	73,100
Solid Waste Management Capital Reserve Fund:		
Solid Waste Management	73,100	30,406
Total operating transfers - other funds	\$ 5,035,792	\$ 5,035,792

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*Statistical Section*

**COUNTY OF CHATHAM, NORTH CAROLINA  
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (UNAUDITED)  
LAST TEN FISCAL YEARS**

Fiscal period	General government	Public safety	Economic and physical development	Human services	Cultural and recreational	Education	Capital outlay	Debt service	Other appropriations	Total
1995-1996	\$ 2,275,948	\$ 5,109,449	\$ 557,500	\$ 10,292,131	\$ 550,710	\$ 8,249,299	\$ 3,742,545	\$ 2,467,690	\$ 3,600	\$ 33,248,872
1996-1997	2,367,557	5,945,517	642,161	11,569,179	605,100	9,081,605	12,501,377	3,517,376	-	46,229,872
1997-1998	2,948,923	6,293,231	864,021	10,797,477	657,011	10,046,424	3,500,596	4,074,577	-	39,182,260
1998-1999	3,050,112	6,645,857	1,072,065	10,616,128	754,761	11,225,325	1,371,888	3,975,928	-	38,712,064
1999-2000	3,574,531	7,812,168	2,568,126	11,259,463	790,258	12,087,936	4,551,526	4,130,276	-	46,774,284
2000-2001	4,584,419	8,300,071	1,186,380	12,965,924	876,674	13,523,552	1,676,996	3,839,922	-	46,953,938
2001-2002	3,688,127	8,975,479	2,120,072	13,083,341	869,679	17,275,227	217,103	3,430,996	-	49,660,024
2002-2003	4,128,254	10,225,805	1,592,541	14,341,158	1,081,153	16,229,525	**	3,305,761	-	50,904,197
2003-2004	4,421,843	10,708,492	1,998,712	14,848,072	1,140,460	17,088,103	**	3,331,610	-	53,537,292
2004-2005	4,857,827	11,457,368	1,478,484	16,302,975	1,281,341	18,304,332	**	2,891,496	-	56,573,823

\*\* Included in expenditures by function

NOTE: General governmental expenditures include General, Special Revenue, Capital Projects and Expendable Trust Funds for years ending June 30, 2002 and prior. For the years ended June 30, 2003 and thereafter, general governmental expenditures include General, Special Revenue and Capital Projects Funds.

**COUNTY OF CHATHAM, NORTH CAROLINA  
GENERAL GOVERNMENTAL REVENUES BY SOURCE (UNAUDITED)  
LAST TEN FISCAL YEARS**

Fiscal period	Ad valorem taxes	Other taxes	Unrestricted intergovernmental transfers	Restricted intergovernmental transfers	Sales and other functionally related revenues	Investment earnings and other	Total
1995-1996	\$ 16,188,046	\$ 4,970,643	\$ 1,975,456	\$ 3,917,133	\$ 3,716,877	\$ 882,913	\$ 31,651,068
1996-1997	19,059,012	5,474,827	1,755,105	4,906,530	3,769,983	1,121,793	36,087,250
1997-1998	21,656,216	5,916,351	1,791,356	6,246,425	2,576,239	1,319,435	39,506,022
1998-1999	23,429,997	6,494,337	1,775,469	7,160,747	2,315,941	644,251	41,820,742
1999-2000	25,496,379	7,149,793	1,802,398	12,417,634	2,069,665	1,110,943	50,046,812
2000-2001	27,256,335	7,819,599	1,805,665	8,399,400	2,517,290	1,303,152	49,101,441
2001-2002	31,609,314	7,702,619	1,336,491	8,691,703	2,450,245	575,965	52,366,337
2002-2003	32,735,785	8,449,746	307,313	8,091,456	2,580,840	535,374	52,700,514
2003-2004	33,939,352	9,821,962	330,170	8,580,639	4,411,950	401,046	57,485,119
2004-2005	35,807,658	10,742,555	293,714	8,422,987	4,805,114	1,027,368	61,099,396

NOTE: General governmental revenues include General, Special Revenue, Capital Projects and Expendable Trust Funds for years ending June 30, 2002 and prior. For the years ended June 30, 2003 and thereafter, general governmental revenues include General, Special Revenue and Capital Projects Funds.

