

**CHATHAM COUNTY
NORTH CAROLINA**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021

PREPARED BY:

THE FINANCE DEPARTMENT

CHATHAM COUNTY, NORTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2021

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INTRODUCTORY SECTION

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Chatham County Finance Office
P O Box 608
Pittsboro, NC 27312

Finance Officer:
Hope Tally

Established 1771

12 East Street, Pittsboro, NC 27312

Phone: (919) 542-8210

Fax: (919) 542-4261

November 8, 2021

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

State law requires that all local governments publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published for the fiscal year ended June 30, 2021.

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

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

Martin, Starnes & Associates, CPAs, P.A. a firm of licensed Certified Public Accountants, have issued an unmodified opinion on the County's financial statements for the year ended June 30, 2021. The independent auditor's report is located at the front of the financial section of this report.

Description of the County

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

The proximity to these two areas continues to promote population growth and keep the County's economy healthy. New residents are attracted to the County because of its rural quality of life coupled with close proximity to major metropolitan areas and employment centers. The County's 2020 population was estimated at 74,470. By 2032, the State estimates that the County's population will grow to 115,000.

Most of the County's population continues to reside in the unincorporated area, with only 20.81 percent of residents living in a municipality. The Town of Pittsboro with a population of 4,287 serves as the County seat.

The County operates under the manager form of government. Policy making and legislative authority are vested in a Board of Commissioners consisting of five members who are elected for four-year terms in even numbered years. The County Manager is appointed by the Board and is responsible for the administration of the affairs of the County. The County is responsible for and maintains a full range of services inherent in the operation of a county government. These services include general government, public safety, human services, cultural and recreational activities, education, economic and physical development, and environmental protection. The County also operates a water system on a user charge basis. This report includes all the County's activities in maintaining these services.

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

Local economy

The County retains a large agricultural base with a mixture of industrial, tourism and service businesses helping support the County's economy. Strong economic influences in surrounding areas, such as Cary, Chapel Hill, Durham, Raleigh, and the Research Triangle Park have a positive effect on the growth of the County's population and economy, especially in the northern and eastern sections of the County. A large number of Chatham County residents commute outside the County for employment, with the urban areas being the top destinations for jobs. The regional prosperity has enabled Chatham County to rank fifth among the state's 100 counties in median household income. The County experienced a 20% growth rate from 2010-2020 according to Census data, and is among the 10 fastest growing counties in the state.

Within the County, education and health services is the largest industry. Major employers in this sector are Carolina Meadows, Galloway Ridge, Chatham Hospital, The Laurels of Chatham and Piedmont Health Services. Other large employers include manufacturers like Mountaire Farms, Charter Furniture, Brookwood Farms, and Southern Veneer. Gilero, a Pittsboro-based medical device manufacturer, continues to grow its presence across the United States and the globe. Charter Furniture (a subsidiary of Brown Jordan) is now the third furniture manufacturer in the county as they moved about 110 jobs from their current facility in Liberty to Siler City. Vacancy for industrial and commercial property remains low, with little inventory on the market. PolarOnyx, a laser 3D manufacturing company, occupied the county's last available industrial building, taking over the former Performance Bicycle facility located off 15-501 near Chapel Hill.

In 2020, to support the economic development goals of the Chatham County Board of Commissioners the Chatham Economic Development Corporation's (EDC) adopted a new five-year Strategic Action Plan. The EDC continues to work on supporting businesses of all sizes, site development and infrastructure solutions. In December 2016, Golden LEAF Foundation announced the recipients of its new Major Site Development Initiative (MSDI) grant. The Town of Siler City was awarded \$4 million to extend water to the Chatham-Siler City Advanced Manufacturing (CAM) Site, and the City of Sanford, in neighboring Lee County, was awarded \$4 million dollars to provide wastewater to Chatham County's Moncure Megasite, now known as the Triangle Innovation Point (TIP). Siler City completed the water line to the CAM site in early 2019. Construction is completed on the City of Sanford's sewer line to the Triangle Innovation Point. The EDC, working with the Economic Development Partnership of North Carolina, leads marketing for both sites, aiming to attract large manufacturers. The EDC also markets the Chatham County-owned Central Carolina Business Campus near the intersection of US 64 and US 421 in Siler City. A new regional marketing initiative called Carolina Core was launched by the Piedmont Triad Partnership out of Greensboro in late 2018. The EDC closely collaborates with the Carolina Core effort to promote economic development assets. In addition, the EDC is also a member of the Research Triangle Regional Partnership. This is another asset for the county as the EDC is a part of two different strong regional marketing groups.

In addition to the major industrial sites, the EDC works with developers for Chatham Park, a 7,000-acre mixed-use development. The development is approved for 22,000 new residential unit and 22 million square feet of non-residential space. At full buildout, the project is expected to create 61,000 new residents in Chatham County. Eco Group LLC, the developers for Mosaic at Chatham Park project, broke ground on the 44-acre, \$350 million mixed-use project in early 2019, and anticipate completion in late 2021. The development will include retail, office, multifamily residential and a 120-key flagship hotel. Other Chatham Park projects underway or completed include a water reclamation facility, a solar farm, site work for the first residential development and infrastructure expansion. Penguin Place, a three-acre multi-tenant center, is fully leased with retail and office tenants. Two building pads for new medical offices were completed in summer 2018. Also available from Chatham Park will be flex/industrial space, which will make Chatham more competitive with other areas in the triangle.

The US 15-501 corridor continues to be the focus for retail commercial development because of the population density in northeast Chatham County. Briar Chapel completed their final residential phases last year. Planned commercial areas of the development will incorporate retail, multifamily, senior living and Central Carolina Community College's health science campus. Liberty Healthcare announced in June 2019 it would construct a 150-unit nursing and assisted-care facility. Briar Chapel anticipates all commercial development to be complete by 2022. Veranda, the first commercial development for Briar Chapel, completed its third year in fall 2019 and remains 100% occupied.

Several major highways (US 15-501, US 1, US 64, and US 421) and numerous state roads access the County and link it to Interstates 40 and 85. The area is served by major freight carriers, bus lines and delivery services, and air

transportation is less than one hour away from Raleigh-Durham International Airport in the heart of the Research Triangle Region and Piedmont Triad International Airport in Greensboro. The Siler City Municipal Airport has a 5,000-foot paved, lighted runway with instrument approach capability and can accommodate small business aircraft. The airport recently completed a renovation that included repaving and repainting. The Raleigh Executive Jetport in neighboring Lee County widened its 6,500-foot taxiway and improved weight capacity to 100,000 pounds in 2018 and opened a new 14,500 square foot terminal in October 2019. The public airport is in close proximity to the Moncure industrial area in the southeastern portion of the County and is another selling point for the Triangle Innovation Point site.

Agriculture and agribusiness (food, fibers, and forestry) remain significant in the local economy. Total farm income in the County for 2019 was \$107,679,541, which ranked 37th in the State. The most recent 2017 Census of Agriculture reported Chatham County as having 1,116 farms, of which 98% identified as family farms. Over one-third of the 1,700 agricultural producers within the county are female. Most farms range in size from 10 to 179 acres, and the total number of acres used for farming has changed very little over the past two decades. The stability of the County's agricultural economy is due to (1) a growing number of small sustainable farms focused on specialty products such as organic farming, herbs, cut flowers, unique produce, and diverse nurseries; and (2) continued strength in cattle. The County ranks 2nd in the State in beef cattle (3rd in overall cattle production) and 17th in broiler chicken production out of the 100 counties. The county also ranks 9th in hay production, 3rd in equine population, and 2nd in sheep and goat population, as compared to other North Carolina counties. The number of dairy farms in Chatham County has remained static over the last seven years, and the County ranks 15th in the state for number of dairy cattle. The horticulture industry in the county is diverse and includes some very specialized niche nurseries that produce aquatic/wetlands plants, herbs, shady perennials, crinums, daylilies, orchids, exotic ferns, trees, and shrubs. The County is also gaining a reputation as an area of innovative and sustainable agriculture practices. Because of the County's proximity to the Research Triangle and Piedmont Triad metropolitan regions, there is a large demand for local agricultural products. Producers in the County currently are unable to satisfy this demand. Agricultural tourism showcasing our diverse agricultural industry brings many visitors to Chatham County to spend their money then return home. The dynamic agricultural industry of the County is also attracting investors to potential new agribusiness enterprises.

Chatham County is home to substantial tourism assets, with a visitor profile that meets varied interests and budgets. The county's official destination marketing organization (DMO), the Pittsboro-Siler City Convention & Visitors Bureau (CVB), has a strategic marketing campaign targeted to reach multiple traveler types.

The pandemic has impacted every industry; however, major strengths have bolstered recovery for tourism, in part due to Chatham County's location within North Carolina and the abundance of nature-based sites. Jordan Lake State Recreation Area, Jordan Lake Educational State Forest, numerous hiking and cycling trails, the American Tobacco Trail (multi-county trail), nature preserves, and six golf courses are among the outdoor sports and adventures that continue to drive day and overnight guests, and therefore sales and occupancy taxes. Chatham County remains one of only a few destinations in North Carolina with a five-star inn, restaurant, and spa.

Domestic tourism in Chatham County generated an economic impact of \$63.32 million in 2019. This was a 4.6% change from 2018. The state report showed that the visitor industry generated a payroll of nearly \$13.76 million. Chatham's visitors also generated \$3,620,000 in state tax revenues and \$2,180,000 in local tax revenues, 660 jobs, and \$77.80 tax savings per resident. Chatham County's visitor-related economic impact reflects a ten-year trend of climbing visitor spending (data from Economic Impact of Travel on North Carolina Counties 2019, a study prepared for Visit North Carolina by the U. S. Travel Association).

The CVB staff supports more than 458 tourism and hospitality businesses (accommodations, attractions, restaurants, venues, meeting services, golf courses, etc.). Fiscal year 2020 brought challenges to tourism and hospitality, but this is the case with a number of industries.

The CVB industry partnerships have strengthened during the pandemic and collaborations continue with state and national organizations: Visit North Carolina, American Express (Small Business Saturday program), Meetings Mean Business Coalition (CVB is an ambassador for the 2019, 2020 Cohort), N.C. Department of Environment and Natural Resources (NC Green Travel Recognition program), North Carolina Restaurant and Lodging Association, and U.S. Travel Association. The CVB continues to work with universities: North Carolina State University, East Carolina University (Center for Sustainable Tourism), and Central Carolina Community College Culinary Institute.

The CVB staff continues to partner with national and international university professors through the BEST En Think Tank (invite-only initiatives) HQ at James Cook University, Australia.

The focus for 2021 is continued safe travel and recovery. The CVB is certified as a participating business in the statewide safety program, Count On Me NC, and continues to monitor research for travel sentiment, community's outlook on willingness to receive guests, etc. Working with industry partners, analyzing weekly research reports (state and national), and supporting a safe travel message provides a balance to generate revenue lost and job retention. More information: <https://visitpittsboro.com/>

Financial Information

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

Long-term financial planning

The County updates annually during the budget process its seven year Capital Improvements Program (CIP). The CIP is a systematic way of anticipating, planning, and budgeting for major capital projects. The CIP includes all major projects costing \$100,000 or more. The CIP includes summaries of all major projects and detailed descriptions of each project, including justifications, cost detail, funding sources, and impact on the operating budget.

Major Initiatives

Throughout 2021, Chatham County commemorated its 250th anniversary through diverse community-centered events and activities that highlight Chatham County's uniqueness, rich history, and promising future. The yearlong festivities focused on five key areas – Creative Arts, Community and Diversity, Growth and Change, Agriculture, and Natural Environment.

Chatham 250 celebrations were coordinated by a planning committee made up of representatives from across the county who have diverse backgrounds and unique skills – but with one common thread – their passion for Chatham County. The Chatham 250 planning committee includes representatives from community organizations, local businesses, Chatham County and municipal governments, faith-based organizations, and the public at large. County departments involved in planning efforts include County Manager's Office, Parks & Recreation, N.C. Cooperative Extension – Chatham County Center, Convention and Visitors Bureau, and the Library.

HIGHLIGHTS OF MAJOR FY 2020-21 PROJECTS

Implementation activities related to the Chatham Comprehensive Plan continued to make progress countywide in FY 2020-21. The plan focuses on Chatham County initiatives over 25 years, and departments across the county are accomplishing both short-term goals as well as long-term projects to position the county for current development and future growth.

- The Chatham County Planning Department is in the early project orientation stage of the county's Unified Development Ordinance (UDO) project. This project will merge, rewrite, and update multiple ordinances and regulations while evaluating and improving upon existing standards. This project is anticipated to be completed in two years through diligent and fast-paced efforts from county staff, consultants, boards and committees, and key stakeholders.
- Seaforth High School, off Highway 64 and Big Woods Road, opened on schedule for the 2021-22 school year.

- Chatham County Schools broke ground on its new Central Services building on Renaissance Drive in Pittsboro. The project is expected to be finished in December 2022.
- Construction of the new facility for the Chatham County Animal Resource Center (ARC) was completed in summer 2021. Work is underway on expansion of the old facility. The ARC is located on Renaissance Drive in Pittsboro.
- The construction of the new Emergency Operations Center and 911 Communications hub is underway and is located on Renaissance Drive in Pittsboro. Estimated completion is fall/winter 2022.
- The upgrade to the county's emergency communications radio system is underway. Five new towers have been constructed, and a sixth site is being finalized. New radios for all public safety agencies in the county are being distributed. Estimated project completion is summer 2022.
- The Chatham County Public Utilities Department continued its work with the Western Intake Partners in the planning of a future, joint water treatment plant.
- Chatham County Parks and Recreation:
 - Construction was completed for the Parks & Recreation Department's first community center at Chatham Grove Elementary School.
 - The county's first Dog Park was opened at The Park at Briar Chapel.

CONSTRUCTION TRENDS

- Chatham County continues to see growth in single family homes (25% increase FY20 to FY21) and a sustained increase in the number of multi-family units. The majority of the new dwelling units continue to be in the County jurisdiction although an increasing share is being built in Pittsboro's jurisdiction.
- Commercial development is mostly concentrated on the US Highway 15-501 corridor with major retail and multi-family units being built at intersections with Taylor Road and Northwood Boulevard.
 - ❖ This development includes new grocery stores, convenience stores and restaurants.
 - ❖ New County buildings such as the Administration Building for Chatham County Schools and Emergency Operations Center are being constructed on Renaissance Drive.
 - ❖ The Animal Resource Center recently had a major addition and a renovation of the existing building.
 - ❖ New commercial development is expected to continue increasing along US 15-501, from the Briar Chapel area to around Pittsboro and also in the Moncure area.

EDUCATION

Leadership

- Dr. Anthony Jackson was selected as the new superintendent of Chatham County Schools, starting in July 2021. Dr. Jackson brings a wealth of experience to the school district, having led several districts in North Carolina and Virginia over the course of his career. He was 2020 Superintendent of the Year for the state of North Carolina and is serving as president of the North Carolina School Superintendent Association.
- Showcasing the district's commitment to providing equity for all students, the district created a new position in 2021. Mr. Chris Poston is the new Executive Director for Excellence and Opportunity for the school district. He will be working to support schools to ensure that all students are successful.

Student achievement

- Assessment update: The achievement data for the 2020-2021 school year showed the impact of COVID-19. While Chatham County showed decreases in many areas, the district outperformed the state in virtually every area. This past year, school performance grades and growth status for schools were not made available.

Honors

- Chatham County Schools has been named a Best Community for Music Education by the NAAM Foundation for the third straight year. Chatham is one of only two school districts in the state to achieve this honor.
- The Chatham County Schools finance department won two of the highest honors for financial reporting: The Certificate of Excellence in Financial Reporting from the Association of School Business Officials International and the Certificate of Association Achievement for Excellence in Financial Reporting from The Government Finance Officers Association.

Employees

- The school district continues to be the second largest employer in Chatham County, with about 1,400 staff members.

School Facilities

Chatham County moved forward on several school facilities projects:

- Seaforth High School opened on schedule for the 2021-22 school year.
- While Chatham Grove Elementary School opened last year, students did not get to spend a great deal of time in their new building; however, they are enjoying it this year.
- The school district has broken ground on the location for its new Central Services building. The project is projected to be finished in December 2022.

ECONOMIC DEVELOPMENT

Chatham County retains a large agricultural base with a mixture of industrial, tourism, and service businesses helping support the county's economy. Strong economic influences in surrounding areas including Cary, Chapel Hill, Durham, Raleigh, and the Research Triangle Park have a positive effect on the growth of Chatham County's population and economy, especially in the northern and eastern sections of the county. A large number of Chatham County residents commute outside the county for employment, with the urban areas being the top destinations for jobs. The regional prosperity has enabled Chatham County to rank fifth among the state's 100 counties in median household income. The county experienced a 20% growth rate from 2010-2020 according to U.S. Census data and is among the 10 fastest growing counties in the state.

Industry Development

- Charter Furniture expanded its operations into a new facility in Siler City. The expansion brought 101 jobs into Chatham County with a \$1.5 million investment in its new facility in addition to the purchase of the existing building.
- PolarOnyx, a laser 3D manufacturing company, relocated from California into the former Performance Bicycle building off 15-501 near Chapel Hill, generating additional jobs and investments in the county.
- The EDC office has responded to an unprecedented range of projects considering Chatham County. When working these projects, the EDC presents the Chatham-Siler City Advanced Manufacturing Site, the Triangle Innovation Point (formerly Moncure Megasite) and Chatham County as the right place for companies to locate and do business.

Workforce Development

- The EDC collaborated with Chatham Literacy and NC Works Career Center-Chatham to provide workforce readiness training for Chatham County residents. The trainings covered COVID-19 in the workplace, professionalism, teamwork, and networking. Upon completion of the courses, participants received a certificate and/or an opportunity to apply for a National Career Readiness Certification.
- The EDC continues to deepen its existing relationships with workforce partners like Central Carolina Community College, Chatham County Schools and many others to assist industries in filling their positions and providing quality jobs to the community.

COVID-19 Recovery

- To address questions concerning the COVID-19 vaccine, the EDC partnered with the Chatham County Public Health Department and a local attorney to answer local businesses' questions about the vaccine and the workplace.
- The EDC Board of Directors voted to pivot the existing Chatham Loan Fund to address COVID-19 challenges and recovery. The updated guidelines allowed for greater flexibility in the program and additional uses.

MAJOR LEADERSHIP NEWS

Assistant County Manager – Carolyn Miller was appointed assistant county manager of Human Resources in March 2021. Miller had 22 years of experience as the human resources director prior to this appointment and has 25 total years of service with the county. She is the director and one of the original developers of the Chatham Leadership Academy and has overseen the growth and the development of the human resources function in Chatham from the time it was a one-person office.

Finance – Hope Tally was appointed Finance director in February 2021 after longtime director Vicki McConnell retired. Tally had 19 years of local governmental finance experience with Chatham County prior to becoming Finance director. She is well versed in compliance, auditing, financial reporting, and strategic financial planning. Tally was a contributing member of the team that worked diligently to move the County to AAA status with S&P Global Ratings in 2014.

Economic Development Corporation – Michael Smith joined Chatham County as president of the Economic Development Corporation in January 2021. Smith held economic development director roles with both the Sanford Area Growth Alliance (SAGA) and in Stanly County, and he served in economic development leadership roles in Davidson and Iredell Counties. Smith was with the NC Department of Commerce in Raleigh for seven years as a project manager and in marketing and business development. His private sector experience includes nine years in the executive recruitment industry.

OTHER BIG NEWS IN CHATHAM COUNTY

The Chatham County Public Health Department has led a successful campaign to vaccinate the Chatham community against COVID-19. From mass-vaccination clinics and visits to those who are homebound to vaccination events at churches, schools, long-term care facilities, workplaces, and the detention center, CCPHD staff and volunteers worked hard to make the vaccine available across Chatham County, including addressing disparities among marginalized communities. From January 1-June 30, 2021, the Chatham County Public Health Department administered more than 7,000 doses of COVID-19 vaccine, building many important relationships and partnerships along the way.

Chatham County Management and Information Systems (MIS) spent much of the year responding to, and recovering from, a ransomware event that incapacitated many of the counties' business systems for a period of two to three months. The response to the cyber incident on Chatham County included extensive mitigation efforts to ensure the counties' network is more secure and resilient moving forward.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Chatham County for its comprehensive annual financial report for the fiscal year ending June 30, 2020. This was the 31st consecutive year that the County has received this award, and it is the highest form of recognition in governmental accounting and financial reporting. According to GFOA, its attainment represents a significant accomplishment by a government and its management.

The Chatham County Tax Office collected 99.37% of 2020 property taxes. Real property tax reappraisal was completed through a contract with Vincent Valuations and became effective January 1, 2021.