**COUNTY OF CHATHAM, NORTH CAROLINA  
PROPERTY TAX LEVIES AND COLLECTIONS (UNAUDITED)  
LAST TEN FISCAL YEARS**

Fiscal period	Total levy (net)*	Collected - current levy*	Percent collected	Collected prior levies*	Total collected	Ratio collected to current levy	Balance delinquent*	Ratio delinquent balance to current levy
1995-1996	\$ 15,025,655	\$ 14,588,152	97.09	\$ 521,318	\$ 15,109,470	100.56	\$ 1,010,479	6.73
1996-1997	17,926,247	17,370,709	96.90	468,066	17,838,775	99.51	1,032,525	5.76
1997-1998	20,729,653	19,788,570	95.46	514,505	20,303,075	97.94	1,451,027	7.00
1998-1999	21,698,316	21,007,907	96.82	853,184	21,861,091	100.75	1,267,390	5.84
1999-2000	23,939,176	23,206,658	96.94	680,656	23,887,314	99.78	1,278,701	5.34
2000-2001	25,742,958	24,955,057	96.94	486,404	25,441,461	98.83	1,350,794	5.25
2001-2002	29,539,262	28,613,913	96.87	601,568	29,215,481	98.90	1,539,096	5.21
2002-2003	30,255,481	29,348,997	97.00	759,450	30,108,447	99.51	1,620,965	5.36
2003-2004	31,234,216	30,402,184	97.34	779,182	31,181,366	99.83	1,597,584	5.11
2004-2005	32,755,524	31,935,773	97.50	772,862	32,708,635	99.86	1,585,371	4.84

\*Does not include special taxing districts.

**COUNTY OF CHATHAM, NORTH CAROLINA  
 ASSESSED VALUE OF TAXABLE PROPERTY (UNAUDITED)  
 LAST TEN FISCAL YEARS**

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<u>Fiscal period</u>	<u>Real property</u>	<u>Personal property</u>	<u>Utilities</u>	<u>Total</u>
1995-1996*	\$ 1,579,077,500	\$ 470,532,642	\$ 178,712,646	\$ 2,228,322,788
1996-1997	1,704,284,056	561,169,002	169,911,949	2,435,365,007
1997-1998	1,796,907,374	738,139,121	181,367,637	2,716,414,132
1998-1999	1,981,292,536	685,900,819	176,847,816	2,844,041,171
1999-2000	1,972,429,634	712,531,206	132,889,372	2,817,850,212
2000-2001	2,137,118,301	740,134,333	144,711,968	3,021,964,602
2001-2002*	3,547,976,768	749,064,132	198,417,427	4,495,458,327
2002-2003	3,681,211,698	778,920,997	200,812,745	4,660,945,440
2003-2004	3,888,248,725	734,484,087	204,484,736	4,827,217,548
2004-2005	4,009,698,146	820,310,444	218,919,352	5,048,927,942

Appraised by Chatham County Board of Equalization at 100% of estimated sound value.

\* Year of revaluation

**COUNTY OF CHATHAM, NORTH CAROLINA  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (UNAUDITED)  
LAST TEN FISCAL YEARS**

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Tax rates per \$100 of property valuation

Fiscal period	Chatham County				Town of Pittsboro	Town of Siler City	Town of Goldston	Town of Cary
	General Fund	Special Revenue Fund	Agency Fund	Total				
1995-1996	\$ 0.6650	\$ 0.6360	\$ 0.150	\$ 1.4510	\$ 0.51	\$ 0.45	\$ 0.08	\$ 0.54
1996-1997	0.7400	0.7500	0.150	1.6400	0.55	0.47	0.08	0.54
1997-1998	0.7900	0.7760	0.150	1.7160	0.58	0.47	0.08	0.54
1998-1999	0.7900	0.8300	0.150	1.7700	0.58	0.47	0.08	0.54
1999-2000	0.8500	0.8476	0.150	1.8476	0.58	0.47	0.08	0.54
2000-2001	0.8500	0.8685	0.150	1.8685	0.58	0.47	0.08	0.43
2001-2002	0.6464	0.7220	0.180	1.5484	0.43	0.37	0.08	0.42
2002-2003	0.6464	0.7770	0.180	1.6034	0.43	0.37	0.08	0.42
2003-2004	0.6464	0.7750	0.180	1.6014	0.43	0.41	0.12	0.42
2004-2005	0.6464	0.8900	0.180	1.7164	0.43	0.43	0.12	0.42