To improve services to the public during the ongoing COVID 19 Pandemic, the Department of Social Services developed a curb-side service model. This allows individuals to be seen face to face by a case worker outside the Social Services office and provides another option in addition to mail, phone, and online services already available. The Chatham County Court Services program launched a Family Treatment Court Program, serving child welfare involved families where a parental substance use disorder has been identified. This grant will provide life-changing

supports including parenting and treatment to improve outcomes and reduce the length of time that children experience foster care.

The Chatham County Board of Elections and the elections staff held a successful historic Presidential Election amid the COVID-19 pandemic with record voter turnout during a countywide cyber incident, which did not interrupt or compromise the voting process.

- Highest voter turnout in the state 84.26%
- Mailed 16,869 ballots/Returned Ballots 12,169
- Early voting 31,465
- Election Day 4,723
- Record number of curbside voters

Chatham County Libraries offered 347 virtual programs for both children and adults with more than 3,000 in attendance. The libraries answered more than 10,800 reference questions including those related to employment and technology. The libraries circulated more than 77,1000 items (print and electronic). Created 1,443 new library card accounts during FY 20/21. An online library card application was made available to the public upon closing due to COVID-19.

Chatham County Parks and Recreation opened the county's first Dog Park at The Park at Briar Chapel, as well as the county's first Community Center at Chatham Grove Elementary School.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Chatham County for its comprehensive annual financial report for the fiscal year ended June 30, 2020. This was the 31st consecutive year that the County has received this award. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both GAAP and applicable legal requirements.

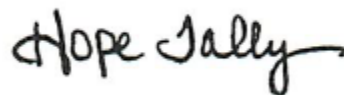
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the certificate of achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Dan LaMontagne
County Manager



Hope Tally
Finance Officer

Board of County Commissioners

<i>Mike Dasher</i>	<i>Chairman</i>
<i>Diana Hales</i>	<i>Vice Chairman</i>
<i>James Crawford</i>	<i>Commissioner</i>
<i>Karen Howard</i>	<i>Commissioner</i>
<i>Franklin Gomez Flores</i>	<i>Commissioner</i>

County Officials:

<i>Dan LaMontagne</i>	<i>County Manager</i>
<i>Bryan Thompson</i>	<i>Assistant County Manager</i>
<i>Carolyn Miller</i>	<i>Human Resources Director/Assistant County Manager</i>
<i>Hope Tally</i>	<i>Finance Director</i>
<i>Mike Roberson</i>	<i>Sheriff</i>
<i>Lunday Riggsbee</i>	<i>Register of Deeds</i>
<i>Susannah Goldston</i>	<i>Soil and Water Director</i>
<i>Ginger Cunningham</i>	<i>Cooperative Extension Director</i>
<i>Michael Zelek</i>	<i>Interim Health Director</i>
<i>Jennie Kristiansen</i>	<i>Social Services Director</i>
<i>Jenny Williams</i>	<i>Tax Administrator</i>
<i>Pandora Paschal</i>	<i>Elections Director</i>
<i>Dennis Streets</i>	<i>Senior Services Director</i>
<i>Mike Reitz</i>	<i>Communications Director</i>
<i>Renita Foxx</i>	<i>Court Programs Director</i>
<i>Steve Newton</i>	<i>Emergency Operations Director</i>
<i>Kevin Lindley</i>	<i>Environmental Director</i>
<i>Brian Stevens</i>	<i>Facilities Management</i>
<i>Linda Clarke</i>	<i>Library Services Director</i>
<i>Nicholas Haffele</i>	<i>Information Services Director</i>
<i>Tracy Burnett</i>	<i>Parks and Recreation Director</i>
<i>David Camp</i>	<i>Permits and Inspections Director</i>
<i>Neha Shah</i>	<i>Pittsboro-Siler City CVB Director</i>
<i>Jason Sullivan</i>	<i>Planning Director</i>
<i>Daniel Clevenger</i>	<i>Utilities Director</i>
<i>Rachael Thorn</i>	<i>Watershed Protection Director</i>



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Chatham County
North Carolina**

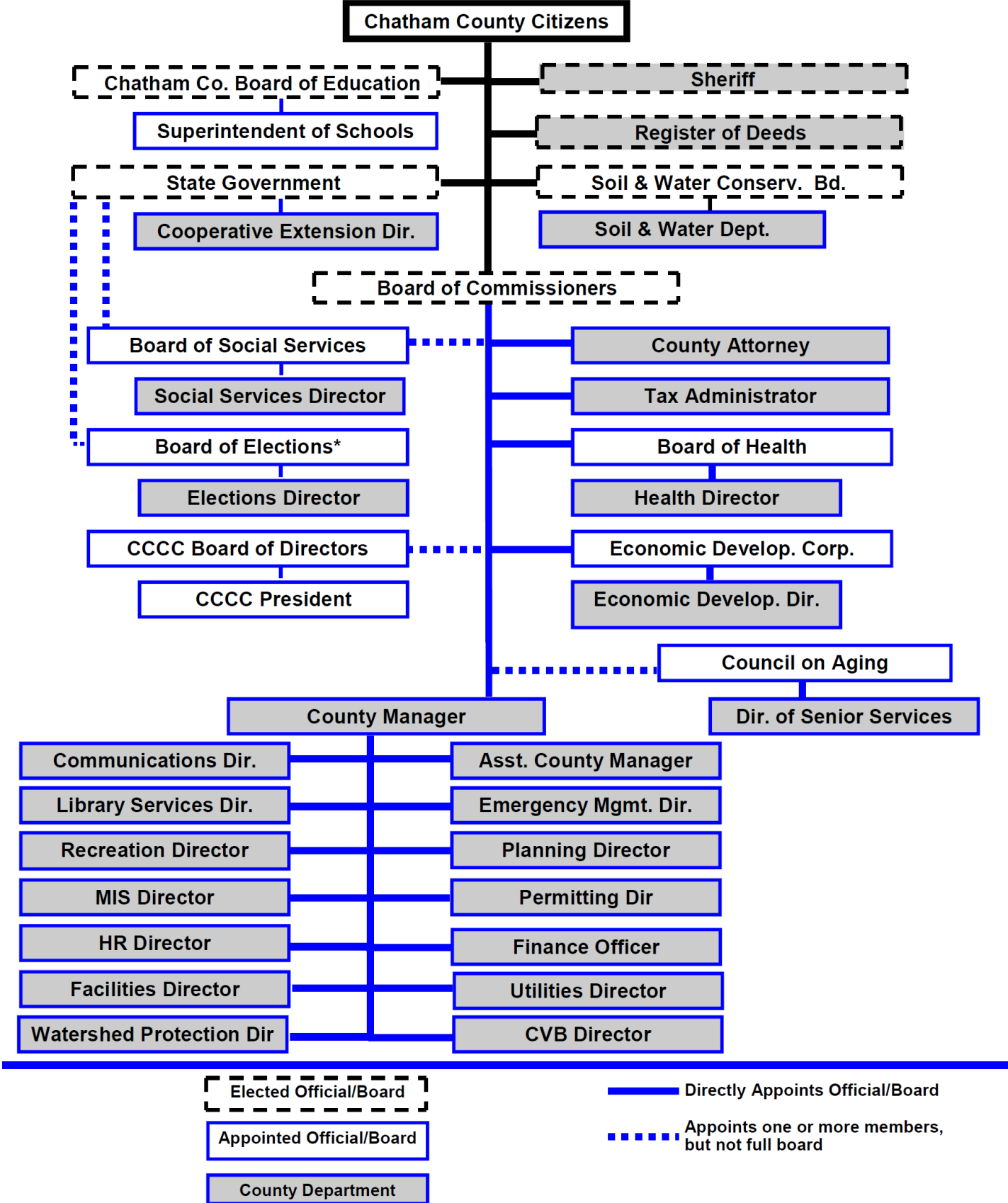
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

Chatham County Organizational Chart



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FINANCIAL SECTION

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MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

Independent Auditor's Report

To the Board of Commissioners
Chatham County
Pittsboro, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Chatham County, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Chatham County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Chatham County ABC Board. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Chatham County ABC Board, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Chatham County ABC Board were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's

internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Chatham County, North Carolina, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in the notes to the financial statements, for fiscal year ended June 30, 2021, Chatham County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Chatham County, North Carolina. The introductory information, combining and individual fund financial statements, budgetary schedules, other schedules,

and statistical section, as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards, are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2021 on our consideration of Chatham County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Chatham County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chatham County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 8, 2021

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Management's Discussion and Analysis

As management of Chatham County, we offer readers of Chatham County's financial statements this narrative overview and analysis of the financial activities of Chatham County for the fiscal year ended June 30, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements which follow this narrative.

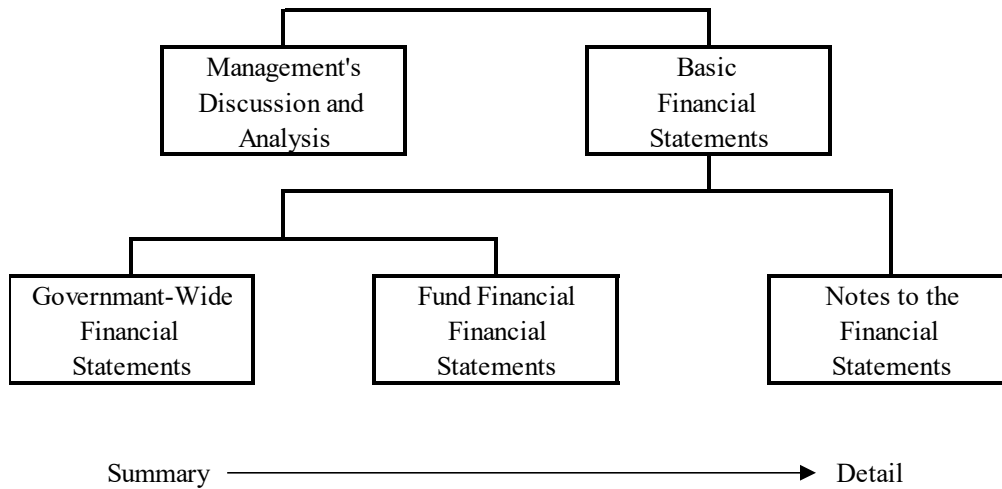
Financial Highlights

- The assets and deferred outflows of resources of Chatham County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$102,393,458 (*net position*).
- Long term liabilities decreased by \$5,068,812. The majority of this decrease can be attributed to the annual retirement of long-term debt.
- The government's total net position increased by \$8,572,354 primarily due to the improvement in the local economy and management's continued focus on monitoring spending and maximizing revenue collection.
- As of the close of the current fiscal year, Chatham County's governmental funds reported combined ending fund balances of \$139,040,445 a net decrease in fund balance of \$15,872,437. Approximately 25.26% of this total amount, or \$35,119,904, is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$34,668,007, or 30.42%, of total General Fund expenditures for the fiscal year.

Overview of the Financial Statements

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

Required Companants of Annual Financial Report
Figure 1



Basic Financial Statements

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

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

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

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Chatham County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the governmental funds' Statement of Revenues, Expenditures, and Changes in Fund Balance.

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

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Chatham County has six fiduciary funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 29 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Chatham County's progress in funding its obligation to provide pension benefits to its employees.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$102,393,458.

During the 2020-2021 fiscal year, the County's net position increased by \$8,572,354. This increase is primarily due to the improvement in the local economy and management's continued focus on monitoring spending and maximizing revenue collection. An additional portion of Chatham County's net position \$11,751,305 (11.48%) represents resources that are subject to external restrictions on how they may be used.

Chatham County's Net Position
Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	\$ 156,898,443	\$ 176,784,835	\$ 35,803,219	\$ 33,964,793	\$ 192,701,662	\$ 210,749,628
Capital assets	119,863,546	106,311,233	51,042,778	51,818,246	170,906,324	158,129,479
Total assets	<u>276,761,989</u>	<u>283,096,068</u>	<u>86,845,997</u>	<u>85,783,039</u>	<u>363,607,986</u>	<u>368,879,107</u>
Deferred Outflows of Resources	<u>13,161,198</u>	<u>9,039,130</u>	<u>775,232</u>	<u>540,556</u>	<u>13,936,430</u>	<u>9,579,686</u>
Liabilities:						
Long-term liabilities outstanding	250,920,809	255,267,698	13,455,072	14,176,995	264,375,881	269,444,693
Other liabilities	8,791,104	13,449,873	1,036,234	795,585	9,827,338	14,245,458
Total liabilities	<u>259,711,913</u>	<u>268,717,571</u>	<u>14,491,306</u>	<u>14,972,580</u>	<u>274,203,219</u>	<u>283,690,151</u>
Deferred Inflows of Resources	<u>926,877</u>	<u>977,494</u>	<u>20,862</u>	<u>26,353</u>	<u>947,739</u>	<u>1,003,847</u>
Net Position:						
Net investment in capital assets	59,387,963	48,017,373	39,413,275	39,097,006	98,801,238	87,114,379
Restricted	11,751,305	10,674,439	-	-	11,751,305	10,674,439
Unrestricted	<u>(41,854,871)</u>	<u>(36,251,679)</u>	<u>33,695,786</u>	<u>32,227,656</u>	<u>(8,159,085)</u>	<u>(4,024,023)</u>
Total net position	<u>\$ 29,284,397</u>	<u>\$ 22,440,133</u>	<u>\$ 73,109,061</u>	<u>\$ 71,324,662</u>	<u>\$ 102,393,458</u>	<u>\$ 93,764,795</u>

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

- Continued diligence in the collection of property taxes resulting in a high collection percentage of 99.37%.
- The County continued to accumulate funds in the Capital Improvement Projects Reserve Fund. Chatham County Commissioners set aside 9.2 cents on the tax rate to fund debt payments on current and future capital projects.
- Continued low cost of debt due to the County's high bond rating. The County maintained its AAA rating from Standard and Poor's and its Aa1 rating from Moody's Investor Service.
- Construction continued on the new Seaforth High School and the Chatham Grove Elementary School. While the County assumes the debt obligation for these facilities, the capital assets associated with the borrowing of the funds for these facilities will be recorded by the Board of Education.

Chatham County's Changes in Net Position

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues						
Charges for services	\$ 9,985,391	\$ 9,223,357	\$ 11,702,113	\$ 12,740,493	\$ 21,687,504	\$ 21,963,850
Operating grants and contributions	14,350,834	10,170,676	316,962	310,845	14,667,796	10,481,521
General revenues:						
Property taxes	92,598,853	88,297,695	-	-	92,598,853	88,297,695
Sales taxes	20,376,820	16,284,600	-	-	20,376,820	16,284,600
Other taxes and licenses	1,433,801	1,002,335	-	-	1,433,801	1,002,335
Grants and contributions not restricted	4,305,542	3,589,710	-	-	4,305,542	3,589,710
Unrestricted investment earnings	(179,005)	3,475,231	180,981	545,789	1,976	4,021,020
Other	378,538	365,966	4,650	5,136	383,188	371,102
Total revenues	143,250,774	132,409,570	12,204,706	13,602,263	155,455,480	146,011,833
Expenses:						
General government	20,333,676	18,808,175	-	-	20,333,676	18,808,175
Public safety	33,486,720	32,313,920	-	-	33,486,720	32,313,920
Economic and physical development	3,104,470	5,600,580	-	-	3,104,470	5,600,580
Human services	16,201,415	16,141,257	-	-	16,201,415	16,141,257
Cultural and recreational	2,510,393	2,720,029	-	-	2,510,393	2,720,029
Education	51,950,817	89,234,803	-	-	51,950,817	89,234,803
Interest on long-term debt	8,722,868	8,724,610	-	-	8,722,868	8,724,610
Utility	-	-	6,646,640	6,377,301	6,646,640	6,377,301
Southeast water district	-	-	741,306	708,197	741,306	708,197
Solid waste management	-	-	3,184,821	3,305,691	3,184,821	3,305,691
Total expenses	136,310,359	173,543,374	10,572,767	10,391,189	146,883,126	183,934,563
Change in net position before transfers	6,940,415	(41,133,804)	1,631,939	3,211,074	8,572,354	(37,922,730)
Transfers	(152,460)	(13,624)	152,460	13,624	-	-
Change in net position	6,787,955	(41,147,428)	1,784,399	3,224,698	8,572,354	(37,922,730)
Net Position:						
Beginning as previously reported	22,440,133	63,587,561	71,324,662	68,099,964	93,764,795	131,687,525
Prior period restatement, change in accounting principle	56,309	-	-	-	56,309	-
Beginning of year - July 1, as restated	22,496,442	63,587,561	71,324,662	68,099,964	93,821,104	131,687,525
End of year - June 30	\$ 29,284,397	\$ 22,440,133	\$ 73,109,061	\$ 71,324,662	\$ 102,393,458	\$ 93,764,795

Governmental activities. Governmental activities increased the County's net position by \$6,787,955.

Key elements affecting net position:

- Expenses incurred for the construction of the new high school, new elementary school, and design of the new central services facility in the amount \$15,318,978.
- **Business-type activities.** Business-type activities increased the County's net position by \$1,784,399. This increase can be attributed to continued growth in the County's local economy as reflected in an increase in the number of new connections for water services and fees collected for these services.

Financial Analysis of the County's Funds

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

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

At June 30, 2021, the governmental funds of Chatham County reported a combined fund balance of \$139,040,445, a 10.21% decrease over last year.

The General Fund is the chief operating fund of Chatham County. The County's total General Fund as shown on Exhibit C consist of five consolidated funds, the General Fund, the Revaluation Fund, the Housing Trust Fund, the Coal Ash Fund, and the Law Enforcement Pension Fund. At the end of the current fiscal year, Chatham County's fund balance available for appropriation in the General Fund was \$44,122,631, while total fund balance was \$54,180,685. The County currently has an available fund balance of 34.14% of General Fund expenditures and transfers out, while total fund balance represents 41.92% of that same amount.

The governing body of Chatham County has determined that the County should maintain an unassigned fund balance in its General Fund equal to 20% of the previous annual operating budget in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. At June 30, 2021, this percentage was 28.00%.

General Fund Budgetary Highlights. During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues and transfers in by \$3,276,557 and expenditures and transfers out by \$4,113,905.

Proprietary Funds. Chatham County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. At the end of the fiscal year, unrestricted net position amounted to \$26,948,137 for the Utility Fund, \$793,122 for the Southeast Water District, and \$5,954,527 for the Waste Management Fund. The total increase in net position for all proprietary funds was \$1,784,399.

Capital Asset and Debt Administration

Capital assets. Chatham County's capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$170,906,324 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, vehicles, and infrastructure for utility and solid waste management services.

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

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Non-Depreciable Assets:						
Land	\$ 13,370,557	\$ 13,370,557	\$ 980,258	\$ 980,258	\$ 14,350,815	\$ 14,350,815
Construction in progress	24,260,044	9,522,247	8,769,040	8,468,592	33,029,084	17,990,839
Depreciable Assets:						
Buildings	77,070,916	77,823,910	1,773,101	1,873,493	78,844,017	79,697,403
Equipment and vehicles	5,162,029	5,594,519	1,250,488	1,050,508	6,412,517	6,645,027
Infrastructure:						
Water lines	-	-	38,269,891	39,442,395	38,269,891	39,442,395
Total assets	\$ 119,863,546	\$ 106,311,233	\$ 51,042,778	\$ 51,815,246	\$ 170,906,324	\$ 158,126,479

Major capital asset transactions during the year include:

- Construction/purchases for communications/radio system upgrade.
- Design for new emergency operations facility.
- Construction renovation for administration offices.
- Construction of new animal shelter.

Additional information on the County's capital assets can be found in Note 2 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2021, Chatham County had total bonded debt outstanding of \$2,749,000 all of which is debt backed by the full faith and credit of the County.

**Chatham County's Outstanding Debt
General Obligation Bonds and Other Long Term Obligations
Figure 5**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ -	\$ -	\$ 2,749,000	\$ 2,802,000	\$ 2,749,000	\$ 2,802,000
Revenue bonds	-	-	1,592,000	1,626,000	1,592,000	1,626,000
Other long-term obligations	170,867,722	175,783,363	5,722,278	6,406,637	176,590,000	182,190,000
Direct placement/borrowings	42,743,369	45,982,887	1,566,225	1,886,603	44,309,594	47,869,490
Premium on long-term obligations	8,239,853	10,971,472	-	-	8,239,853	10,971,472
Compensated absences	2,106,422	1,852,901	142,485	132,190	2,248,907	1,985,091
LGERS Pension	12,547,544	9,415,176	899,615	675,035	13,447,159	10,090,211
LEOSSA Pension	3,488,326	2,216,411	-	-	3,488,326	2,216,411
OPEB	10,927,573	9,045,488	783,469	648,530	11,711,042	9,694,018
Total	\$ 250,920,809	\$ 255,267,698	\$ 13,455,072	\$ 14,176,995	\$ 264,375,881	\$ 269,444,693

Chatham County's total general obligation bonds and other long-term obligations decreased by \$5,068,812 (1.88%) under the past fiscal year. The majority of this decrease can be attributed to the annual retirement of long-term debt.

Chatham County maintained its Aa1 bond rating from Moody's Investor Service and its AAA rating from Standard and Poor's Corporation. This bond rating is an indication of the sound financial condition of Chatham County.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located

within that government's boundaries. The legal debt margin for Chatham County is \$759,651,740.

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

Economic Factors and Fiscal Year End 2021 Budgets and Rates

- Chatham continues to maintain a AAA rating from Standard and Poor's. Only eight other counties in North Carolina and 89 across the US have AAA ratings from Standard and Poor's. The County also maintained a rating from Moody's of Aa1.
- As of 2019, the latest data available, Chatham County has the second highest per capita income in the state, 35% higher than the state average.
- Chatham County's seasonally unadjusted unemployment rate (3.6% in July 2021, latest data available) continues to trend well below the state (4.6 %).
- The County's FY 2022 property tax rate decreased to 66.5 cents/\$100 valuation from a FY 2021 rate of 67 cents.
- Total property values increased by 12.38%. Values for each part of the base are expected to increase/decrease as follows:
 - The revaluation of county property confirmed a robust real estate market in Chatham County that reflects demand outpacing supply of improved property, as well as development growth. A 14% increase is projected in FY 2022.
 - Personal property, a 6.26% increase, resulting from increases in business property listings.
 - Public utility values, 2% increase; Utility values are provided by NC Department of Revenue.
 - Motor vehicles, a 0.52% increase. Motor vehicle values are provided by the NC Department of Motor Vehicles (DMV).
- In FY 2021, locally collected sales tax (Article 39), which is distributed based on where collected, grew by 13% compared to 11% statewide growth. Locally, FY 2021 sales tax revenues (Articles 39 and 42) were both trending roughly 13% above FY 2020, compared with 11% for sales tax collected statewide (Article 40). A referendum in March of 2020 was successful and levy of Article 46 began in October of 2020. This revenue is not shared with municipalities. Article 46 revenue is projected to bring Chatham about \$1.2 million in FY 2021.
- FY 2021 building permit revenue was estimated to decrease 9% over the prior year due to the County network being inoperable for a third of the year during a cyber incident. However, staff did an outstanding job to compensate for the loss of software, and the actual collection increased by 6% over the prior year. Register of Deeds stamps, which are paid when properties are sold within the County, exceeded the FY 2021 budgeted amount by 42.5%, with an estimated 1.1

million by year-end. Building and real estate activity in Chatham is expected to continue to show growth, with several commercial and residential projects underway.

Impact of Coronavirus on the County

One of the cornerstones of local government administration is the enhanced ability to adapt to changing circumstances in the economy and society. Since the onset of the coronavirus pandemic in March 2020, Chatham County has responded in a way that models both flexibility and fiscal responsibility. Chatham County recorded the second confirmed case of COVID-19 in North Carolina in March 2020. From that point on, County administration and fiscal management worked closely with the public health department and emergency management to map out service and fiscal impacts on the County.

The County's response to COVID-19 is ongoing and has adapted to changing conditions. Vaccines are now widely available, and as more and more of the staff and public was vaccinated, services were again opened to the public. The advent of the COVID-19 Delta variant in the summer of 2021 required the County to yet again critically think through service delivery. The FY 2021 budget proceeded as adopted, as demand for services did not wane with the changing pandemic landscape.

Examination of sales tax receipts continued to show positive revenue generation and key indicators such as deeds stamps and building permits continue to increase in number and revenue generated.

Budget Highlights for the Fiscal Year Ending June 30, 2022

- **Governmental Activities:** Chatham's FY 2022 budget was developed during a time of recovery from the global pandemic and the celebration of Chatham County's 250th anniversary. Despite the struggles of the pandemic and the cyber incident, revenues for FY 2021 exceeded expectations. The rapid growth that has long been expected has begun to accelerate, and the budget reflects the enhanced and expanded services necessary to meet the needs of a growing population. The budget delivers critically needed services and places the County on stable financial footing for the future.
- The county continues to prioritize support for education. The budget fully funds Chatham County Schools' request for an additional \$2,529,460. Current expense will increase by \$2,349,460 to support increased operating costs associated with the opening of Seaforth High School in August of this year. An additional \$180,000 will be added to maintain the supplement at the current level of funding. This additional funding for the supplement is largely due to a state mandated 1.74% increase in the retirement contribution. Chatham's teacher supplement remains 5th in the region and is surpassed only by the much larger Wake, Chapel Hill, Durham and Orange districts.
- The County funds the third year of a partnership with Central Carolina Community College to support Chatham County Promise, a program that

guarantees up to two years of free tuition and fees at CCCC to all eligible Chatham County residents who graduate from high school in 2019 through 2022. The program requires \$250,000 in FY 2023.

- The FY 2022 budget includes \$1.8 million to fund thirty-one additional positions to meet current and future workload demand; two multi-trade building inspectors; one permitting technician; one watershed specialist; one assistant Register of Deeds; eleven detention officers; one Commission on Accreditation for Law Enforcement Agencies (CALEA) administrator in the Sheriff's Office; one animal services technician and one front-desk attendant in the animal shelter; one additional pre-trial release coordinator in the Court Services department; five telecommunicators; two children's services supervisors in the Social Services; one parks manager in Parks and Recreation; one maintenance technician in the Facilities department; one application solutions engineer and one GIS technician in MIS.

In addition to these thirty-one new positions, expansion items include some additional funding for programs:

- An additional \$81,531 is recommended for the Management Information Services (MIS) department to implement off-site data backups and a disaster recovery plan for the network. This will allow MIS to have safe and consistent backups to allow for quicker restoration of the County network in the event another network disruption happens in the future.
- An additional \$28,000 is recommended for the revision of the Farmland Preservation and Open Space Plan. This work will be conducted by Cooperative Extension and Soil and Water Conservation District. The plan will create a living document with actionable steps based on a much broader lens of rural and urban development acknowledging the interdependency of the two for long-term community viability
- The walking trail at Southwest District Park will be extended to provide an additional ½ mile of trail, at a cost of \$41,500.
- An allocation of \$75,000 will go to the Chatham EDC to provide financial assistance to small businesses County wide who have been negatively impacted by the COVID-19 pandemic.
- The recommended budget also includes a 2% increase in the County contribution to the health plan and a 3% pay increase for employees pay raises. Additionally, a half-year implementation of the adjustments recommended by the FY 2021 salary study is included. While many expenses are necessary to continue movement toward our goals, competitive salaries are essential to maintaining and attracting talented professional staff

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Hope Tally, Finance Director, Chatham County, Post Office Box 608, Pittsboro, North Carolina 27312. You can also call (919)-542-8471, or visit our website at www.chathamcountync.gov for more information.

BASIC FINANCIAL STATEMENTS

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CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government			Chatham County Board of Alcoholic Beverage Control
	Governmental Activities	Business-Type Activities	Total	
Assets:				
Cash, cash equivalents and investments	\$ 120,715,250	\$ 33,823,749	\$ 154,538,999	\$ 882,412
Property taxes receivable, net	1,138,451	-	1,138,451	-
Accounts receivable, net	340,125	1,296,944	1,637,069	-
Due from other governments	10,043,254	68,301	10,111,555	-
Other receivables	-	143,921	143,921	-
Inventories	-	-	-	897,146
Prepaid items	-	-	-	49,386
Cash - restricted	24,468,671	470,304	24,938,975	-
Net pension asset	192,692	-	192,692	-
Capital assets:				
Land, improvements and construction in progress	37,630,601	9,749,298	47,379,899	232,875
Other capital assets, net of depreciation	82,232,945	41,293,480	123,526,425	267,034
Total capital assets	119,863,546	51,042,778	170,906,324	499,909
Total assets	276,761,989	86,845,997	363,607,986	2,328,853
Deferred Outflows of Resources:				
Pension deferrals	7,984,865	487,116	8,471,981	112,781
OPEB deferrals	4,018,551	288,116	4,306,667	-
Charge on refunding	1,157,782	-	1,157,782	-
Total deferred outflows of resources	13,161,198	775,232	13,936,430	112,781
Liabilities:				
Accounts payable and accrued liabilities	7,833,831	565,930	8,399,761	603,406
Liabilities to be paid from restricted assets	902,318	470,304	1,372,622	-
Due to other governments	54,955	-	54,955	-
Long-term liabilities:				
Due within one year	19,209,609	1,257,501	20,467,110	-
Due in more than one year	231,711,200	12,197,571	243,908,771	149,012
Total long-term liabilities	250,920,809	13,455,072	264,375,881	149,012
Total liabilities	259,711,913	14,491,306	274,203,219	752,418
Deferred Inflows of Resources:				
Pension deferrals	230,750	3,732	234,482	218
OPEB deferrals	238,922	17,130	256,052	-
Prepaid taxes	457,205	-	457,205	-
Total deferred inflows of resources	926,877	20,862	947,739	218
Net Position:				
Net investment in capital assets	59,387,963	39,413,275	98,801,238	499,909
Restricted for:				
Stabilization by state statute	10,349,867	-	10,349,867	-
Register of Deeds	385,064	-	385,064	-
Register of Deeds Pension Plan	186,138	-	186,138	-
Courthouse Clock	71,286	-	71,286	-
Emergency Telephone	266,619	-	266,619	-
Economic Development	16,882	-	16,882	-
Fire Protection	195,710	-	195,710	-
Human Services	58,828	-	58,828	-
Law Enforcement	220,911	-	220,911	-
Working capital	-	-	-	204,514
Unrestricted	(41,854,871)	33,695,786	(8,159,085)	984,575
Total net position	\$ 29,284,397	\$ 73,109,061	\$ 102,393,458	\$ 1,688,998

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

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 20,333,676	\$ 2,098,074	\$ 4,120,199	\$ -
Public safety	33,486,720	2,000,914	1,934,536	-
Economic and physical development	3,104,470	593,457	253,629	-
Human services	16,201,415	1,640,619	6,925,884	-
Cultural and recreational	2,510,393	205,227	286,993	-
Education	51,950,817	3,447,100	829,593	-
Interest on long-term debt	8,722,868	-	-	-
Total governmental activities	<u>136,310,359</u>	<u>9,985,391</u>	<u>14,350,834</u>	<u>-</u>
Business-Type Activities:				
Utility	6,646,640	7,284,002	111,011	-
Southeast Water District	741,306	810,231	-	-
Solid waste management	3,184,821	3,607,880	205,951	-
Total business-type activities	<u>10,572,767</u>	<u>11,702,113</u>	<u>316,962</u>	<u>-</u>
Total primary government	<u>\$ 146,883,126</u>	<u>\$ 21,687,504</u>	<u>\$ 14,667,796</u>	<u>\$ -</u>
Component Unit:				
Chatham County Board of Alcoholic Beverage Control	\$ 5,139,071	\$ 5,317,358	\$ -	\$ -

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

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions / Programs	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Chatham
	Governmental Activities	Business Type Activities	Total	County Board of Alcoholic Beverage Control
Primary Government:				
Governmental Activities:				
General government	\$ (14,115,403)	\$ -	\$ (14,115,403)	
Public safety	(29,551,270)	-	(29,551,270)	
Economic and physical development	(2,257,384)	-	(2,257,384)	
Human services	(7,634,912)	-	(7,634,912)	
Cultural and recreational	(2,018,173)	-	(2,018,173)	
Education	(47,674,124)	-	(47,674,124)	
Interest on long-term debt	(8,722,868)	-	(8,722,868)	
Total governmental activities	<u>(111,974,134)</u>	<u>-</u>	<u>(111,974,134)</u>	
Business-Type Activities:				
Utility	-	748,373	748,373	
Southeast Water District	-	68,925	68,925	
Solid waste management	-	629,010	629,010	
Total business-type activities	<u>-</u>	<u>1,446,308</u>	<u>1,446,308</u>	
Total primary government	<u>(111,974,134)</u>	<u>1,446,308</u>	<u>(110,527,826)</u>	
Component Unit:				
Chatham County Board of Alcoholic Beverage Control				<u>\$ 178,287</u>
General Revenues:				
Taxes:				
Property taxes, levied for general purposes	92,598,853	-	92,598,853	-
Local option sales tax	20,376,820	-	20,376,820	-
Other taxes	1,433,801	-	1,433,801	-
Grants and contributions not restricted	4,305,542	-	4,305,542	-
Unrestricted investment earnings	(179,005)	180,981	1,976	126
Miscellaneous	378,538	4,650	383,188	13,385
Total general revenues	<u>118,914,549</u>	<u>185,631</u>	<u>119,100,180</u>	<u>13,511</u>
Transfers	<u>(152,460)</u>	<u>152,460</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>118,762,089</u>	<u>338,091</u>	<u>119,100,180</u>	<u>13,511</u>
Change in net position	<u>6,787,955</u>	<u>1,784,399</u>	<u>8,572,354</u>	<u>191,798</u>
Net Position:				
Net position, beginning, as previously reported	22,440,133	71,324,662	93,764,795	1,497,200
Prior period restatement - change in accounting principle	56,309	-	56,309	-
Net position, beginning, as restated	<u>22,496,442</u>	<u>71,324,662</u>	<u>93,821,104</u>	<u>1,497,200</u>
Net position, ending	<u>\$ 29,284,397</u>	<u>\$ 73,109,061</u>	<u>\$ 102,393,458</u>	<u>\$ 1,688,998</u>

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

CHATHAM COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	Major Funds			Total Nonmajor Funds	Total Governmental Funds
	General	Capital Improvements Project Reserve	Facilities Improvements		
Assets:					
Cash, cash equivalents, and investments	\$ 48,645,979	\$ 38,302,775	\$ 1,035,920	\$ 23,422,961	\$ 111,407,635
Cash - restricted	913,934	-	13,182,877	10,371,860	24,468,671
Property taxes receivable, net	1,004,739	-	-	133,712	1,138,451
Due from other governments	9,810,370	-	94,500	138,384	10,043,254
Other receivables	262,046	35,188	-	23,741	320,975
Total assets	<u>\$ 60,637,068</u>	<u>\$ 38,337,963</u>	<u>\$ 14,313,297</u>	<u>\$ 34,090,658</u>	<u>\$ 147,378,986</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 4,053,858	\$ -	\$ 609,712	\$ 1,107,680	\$ 5,771,250
Liabilities to be paid from restricted assets	902,318	-	-	-	902,318
Due to other governments	54,955	-	-	-	54,955
Total liabilities	<u>5,011,131</u>	<u>-</u>	<u>609,712</u>	<u>1,107,680</u>	<u>6,728,523</u>
Deferred Inflows of Resources:					
Prepaid taxes	426,151	-	-	31,054	457,205
Property taxes receivable	1,004,739	-	-	133,712	1,138,451
Health clinic receivable	14,362	-	-	-	14,362
Total deferred inflows of resources	<u>1,445,252</u>	<u>-</u>	<u>-</u>	<u>164,766</u>	<u>1,610,018</u>
Fund Balances:					
Restricted:					
Stabilization by state statute	10,058,054	35,188	94,500	162,125	10,349,867
Register of Deeds	385,064	-	-	-	385,064
Courthouse Clock	-	-	-	71,286	71,286
Capital Projects	-	-	13,182,877	10,371,860	23,554,737
Emergency Telephone	-	-	-	266,619	266,619
Economic and Physical Development	-	-	-	16,882	16,882
Fire Protection	-	-	-	195,710	195,710
Human Services	-	-	-	58,828	58,828
Law Enforcement	-	-	-	220,911	220,911
Committed:					
LEO Special Separation Allowance	886,902	-	-	-	886,902
Tax Revaluation	1,452	-	-	-	1,452
Housing Trust	465,647	-	-	-	465,647
Recreation	322,851	-	-	-	322,851
Land preservation	322,851	-	-	-	322,851
Capital Projects	-	38,302,775	426,208	-	38,728,983
Assigned:					
Subsequent year's expenditures	7,069,857	-	-	2,550,000	9,619,857
General Government	-	-	-	9,724,088	9,724,088
Public Safety	-	-	-	77,038	77,038
Education	-	-	-	7,546,011	7,546,011
Cultural and Recreation	-	-	-	1,574,150	1,574,150
Unassigned	<u>34,668,007</u>	<u>-</u>	<u>-</u>	<u>(17,296)</u>	<u>34,650,711</u>
Total fund balances	<u>54,180,685</u>	<u>38,337,963</u>	<u>13,703,585</u>	<u>32,818,212</u>	<u>139,040,445</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 60,637,068</u>	<u>\$ 38,337,963</u>	<u>\$ 14,313,297</u>	<u>\$ 34,090,658</u>	

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

CHATHAM COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

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

Total fund balance - Governmental Funds	\$ 139,040,445
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	119,863,546
Assets and liabilities of the Self-Insurance Internal Service Fund used by management to account for certain insurance costs are included in governmental activities in the Statement of Net Position.	8,901,523
Charges related to advance refunding bond issue	1,157,782
Net pension asset	192,692
Pension related deferred outflows	7,984,865
OPEB related deferred outflows	4,018,551
Net pension liability - LGERS	(12,547,544)
Total pension liability - LEOSSA	(3,488,326)
Net OPEB liability	(10,927,573)
Deferred inflows of resources for taxes and other receivables	1,152,813
Pension related deferred inflows	(230,750)
OPEB related deferred inflows	(238,922)
Compensated absences not expected to be materially liquidated with expendable available resources.	(2,106,422)
Long-term liabilities, including bonds payable, accrued interest payable, and installment purchases, are not due and payable in the current period and, therefore, are not reported in the funds.	(223,488,283)
Net position of governmental activities	<u>\$ 29,284,397</u>

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

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Major Funds			Total Nonmajor Funds	Total Governmental Funds
	General	Capital Improvement Project Reserve	Facilities Improvement Projects		
Revenues:					
Ad valorem taxes	\$ 81,974,219	\$ -	\$ -	\$ 10,945,228	\$ 92,919,447
Local option sales tax	20,376,820	-	-	-	20,376,820
Other taxes	1,433,801	-	-	-	1,433,801
Unrestricted intergovernmental	4,305,542	-	-	-	4,305,542
Restricted intergovernmental	8,348,450	1,340,675	-	4,089,846	13,778,971
Permits and fees	2,443,581	-	-	3,595,926	6,039,507
Sales and services	3,027,538	-	-	-	3,027,538
Investment earnings	(846,803)	165,753	3,080	456,906	(221,064)
Other general revenues	1,135,766	-	-	360	1,136,126
Total revenues	<u>122,198,914</u>	<u>1,506,428</u>	<u>3,080</u>	<u>19,088,266</u>	<u>142,796,688</u>
Expenditures:					
Current:					
General government	12,804,338	-	471,712	66,129	13,342,179
Public safety	21,456,697	-	15,357,934	12,620,975	49,435,606
Economic and physical development	3,867,433	-	-	-	3,867,433
Human services	17,348,944	-	-	172,439	17,521,383
Cultural and recreational	2,461,925	-	-	278,027	2,739,952
Intergovernmental:					
Education	39,111,500	-	38,040	15,532,896	54,682,436
Debt service:					
Principal retirement	8,155,159	-	-	-	8,155,159
Interest and fees	8,772,517	-	-	-	8,772,517
Total expenditures	<u>113,978,513</u>	<u>-</u>	<u>15,867,686</u>	<u>28,670,466</u>	<u>158,516,665</u>
Revenues over (under) expenditures	<u>8,220,401</u>	<u>1,506,428</u>	<u>(15,864,606)</u>	<u>(9,582,200)</u>	<u>(15,719,977)</u>
Other Financing Sources (Uses):					
Transfers from other funds	12,721,907	13,323,888	8,129,521	3,072,386	37,247,702
Transfers (to) other funds	<u>(15,257,671)</u>	<u>(13,390,110)</u>	<u>-</u>	<u>(8,752,381)</u>	<u>(37,400,162)</u>
Total other financing sources (uses)	<u>(2,535,764)</u>	<u>(66,222)</u>	<u>8,129,521</u>	<u>(5,679,995)</u>	<u>(152,460)</u>
Net change in fund balances	5,684,637	1,440,206	(7,735,085)	(15,262,195)	(15,872,437)
Fund Balances:					
Fund balances, beginning as previously reported	48,496,048	36,897,757	21,438,670	48,024,098	154,856,573
Prior period restatement - change in accounting principle	-	-	-	56,309	56,309
Fund balances, beginning as previously restated	<u>48,496,048</u>	<u>36,897,757</u>	<u>21,438,670</u>	<u>48,080,407</u>	<u>154,912,882</u>
Fund balances, ending	<u>\$ 54,180,685</u>	<u>\$ 38,337,963</u>	<u>\$ 13,703,585</u>	<u>\$ 32,818,212</u>	<u>\$ 139,040,445</u>