**COUNTY OF CHATHAM, NORTH CAROLINA**  
**PRINCIPAL TAXPAYERS (UNAUDITED)**  
**June 30, 2005**

---

<u>Taxpayer</u>	<u>Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Carolina Power & Light Company	Public service	\$ 128,927,683	2.55%
Carolina Meadows	Assisted Living	61,903,215	1.23%
Minnesota Mining & Manufacturing Co.	Mining	43,384,623	0.86%
Triangle Brick Company	Brick	33,677,282	0.67%
Performance Fibers, Inc.	Polyester fibers	23,231,641	0.46%
Sierrapine	Fiberboard	23,087,095	0.46%
Townsend, Inc.	Poultry	21,099,904	0.42%
Summit Properties Partnership	Real estate development	19,116,347	0.38%
Fitch Creation	Real estate development	17,556,488	0.35%
General Shale Brick, Inc.	Brick	<u>16,492,842</u>	0.33%
TOTAL		<u>\$ 388,477,120</u>	<u>7.70%</u>

**COUNTY OF CHATHAM, NORTH CAROLINA**  
**COMPUTATION OF LEGAL DEBT MARGIN (UNAUDITED)**  
**June 30, 2005**

---

Assessed value		\$ 5,048,927,942
Debt limit 8% of assessed value		\$ 403,914,235
Amount of debt applicable to debt limit:		
Total bonded debt issued	\$ 18,945,000	
Private placement agreements	1,076,667	
Quality Zone Academy Bonds	401,774	
Loan from State revolving loan fund	418,316	
Capital leases	60,816	
	<u>20,902,573</u>	
Less:		
Deductions allowed by law:		
Loan from State revolving loan fund - Enterprise Fund	418,316	
Private placement agreements - Enterprise Fund	<u>1,076,667</u>	
	<u>1,494,983</u>	
Total amount of debt applicable to debt limit		<u>19,407,590</u>
LEGAL DEBT MARGIN		\$ <u>384,506,645</u>

**COUNTY OF CHATHAM, NORTH CAROLINA**  
**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED**  
**DEBT PER CAPITA (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

---

<u>Fiscal Period</u>	<u>Population</u>	<u>Assessed value (A)(B)</u>	<u>Bonded debt</u>	<u>Ratio of bonded debt to assessed value</u>	<u>Bonded debt per capita</u>
1995-1996	43,712 (C)	\$ 2,228,322,788	\$ 19,100,000	0.857	\$ 436.95
1996-1997	44,380 (D)	2,435,365,007	31,984,100	1.313	720.69
1997-1998	45,204 (D)	2,716,414,132	30,205,000	1.112	668.19
1998-1999	46,996 (D)	2,844,041,171	28,475,000	1.001	605.90
1999-2000	47,577 (D)	2,815,127,686	26,745,000	0.950	562.14
2000-2001	49,329 (E)	3,021,964,602	25,020,000	0.828	507.21
2001-2002	51,526 (E)	4,495,458,327	24,145,000	0.537	468.60
2002-2003	52,852 (C)	4,660,945,440	22,307,341	0.479	422.07
2003-2004	52,976 (E)	4,827,217,548	21,291,648	0.441	401.91
2004-2005	56,274 (E)	5,048,927,942	19,346,774	0.383	343.80

Source of information:

- (A) Revaluation in 1995-1996 and 2001-2002
- (B) Assessment ratio to estimated sound value - 100%
- (C) North Carolina Office of State Budget and Management
- (D) North Carolina State Data Center
- (E) North Carolina Department of Commerce

**COUNTY OF CHATHAM, NORTH CAROLINA  
 COMPUTATION OF DIRECT AND UNDERLYING DEBT (UNAUDITED)  
 GENERAL OBLIGATION BONDS  
 JUNE 30, 2005**

---

	<u>Net General Obligation Bonded Debt*</u>	<u>Percent Applicable To County</u>	<u>Amount Applicable To County*</u>
Direct:			
Chatham County	\$ 19,346,774	100	\$ 19,346,774
Underlying:			
Town of Pittsboro	-	100	-
Town of Siler City	<u>800,000</u>	100	<u>800,000</u>
Total underlying	<u>800,000</u>		<u>800,000</u>
<b>TOTAL</b>	<u>\$ 20,146,774</u>		<u>\$ 20,146,774</u> <sup>(1)</sup>

\* Does not include general obligation bonds reported in Enterprise Funds.

(1) Does not include net debt of the Town of Cary because less than 0.18% of the total assessed value lies within the geographical boundaries of Chatham County.