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

CHATHAM COUNTY, NORTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

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

Net changes in fund balances - total governmental funds \$ (15,872,437)

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

Expenditures for capital assets	17,344,419
Current year's depreciation	(3,748,365)

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

Amount of donated capital assets	3,280
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Cost of capital asset disposed of during the year, not recognized on modified accrual basis	(47,021)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payment, payments to escrow agent and amortization on long-term debt	10,886,778
Increase in accrued interest payable	49,649
Deferred charge on refunding	(82,699)

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

Compensated absences	(253,521)
OPEB plan expense	171,539
Contributions to pension plan in the current fiscal year	2,600,818
Pension expense - LGERS	(4,320,271)
Pension expense - ROD	4,590
Pension expense - LEOSA	(399,610)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental fund statements.	(324,478)
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Net revenue of the Self-Insurance Internal Service Fund determined to be governmental-type.	<u>775,284</u>
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Total change in net position of governmental activities	<u><u>\$ 6,787,955</u></u>
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The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund			Variance With Final Budget Over/Under
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 79,772,620	\$ 79,772,620	\$ 81,974,219	\$ 2,201,599
Local option sales tax	15,756,611	15,756,611	20,376,820	4,620,209
Other taxes	900,060	900,060	1,433,801	533,741
Unrestricted intergovernmental	2,775,816	2,775,816	4,305,542	1,529,726
Restricted intergovernmental	7,173,359	9,691,628	8,348,450	(1,343,178)
Permits and fees	1,874,990	1,874,990	2,443,581	568,591
Sales and services	2,441,711	2,441,711	3,027,538	585,827
Investment earnings	150,000	150,000	(876,491)	(1,026,491)
Other general revenues	665,617	1,235,199	1,135,766	(99,433)
Total revenues	<u>111,510,784</u>	<u>114,598,635</u>	<u>122,169,226</u>	<u>7,570,591</u>
Expenditures:				
General government	12,724,944	13,405,744	12,232,338	1,173,406
Public safety	22,540,662	23,301,471	21,504,401	1,797,070
Economic and physical development	3,761,955	3,960,033	3,624,227	335,806
Human services	18,440,200	20,755,282	17,348,944	3,406,338
Cultural and recreational	2,787,788	3,119,393	2,461,925	657,468
Intergovernmental:				
Education	39,247,915	39,247,915	39,111,500	136,415
Debt service:				
Principal retirement	8,155,163	8,155,163	8,155,159	4
Interest and fees	8,769,781	8,769,781	8,772,517	(2,736)
Total expenditures	<u>116,428,408</u>	<u>120,714,782</u>	<u>113,211,011</u>	<u>7,503,771</u>
Revenues over (under) expenditures	<u>(4,917,624)</u>	<u>(6,116,147)</u>	<u>8,958,215</u>	<u>15,074,362</u>
Other Financing Sources (Uses):				
Transfers from other funds	16,046,994	16,235,700	12,721,907	(3,513,793)
Transfers to other funds	<u>(15,907,202)</u>	<u>(16,079,671)</u>	<u>(16,079,671)</u>	<u>-</u>
Total other financing sources (uses)	<u>139,792</u>	<u>156,029</u>	<u>(3,357,764)</u>	<u>(3,513,793)</u>
Appropriated fund balance	<u>4,777,832</u>	<u>5,960,118</u>	<u>-</u>	<u>(5,960,118)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>5,600,451</u>	<u>\$ 5,600,451</u>
Fund Balances:				
Fund balance, beginning			<u>42,712,390</u>	
Fund balance, ending			<u>\$ 48,312,841</u>	

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

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities - Enterprise				Governmental
	Utility	Southeast Water District	Solid Waste and Recycling	Total	Self-Insurance Internal Service
Assets:					
Current assets:					
Cash, cash equivalents, and investments	\$ 26,854,710	\$ 661,828	\$ 6,307,211	\$ 33,823,749	\$ 9,307,615
Cash - restricted	432,759	37,545	-	470,304	-
Receivables, net	1,089,560	143,870	63,514	1,296,944	10,325
Due from other governments	13,701	-	54,600	68,301	-
Other receivables	108,605	1,040	34,276	143,921	8,825
Total current assets	28,499,335	844,283	6,459,601	35,803,219	9,326,765
Non-current assets:					
Capital assets:					
Land, improvements, and construction in progress	9,253,793	-	495,505	9,749,298	-
Other capital assets, net of depreciation	35,145,300	4,244,680	1,903,500	41,293,480	-
Total capital assets, net	44,399,093	4,244,680	2,399,005	51,042,778	-
Total non-current assets	44,399,093	4,244,680	2,399,005	51,042,778	-
Total assets	72,898,428	5,088,963	8,858,606	86,845,997	9,326,765
Deferred Outflows of Resources:					
Pension deferrals	310,181	-	176,935	487,116	-
OPEB deferrals	183,464	-	104,652	288,116	-
Total deferred outflows of resources	493,645	-	281,587	775,232	-
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	433,632	13,616	118,682	565,930	425,242
Liabilities to be paid from restricted assets	432,759	37,545	-	470,304	-
Compensated absences payable	93,428	-	49,057	142,485	-
General obligation bonds payable	-	56,000	-	56,000	-
Revenue bonds payable	-	35,000	-	35,000	-
Installment notes payable	1,024,016	-	-	1,024,016	-
Total current liabilities	1,983,835	142,161	167,739	2,293,735	425,242
Non-current liabilities:					
Net pension liability	572,849	-	326,766	899,615	-
Total OPEB liability	498,890	-	284,579	783,469	-
General obligation bonds payable	-	2,693,000	-	2,693,000	-
Revenue bonds payable	-	1,557,000	-	1,557,000	-
Installment notes payable	6,264,487	-	-	6,264,487	-
Total non-current liabilities	7,336,226	4,250,000	611,345	12,197,571	-
Total liabilities	9,320,061	4,392,161	779,084	14,491,306	425,242
Deferred Inflows of Resources					
Pension deferrals	2,377	-	1,355	3,732	-
OPEB deferrals	10,908	-	6,222	17,130	-
Total deferred inflows of resources	13,285	-	7,577	20,862	-
Net Position:					
Net investment in capital assets	37,110,590	(96,320)	2,399,005	39,413,275	-
Unrestricted	26,948,137	793,122	5,954,527	33,695,786	8,901,523
Total net position	\$ 64,058,727	\$ 696,802	\$ 8,353,532	\$ 73,109,061	\$ 8,901,523

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

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise				Governmental
	Utility	Southeast Water District	Solid Waste and Recycling	Total	Self-Insurance Internal Service
Operating Revenues:					
Charges for services	\$ 7,284,002	\$ 810,231	\$ 3,607,880	\$ 11,702,113	\$ 7,500,421
Other operating revenues	109,357	-	-	109,357	-
Total operating revenues	<u>7,393,359</u>	<u>810,231</u>	<u>3,607,880</u>	<u>11,811,470</u>	<u>7,500,421</u>
Operating Expenses:					
Operating expenses	4,997,988	468,850	2,960,979	8,427,817	6,767,196
Depreciation	1,315,649	106,339	223,842	1,645,830	-
Total operating expenses	<u>6,313,637</u>	<u>575,189</u>	<u>3,184,821</u>	<u>10,073,647</u>	<u>6,767,196</u>
Operating income (loss)	<u>1,079,722</u>	<u>235,042</u>	<u>423,059</u>	<u>1,737,823</u>	<u>733,225</u>
Non-Operating Revenues (Expenses):					
Investment earnings	144,517	4,230	32,234	180,981	42,059
Interest and other charges	(333,003)	(166,117)	-	(499,120)	-
Gain on disposal of assets	4,200	-	450	4,650	-
Other grants and revenue	1,654	-	205,951	207,605	-
Total non-operating revenues (expenses)	<u>(182,632)</u>	<u>(161,887)</u>	<u>238,635</u>	<u>(105,884)</u>	<u>42,059</u>
Income before transfers	897,090	73,155	661,694	1,631,939	775,284
Transfers from other funds, net	<u>152,460</u>	<u>-</u>	<u>-</u>	<u>152,460</u>	<u>-</u>
Change in net position	1,049,550	73,155	661,694	1,784,399	775,284
Net Position:					
Beginning of year - July 1	<u>63,009,177</u>	<u>623,647</u>	<u>7,691,838</u>	<u>71,324,662</u>	<u>8,126,239</u>
End of year - June 30	<u>\$ 64,058,727</u>	<u>\$ 696,802</u>	<u>\$ 8,353,532</u>	<u>\$ 73,109,061</u>	<u>\$ 8,901,523</u>

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

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise				Governmental Activities
	Utility	Southeast Water District	Solid Waste and Recycling	Total	Self-Insurance Internal Service
Cash Flows from Operating Activities:					
Cash received from customers	\$ 7,110,763	\$ 751,248	\$ 3,604,792	\$ 11,466,803	\$ 7,494,091
Cash paid for goods and services	(2,975,705)	(455,271)	(2,089,539)	(5,520,515)	(6,834,807)
Cash paid to or on behalf of employees for services	(1,729,902)	-	(812,774)	(2,542,676)	-
Customer deposits	23,171	1,670	(1,500)	23,341	-
Net cash provided (used) by operating activities	2,428,327	297,647	700,979	3,426,953	659,284
Cash Flows from Non-Capital Financing Activities:					
Intergovernmental non-operating revenues/transfers received	267,671	-	196,148	463,819	-
Net cash provided (used) by non-capital financing activities	267,671	-	196,148	463,819	-
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of capital assets	(612,800)	-	(257,562)	(870,362)	-
Principal paid on bonds, notes and capital leases	(1,004,737)	(87,000)	-	(1,091,737)	-
Interest paid on bonds, notes and capital leases	(336,525)	(180,266)	-	(516,791)	-
Net cash provided (used) by capital and related financing activities	(1,954,062)	(267,266)	(257,562)	(2,478,890)	-
Cash Flows from Investing Activities:					
Interest on investments	193,050	6,309	42,588	241,947	58,181
Net increase (decrease) in cash and cash equivalents	934,986	36,690	682,153	1,653,829	717,465
Cash and Cash Equivalents:					
Beginning of year - July 1	26,352,483	662,683	5,625,058	32,640,224	8,590,150
End of year - June 30	\$ 27,287,469	\$ 699,373	\$ 6,307,211	\$ 34,294,053	\$ 9,307,615
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 1,079,722	\$ 235,042	\$ 423,059	\$ 1,737,823	\$ 733,225
Adjustment to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation	1,315,649	106,339	223,842	1,645,830	-
Changes in assets and liabilities, and deferred outflows and inflows of resources:					
(Increase) decrease in accounts receivable	(282,596)	(58,983)	(3,088)	(344,667)	(6,330)
(Increase) decrease in deferred outflows of resources - pension	(58,140)	-	(33,165)	(91,305)	-
(Increase) decrease in deferred outflows of resources - OPEB	(91,294)	-	(52,077)	(143,371)	-
Increase (decrease) in net pension liability	143,006	-	81,574	224,580	-
Increase (decrease) in OPEB liability	85,925	-	49,014	134,939	-
Increase (decrease) in deferred inflows of resources - pensions	(2,462)	-	(1,405)	(3,867)	-
Increase (decrease) in deferred inflows of resources - OPEB	(1,034)	-	(590)	(1,624)	-
Increase (decrease) in accounts payable and accrued liabilities	215,694	13,579	5,706	234,979	(67,611)
Increase (decrease) in customer deposits	23,171	1,670	(1,500)	23,341	-
Increase (decrease) in accrued vacation pay	686	-	9,609	10,295	-
Total adjustments	1,348,605	62,605	277,920	1,689,130	(73,941)
Net cash provided (used) by operating activities	\$ 2,428,327	\$ 297,647	\$ 700,979	\$ 3,426,953	\$ 659,284

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

CHATHAM COUNTY, NORTH CAROLINA

FIDUCIARY FUNDS

COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2021

	<u>Custodial Funds</u>
Assets:	
Cash and cash equivalents	\$ 48,920
Taxes receivable for other governments, net	117,909
Other receivables	1
Due from other governments	<u>5,173</u>
Total assets	<u>172,003</u>
Liabilities:	
Due to other governments	<u>27,737</u>
Total liabilities	<u>27,737</u>
Net Position:	
Restricted for:	
Individuals, organizations, and other governments	<u>144,266</u>
Total net position	<u>\$ 144,266</u>

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

CHATHAM COUNTY, NORTH CAROLINA

FIDUCIARY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Custodial Funds</u>
Additions:	
Ad valorem taxes for other governments	\$ 9,683,936
Collections on behalf of inmates	<u>179,728</u>
Total assets	<u>9,863,664</u>
Deductions:	
Tax distributions to other governments	9,739,652
Payments on behalf of inmates	<u>174,487</u>
Total liabilities	<u>9,914,139</u>
Net increase (decrease) in fiduciary net position	(50,475)
Net Position:	
Net position, beginning, as previously reported	-
Prior period restatement - change in accounting principle	<u>194,741</u>
Net position, beginning, as restated	<u>194,741</u>
Net position, ending	<u>\$ 144,266</u>

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

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CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

The County of Chatham, North Carolina is a political subdivision of the State of North Carolina. It is one of 100 counties established in North Carolina under North Carolina General Statute 153A-10, is located in the central part of the State, and according to 2020 Census data has a population of approximately 74,470. The County operates under a Commissioner-Manager form of government. The County is responsible for and maintains services inherent to the operation of a county government including general government, public safety, human services, education, economic and physical development and cultural and recreational services. The County also operates a water and sewer utility system and a solid waste management system.

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

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Southeast Water District	Blended	Under State law [NCGS 162A-89], the County's board of commissioners also serve as the governing board for the District. The County has operational responsibility for the District.	None Issued
Southwest Water District	Blended	Under State law [NCGS 162A-89], the County's board of commissioners also serve as the governing board for the District. The County will have operational responsibility for the District.	None Issued
Northwest Water District	Blended	Under State law [NCGS 162A-89], the County's board of commissioners also serve as the governing board for the District. The County will have operational responsibility for the District.	None Issued
Chatham County Industrial Facility and Pollution Control Financing Authority	Discrete	The Authority is governed by a seven-member board of commissioners that is appointed by the county commissioners. The County can remove any commissioner of the Authority with or without cause.	None issued
Chatham County ABC Board	Discrete	The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State Statute to distribute its surpluses to the General Fund of the County.	Chatham County ABC Board 11455 Suite B, US 15-501 Chapel Hill, NC 27516

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

Government-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government's net position (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Because the operations of the county's internal service fund benefits predominantly governmental activities the internal service fund has been included within the governmental activities in the government wide statements.

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

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

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

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Tax Revaluation Fund, Housing Trust Fund, Law Enforcement Separation Allowance Fund and the Coal Ash Fund are legally budgeted funds under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 they are consolidated in the General Fund.

Capital Improvement Project Reserve Fund. The County transfers annually an amount equivalent to nine and two tenths cents on the property tax rate into this fund. The money will be used to fund debt service on a variety of general capital projects, including a new emergency operations center and school administrative building.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

The County reports the following major enterprise funds:

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

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

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

The County reports the following fund types:

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Municipal Tax Fund and Goldston-Gulf Sanitary District Fund, which accounts for ad valorem and vehicle property taxes that are billed and collected by the County for various municipalities within the County but that are not revenues to the County, and the Jail Inmate Pay Fund, which holds cash deposits made to inmates as payment for work performed while incarcerated as well as cash collections for the benefit of inmates from their friends and families.

Non-major Funds. The County maintains several legally budgeted funds. The Emergency Telephone System Fund, the Forfeited Property Fund, the Recreation-Payment in Lieu Fund, the Impact Fees Fund, the Bynum Canoe Access/Easement Monitoring Fund, the Courthouse Clock Fund, the Capital Reserve Fund, the Library Foundation Fund, the Representative Payee Fund, the Fines and Forfeitures Fund, the Coronavirus Relief Fund, and the Special Fire District Funds are reported as nonmajor special revenue funds. The Tech/System Improvement Project Fund, County Wide Parks Project Fund, School Construction Project Fund, and Emergency Vehicle Replacement Capital Reserve Project are reported as nonmajor capital project funds.

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

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

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

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

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

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Since September 1, 2013, the State of North Carolina has been responsible for billing and collecting the property taxes on registered vehicles on behalf of all municipalities and special tax districts. These property taxes are due when vehicles are registered. Motor vehicle property tax revenues are applicable to the fiscal year in which they are received. Uncollected taxes that were billed by the County for periods prior to September 1, 2013 or those for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the state at year-end on behalf of the County, are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the special revenue funds (excluding the Economic and Community Development Fund), and the Enterprise Funds, including the Self-Insurance Internal Service Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the General Capital Projects Funds and Enterprise Capital Projects Funds. The Enterprise Capital Projects Funds are consolidated with the enterprise operating funds for reporting purposes.

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

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

1. Deposits and Investments

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

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

The majority of the County and the ABC Board's investments are carried at fair value. Non-participating interest earning investment contracts are accounted for at cost.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The North Carolina Capital Management Trust (NCCMT) is authorized by G.S. 159-30(c)(8). The NCCMT Governmental Portfolio is a 2a-7 fund which invests in treasuries and government agencies and is rated AAAM by S&P and AAA-mf by Moody Investor Services. The Government Portfolio is reported at fair value.

2. Cash and Cash Equivalents

The County pools moneys from several funds, to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

3. Restricted Assets

The unexpended bond proceeds of the Facilities Improvement and School Capital Projects Funds are classified as restricted assets because their use is restricted to ongoing capital projects for which the bonds were originally issued. Money in the Tax Revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. Customer deposits and financial guarantees held by the County before any services are supplied are restricted to the service for which they were collected.

<u>Restricted Cash</u>		
Governmental Activities:		
General Fund	Tax revaluaton	\$ 11,616
	Customer deposits	31,198
	Financial guarantees	871,120
Facilities Improvements Fund	Unexpended bond proceeds	13,182,877
School Construction Fund	Unexpended bond proceeds	10,371,860
Total Governmental Activities		<u>\$ 24,468,671</u>
Business-Type Activities:		
Utility Fund	Customer deposits	432,759
Southeast Water District	Customer deposits	37,545
Waste Management	Customer deposits	-
Total Business-type Activities		<u>\$ 470,304</u>
Total Restricted Cash		<u>\$ 24,938,975</u>

4. Ad Valorem Taxes Receivable

In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2020.

5. Allowances for Doubtful Accounts

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

6. Inventories and Prepaid Items

The inventories of the ABC Board are valued at the lower of cost or net realizable value using the first-in, first-out method. The ABC Board has prepaid expenses that consist of prepaid insurance and prepaid maintenance contract.

7. Capital Assets

Capital assets, which include property, plant, infrastructure, equipment, and vehicles, are reported in the County's government-wide financial and proprietary financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$2,500 and an estimated useful life of more than one year. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

<u>Asset Class</u>	<u>Primary Government</u>	<u>ABC Board</u>
Buildings	20-60 years	
Plant and Distribution System	50 years	
Computer, Equipment, and Vehicles	3-5 years	4-10 years
Leasehold Improvements		10-40 years

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has the following items that meet this criterion – a charge on refunding, pension related deferrals, and OPEB related deferrals. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has the following items that meet the criterion for this category - prepaid taxes, taxes and special assessments receivable, health clinic receivables, pension related deferrals and OPEB related deferrals.

9. Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the statements of net position. In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources. Bond premiums and discounts are amortized over five years using the straight-line method. Bonds payable are recorded net of any applicable premiums or discounts. Bond issuance costs, except for prepaid insurance costs, are expenses in the reporting period in which they are incurred.

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

The County has constructed new school facilities, county office facilities, made water system improvements and purchased equipment under private-placement loan agreements, limited obligation bonds, loans from the North Carolina Department of Environment and Natural Resources, and the United States Department of Agriculture. Loan agreements are recorded in the appropriate columns of the government-wide and proprietary fund financial statements. The Southeast Water District issued revenue bonds to construct water lines within the District. Loan agreements are recorded in the proprietary fund financial statements.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

10. Compensated Absences

The vacation policy of the County provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned, and the ABC Board employees may accumulate up to forty days earned vacation leave. An expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned in the County's government-wide and proprietary funds.

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

11. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

Restricted Fund Balance - This classification includes revenue sources that are restricted to specific purposes externally imposed or imposed by law.

Restricted for Stabilization by State Statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State Statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by state statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

through constitutional provisions or enabling legislation.” RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Restricted for Register of Deeds - portion of fund balance that is restricted by revenue source for automation and imaging enhancement improvements for the Register of Deeds’ office.

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

Restricted for Emergency Telephone – portion of fund balance restricted by state statute to enhance the County’s 911 system.

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

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

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

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

Restricted for Health Services – portion of fund balance that can only be used to benefit beneficiaries under the Social Security’s Representative Payee Program

The difference in restricted Fund Balance on Exhibit C from restricted net position on Exhibit A is ROD pension plan of \$186,138 and unexpended debt proceeds of \$23,554,737.

Committed Fund Balance - This classification represents the portion of fund balance that can only be used for specific purpose imposed by majority vote of Chatham County’s Governing Board (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action by the governing board.

Committed for Tax Revaluation – portion of fund balance that can only be used for Tax Revaluation

Committed for Capital Projects - portion of fund balance to be used for the construction of capital projects. The governing board has adopted an ordinance committing these funds to these projects.

Committed for LEO Special Separation Allowance – portion of fund balance that will be used for the Law Enforcement Officers’ Special Separation Allowance obligations.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Committed for Housing Trust – portion of fund balance to be used for Board designated affordable housing projects. The governing board has adopted a policy committing the use of these funds for emergency housing and affordable housing incentive programs.

Committed for Recreation – portion of fund balance to be used for Board designated recreation projects. The governing board has adopted a plan committing the use of these funds for recreation facility improvements and development.

Committed for Land Preservation – portion of fund balance to be used for Board designated farmland preservation projects. The governing board has adopted a plan committing the use of these funds for farmland preservation plans and initiatives.

Assigned Fund Balance - Portion of fund balance that Chatham County's Governing Board has budgeted for specific purposes.

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

Assigned for General Government - portion of fund balance budgeted by the Board for capital reserve expenditures.

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

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

Assigned for Public Safety – portion of fund balance budgeted by the Board for future emergency vehicle expenditures.

Unassigned Fund Balance - Portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The General Fund may report a positive unassigned fund balance. In governmental funds other than the General fund, it may be necessary to report a negative unassigned fund balance if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned for those purposes.

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

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

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

The Coal Ash Fund, Law Enforcement Separation Allowance Fund, Housing Trust Fund, and Tax Revaluation Fund are consolidated into the General Fund for reporting purposes on the Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds (Exhibit D). Fund balance for the General Fund is reconciled as follows:

	Revaluation Fund	Coal Ash Fund	Housing Trust Fund	Law Enforcement Separation Allowance Fund	Total
Fund balance, ending - General Fund (Exhibit F)	\$ -	\$ -	\$ -	\$ -	\$48,312,841
Revenues:					
Investment earnings	-	25,572	90	4,026	29,688
Other general revenues	-	-	-	155,000	155,000
Total Revenues	<u>-</u>	<u>25,572</u>	<u>90</u>	<u>159,026</u>	<u>184,688</u>
Expenditures:					
General government	572,000	-	-	-	572,000
Public safety	-	-	-	107,296	107,296
Economic and physical development	-	47,706	195,500	-	243,206
Cultural and recreational	-	-	-	-	-
Total Expenditures	<u>572,000</u>	<u>47,706</u>	<u>195,500</u>	<u>107,296</u>	<u>922,502</u>
Total revenues over expenditures	(572,000)	(22,134)	(195,410)	51,730	(737,814)
Other financing sources (uses)					
Transfers in	572,000	-	250,000	-	822,000
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>572,000</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>822,000</u>
Total revenues and other financing sources over expenditures and other financing uses	-	(22,134)	54,590	51,730	84,186
Fund balance:					
Beginning of year - July 1	1,452	4,858,149	88,206	835,851	5,783,658
End of year - June 30	<u>\$ 1,452</u>	<u>\$ 4,836,015</u>	<u>\$ 142,796</u>	<u>\$ 887,581</u>	<u>5,867,844</u>
Total ending fund balance (Exhibit D)					<u>\$ 54,180,685</u>

12. Defined Benefit-Cost Sharing Plans

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the state; the Local Governmental Employees' Retirement System (LGERS) and the

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

E. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position.

The governmental fund balance sheet includes a reconciliation between total fund balance for the governmental funds and net position for governmental activities as reported in the government-wide statement of net position. The net adjustment of \$(109,756,048) consists of the following:

Capital assets (net) used in governmental activities are not financial resources and are therefore not reported in the funds	\$	119,863,546
Assets and liabilities of the Self-Insurance Internal Service Fund used by management to account for certain insurance costs are included in governmental activities in the Statement of Net Position.		8,901,523
Charges related to advance refunding bond issue		1,157,782
Net pension asset		192,692
Pension related deferred outflows		7,984,865
OPEB related deferred outflows		4,018,551
Pension related deferred inflows		(230,750)
OPEB related deferred inflows		(238,922)
Deferred inflows of resources for taxes and other receivables		1,152,813
Liabilities that because they are not due and payable in the current period, do not require current resources to pay and are not reported in the fund statements:		
Bonds and installment financing		(221,850,944)
Accrued interest payable		(1,637,339)
Compensated absences		(2,106,422)
Net pension liability - LGERS		(12,547,544)
Total pension liability - LEOSSA		(3,488,326)
Net OPEB liability		<u>(10,927,573)</u>
Total adjustment	\$	<u><u>(109,756,048)</u></u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-Wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. The total adjustment of \$22,660,392 is comprised of the following:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 17,344,419
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(3,748,365)
Cost of disposed capital asset not recorded in fund statements	(47,021)
Issuance of long term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes resources of governmental funds. Neither transaction has any effect on net position. Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued; whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long term debt.	
Principal Payments and payments to escrow agent	10,886,778
Deferred charge on refunding	(82,699)
Contributions to the pension plan in the current fiscal year are not included on the statement of activities	2,600,818
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded in the fund statements.	
Difference in interest expense between fund statements and government wide statement (modified accrual) and government wide statement (full accrual)	49,649
Compensated absences	(253,521)
OPEB plan expense	171,539
Pension expense:	
Local Government Employee Retirement System (LGERS)	(4,320,271)
Register of Deeds (LGERS-ROD)	4,590
Law Enforcement Officers Special Separation Allowance (LEOSSA)	(399,610)
Revenues reported in the statement of activities that do not provide current resources are not recorded in the fund statements:	
Fair value of donated asset not recorded in the fund statements	3,280
Net revenue of the Self-Insurance Internal Service Fund determined to be governmental-type	775,284
Increase in deferred inflows of resources at end of year - taxes receivable	(324,478)
	\$ 22,660,392

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

II. Detail Notes on All Funds

A. Assets

1. Deposits

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

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

At June 30, 2021, the County's deposits had a carrying amount of \$8,929,936 and a bank balance of \$9,392,437. Of the bank balance, \$750,014 was covered by federal depository insurance and \$8,642,423 was covered by collateral held under the Pooling Method. The County had \$2,050 of cash on hand at year-end.

At June 30, 2021, the carrying amount of deposits for Chatham County ABC Board was \$756,535 and the bank balance was \$765,195. All of the bank balance was covered by federal depository insurance except for \$229,729.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

2. Investments

As of June 30, 2021, the County had the following investments and maturities:

<u>Investment Type</u>	Valuation	Fair Value	Less Than 6	6-12	1-5 Years
	Measurement Method		Months	Months	
US Government Agencies	Fair Value-Level 2	81,899,210	1,006,191	1,000,379	79,892,640
US Government Treasuries	Fair Value-Level 1	2,001,161	1,002,411	-	998,750
Commerical Paper	Fair Value-Level 2	51,029,606	45,037,446	5,992,160	-
NC Capital Management Trust - Government Portfolio	Fair Value-Level 1	35,664,931	N/A	N/A	N/A
Total		<u>\$ 170,594,908</u>	<u>\$ 47,046,048</u>	<u>\$ 6,992,539</u>	<u>\$ 80,891,390</u>

At June 30, 2021, the ABC Board had \$125,877 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAm by Standard and Poor's and AAA-mf by Moody's Investor Service. The ABC Board has no policy regarding credit risk.

Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAm rating from S&P and AAA-mf by Moody's Investor Service.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1 – Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2 – Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County has an informal investment policy that requires purchases of securities to be tiered with staggered maturity dates and limits investment maturities to a maximum of five years.

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2021, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAA-m by Standard & Poor's and AAA-mf by Moody's Investors Service as of June 30, 2021. The County's investments in US Agencies (Federal Home Loan Bank) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Custodial Credit Risk. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County’s informal policy indicates that the County shall utilize a third party custodial agent for book entry transactions, all of which shall be a trust department authorized to do trust work in North Carolina who has an account with the Federal Reserve. At June 30, 2021, all of the County’s investments were in the County’s name.

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

	Percent of total investments
Federal Farm Credit Bank	10.72%
Federal Home Loan Bank	20.15%
Federal Home Loan Mortgage Corporation	9.52%
Federal National Mortgage Association	7.76%

3. Property Tax - Use-Value Assessment on Certain Lands

In accordance with the general statutes, agriculture, horticulture, and forestland may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable.

The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Year	Levied	Tax	Interest	Total
2018	\$	5,284,902	\$ 1,255,169	\$ 6,540,070
2019		5,643,091	832,359	6,475,450
2020		5,660,900	325,505	5,986,405
2021		6,479,037	-	6,479,037
Total	\$	23,067,930	\$ 2,413,033	\$ 25,480,962

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

4. Receivables

Receivables at the government-wide level at June 30, 2021, were as follows:

	Taxes	Accounts	Interest	Due from Other	Total
	Receivable	Receivable	Receivable	Governments	
Governmental Activities:					
General	\$ 1,435,781	\$ 210,701	\$ 46,162	\$ 9,810,370	\$ 11,503,014
Other governmental	191,000	-	64,112	232,884	487,996
Internal service	-	10,325	8,825	-	19,150
Total	1,626,781	221,026	119,099	10,043,254	12,010,160
Allowance for doubtful accounts	488,330	-	-	-	488,330
Total governmental activities	\$ 1,138,451	\$ 221,026	\$ 119,099	\$ 10,043,254	\$ 11,521,830
Business-Type Activities					
Utility	\$ -	\$ 1,272,649	\$ 24,957	\$ 13,701	\$ 1,311,307
Southeast water district	-	156,381	1,040	-	157,421
Solid waste management	-	121,373	6,010	54,600	181,983
Total	-	1,550,403	32,007	68,301	1,650,711
Allowance for doubtful accounts	-	141,545	-	-	141,545
Total business-type activities	\$ -	\$ 1,408,858	\$ 32,007	\$ 68,301	\$ 1,509,166

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

Governmental Activities:

Local Option Sales Tax	\$ 5,435,047
Sales Tax Refunds	1,319,185
Motor Vehicle Tax	672,885
Local Municipalities	33,837
Federal and State Grants	2,449,388
Other	132,912
Total governmental activities	\$ 10,043,254

Business-Type Activities:

Solid Waste Disposal Tax	\$ 13,855
White Goods Disposal Tax	10,494
Scrap Tire Tax	30,251
Local municipalities	13,701
Total business-type activities	\$ 68,301

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

5. Capital Assets

Governmental capital asset activity for the year ended June 30, 2021, was as follows:

	Balance			Transfers	Balance
	July 1, 2020	Increases	Decreases	In (Out)	July 1, 2021
Non-depreciable assets:					
Land	\$ 13,370,557	\$ -	\$ -	\$ -	\$ 13,370,557
Construction in progress	9,522,247	16,169,612	-	(1,431,815)	24,260,044
Total	<u>22,892,804</u>	<u>16,169,612</u>	<u>-</u>	<u>(1,431,815)</u>	<u>37,630,601</u>
Depreciable assets:					
Buildings	92,235,776	-	168,911	828,232	92,895,097
Equipment and vehicles	20,845,024	1,178,087	444,824	603,583	22,181,870
Total	<u>113,080,800</u>	<u>1,178,087</u>	<u>613,735</u>	<u>1,431,815</u>	<u>115,076,967</u>
Less accumulated depreciation for:					
Buildings	14,411,866	1,547,444	135,129	-	15,824,181
Equipment and vehicles	15,250,505	2,200,921	431,585	-	17,019,841
Total	<u>29,662,371</u>	<u>3,748,365</u>	<u>566,714</u>	<u>-</u>	<u>32,844,022</u>
Depreciable assets, net	<u>83,418,429</u>	<u>(2,570,278)</u>	<u>47,021</u>	<u>1,431,815</u>	<u>82,232,945</u>
Total governmental activities capital assets, net	<u>\$ 106,311,233</u>	<u>\$ 13,599,334</u>	<u>\$ 47,021</u>	<u>\$ -</u>	<u>\$ 119,863,546</u>

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

Governmental Activities:

General government	\$ 1,647,947
Public safety	1,545,301
Human services	173,106
Economic and Physical Development	41,170
Cultural and recreational	340,841
Total	<u>\$ 3,748,365</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Enterprise Fund capital asset activity for the year ended June 30, 2021 was as follows:

	Balance			Transfers	Balance
	July 1, 2020	Increases	Decreases	In (Out)	July 1, 2021
Utility Fund Non-depreciable assets:					
Land	\$ 484,753	\$ -	\$ -	\$ -	\$ 484,753
Construction in progress	8,468,592	300,448	-	-	8,769,040
Total	<u>8,953,345</u>	<u>300,448</u>	<u>-</u>	<u>-</u>	<u>9,253,793</u>
Depreciable assets:					
Buildings	5,478,618	-	-	-	5,478,618
Equipment and vehicles	2,573,760	312,352	22,621	-	2,863,491
Distribution lines	49,601,209	-	-	-	49,601,209
Total	<u>57,653,587</u>	<u>312,352</u>	<u>22,621</u>	<u>-</u>	<u>57,943,318</u>
Less accumulated depreciation:					
Buildings	5,225,540	51,474	-	-	5,277,014
Equipment and vehicles	1,769,617	198,010	22,621	-	1,945,006
Distribution lines	14,509,833	1,066,165	-	-	15,575,998
Total	<u>21,504,990</u>	<u>1,315,649</u>	<u>22,621</u>	<u>-</u>	<u>22,798,018</u>
Depreciable assets, net	<u>36,148,597</u>	<u>(1,003,297)</u>	<u>-</u>	<u>-</u>	<u>35,145,300</u>
Total utility fund capital assets, net	<u>\$ 45,101,942</u>	<u>\$ (702,849)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,399,093</u>
	Balance			Transfers	Balance
	July 1, 2020	Increases	Decreases	In (Out)	July 1, 2021
Southeast Water District:					
Depreciable assets:					
Distribution lines	\$ 5,307,500	\$ -	\$ -	\$ -	\$ 5,307,500
Less accumulated depreciation:					
Distribution lines	956,481	106,339	-	-	1,062,820
Depreciable assets, net	<u>4,351,019</u>	<u>(106,339)</u>	<u>-</u>	<u>-</u>	<u>4,244,680</u>
Total Southeast Water District Fund capital assets, net	<u>\$ 4,351,019</u>	<u>\$ (106,339)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,244,680</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Balance</u> <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u> <u>In (Out)</u>	<u>Balance</u> <u>July 1, 2021</u>
Solid Waste & Recycling Fund					
Non-depreciable assets:					
Land	\$ 495,505	\$ -	\$ -	\$ -	\$ 495,505
Depreciable assets:					
Buildings	3,500,195	-	-	(1)	3,500,194
Equipment and vehicles	<u>2,509,920</u>	<u>257,562</u>	<u>3,000</u>	<u>1</u>	<u>2,764,483</u>
Total	<u>6,010,115</u>	<u>257,562</u>	<u>3,000</u>	<u>-</u>	<u>6,264,677</u>
Less accumulated depreciation:					
Buildings	1,876,780	51,917		-	1,928,697
Equipment and vehicles	<u>2,263,555</u>	<u>171,925</u>	<u>3,000</u>	<u>-</u>	<u>2,432,480</u>
Total	<u>4,140,335</u>	<u>223,842</u>	<u>3,000</u>	<u>-</u>	<u>4,361,177</u>
Depreciable assets, net	<u>1,869,780</u>	<u>33,720</u>	<u>-</u>	<u>-</u>	<u>1,903,500</u>
Total Solid Waste Management Fund capital assets, net	<u>\$ 2,365,285</u>	<u>\$ 33,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,399,005</u>
Total Enterprise fund capital assets	<u>\$ 51,818,246</u>	<u>\$ (775,468)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,042,778</u>

6. Net Investment in Capital Assets

	<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>Type</u> <u>Activities</u>
Capital assets, net of depreciation	<u>\$ 119,863,546</u>	<u>\$ 51,042,778</u>
Long-term debt	213,611,091	11,629,503
Add premium on long-term obligations	8,239,853	-
Less unspent debt proceeds	(8,965,669)	-
Less debt not tied to capital assets	<u>(152,409,692)</u>	<u>-</u>
Long-term debt related to capital assets	<u>60,475,583</u>	<u>11,629,503</u>
Invested in capital assets net of related debt	<u>\$ 59,387,963</u>	<u>\$ 39,413,275</u>

Unexpended debt proceeds related to education debt in the amount of \$14,589,068 is not included in the calculation of governmental Net Investment in Capital Assets.

Deferred charge on refunding is not related to County's capital assets and is not included in the calculation of governmental Net Investment in Capital Assets.

CHATHAM COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

7. Discretely Presented Component Units

Activity for the ABC Board for the year ended June 30, 2021, was as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2021</u>
Depreciable assets:				
Non-depreciable assets:				
Land	\$ 197,758	\$ -	\$ -	\$ 197,758
Construction in progress	<u>8,865</u>	<u>26,252</u>	<u>-</u>	<u>35,117</u>
Total	<u>206,623</u>	<u>26,252</u>	<u>-</u>	<u>232,875</u>
Depreciable assets:				
Leasehold improvements	290,142	114,069	-	404,211
Furniture/equipment	<u>191,093</u>	<u>30,164</u>	<u>-</u>	<u>221,257</u>
Total	<u>481,235</u>	<u>144,233</u>	<u>-</u>	<u>625,468</u>
Less accumulated depreciation:				
Furniture/equipment and leasehold improvements	<u>305,948</u>	<u>52,486</u>	<u>-</u>	<u>358,434</u>
Total	<u>305,948</u>	<u>52,486</u>	<u>-</u>	<u>358,434</u>
Total ABC Board capital assets, net	<u>\$ 381,910</u>	<u>\$ 117,999</u>	<u>\$ -</u>	<u>\$ 499,909</u>

8. Construction Commitments

The County has one active construction project for a high school. At June 30, 2021, the County's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Seaforth High School	\$ 63,517,573	\$ 587,613

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2021, were as follows:

	Vendors	Salaries and Benefits	Claims Liability	Total
Governmental activities:				
General	\$ 4,810,234	\$ 880,963	\$ -	\$ 5,691,197
Internal service	1,242	-	424,000	425,242
Other governmental	1,717,392	-	-	1,717,392
Total governmental activities	\$ 6,528,868	\$ 880,963	\$ 424,000	\$ 7,833,831
Business-type activities:				
Utility	\$ 392,773	\$ 40,859	-	\$ 433,632
Southeast water district	13,616	-	-	13,616
Solid waste management	99,133	19,549	-	118,682
Total business-type activities	\$ 505,522	\$ 60,408	\$ -	\$ 565,930

2. Operating Leases

The ABC Board occupies a facility in Moncure that had an operating lease agreement which expired January 31, 2016. The facility is being leased on a month-to-month basis. The base rental rate was \$1,125 and was adjusted annually. The monthly rent at June 30, 2021 and 2020 was \$1,125 and \$1,125, respectively.

The Governor's Village facility has an operating lease agreement with a five-year term, which expires October 31, 2021. The monthly rent at June 30, 2021 and 2020 was \$4,821 and \$4,681, respectively.

The ABC Board has an operating lease for Chatham Crossing, 1132 US Highway 15-501 N, Suite 302, Chapel Hill, North Carolina. The lease is a ten-year lease expiring June 28, 2022. The monthly rent at June 30, 2021 and 2020 was \$5,479 and \$5,325, respectively.