**COUNTY OF CHATHAM, NORTH CAROLINA**  
**RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT AND INSTALLMENT**  
**PURCHASES TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

---

<u>Fiscal period</u>	<u>Principal</u>	<u>Interest*</u>	<u>Total debt service</u>	<u>Total general governmental expenditures</u>	<u>Ratio of debt service to general governmental expenditures</u>
1995-1996	\$ 1,219,863	\$ 1,333,510	\$ 2,553,373	\$ 33,248,872	7.68
1996-1997	2,099,890	1,417,486	3,517,376	46,229,872	7.61
1997-1998	2,225,555	1,849,022	4,074,577	39,182,260	10.40
1998-1999	2,246,276	1,729,652	3,975,928	38,712,064	10.27
1999-2000	2,387,872	1,635,768	4,023,640	46,774,284	8.60
2000-2001	2,294,678	1,545,244	3,839,922	46,953,938	8.18
2001-2002	2,252,785	1,178,211	3,430,996	49,660,024	6.91
2002-2003	2,134,137	1,171,624	3,305,761	50,904,197	6.49
2003-2004	2,100,902	1,230,708	3,331,610	53,537,292	6.22
2004-2005	2,103,929	787,567	2,891,496	56,573,823	5.11

\* Includes bond service fees and bond issuance costs.

NOTE: General governmental expenditures include General, Special Revenue, Capital Projects and Expendable Trust Funds for years ending June 30, 2002 and prior. For the years ended June 30, 2003 and thereafter, general governmental expenditures include General, Special Revenue and Capital Projects Funds.

**COUNTY OF CHATHAM, NORTH CAROLINA  
 DEMOGRAPHIC STATISTICS (UNAUDITED)  
 LAST TEN FISCAL YEARS**

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<u>Year</u>	<u>Population</u>	<u>Per capita income</u>	<u>Average daily school membership (A)</u>	<u>Unemployment rate (B)</u>
1996	43,712 (C)	\$ 22,041 (C)	6,600	2.7
1997	44,380 (D)	26,698 (E)	6,510	2.6
1998	45,204 (D)	27,489 (E)	6,661	1.9
1999	46,996 (D)	30,046 (E)	6,676	1.6
2000	47,577 (D)	30,380 (E)	6,803	2.0
2001	49,329 (E)	31,479 (F)	6,956	2.9
2002	51,526 (E)	35,151 (F)	7,252	3.2
2003	52,852 (C)	*	7,193	4.8
2004	52,976 (E)	*	7,208	3.6
2005	56,274 (E)	*	7,344	4.1

Source of information:

- (A) Chatham County Board of Education
- (B) Employment Security Commission of North Carolina
- (C) North Carolina Office of State Budget and Management
- (D) North Carolina State Data Center
- (E) North Carolina Department of Commerce
- (F) Triangle J Council of Governments

\* Information unavailable

**COUNTY OF CHATHAM, NORTH CAROLINA  
PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS (UNAUDITED)  
LAST TEN FISCAL YEARS**

Fiscal year	Number of units (A)	Value (A)	Bank deposits (B)	Assessed property values			
				Real property	Personal property	Utilities	
1996	365	\$ 68,304,749	\$ 353,539,000	\$ 1,579,077,500	\$ 470,532,642	\$ 178,712,646	\$ 2,228,322,788
1997	353	68,328,638	360,732,000	1,704,284,056	561,169,002	169,911,949	2,435,365,007
1998	355	69,243,042	373,286,000	1,796,907,374	738,139,121	181,367,637	2,716,414,132
1999	483	83,398,113	384,085,000	1,981,292,536	685,900,819	176,847,816	2,844,041,171
2000	372	76,719,964	402,131,702	1,972,429,634	712,531,206	132,889,372	2,817,850,212
2001	409	81,715,344	357,284,211	2,137,118,301	740,134,333	144,711,968	3,021,964,602
2002	511	108,792,827	434,523,317	3,547,976,768	749,064,132	198,417,427	4,495,458,327
2003	463	116,074,322	443,573,076	3,681,211,698	778,920,997	200,812,745	4,660,945,440
2004	599	145,506,895	*	3,888,248,725	734,484,087	204,484,736	4,827,217,548
2005	558	162,617,933	*	4,009,698,146	820,310,444	218,919,352	5,048,927,942

Source:  
(A) Chatham County  
(B) North Carolina Banking Commission

\* Information was not tabulated for this period.