Total lease and common area expense for the years ended June 30, 2021 and 2020 amounted to \$175,811 and \$155,372, respectively. Minimum future lease payments are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2022	\$ 258,405
2023	245,340
2024	245,340
2025	245,340
2026	201,508
Thereafter	1,194,898
Total	\$ 2,390,831

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Pension Plan and Other Post-Employment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The County and the ABC Board contribute to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2021, was 10.90% of compensation for law enforcement officers and 10.15% for general employees, actuarially

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$2,662,144 for the year ended June 30, 2021.

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

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

At June 30, 2021, the County reported a liability of \$13,447,159 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County’s proportion of the net pension liability was based on a projection of the County’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the County’s proportion was .376% (measured as of June 30, 2020), which was an increase of .0068% from its proportion as of June 30, 2020 (measured as of June 30, 2019).

For the year ended June 30, 2021, the County recognized pension expense of \$4,630,019. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,698,140	\$ -
Changes of assumptions	1,000,732	-
Net difference between projected and actual earnings on pension plan investments	1,892,328	-
Changes in proportion and difference between County contributions and proportionate share of contributions	27,921	55,790
County contributions subsequent to the measurement date	2,662,144	-
Total	\$ 7,281,265	\$ 55,790

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The \$2,662,144 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2022	\$ 1,280,311
2023	1,712,884
2024	1,010,106
2025	560,032
2026	-
Thereafter	-
	<u>\$ 4,563,333</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan actuary currently uses mortality rates based on the RP-2014 *Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2019 valuation with the exception of the discount rate were based on the results of an actuarial experience study as of December 31, 2014.

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

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

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100.0%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 27,282,821	\$ 13,447,159	\$ 1,948,751

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

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

b. Law Enforcement Officers' Special Separation Allowance

1. Plan Description

The County administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. A separate report was not issued for the plan.

All full-time County law enforcement officers are covered by the Separation Allowance. At the December 31, 2019 valuation date, the Separation Allowance's membership consisted of:

Retirees receiving benefits	5
Active plan members	<u>100</u>
Total	<u><u>105</u></u>

2. Summary of Significant Accounting Policies

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

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statement 73.

3. Actuarial Assumptions

The entry age normal actuarial cost method was used in the December 31, 2019 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount Rate	1.93 percent

The discount rate used to measure the TPL is the S&P Municipal Bond 20 Year High Grade Rate Index. The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2019. Other key assumptions include:

Mortality Assumption: All mortality rates use Pub-2010 amount-weighted tables.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Mortality Projection: All mortality rates are projected from 22010 using generational improvement with Scale MP-2019.

Deaths After Retirement (Healthy): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

Deaths After Retirement (Disabled Members at Retirement): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

Deaths After Retirement (Survivors of Deceased Members): Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

Deaths Prior to Retirement: Mortality rates are based on the Safety Mortality Table for Employees.

4. Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The County paid \$103,099 as benefits came due for the reporting period. Administration costs of the separation allowance are paid in the General Fund. There were no contributions made by employees.

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

At June 30, 2021, the County reported a total pension liability of \$3,488,326. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$404,730.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 154,970	\$ 73,758
Changes of assumptions	953,098	69,967
County benefit payments and plan administrative expense made subsequent to the measurement date	54,235	-
Total	\$ 1,162,303	\$ 143,725

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The County paid \$54,235 in benefit payments subsequent to the measurement date that are reported as deferred outflows of resources related to pension which will be recognized as a decrease of the total pension liability in the year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending June 30:

2022	\$	169,951
2023		170,708
2024		170,234
2025		162,233
2026		168,949
Thereafter		<u>122,268</u>
	\$	<u><u>964,343</u></u>

Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate

The following presents the County's total pension liability calculated using the discount rate of 1.93 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	<u>1% Decrease</u> <u>(0.93%)</u>	<u>Discount Rate</u> <u>(1.93%)</u>	<u>1% Increase</u> <u>(2.93%)</u>
Total pension liability	\$ 3,873,444	\$ 3,488,326	\$ 3,142,842

**Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance**

		<u>2021</u>
Beginning Balance	\$	2,216,411
Service Cost		163,282
Interest on the total pension liability		70,574
Changes in benefit terms		-
Differences between expected and actual experience		161,407
Changes of assumptions or other inputs		979,751
Benefit payments		(103,099)
Other changes		-
Net pension obligation, end of year	\$	<u><u>3,488,326</u></u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.26 percent at June 30, 2020 to 1.93 percent at June 30, 2021.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Changes in Benefit Terms. Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study as of December 31, 2019.

c. Supplemental Retirement Income Plan for Law Enforcement Officers (401k)

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2021 were \$312,318, which consisted of \$255,508 from the County and \$56,810 from law enforcement officers. No amounts were forfeited.

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

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

Funding Policy. The County contributes each month an amount equal to four and one-half percent (4.5%). Also, the employees may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2021 were \$1,433,193, which consisted of \$930,090 from the County and \$503,103 from employees.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Deferred Compensation Plan

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

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

Funding Policy. The County does not contribute to the deferred compensation plan. Employees may make voluntary contributions to the plan. Contributions from employees for the year ended June 30, 2021 were \$71,477.

f. Registers of Deeds' Supplemental Pension Fund

Plan Description. The County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, cost-sharing multiple-employer benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Annual Comprehensive Financial Report for the State of North Carolina. The state's Annual Comprehensive Financial Report includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$13,672 for the year ended June 30, 2021.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

At June 30, 2021, the County reported an asset of \$192,692 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2020, the County's proportion was .841%, which was a increase of .115% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$4,590. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 3,926
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	16,488
Changes in proportion and difference between County contributions and proportionate share of contributions	14,741	14,553
County contributions subsequent to the measurement date	13,672	-
Total	\$ 28,413	\$ 34,967

\$13,672 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ending June 30, 2022.

Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:

2022	\$ (2,773)
2023	(5,859)
2024	(7,441)
2025	(4,154)
2026	-
Thereafter	-
	\$ (20,227)

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary Increases	3.50 to 7.75 percent, including inflation and productivity factor
Discount Rate	3.75 percent net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study as of December 31, 2014. Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2020 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that System contributions will continue to follow the current funding policy. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Sensitivity of the County's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension asset (liability)	\$ 163,668	\$ 192,692	\$ 217,252

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

Pension (Asset) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension asset (liability) for LGERS and ROD was measured as of June 30, 2020, and the total pension liability used to calculate the net position liability (asset) was determined by an actuarial valuation as of December 31, 2019. The total pension liability for LEOSSA was measured as of June 30, 2020, with an actuarial valuation date of December 31, 2019. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expenses:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension (Asset) Liability	\$ 13,447,159	\$ (192,692)	n/a	\$ 13,254,467
Proportion of the Net Pension Asset (Liability)	0.37631% (-0.84079%)		n/a	
Total Pension Liability			\$ 3,488,326	\$ 3,488,326
Pension Expense	\$ 4,630,019	\$ 4,590	\$ 404,730	\$ 5,039,339

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 1,698,140	\$ -	\$ 154,970	\$ 1,853,110
Changes of assumptions	1,000,732	-	953,098	1,953,830
Net difference between projected and actual earnings on pension plan investments	1,892,328	-	-	1,892,328
Changes in proportion and differences between County contributions and proportionate share of contributions	27,921	14,741	-	42,662
County contributions (LGERS,ROD)/benefits payments and administration costs (LEOSSA) subsequent to the measurement date	<u>2,662,144</u>	<u>13,672</u>	<u>54,235</u>	<u>2,730,051</u>
	<u>\$ 7,281,265</u>	<u>\$ 28,413</u>	<u>\$ 1,162,303</u>	<u>\$ 8,471,981</u>
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ -	\$ 3,926	\$ 73,758	\$ 77,684
Changes of assumptions	-	-	69,967	69,967
Net difference between projected and actual earnings on pension plan investments		16,488		16,488
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>55,790</u>	<u>14,553</u>	<u>-</u>	<u>70,343</u>
	<u>\$ 55,790</u>	<u>\$ 34,967</u>	<u>\$ 143,725</u>	<u>\$ 234,482</u>

h. Other Post-Employment Benefits

Healthcare Benefits

Plan Description. Under the terms of resolutions, the County administers a single employer defined benefit Healthcare Benefits Plan (the HCB Plan). The Board has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. On September 25, 2019, the ABC Board voted to approve the revised “Retiree’s Benefit Section” of the personnel policy manual. This section eliminated the other post-employee benefit plan and replaced it with a Retiree Longevity Payout Plan.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Benefits Provided. Retirees qualify for benefits provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least twenty years of creditable service with the County. Retirees who do not meet the aforementioned criteria have the option to purchase basic medical insurance for themselves and their dependents through the County for eighteen months. The County is self-insured for its health care coverage and contributes funding for all employee groups annually. Currently, 21 retirees are eligible for post-employment health benefits. Eligible retirees who elect this coverage will be enrolled in the group health plan. For members that retire with at least 30 years of service, the County pays 100% of the premium cost for pre-medicare eligible health coverage for the retiree. For members that retire with at least 25 years of service, the County pays 75% of the premium cost for pre-medicare eligible health coverage. For members that retire with at least 20 years of service, the County pays 50% of the premium cost for pre-medicare eligible health coverage. Retirees who qualify for coverage receive the same benefits as active employees. Coverage for all retirees who are eligible for Medicare will be transferred to a Medicare Supplemental plan after qualifying for Medicare. The plan may be amended by the Board of Commissioners. A separate report was not issued for the plan.

<u>Years of County Service at Retirement</u>	<u>County Contribution</u>
30 or more	100.00%
25-29	75.00%
20-24	50.00%
Less than 20	Not Eligible

Membership of the other post-employment health benefit plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	21
Active plan members	582
Total	603

Total OPEB Liability

The County's total OPEB liability of \$11,711,042 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2020.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Inflation	2.50%
Real wage growth	1.00%
Wage inflation	3.50%
Salary increases, including wage inflation	
General Employees	3.50%-7.75%
Law Enforcement Officers	3.50%-7.35%
Municipal Bond Index Rate (Discount)	
Prior Measurement Date	3.50%
Measurement Date	2.21%
Health Care Cost Trends, Pre-Medicare	7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030

The discount rate used to measure the total OPEB liability was based on a Municipal Bond Index Rate equal to the Bond Buyer 20-year General Obligation Bond Index published at the last Thursday of June by The Bond Buyer, and the Municipal Bond Index Rate as of the measurement date.

Changes in the total OPEB Liability:

Total OPEB Liability as of June 30, 2020	\$	9,694,018
Changes for the year:		
Service Cost		582,904
Interest		353,245
Changes of benefit terms		(1,275,334)
Differences between expected and actual experience		836,314
Changes of assumptions or other inputs		1,891,571
Benefit payments		(371,676)
Net changes		<u>2,017,024</u>
Total OPEB Liability as of June 30, 2021	\$	<u><u>11,711,042</u></u>

The County selected a Municipal Bond Index Rate equal to the Bond Buyer 20-year General Obligation Bond Index published at the last Thursday of June by the Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure the TOL.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2020 valuation.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	\$ 13,224,585	\$ 11,711,042	\$ 10,381,588

Sensitivity of the Total OPEB Liability to Health Care Cost Trend Rates. The following presents the total OPEB liability of the County, determined using current health care cost trend rates, as well as what the County's total OPEB liability would be if it were determined using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than current rates:

	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 10,011,057	\$ 11,711,042	\$ 13,805,170

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the County recognized OPEB expense of \$187,839. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,590,735	\$ 5,485
Changes of assumptions	2,344,256	250,567
Benefit payments and administrative costs made subsequent to the measurement date	371,676	-
Total	\$ 4,306,667	\$ 256,052

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

\$371,676 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

Year Ending June 30:

2022	\$	473,405
2023		473,405
2024		473,405
2025		473,405
2026		506,353
Thereafter		1,278,966
	\$	<u>3,678,939</u>

h. Other Employment Benefits

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

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

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

5. Deferred Outflows and Inflows of Resources

The County has several deferred inflows and outflows of resources. The deferred amounts are comprised of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Charges on refunding of debt	\$ 1,157,782	\$ -
Pensions - difference between projected and actual investment earnings	1,892,328	16,488
Pensions/OPEB - net difference between expected and actual experience	3,443,845	83,169
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	42,662	70,343
Pensions/OPEB - change of assumptions	4,298,086	320,534
Contributions to pension plans subsequent to the measurement date (LGERs, ROD)	2,675,816	-
Benefit payments for the OPEB plan paid subsequent to the measurement date	371,676	-
Benefit payments and admin costs paid subsequent to the measurement date (LEOSSA)	54,235	-
Prepaid taxes not yet earned (General)	-	426,151
Prepaid taxes not yet earned (Special Revenue)	-	31,054
Total	\$ 13,936,430	\$ 947,739

6. Closure and Post-Closure Landfill Costs

The County closed its landfill facility in October 1993 and placed a cover on the site. The County is required to perform semi-annual monitoring functions at the site. Costs that relate to monitoring activities are expensed as incurred. Post-closure costs for the fiscal year ended June 30, 2021 were approximately \$15,642. As a result of the monitoring, the County submitted an assessment and remediation plan pursuant to NC Administrative Code 13B in November 1998 to the North Carolina Department of Environment and Natural Resources Division of Waste Management. The plan required the County to purchase land adjacent to the site as a buffer zone. All necessary property to provide the buffer zone was purchased and the project was completed during the fiscal year ending June 30, 2009. Future post-closure costs is an estimate subject to changes resulting from inflation, technology, or changes in applicable laws or regulations. Future post-closure costs will be expensed as incurred.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

7. Risk Management

The County and the ABC Board are exposed to various risks of loss related to torts; theft of damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County purchases insurance for property, general liability, automobile, errors and omissions, law enforcement liability and employment practices liability. The County's property is insured based on replacement cost up to a limit of \$167,703,305. The County carries flood insurance for non-flood zones with a limit of coverage of \$5,000,000. General liability law enforcement, public official, employment practices and employee benefit liability have a \$1,000,000 per occurrence limit, with a \$3,000,000 total aggregate and automobile liability of \$1,000,000 per occurrence. The County purchases a \$5,000,000 umbrella over all of the casualty coverage. The County carries a workers' compensation policy that has a \$1,000,000 per occurrence limit, with a \$1,000,000 per employee limit and a total \$1,000,000 policy limit. The County self-insures for employee health coverage, which is administered by a private company, with a stop loss provision of \$125,000 per occurrence. The maximum lifetime benefit is unlimited, in accordance with health care reform. The County carries commercial insurance coverage above these limits. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years. In accordance with G.S. 159-29, the County's employees that have access to \$100 or more of the County's funds at any given time are performance bonded through a commercial surety bond. The Finance Officer, Register of Deed and Tax Collector are each individually bonded for \$100,000. The Sheriff is individually bonded for \$25,000. The remaining employees that have access to funds are bonded under a blanket bond for \$300,000.

The ABC Board has commercial property, general liability, auto liability, liquor legal liability, workmen's compensation and employee health coverage. There have been no significant reductions in insurance coverage in the prior year and settled claims have not exceeded coverage in any of the last three fiscal years. Each board member and employees designated as general manager and finance officer are bonded in the amount of \$50,000 secured by a corporate surety.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

8. Contingent Liabilities and Commitments

At June 30, 2021, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

The County self-insures for employee health coverage. The County has recorded a liability in its Self-Insurance Internal Service Fund for estimated unfilled insurance claims.

The following is a reconciliation of the changes in the liability for claims and judgments for the prior two fiscal years:

Accrued claims and judgments, June 30, 2019	\$ (438,000)
Additions	4,979,553
Benefits paid	<u>(4,965,658)</u>
Accrued claims and judgments, June 30, 2020	(424,105)
Additions	5,889,216
Benefits paid	<u>(5,889,111)</u>
Accrued claims and judgments, June 30, 2021	<u>\$ (424,000)</u>

9. Long-Term Obligations

a. General Obligation Indebtedness

All general obligation bonds serviced by the County's General Fund are collateralized by the full faith, credit, and taxing power of the County. Chatham County's Southeast Water District issues general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds, which are recorded in the Southeast Water District, are collateralized by the full faith, credit, and taxing power of the District. Principal and interest payments are appropriated when due. In the event of a default, the County agrees to pay to the Purchaser, on demand, interest on any and all amounts due and owing by the County under this Agreement.

The County's general obligation bonds payable at June 30, 2021 is comprised of the following individual issue:

Serviced by the County's Southeast Water District:

\$3,200,000 Bonds issued March 23, 2010, interest at 4%; due serially to 2049 \$2,749,000

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

Year Ending June 30	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ -	\$ -	\$ 56,000	\$ 109,960
2023	-	-	58,000	107,720
2024	-	-	60,000	105,400
2025	-	-	63,000	103,000
2026	-	-	65,000	100,480
2027-2031	-	-	366,000	461,240
2032-2036	-	-	446,000	381,920
2037-2041	-	-	542,000	285,360
2042-2046	-	-	661,000	167,800
2047-2049	-	-	432,000	33,920
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,749,000</u>	<u>\$ 1,856,800</u>

b. Revenue Bonds

In March 2010, the County’s Southeast Water District issued \$1,886,000 of direct placement revenue bonds through the USDA to provide funds for the acquisition and construction of major water system capital improvements. The revenue bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of the County’s property or upon its income, receipts, or revenues. The taxing power of the County is not pledged for the payment of the principal or interest on the revenue bonds and no owner has the right to compel the exercise of the taxing power of the County or the forfeiture of any or its property in connection with any default under the bond order.

The County’s revenue bonds payable at June 30, 2021 are comprised of the following individual issues:

Serviced by the County's Southeast Water District:

\$262,000 Bonds issued March 23, 2010, interest at 4%; due serially to 2049	\$ 226,000
\$1,624,000 Bonds issued March 23, 2010, interest at 4%; due serially to 2049	<u>1,366,000</u>
	<u>\$ 1,592,000</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

Year Ending June 30	Business-type Activities	
	Principal	Interest
2022	\$ 35,000	\$ 53,435
2023	37,000	52,267
2024	38,000	51,028
2025	39,000	49,755
2026	40,000	48,450
2027-2031	221,000	221,265
2032-2036	262,000	181,560
2037-2041	309,000	134,612
2042-2046	364,000	79,155
2047-2049	247,000	16,803
	\$ 1,592,000	\$ 888,330

The County has been in compliance with the covenants as to service charges in Section 5.01 of the Bond Order, authorizing the issuance of the Water Revenue Bond Series 2010 A and B since its adoption in 2010. Section 5.01 of the Bond Order requires the debt service coverage ratio to be no less than 110%.

The debt service coverage ratio calculation for the year ended June 30, 2021, is as follows:

Operating revenues	\$ 810,231
Operating expenses	<u>468,850</u>
Operating income*	341,381
Nonoperating revenues (expenses)**	<u>(107,503)</u>
Income available for debt service	233,878
Debt service, principal and interest paid (Revenue bond only)	<u>\$ 88,384</u>
Debt service coverage ratio	265%

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

** Per revenue covenants, this does not include revenue bond interest of \$54,384

c. Other Long-Term Obligations

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

As authorized by state law G.S. 160A-20 and 153A-158.1, the County has financed a portion of these property acquisitions for use by the Chatham County Board of Education. The installment purchases were

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

issued pursuant to a deed of trust that requires that legal title remain with the County as long as the debt is outstanding. The County has entered into a lease with the Chatham County Board of Education that transfers the rights and responsibilities for maintenance and insurance of the property to the Board of Education. The lease term is the same as that of the installment purchase obligation. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Board of Education.

Other long-term debt payables by the County at June 30, 2021 are comprised of the following individual issues:

Governmental Activities:

Direct Placements:

\$21,940,000 loan with United States Department of Agriculture (USDA); Total loan amount includes three separate loans with USDA; Due in annual installments with interest at 3.125%; maturing in 2053 collateralized by real estate	\$ 19,412,047
\$7,120,000 refunding private placement loan with PNC Bank. Original loan with Capital Bank for the construction of a joint County and Central Carolina Community College (CCCC) library and CCCC classroom facility on the CCCC campus in Pittsboro and CCCC classroom facilities in Siler City. Due in annual principal payments and semi-annual interest payments with interest at 2.160%, maturing in 2029, collateralized by real estate	5,530,000
\$18,151,334 loan with Banc of America Proceeds to be used for the upgrade and enhancement of the County's emergency communications/radio system, including construction of several communication towers. Due in annual principal payment and semi-annual interest payments with interest at 1.566%, maturing in 2030, collateralized by equipment.	16,335,945
Qualified School Construction Bonds (QSCB) in the amount of \$4,396,129 issued on July 23, 2010: due serially to 2025 with interest at 6.11%; collateralized by real estate including a school building; the QSCB permits a subsidy to the County at 5.34%. Due to federal government sequestration the amount of interest credit received has been reduced by 8.7%.	<u>1,465,377</u>
Total Direct Placements	<u>42,743,369</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Other Long-Term Obligations:

Limited Obligation Bonds Series 2012 in the amount of \$6,717,498 issued April 5, 2012; interest at 1.00% to 5.00 %; due serially to 2029. Proceeds used for renovations to a county office building and renovations to an existing high school facility; collateralized by the real estate 3,182,722

Limited Obligation Bonds Series 2013 in the amount of \$15,495,000 issued in January 2013 for the construction of a new detention facility; due in semi-annual payments with interest at 2.00% to 4.00% maturing in 2033; collateralized by the real estate 9,760,000

Limited Obligation Bonds Series 2014 in the amount of \$45,445,000 issued in November 2014 for the construction of a new agriculture center, the Margaret Pollard Middle School and a joint county-school garage; due in semi-annual payments with interest at 3.00% to 5.00%; maturing in 2033; collateralized by real estate 31,725,000

Limited obligation bonds Series 2015 (refunding) in the amount of \$21,655,000 issued in July 2015; interest at 2.00% to 5.00%; due serially to 2035. Proceeds used for the construction of an elementary school, additions to and renovation of an existing high school, addition and renovation of the Department of Social Services Building, construction of roads, water lines and sewer lines for the County Business Campus, other miscellaneous school capital projects; collateralized by real estate 14,470,000

Limited Obligation Bonds Series 2018 in the amount of \$111,730,000 issued in July 2018 for the construction of a new high school, a new elementary school and a Health Science Community College Facility; interest at 3.00% to 5.00% due serially to 2038; collateralized by real estate 111,730,000
Total other long term obligations 170,867,722
Total Governmental Activities \$ 213,611,091

Business-type Activities

Direct Borrowings

\$6,229,235 State revolving loan with North Carolina Department of Environment and Natural Resources; due in annual installments with an interest rate of 2.305%; maturing in 2026 1,557,309

\$151,580 State revolving loan with North Carolina Department of Environment and Natural Resources; due in annual installments with an interest rate of 2.80%; maturing in 2021 8,916

1,566,225

Other long term obligations

\$12,077,502 Refunding limited obligation bonds, Series 2012 issued April 5, 2012; interest at 1.00% to 5.00 %; due serially to 2029 5,722,278

Total Business-type Activities \$ 7,288,503

Total other long-term obligations \$ 220,899,594

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

<u>Year Ending June 30</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 14,371,568	\$ 8,333,959	\$ 1,024,016	\$ 301,150
2023	14,385,390	7,759,190	1,037,590	261,496
2024	14,364,566	7,182,609	1,060,081	217,448
2025	14,367,681	6,605,932	1,088,997	172,114
2026	14,421,173	6,027,483	1,117,912	125,336
2027-2031	64,002,843	21,571,173	1,959,907	118,076
2032-2036	46,466,119	9,707,863	-	-
2037-2041	21,672,078	2,786,733	-	-
2042-2046	3,565,548	1,277,707	-	-
2047-2051	4,158,590	684,665	-	-
2052-2053	1,835,535	86,243	-	-
	<u>\$ 213,611,091</u>	<u>\$ 72,023,557</u>	<u>\$ 7,288,503</u>	<u>\$ 1,195,620</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

d. Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2021:

	Balance			Balance	Current
	June 30, 2020	Additions	Retirements	June 30, 2021	Portion
Governmental Activities:					
Other long-term obligations	\$ 175,783,363	\$ -	\$ 4,915,641	\$ 170,867,722	\$ 11,141,363
Direct placement installment purchase	45,982,887	-	3,239,518	42,743,369	3,230,205
Premium on long-term obligations	10,971,472	-	2,731,619	8,239,853	2,731,619
Net Pension Liability-LGERS	9,415,176	3,132,368	-	12,547,544	-
Total Pension Liability-LEOSSA	2,216,411	1,271,915	-	3,488,326	-
Total OPEB Liability	9,045,488	1,882,085	-	10,927,573	-
Compensated absences	1,852,901	3,510,773	3,257,252	2,106,422	2,106,422
Total Governmental Activities	<u>\$ 255,267,698</u>	<u>\$ 9,797,141</u>	<u>\$ 14,144,030</u>	<u>\$ 250,920,809</u>	<u>\$ 19,209,609</u>
Business-Type Activities:					
Solid Waste and Recycling:					
Net Pension Liability-LGERS	\$ 245,192	\$ 81,574	\$ -	\$ 326,766	\$ -
Total OPEB Liability	235,565	49,014	-	284,579	-
Compensated absences	39,448	77,982	68,373	49,057	49,057
Total Solid Waste Management:	<u>520,205</u>	<u>208,570</u>	<u>68,373</u>	<u>660,402</u>	<u>49,057</u>
Southeast Water District:					
General obligation bonds	2,802,000	-	53,000	2,749,000	56,000
Direct placement revenue bonds	1,626,000	-	34,000	1,592,000	35,000
Total Southeast Water District	<u>4,428,000</u>	<u>-</u>	<u>87,000</u>	<u>4,341,000</u>	<u>91,000</u>
Utility:					
Other long-term obligations	6,406,637	-	684,359	5,722,278	703,637
Direct borrowings	1,886,603	-	320,378	1,566,225	320,379
Net Pension Liability-LGERS	429,843	143,006	-	572,849	-
Total OPEB Liability	412,965	85,925	-	498,890	-
Compensated absences	92,742	136,731	136,045	93,428	93,428
Total Utility:	<u>9,228,790</u>	<u>365,662</u>	<u>1,140,782</u>	<u>8,453,670</u>	<u>1,117,444</u>
Total Business Type Activities	<u>\$ 14,176,995</u>	<u>\$ 574,232</u>	<u>\$ 1,296,155</u>	<u>\$ 13,455,072</u>	<u>\$ 1,257,501</u>

At June 30, 2021, Chatham County had a legal debt margin of \$759,651,740.

The County's outstanding notes from direct placements related to governmental activities of \$42,743,369 contain a provision that in an event of default, outstanding amounts become immediately due if the County is unable to make payment. Net pension liability, total pension liability, and net other post-employment liability for governmental activities are all typically liquidated in the General Fund. Compensated absences

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

for governmental activities typically have been liquidated in the General Fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

Debt Related to Capital Activities – Of the total Governmental Activities debt listed, only \$69,441,252 relates to assets to which the County holds title.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2021, consist of the following:

<u>Fund Type</u>	<u>Fund Name</u>	<u>To</u>	<u>From</u>	<u>Purpose</u>
Major Governmental	General	\$ 1,005,024	\$ -	
Non-major Governmental	Impact Fees	-	1,005,024	Fund debt on planned capital
Major Governmental	General	10,398,562	-	
Major Governmental	Capital Improvement Project Reserve	-	10,398,562	Fund debt on planned capital
Major Governmental	General	1,318,321	-	Reimburse General Fund for
Non-major Governmental	Cares Act - Coronavirus	-	1,318,321	COVID Expenses Incurred
Major Governmental	General	-	572,000	
Major Governmental	General - Revaluation	572,000	-	Fund expense of revaluation
Major Governmental	General	-	250,000	Fund expenses for affordable
Major Governmental	General - Housing Trust	250,000	-	housing
Major Governmental	General	-	2,433,314	
Non-major Governmental	Capital Reserve	2,433,314	-	Fund pay-go capital projects
Major Governmental	General	-	12,823,888	
Major Governmental	Capital Improvement Project Reserve	12,823,888	-	Fund debt on planned capital
Major Governmental	General	-	469	Reimburse fund for ineligible
Non-major Governmental	Emergency Telephone System	469	-	expenses
Non-major Governmental	Capital Reserve	-	5,468,298	Fund pay go facilities projects:
Non-major Governmental	Facilities Improvements	5,432,021	-	Animal Shelter
Non-major Governmental	Facilities Improvements	30,790	-	Transit facility
Non-major Governmental	Facilities Improvements	5,487	-	EMS base
Non-major Governmental	Recreation - Payment in Lieu	-	235,380	
Non-major Governmental	County-Wide Park Projects	235,380	-	Fund expenses for park project
Non-major Governmental	Capital Reserve	-	500,000	Reimburse for initial project
Major Governmental	Capital Improvement Project Reserve	500,000	-	expenses -radios
Non-major Governmental	Capital Reserve	-	44,101	Fund cost of tech/system
Non-major Governmental	Tech/System Improvement Project	44,101	-	upgrades - voting equipment
Non-major Governmental	Capital Reserve	-	-	
Non-major Governmental	Facilities Improvements	-	-	Fund pay-go facilities projects
Non-major Governmental	Capital Reserve	-	28,797	Fund pay-go school capital
Non-major Governmental	School Construction Project	28,797	-	projects
Major Governmental	Capital Improvement Project Reserve	-	2,661,223	Fund initial expense for
Non-major Governmental	Facilities Improvements	2,661,223	-	facilities project - EOC
Major Governmental	Capital Improvement Project Reserve	-	330,325	Fund initial expense for school
Non-major Governmental	School Construction Project	330,325	-	construction project
Non-major Governmental	Capital Reserve	-	152,460	Business Park infrastructure
Total Governmental Transfers		\$ 38,069,702	\$ 38,222,162	

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Fund Type	Fund Name	To	From	Purpose
Major Enterprise	Utility Capital Reserve	\$ -	\$ 147,988	Fund water project:
Major Enterprise	Utility Capital Projects	2,250	-	Haywood
Major Enterprise	Utility Capital Projects	145,738	-	Western Intake
Major Enterprise	Utility Capital Projects	152,460	-	Business Park infrastructure
Total Enterprise Transfers		<u>\$ 300,448</u>	<u>\$ 147,988</u>	
Grand Total		<u>\$ 38,370,150</u>	<u>\$ 38,370,150</u>	

ABC Board

The ABC Board had long-term net pension liability as of June 30, 2021 of \$149,012.

D. Fund Balance

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

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

Total Fund Balance-General Fund	\$ 54,180,685
Less:	
Restricted:	
Stablization by State Statute	10,058,054
Register of Deeds	385,064
Committed:	
LEO Special Separation Allowance	886,902
Revaluation	1,452
Housing Trust	465,647
Recreation	322,851
Land Preservation	322,851
Assigned:	
Subsequent Year's Expenditures	7,069,857
County Fund Balance Policy Minimum	<u>27,160,094</u>
Remaining Fund Balance	<u>\$ 7,507,913</u>

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

III. Related Organization

Chatham County Housing Authority

The County's officials appoint the board members of the Chatham County Housing Authority. The County's accountability for this organization does not extend beyond making these appointments. There were no appropriations to the Chatham County Housing Authority for the year ended June 30, 2021.

IV. Joint Ventures

a. Cardinal Innovations Healthcare Solutions Area Authority

The County, in conjunction with Alamance, Cabarrus, Caswell, Davidson, Franklin, Granville, Halifax, Orange, Person, Rowan, Stanly, Union, Vance, and Warren Counties participates in a joint venture to operate Cardinal Innovations Healthcare Solutions Area Authority as a Managed Care Organization. The County appoints three members to the OPC Community Operations Oversight Board. The County has an ongoing financial responsibility for the joint venture because the Authority's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Authority; therefore, no equity interest has been reflected in the financial statements

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

at June 30, 2021. The County appropriated \$419,445 to the Authority to supplement its activities for the year ended June 30, 2021.

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

b. Central Carolina Community College

The County, in conjunction with the State of North Carolina, Lee County, Harnett County, and Lee County Board of Education, participates in a joint venture to operate Central Carolina Community College (Community College). Each of the participants appoints members to the sixteen-member Board of Trustees of the Community College. The president of the Community College's student government serves as an ex officio non-voting member of the Community College's Board of Trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. In addition, the County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$1,348,477 to the Community College for operating purposes during the fiscal year ended June 30, 2021. The participating governments do not have an equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2021.

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

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

c. Chatham County Economic Development Corporation

The County, in conjunction with the Towns of Pittsboro, Siler City and Goldston, participates in a joint venture to operate the Chatham County Economic Development Corporation (Corporation). The Corporation is a joint venture established to facilitate economic expansion within the County. The County has an ongoing financial responsibility for the Corporation because the Corporation's continued existence depends on the participating governments' continued funding. The County contributed \$338,484 to the Corporation during the fiscal year ended June 30, 2021. None of the participating governments has any equity interest in the Corporation, so no equity interest has been reflected in the financial statements at June 30, 2021.

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

V. Jointly Governed Organization

The County, in conjunction with four other counties and twenty municipalities, established the Triangle J Council of Governments (Council). The participating governments established the Council to coordinate certain funding received from federal and state agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$163,269 to the Council during the fiscal year ended June 30, 2021.

VI. Summary Disclosure of Significant Commitments and Contingencies

Federal and State-Assisted Programs

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

Coronavirus Disease (COVID-19)

During the fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. Specific to the County, COVID-19 is expected to impact various parts of its fiscal year 2021-22 operations and financial results. Management believes the County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

VII. Subsequent Event

On August 24, 2021, the County issued limited obligation bonds for the construction of a new emergency operations center and schools central services building. The par amount was \$31,585,000. The County also

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

refunded \$9,455,000 in limited obligation bonds on an issuance for the construction of the county detention center. The par amount was \$9,455,000.

On September 20, 2021, the Board of Commissioners adopted a resolution and budget ordinance to authorize the receipt of and budgetary authority for \$14,464,924 in American Rescue Plan funds. The County expects to receive the funds within the next twelve months.

VIII. Change in Accounting Principle

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post-employment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

As part of implementing the statement, the County performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, fund balance and net position were restated as follows:

Governmental Activities Net Position - Increase (Decrease)	General Fund Balance - Increase (Decrease)	Nonmajor Special Revenue Fund Balance - Increase (Decrease)	Fiduciary Net Position - Custodial Fund - Increase (Decrease)	
\$ -	\$ -	\$ -	\$ 21,116	Cash related to funds held on behalf of incarcerated inmates was reclassified from an Agency Fund into a newly created Jail Inmate Pay Custodial Fund
-	-	-	164,593	Cash, taxes receivables and liabilities related to ad valorem and vehicle property taxes collected by the County on behalf of various municipalities were reclassified out of the Agency Fund into a newly created Municipal Tax Custodial Fund. The portion of liabilities attributable to taxes receivable at the beginning of the year was restated as custodial net position
-	-	-	9,032	Cash, taxes receivables and liabilities related to ad valorem and vehicle property taxes collected by the County on behalf of a sanitary district was reclassified out of the Agency Fund into a newly created Gulf-Goldston Sanitary District Custodial Fund. The portion of liabilities attributable to taxes receivable at the beginning of the year was restated as custodial net position
-	-	-	-	Cash and receivables from fees net of liabilities owed to Chatham County Cooperative Extension were reclassified out of the Agency Fund into the General Fund. The portion of liabilities in the Agency Fund representing receivables that were uncollected at the beginning of the year were restated as fund balance
56,309	-	56,309	-	Cash received under the Social Security Administration's Representative Payee Program net of liabilities owed for payments on behalf of beneficiaries were reclassified out of the Agency Fund into a newly created Representative Payee Special Revenue Fund. The portion of liabilities in the Agency Fund representing net cash available at the beginning of the year were restated as fund balance
-	-	-	-	Cash and receivables from fines and forfeitures net of liabilities owed to the Chatham County Board of Education were reclassified out of the Agency Fund into a newly created Fines and Forfeitures Special Revenue Fund. The portion of liabilities in the Agency Fund representing receivables that were uncollected at the beginning of the year were restated as fund balance
\$ 56,309	\$ -	\$ 56,309	\$ 194,741	

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REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

- Schedule of Proportionate Share of the Net Pension Liability (Asset) for the Local Government Employees' Retirement System
- Schedule of County Contributions - Local Governmental Employees' Retirement System
- Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) – Register of Deeds' Supplemental Pension Fund
- Schedule of County Contributions - Register of Deeds' Supplemental Pension Fund
- Schedule of Changes in Total Pension Liability for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Total Pension Liability as a Percentage of Covered Employee Payroll for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Changes in the Net OPEB Liability and Related Ratios - Healthcare Benefits Plan
- Schedule of County Contributions – Healthcare Benefit Plan

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CHATHAM COUNTY, NORTH CAROLINA

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

	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	0.376%	0.369%	0.369%	0.367%	0.366%	0.341%	0.332%	0.321%
County's proportionate share of the net pension liability (asset) \$	\$ 13,447,159	\$ 10,090,211	\$ 8,759,161	\$ 5,607,813	\$ 7,760,106	\$ 1,534,786	\$ (1,960,376)	\$ 3,868,077
County's covered payroll	\$ 25,097,535	\$ 24,085,796	\$ 22,889,672	\$ 22,413,231	\$ 20,498,220	\$ 20,508,359	\$ 19,459,465	\$ 18,620,663
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	53.580%	41.893%	38.267%	25.020%	37.857%	7.484%	-10.074%	20.773%
Plan fiduciary net position as a percentage of the total pension liability **	88.610%	90.860%	91.630%	94.180%	91.470%	98.090%	102.640%	94.350%

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

* Information for this schedule is not presented retroactively.

Ten years of information will be presented as additional years of information becomes available.

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

CHATHAM COUNTY, NORTH CAROLINA
SCHEDULE OF THE COUNTY CONTRIBUTIONS
LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS *

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 2,662,144	\$ 2,289,955	\$ 1,912,737	\$ 1,763,243	\$ 1,675,171	\$ 1,401,182	\$ 1,465,177	\$ 1,326,337
Contributions in relation to the contractually required contribution	2,662,144	2,289,955	1,912,737	1,763,243	1,675,171	1,401,182	1,465,177	1,326,337
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 25,815,562	\$ 25,097,535	\$ 24,085,796	\$ 22,889,672	\$ 22,413,231	\$ 20,498,220	\$ 20,508,359	\$ 19,459,465
Contributions as a percentage of covered payroll	10.312%	9.124%	7.941%	7.703%	7.474%	6.836%	7.140%	7.110%

* Information for this schedule is not presented retroactively.
 Ten years of information will be presented as additional years of information becomes available.

CHATHAM COUNTY, NORTH CAROLINA

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

	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	0.841%	0.726%	0.878%	0.876%	0.820%	0.840%	0.828%	0.800%
County's proportionate share of the net pension liability (asset) \$	\$ (192,692)	\$ (143,297)	\$ (145,431)	\$ (149,543)	\$ (153,131)	\$ (194,731)	\$ (187,622)	\$ (170,953)
Plan fiduciary net position as a percentage of the total pension liability	173.620%	164.110%	153.310%	153.770%	160.170%	197.290%	193.880%	190.500%

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

* Information for this schedule is not presented retroactively.

Ten years of information will be presented as additional years of information becomes available.

CHATHAM COUNTY, NORTH CAROLINA
SCHEDULE OF THE COUNTY CONTRIBUTIONS
REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND
LAST EIGHT FISCAL YEARS *

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 13,672	\$ 8,051	\$ 6,899	\$ 7,514	\$ 7,612	\$ 7,299	\$ 6,116	\$ 6,758
Contributions in relation to the contractually required contribution	13,672	8,051	6,899	7,514	7,612	7,299	6,116	6,758
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 84,468	\$ 83,375	\$ 80,946	\$ 78,589	\$ 79,152	\$ 73,773	\$ 67,399	\$ 67,396
Contributions as a percentage of covered payroll	16.186%	9.656%	8.523%	9.561%	9.617%	9.894%	9.074%	10.027%

* Information for this schedule is not presented retroactively.
 Ten years of information will be presented as additional years of information becomes available.

CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST FIVE FISCAL YEARS *

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 2,216,411	\$ 2,102,099	\$ 2,049,455	\$ 1,804,635	\$ 1,716,137
Service cost	163,282	143,014	153,127	128,004	134,235
Interest on the total pension liability	70,574	74,805	63,277	68,070	60,310
Differences between expected and actual experience in the measurement of the total pension liability	161,407	(92,897)	32,315	(22,711)	-
Changes of assumptions or other inputs	979,751	83,421	(102,044)	153,782	(52,457)
Benefit payments	<u>(103,099)</u>	<u>(94,031)</u>	<u>(94,031)</u>	<u>(82,325)</u>	<u>(53,590)</u>
Ending balance of the total pension liability	<u>\$ 3,488,326</u>	<u>\$ 2,216,411</u>	<u>\$ 2,102,099</u>	<u>\$ 2,049,455</u>	<u>\$ 1,804,635</u>

* Information for this schedule is not presented retroactively.

Ten years of information will be presented as additional years of information becomes available.