**COUNTY OF CHATHAM, NORTH CAROLINA  
 MISCELLANEOUS STATISTICS (UNAUDITED)  
 JUNE 30, 2005**

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<i>Date of Incorporation</i>	January 26, 1771
<i>Form of government</i>	Elected five member Board of Commissioners with appointed County Manager
<i>Area (square miles)</i>	707
<i>County maintained roads</i>	None
<i>County seat</i>	Pittsboro

<u><i>Cities and towns</i></u>	<u>Population 1990 census</u>	<u>Population 2000 census</u>	<u>Percent of increase (decrease)</u>
<i>Pittsboro</i>	1,621	2,226	37
<i>Siler City</i>	4,808	6,966	45
<i>Goldston</i>	333	319	(4)
<i>Cary</i>	*	19	*
<i>Unincorporated areas</i>	<u>32,206</u>	<u>39,799</u>	24
 <i>County total</i>	 <u>38,968</u>	 <u>49,329</u>	 27

	<u>1990 Census</u>	<u>2000 Census</u>
<i>Median age</i>	36.1	38.8
<i>Fire Districts</i>	12	
<i>Hospitals</i>	1	
<i>School Districts</i>	1	
<i>Sanitation and water districts</i>	1	
<i>Water treatment facilities</i>		
<i>Services (customers)</i>	5,108	
<i>Consumption</i>	428,539,000	
<i>Facilities</i>		
<i>Plants</i>	1	
<i>Treatment</i>	1	
<i>Storage</i>	9	
<i>Miles of distribution lines</i>	260	
 <i>Total county employees</i>		
<i>Regular</i>		
<i>Full-time</i>	361	
<i>Part-time</i>	20	

\* Not a part of Chatham County until the year ended June 30, 1998

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## *Compliance Section*



**DIXON HUGHES** PLLC

Certified Public Accountants and Advisors

**Report on Compliance and Other Matters and on Internal Control Over Financial Reporting  
Based on an Audit of Financial Statements Performed in Accordance With  
Government Auditing Standards**

To the Board of County Commissioners  
County of Chatham  
Pittsboro, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregated remaining fund information of the County of Chatham, North Carolina, as of and for the year ended June 30, 2005, which collectively comprises the County of Chatham's basic financial statements, and have issued our report thereon dated October 14, 2005. We did not audit the financial statements of the Chatham County Board of Alcoholic Beverage Control. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Chatham County Board of Alcoholic Beverage Control is based solely on the report of the other auditors. 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. The financial statements of the Chatham County Alcoholic Beverage Control Board were not audited in accordance with *Government Auditing Standards*.

*Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the County of Chatham's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

*Internal Control Over Financial Reporting*

In planning and performing our audit, we considered the County of Chatham's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain operational matters involving internal control over financial reporting that we have reported to management in a separate letter dated October 14, 2005.

This report is intended solely for the information and use of management, others within the organization, members of the County Board of Commissioners, federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Dixon Hughes PLLC*

October 14, 2005



**DIXON HUGHES** PLLC

Certified Public Accountants and Advisors

**Report on Compliance With Requirements Applicable to Each Major Federal Program  
and Internal Control Over Compliance in Accordance With  
OMB Circular A-133 and the State Single Audit Implementation Act**

To the Board of County Commissioners  
County of Chatham  
Pittsboro, North Carolina

*Compliance*

We have audited the compliance of the County of Chatham, North Carolina, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2005. The County of Chatham's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Chatham's management. Our responsibility is to express an opinion on the County of Chatham's compliance based on our audit.

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 noncompliance 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 the County of Chatham'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. Our audit does not provide a legal determination on the County of Chatham's compliance with those requirements.

In our opinion, the County of Chatham complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

*Internal Control Over Compliance*

The management of the County of Chatham is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County of Chatham's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State Single Audit Implementation Act.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, members of the County Board of Commissioners, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Dixon Hughes Peck".

October 14, 2005



**DIXON HUGHES** PLLC

Certified Public Accountants and Advisors

**Report on Compliance With Requirements Applicable to Each Major State Program  
and Internal Control Over Compliance in Accordance With Applicable Sections of  
OMB Circular A-133 and the State Single Audit Implementation Act**

To the Board of County Commissioners  
County of Chatham  
Pittsboro, North Carolina

*Compliance*

We have audited the compliance of the County of Chatham, 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 are applicable to each of its major State programs for the year ended June 30, 2005. The County of Chatham's major State programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of the County of Chatham's management. Our responsibility is to express an opinion on the County of Chatham's compliance based on our audit.

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 applicable sections of OMB Circular A-133, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, applicable sections of 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 noncompliance 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 the County of Chatham'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. Our audit does not provide a legal determination on the County of Chatham's compliance with those requirements.

In our opinion, the County of Chatham complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2005.

*Internal Control Over Compliance*

The management of the County of Chatham is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered the County of Chatham's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major State program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we considered to be material weaknesses.

This report is intended solely for the information and use of the management, others within the organization, members of the County Board of Commissioners, federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dixon Hughes Peck". The signature is written in a cursive, flowing style.

October 14, 2005

**COUNTY OF CHATHAM, NORTH CAROLINA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2005**

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**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified	No
Reportable condition(s) identified that are not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted	No

**Federal Awards**

Internal control over major federal programs:	
Material weakness(es) identified	No
Reportable condition(s) identified that are not considered to be material weaknesses	None reported
Type of auditors' report issued on compliance for major federal programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133	No

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.551, 10.561	Food Stamp Cluster
14.228	Community Development Block Grant/State's Program
93.778	Title XIX – Medicaid
93.558, 93.575, 93.596, 93.667	Subsidized Child Care Cluster

Dollar threshold used to distinguish between Type A and Type B programs	<u>\$ 955,505</u>
Auditee qualified as low-risk auditee?	No

(Continued)

*Section I - Summary of Auditors' Results (Continued)*

**State Awards**

Internal control over major State programs:

Material weakness(es) identified	No
Reportable condition(s) identified that are not considered to be material weaknesses	None reported

Type of auditors' report issued on compliance for major State programs	Unqualified
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Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act	No
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Identification of major State programs:

<u>Program name</u>
State/County Special Assistance for Adults
Child Protective Services

*Section II - Financial Statement Findings*

None reported

*Section III - Federal Award Findings and Questioned Costs*

None reported

*Section IV - State Award Findings and Questioned Costs*

None reported

**COUNTY OF CHATHAM, NORTH CAROLINA  
SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2005**

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**Finding 2004-1**

Status: The County has initiated procedures to provide oversight of third-party administrators to make sure that all grant requirements are being followed. Also, grant monies will not be disbursed without full documentation.

**Finding 2004-2**

Status: The County has initiated procedures to provide oversight of third-party administrators to ascertain that all grant requirements, including environmental reviews, are being followed.

COUNTY OF CHATHAM, NORTH CAROLINA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2005

Grantor/Pass-through Grantor/Program title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Local Expenditures
<b>FEDERAL GRANTS</b>					
<b>U.S. Department of Agriculture</b>					
Passed through N.C. Department of Health and Human Services					
Division of Public Health					
Child and Adult Care Food Program					
Food and Administration	10.558		\$ 2,917	\$ -	\$ -
Division of Social Services					
Food Stamp Cluster					
Administration					
State Administrative Matching Grants for the					
Food Stamp Program:	10.561				
Administration			166,873	-	166,873
E&T & Dependent Care			2,725	-	2,725
Fraud Administration			13,208	-	13,208
Food Stamp Incentive			6,608	-	-
Direct Benefit Payments					
Food Stamp Program - Non-Cash	10.551		<u>2,728,852</u>	-	-
Total Food Stamp Cluster			<u>2,918,266</u>	-	<u>182,806</u>
Passed through Triangle J Council of Governments					
USDA-Supplement	10.570		<u>22,240</u>	-	-
Total U.S. Department of Agriculture			<u>2,943,423</u>	-	<u>182,806</u>
<b>U.S. Department of Housing and Urban Development</b>					
Passed through N.C. Department of Commerce					
Division of Community Assistance					
Community Development Block Grant / State's Program					
Infrastructure program	14.228	03-C-1155	122,105	-	17,732
Scattered site housing program		04-C-1225	<u>172,733</u>	-	-
Total U.S. Department of Housing and Urban Development			<u>294,838</u>	-	<u>17,732</u>
<b>U.S. Department of Justice</b>					
Passed through N.C. Department of Crime Control and Public Safety					
Bulletproof Vest Partnership Program	16.607		7,306	-	-

(Continued)

COUNTY OF CHATHAM, NORTH CAROLINA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)  
 FOR THE YEAR ENDED JUNE 30, 2005

Grantor/Pass-through Grantor/Program title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Local Expenditures
<b>FEDERAL GRANTS (Continued)</b>					
<b>U.S. Department of Justice (Continued)</b>					
<b>Direct Programs</b>					
Supervised Visitation, Safe Havens for Children	16.527	2002-CW-BX-0013	\$ 100,868	\$ -	\$ -
		2004-CW-AX-0012	67,750	-	-
Public Safety Partnerships and Community Policing Grant	16.710				
COPS in Schools		2001-SHWX-0243	19,918	-	-
Reduction and Prevention of Children's Exposure to Violence	16.730	2000-JW-VX-K002			
Safe Start Initiative			900,000	-	-
Safe Start Social Worker			52,479	-	-
<b>Total U.S. Department of Justice</b>			<b>1,148,321</b>	<b>-</b>	<b>-</b>
<b>U.S. Department of Health and Human Services</b>					
<b>Passed through Triangle J Council of Governments</b>					
<b>Aging Cluster</b>					
<b>Special Programs for the Aging - Title III F - Disease Prevention and Health Promotion Services</b>					
Preventive Health	93.043		6,620	393	-
<b>Special Programs for the Aging - Title III B - Grants for Supportive Services and Senior Centers:</b>					
Access Services	93.044		23,935	1,415	-
In-Home Services			68,432	4,073	-
Legal Services			1,377	82	-
<b>Special Programs for the Aging - Title III C - Nutrition Services</b>					
Congregate Nutrition	93.045		25,652	1,530	-
Home Delivered Meals			18,952	1,104	-
<b>Total Aging Cluster</b>			<b>144,968</b>	<b>8,597</b>	<b>-</b>
National Family Caregiver Support	93.052		23,455	1,550	-
<b>Passed through N. C. Board of Elections</b>					
<b>Voting Access for Individuals with Disabilities - Grants to States</b>					
2004 Technology Grant	93.617		9,867	-	-
HAVA Accessibility Grant			3,925	-	-
2005 One Stop Grant			19,175	-	-
List Maintenance Grant			1,454	-	-

(Continued)

COUNTY OF CHATHAM, NORTH CAROLINA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)  
 FOR THE YEAR ENDED JUNE 30, 2005

<u>Grantor/Pass-through</u> <u>Grantor/Program title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Federal</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Local</u> <u>Expenditures</u>
<b>FEDERAL GRANTS (Continued)</b>					
<b>U.S. Department of Health and Human Services (Continued)</b>					
<b>Passed through N. C. Department of Health and Human Services</b>					
<b>Division of Facility Services</b>					
Bioterrorism Hospital Preparedness Program	93.889		\$ 20,640	\$ -	\$ -
<b>Division of Public Health</b>					
Project Grants and Cooperative Agreements for					
Tuberculosis Control Programs	93.116		420	-	-
Family Planning Services	93.217		15,000	-	-
Immunization Grants	93.268				
Aid to County Funding			37,106	-	-
Investigations and Technical Assistance					
Harmful Algal Blooms Program	93.283		73,813	-	-
Temporary Assistance to Needy Families					
Women's Preventative Health	93.558		4,494	-	-
Social Services Block Grant	93.667		9,916	-	-
Medical Assistance Program	93.778		47,980	-	-
Cooperative Agreements for State-Based					
Comprehensive Breast & Cervical Cancer	93.919		7,299	-	-
Assistance Programs for Chronic Disease Prevention and Control					
Cardiovascular Health Program	93.945		500	-	-
Preventive Health and Health Services Block Grant					
Risk Reduction / Health Promotion	93.991		53,997	-	-
Maternal and Child Health Services Block Grant to the States					
	93.994		186,292	-	-
<b>Division of Social Services</b>					
<b>Administration for Children and Families</b>					
Promoting Safe and Stable Families					
Promoting Safe and Stable Families	93.556		60,363	-	-
Temporary Assistance for Needy Families					
State CPS Allocation			108,206	-	-
Work First Administration			38,558	-	73,764
Work First Service			249,795	-	367,207
TANF Domestic Violence			9,470	-	-
TANF Tea Fos Cre Max			840	-	-
TANF Tea foster Care			3,645	-	-
Child Support Enforcement					
IV-D Administration	93.563		400,431	-	206,126
IV-D Offset Fees - ESC			196	-	101
IV-D Offset Fees - Federal			998	-	514
Low-Income Home Energy Assistance					
Crisis Intervention Payments	93.568		73,698	-	-
Low Income Energy Administration			9,288	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund					
	93.596		63,041	-	-

(Continued)

COUNTY OF CHATHAM, NORTH CAROLINA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)  
 FOR THE YEAR ENDED JUNE 30, 2005

<u>Grantor/Pass-through</u> <u>Grantor/Program title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Federal</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Local</u> <u>Expenditures</u>
<b>FEDERAL GRANTS (Continued)</b>					
<b>U.S. Department of Health and Human Services (Continued)</b>					
<b>Passed through N. C. Department of Health and Human Services (Continued)</b>					
<b>Division of Social Services (Continued)</b>					
<b>Administration and Services (Continued)</b>					
Child Welfare Services - State Grants	93.645				
Permancy Planning - Regular			\$ 13,017	\$ 4,339	\$ -
Permancy Planning - Special			8,368	-	2,789
Foster Care - Title IV-E	93.658				
IV-E CPS			51,087	23,260	27,827
IV-E Optional			90,188	-	90,188
Social Service Block Grant	93.667				
In-Home Services			8,390	-	1,198
In-Home Services over 60			6,580	-	940
Other Services and Training			152,132	15,612	55,915
Independent Living	93.674				
Links			13,538	3,384	-
State Children's Insurance Program	93.767				
N.C. Health Choice			21,746	2,015	5,449
Medical Assistance Program	93.778				
Adt Cr Hm Cs Mgt/ Spec			17,799	9,948	7,851
Medical Assistance Expansion			8,152	8,152	-
Medical Assistance Administration			284,838	-	284,838
Medical Transportation Administration			10,995	-	10,995
Medical Transportation Service			37,885	18,586	3,282
<b>Direct Benefit Payments</b>					
Temporary Assistance for Needy Families	93.558				
TANF Payments and Penalties			347,734	(18)	-
TANF UP			21,008	-	-
Family Support Payments to States	93.560				
AFDC Payments and Penalties			(1,517)	(416)	(416)
AFDC Unemployed Parents Asst			(265)	(73)	(73)
Low-Income Home Energy Assistance					
Block Grant	93.568		58,262	-	-
Foster Care - Title IV-E	93.658				
Admin County Paid to CCI			4,047	380	4,427
Foster Care			95,313	27,460	27,460
Foster Care In Excess			24,639	-	14,185
Adoption Assistance	93.659				
IV-E Adopt Subsidy & Vendor			144,367	42,169	42,169
<b>Passed through N. C. Department of Health and Human Services</b>					
<b>Division of Medical Assistance</b>					
<b>Direct Benefit Payments:</b>					
Medical Assistance Program	93.778		22,820,970	10,972,995	1,815,846

(Continued)

COUNTY OF CHATHAM, NORTH CAROLINA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)  
 FOR THE YEAR ENDED JUNE 30, 2005

Grantor/Pass-through Grantor/Program title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Local Expenditures
<b>FEDERAL GRANTS (Continued)</b>					
U.S. Department of Health and Human Services (Continued)					
Passed through N. C. Department of Health and Human Services					
Administration for Children and Families					
Subsidized Child Care (See Note 5)					
Child Care Development Fund Cluster					
Division of Child Development					
Federal and State Funds					
Temporary Assistance for Needy Families	93.558		\$ 156,832	\$ -	\$ -
Child Care Development Block Grant	93.575		563,769	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		408,864	88,255	-
Social Services Block Grant	93.667		16,564	-	-
Total Child Care Fund Cluster			1,146,029	88,255	-
State Funds					
Smart Start			-	60,603	-
TANF-MOE			-	377,680	-
State Appropriations			-	94,330	-
Total Subsidized Child Care Cluster			1,146,029	620,868	-
Total U.S. Department of Health and Human Services			27,064,132	11,758,808	3,042,582
U.S. Department of Homeland Security					
Passed through N.C. Department of Crime Control and Public Safety					
N.C. Division of Emergency Management					
State Domestic Preparedness Equipment Support Program	97.004				
Terrorism Grant			153,658	-	-
CERT Program 05		2004-GE-T4-0014-4018	6,530	-	-
Emergency Management Performance Grants	97.042	EMPG-2001-37037	27,698	-	-
Total U.S. Department of Homeland Security			187,886	-	-
<b>OTHER FEDERAL FINANCIAL ASSISTANCE</b>					
U.S. Department of Justice					
Direct Program					
Office of Justice Programs					
Asset Forfeiture Funds (see Note 2)	N/A		11,126	-	-
U.S. Department of Health and Human Services					
Passed through N. C. Department of Health and Human Services					
Division of Social Services:					
Adoption / Foster Care (see Note 2)	N/A		207,741	-	-
<b>TOTAL FEDERAL ASSISTANCE</b>			<b>31,857,467</b>	<b>11,758,808</b>	<b>3,243,120</b>

(Continued)