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST FIVE FISCAL YEARS***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 3,488,326	\$ 2,216,411	\$ 2,102,099	\$ 2,049,455	\$ 1,804,635
Covered employee payroll**	5,224,374	4,854,871	4,875,211	4,749,118	4,818,486
Total pension liability as a percentage of covered employee payroll	66.77%	45.65%	43.12%	43.15%	37.45%

Notes to the Schedule:

Chatham County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

* Information for this schedule is not presented retroactively.

 Ten years of information will be presented as additional years of information becomes available.

** Valuation Payroll

CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
HEALTHCARE BENEFITS PLAN
LAST FOUR FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 582,904	\$ 533,397	\$ 440,217	\$ 480,948
Interest	353,245	325,835	232,649	196,636
Changes of benefit terms	(1,275,334)	-	-	-
Differences between expected and actual experience	836,314	223,024	1,035,430	(10,437)
Changes of assumptions	1,891,571	450,204	463,615	(476,815)
Benefit payments	<u>(371,676)</u>	<u>(425,294)</u>	<u>(238,211)</u>	<u>(138,851)</u>
Net change in total OPEB liability	2,017,024	1,107,166	1,933,700	51,481
Total OPEB liability - beginning	<u>9,694,018</u>	<u>8,586,852</u>	<u>6,653,152</u>	<u>6,601,671</u>
Total OPEB liability - ending	<u>\$ 11,711,042</u>	<u>\$ 9,694,018</u>	<u>\$ 8,586,852</u>	<u>\$ 6,653,152</u>
Covered Employee Payroll	\$ 27,440,950	\$ 22,136,241	\$ 22,136,241	\$ 20,549,678
Total OPEB liability as a percentage of covered employee payroll	42.68%	43.79%	38.79%	32.38%

Notes to Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u>Fiscal Year</u>	<u>Rate</u>
2018	3.56%
2019	3.89%
2020	3.50%
2021	2.21%

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

* Information for this schedule is not presented retroactively.

Ten years of information will be presented as additional years of information becomes available.

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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MAJOR GOVERNMENTAL FUNDS

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GENERAL FUND

The consolidated General Fund consist of five funds -General Fund, Revaluation Fund, Coal Ash Fund, Housing Trust Fund and Law Enforcement Special Separation Allowance Fund

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

Revaluation Fund - The Tax Revaluation Fund accounts for funds accumulated by the County to fund cost associated with the revaluation of county real and personal property. The County is on a four year revaluation cycle.

Coal Ash Fund - The Coal Ash Fund accounts for the funds received from Duke Energy to compensate the County for the siting of a coal ash structural fill facility within the County. Funds will be used for various projects including monitoring the facility for any environmental impacts.

Housing Trust Fund - The Housing Trust Fund accounts for funds accumulated by the County to support affordable housing projects.

Law Enforcement Special Separation Allowance Fund - The Law Enforcement Separation Allowance accounts for funds accumulated by the County to fund cost associated with law enforcement officer's special separation allowance obligations.

CAPITAL IMPROVEMENT PROJECT RESERVE

The Capital Improvement Reserve Fund accounts for the accumulation of funds to pay debt service and other expenses for major construction projects.

FACILITIES IMPROVEMENTS

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

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CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND CONSOLIDATED
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Revaluation Fund	Coal Ash Fund	Housing Trust Fund	Law Enforcement Separation Allowance Fund	Eliminations	Total General Fund
Revenues:							
Ad valorem taxes	\$ 81,974,219	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81,974,219
Local option sales taxes	20,376,820	-	-	-	-	-	20,376,820
Other taxes	1,433,801	-	-	-	-	-	1,433,801
Unrestricted intergovernmental revenues	4,305,542	-	-	-	-	-	4,305,542
Restricted intergovernmental revenues	8,348,450	-	-	-	-	-	8,348,450
Permits and fees	2,443,581	-	-	-	-	-	2,443,581
Sales and services	3,027,538	-	-	-	-	-	3,027,538
Interest earned on investments	(876,491)	-	25,572	90	4,026	-	(846,803)
Other general revenues	1,135,766	-	-	-	155,000	(155,000)	1,135,766
Total revenues	122,169,226	-	25,572	90	159,026	(155,000)	122,198,914
Expenditures:							
General government	12,232,338	572,000	-	-	-	-	12,804,338
Public safety	21,504,401	-	-	-	107,296	(155,000)	21,456,697
Economic and physical development	3,624,227	-	47,706	195,500	-	-	3,867,433
Human services	17,348,944	-	-	-	-	-	17,348,944
Cultural and recreation	2,461,925	-	-	-	-	-	2,461,925
Intergovernmental:							
Education	39,111,500	-	-	-	-	-	39,111,500
Debt service:							
Principal repayments	8,155,159	-	-	-	-	-	8,155,159
Interest	8,772,517	-	-	-	-	-	8,772,517
Total expenditures	113,211,011	572,000	47,706	195,500	107,296	(155,000)	113,978,513
Revenues over (under) expenditures	8,958,215	(572,000)	(22,134)	(195,410)	51,730	-	8,220,401
Other Financing Sources (Uses):							
Transfers in	12,721,907	572,000	-	250,000	-	(822,000)	12,721,907
Transfers out	(16,079,671)	-	-	-	-	822,000	(15,257,671)
Total other financing sources (uses)	(3,357,764)	572,000	-	250,000	-	-	(2,535,764)
Net change in fund balances	5,600,451	-	(22,134)	54,590	51,730	-	5,684,637
Fund Balances:							
Fund balance, beginning	42,712,390	1,452	4,858,149	88,206	835,851	-	48,496,048
Fund balance, ending	\$ 48,312,841	\$ 1,452	\$ 4,836,015	\$ 142,796	\$ 887,581	\$ -	\$ 54,180,685

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad Valorem Taxes:				
Current year taxes:				
Real/personal	\$ 73,178,818	\$ 74,309,861	\$ 1,131,043	\$ 71,308,926
DMV - Motor vehicles	5,891,302	6,773,308	882,006	5,720,288
Total current year taxes	79,070,120	81,083,169	2,013,049	77,029,214
Prior year taxes	665,500	759,237	93,737	550,177
Penalties, interest, other	37,000	131,813	94,813	28,344
Total ad valorem taxes	79,772,620	81,974,219	2,201,599	77,607,735
Local Option Sales Tax:				
Article 39 - 1 percent	5,330,250	7,046,450	1,716,200	6,137,490
Article 40 - 1/2 percent	4,761,000	5,660,709	899,709	4,946,152
Article 42 - 1/2 percent	3,467,250	4,442,210	974,960	3,870,323
Article 44 - 1/2 percent	1,230,000	1,367,048	137,048	1,330,635
Article 46 - 1/2 percent	968,111	1,860,403	892,292	-
Total local option sales tax	15,756,611	20,376,820	4,620,209	16,284,600
Other Taxes:				
Deed stamp excise tax	774,060	1,277,624	503,564	876,628
Occupancy tax	109,000	131,594	22,594	109,184
Other	17,000	24,583	7,583	16,523
Total other taxes and licenses	900,060	1,433,801	533,741	1,002,335
Intergovernmental:				
Unrestricted intergovernmental:				
Payments in lieu of taxes	100,000	111,442	11,442	112,567
Beer and wine excise tax	237,000	246,646	9,646	249,500
ABC profit distribution	130,000	192,654	62,654	151,954
Medicaid hold harmless	2,300,000	3,745,984	1,445,984	3,066,342
Other	8,816	8,816	-	9,347
Total unrestricted	2,775,816	4,305,542	1,529,726	3,589,710
Restricted intergovernmental:				
State and federal grants	9,153,845	7,842,011	(1,311,834)	7,248,019
Other	537,783	506,439	(31,344)	592,242
Total restricted	9,691,628	8,348,450	(1,343,178)	7,840,261
Total intergovernmental	12,467,444	12,653,992	186,548	11,429,971
Permits and Fees:				
Inspections fees	1,455,000	1,750,307	295,307	1,647,533
Register of Deeds fees	375,390	604,994	229,604	461,656
Other	44,600	88,280	43,680	57,120
Total permits and fees	1,874,990	2,443,581	568,591	2,166,309

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		2020	
	Final Budget	Actual	Variance Over/Under	Actual
Sales and Services:				
Charges to other funds	400,000	371,385	(28,615)	378,763
Environmental health	-	-	-	368,785
Environmental services	309,730	480,675	170,945	374,940
Fire inspections	41,000	41,207	207	55,153
Health	1,084,511	1,618,517	534,006	1,041,380
Library	29,500	1,959	(27,541)	21,805
Planning	90,000	111,063	21,063	93,048
Recreation fees	94,610	54,442	(40,168)	46,615
Sheriff	99,822	94,865	(4,957)	105,822
Tax	242,000	203,348	(38,652)	169,097
Other	50,538	50,077	(461)	64,637
Total sales and services	<u>2,441,711</u>	<u>3,027,538</u>	<u>585,827</u>	<u>2,720,045</u>
Investment Earnings:				
Interest on investments	150,000	273,350	123,350	698,027
Market value investment adjustment	-	(1,149,841)	(1,149,841)	(305,934)
Total investment earnings	<u>150,000</u>	<u>(876,491)</u>	<u>(1,026,491)</u>	<u>392,093</u>
Other General Revenues:				
Rent	272,950	257,589	(15,361)	279,411
Contributions and donations	605,071	717,885	112,814	694,168
Sale of surplus property	-	106,471	106,471	39,495
Miscellaneous	357,178	53,821	(303,357)	135,294
Total other general revenues	<u>1,235,199</u>	<u>1,135,766</u>	<u>(99,433)</u>	<u>1,148,368</u>
Total revenues	<u>114,598,635</u>	<u>122,169,226</u>	<u>7,570,591</u>	<u>112,751,456</u>
Expenditures:				
General Government:				
Governing Board:				
Salaries and benefits	299,389	296,114	3,275	288,777
Other operating expenditures	127,774	95,365	32,409	99,205
Total	<u>427,163</u>	<u>391,479</u>	<u>35,684</u>	<u>387,982</u>
County Manager:				
Salaries and benefits	1,401,409	1,402,248	(839)	1,283,107
Other operating expenditures	65,953	52,847	13,106	72,767
Total	<u>1,467,362</u>	<u>1,455,095</u>	<u>12,267</u>	<u>1,355,874</u>
Finance:				
Salaries and benefits	860,336	828,840	31,496	832,626
Other operating expenditures	294,888	290,724	4,164	246,876
Total	<u>1,155,224</u>	<u>1,119,564</u>	<u>35,660</u>	<u>1,079,502</u>

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Tax:				
Salaries and benefits	1,212,910	1,183,881	29,029	1,193,768
Other operating expenditures	504,255	372,215	132,040	351,378
Capital outlay	-	-	-	3,764
Total	1,717,165	1,556,096	161,069	1,548,910
County Attorney:				
Salaries and benefits	66,677	66,683	(6)	64,314
Other operating expenses	331,274	199,858	131,416	312,125
Total	397,951	266,541	131,410	376,439
Information Services:				
Salaries and benefits	1,193,124	1,144,804	48,320	1,200,748
Other operating expenditures	747,158	708,721	38,437	702,203
Capital outlay	-	-	-	44,971
Total	1,940,282	1,853,525	86,757	1,947,922
Elections:				
Salaries and benefits	521,182	566,584	(45,402)	353,128
Other operating expenses	370,759	304,876	65,883	147,511
Capital outlay	4,075	4,075	-	-
Total	896,016	875,535	20,481	500,639
General Services:				
Salaries and benefits	3,768	7,587	(3,819)	-
Other operating expenses	783,025	601,367	181,658	524,388
Capital outlay	98,661	55,317	43,344	-
Total	885,454	664,271	221,183	524,388
Register of Deeds:				
Salaries and benefits	441,113	452,118	(11,005)	429,813
Other operating expenses	138,959	130,483	8,476	88,775
Total	580,072	582,601	(2,529)	518,588
Facilities Management:				
Salaries and benefits	1,097,583	1,097,537	46	1,065,209
Other operating expenditures	2,114,386	1,878,690	235,696	1,722,971
Capital outlay	117,533	49,520	68,013	32,765
Total	3,329,502	3,025,747	303,755	2,820,945
Agriculture and Conference Center				
Salaries and benefits	271,670	212,817	58,853	211,368
Other operating expenditures	75,383	29,928	45,455	39,517
Capital outlay	44,528	36,848	7,680	-
Total	391,581	279,593	111,988	250,885

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Court Facilities:				
Other operating expenditures	217,972	162,291	55,681	200,845
Total	217,972	162,291	55,681	200,845
Total general government	13,405,744	12,232,338	1,173,406	11,512,919
Public Safety:				
Sheriff:				
Salaries and benefits	11,396,106	10,847,282	548,824	10,598,769
Other operating expenditures	2,565,824	2,230,174	335,650	2,073,892
Capital outlay	587,657	330,908	256,749	420,004
Total sheriff	14,549,587	13,408,364	1,141,223	13,092,665
Law Enforcement Special Separation	155,000	155,000	-	145,000
Emergency Management:				
Salaries and benefits	331,046	331,399	(353)	3,312,781
Other operating expenditures	3,670,402	3,453,632	216,770	373,630
Capital outlay	4,196	4,196	-	153,585
Total	4,005,644	3,789,227	216,417	3,839,996
Emergency Communications:				
Salaries and benefits	1,719,977	1,717,738	2,239	1,600,958
Other operating expenses	197,840	173,333	24,507	164,144
Capital outlay	-	-	-	65,984
Total	1,917,817	1,891,071	26,746	1,831,086
Building Inspections:				
Salaries and benefits	759,570	719,544	40,026	690,479
Other operating expenditures	75,840	49,779	26,061	42,096
Capital outlay	24,737	23,998	739	7,050
Total	860,147	793,321	66,826	739,625
Fire Inspections:				
Salaries and benefits	303,613	303,887	(274)	275,997
Other operating expenses	44,061	25,377	18,684	25,867
Capital outlay	79,434	67,974	11,460	-
Total	427,108	397,238	29,870	301,864
Court-Related Programs:				
Salaries and benefits	740,140	593,687	146,453	539,469
Operating expenses	646,028	476,493	169,535	425,891
Total	1,386,168	1,070,180	315,988	965,360
Total public safety	23,301,471	21,504,401	1,797,070	20,915,596

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Economic and Physical Development:				
Planning:				
Salaries and employee benefits	777,021	774,136	2,885	764,970
Other operating expenditures	147,736	28,824	118,912	45,236
Capital outlay	-	-	-	4,645
Total	924,757	802,960	121,797	814,851
Central Permitting:				
Salaries and employee benefits	357,302	358,477	(1,175)	345,850
Other operating expenses	135,604	126,181	9,423	83,158
Total	492,906	484,658	8,248	429,008
Sedimentation and Erosion Control:				
Salaries and benefits	357,726	356,081	1,645	350,443
Operating expenses	22,974	10,798	12,176	13,309
Total	380,700	366,879	13,821	363,752
Cooperative Extension				
Salaries and benefits	1,989	1,989	-	2,585
Other operating expenditures	560,583	395,550	165,033	434,230
Capital outlay	69,850	69,850	-	-
Total	632,422	467,389	165,033	436,815
Soil and Water Conservation:				
Salaries and employee benefits	232,481	219,607	12,874	231,117
Other operating expenditures	24,887	15,993	8,894	13,596
Capital outlay	23,495	23,495	-	-
Total	280,863	259,095	21,768	244,713
Economic Development:				
Other operating expenditures	1,101,756	1,101,285	471	1,283,552
Total	1,101,756	1,101,285	471	1,283,552
Pittsboro/Siler City Convention & Visitors Bureau:				
Salaries and employee benefits	116,244	115,542	702	113,867
Other operating expenses	30,385	26,419	3,966	8,265
Total	146,629	141,961	4,668	122,132
Total economic/physical development	3,960,033	3,624,227	335,806	3,694,823
Human Services:				
Health:				
Salaries and benefits	5,486,987	4,574,468	912,519	4,498,163
Other operating expenditures	2,641,998	966,646	1,675,352	1,021,870
Capital outlay	29,800	29,800	-	8,200
Total	8,158,785	5,570,914	2,587,871	5,528,233

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Social Services:				
Administration:				
Salaries and benefits	6,584,311	6,545,886	38,425	6,171,288
Other operating expenditures	951,299	686,230	265,069	682,097
Total	<u>7,535,610</u>	<u>7,232,116</u>	<u>303,494</u>	<u>6,853,385</u>
Public Assistance:				
Assistance programs	2,285,943	1,843,096	442,847	1,826,462
Total social services	<u>9,821,553</u>	<u>9,075,212</u>	<u>746,341</u>	<u>8,679,847</u>
Mental Health:				
Mental health appropriation	452,855	421,361	31,494	420,814
Total	<u>452,855</u>	<u>421,361</u>	<u>31,494</u>	<u>420,814</u>
Council on Aging:				
Salaries and benefits	228,082	218,745	9,337	207,267
Other operating expenditures	1,185,046	1,184,112	934	-
Appropriation	-	-	-	1,123,494
Total	<u>1,413,128</u>	<u>1,402,857</u>	<u>10,271</u>	<u>1,330,761</u>
Appropriations to Non-Profit Agencies:				
Chatham Trades	206,000	206,000	-	206,000
Chatham Transit	230,852	211,569	19,283	99,423
Pass-through grants	-	-	-	204,796
Other non-profit agencies	472,109	461,031	11,078	379,834
Total	<u>908,961</u>	<u>878,600</u>	<u>30,361</u>	<u>890,053</u>
Total human services	<u>20,755,282</u>	<u>17,348,944</u>	<u>3,406,338</u>	<u>16,849,708</u>
Cultural and Recreational:				
Library:				
Salaries and benefits	1,123,947	1,032,700	91,247	1,063,635
Other operating expenditures	711,249	321,578	389,671	412,327
Capital outlay	20,808	20,808	-	-
Total	<u>1,856,004</u>	<u>1,375,086</u>	<u>480,918</u>	<u>1,475,962</u>
Recreation:				
Salaries and benefits	664,296	591,481	72,815	616,393
Other operating expenditures	526,984	424,463	102,521	425,314
Capital outlay	72,109	70,895	1,214	93,106
Total	<u>1,263,389</u>	<u>1,086,839</u>	<u>176,550</u>	<u>1,134,813</u>
Total cultural and recreational	<u>3,119,393</u>	<u>2,461,925</u>	<u>657,468</u>	<u>2,610,775</u>

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Education:				
Public Schools:				
Appropriation	37,915,310	37,915,310	-	35,727,310
Total	<u>37,915,310</u>	<u>37,915,310</u>	<u>-</u>	<u>35,727,310</u>
Community College:				
Appropriation	1,332,605	1,196,190	136,415	1,127,304
Total	<u>1,332,605</u>	<u>1,196,190</u>	<u>136,415</u>	<u>1,127,304</u>
Total education	<u>39,247,915</u>	<u>39,111,500</u>	<u>136,415</u>	<u>36,854,614</u>
Debt Service:				
Principal:				
Public schools - principal	2,845,639	2,845,637	2	2,734,884
Community college - principal	603,439	603,439	-	626,648
General building projects - principal	4,289,213	4,289,211	2	2,606,182
Business campus - principal	416,872	416,872	-	242,482
Total	<u>8,155,163</u>	<u>8,155,159</u>	<u>4</u>	<u>6,210,196</u>
Interest and Fees:				
Public schools - interest	5,844,658	5,841,957	2,701	5,964,655
Community college - interest	696,597	696,596	1	703,896
General building projects - interest	2,016,169	2,021,607	(5,438)	1,824,113
Business campus - interest	212,357	212,357	-	227,281
Total	<u>8,769,781</u>	<u>8,772,517</u>	<u>(2,736)</u>	<u>8,719,945</u>
Total debt service	<u>16,924,944</u>	<u>16,927,676</u>	<u>(2,732)</u>	<u>14,930,141</u>
Total expenditures	<u>120,714,782</u>	<u>113,211,011</u>	<u>7,503,771</u>	<u>107,368,576</u>
Revenues over (under) expenditures	<u>(6,116,147)</u>	<u>8,958,215</u>	<u>15,074,362</u>	<u>5,382,880</u>
Other Financing Sources (Uses):				
Transfers In:				
Special revenue funds:				
CARES Act	188,706	1,318,321	1,129,615	50,669
Impact fee	3,965,848	1,005,024	(2,960,824)	3,827,656
Capital projects funds:				
Capital Reserve	-	-	-	56,005
CIP Debt Reserve	12,081,146	10,398,562	(1,682,584)	9,033,789
Total transfers in	<u>16,235,700</u>	<u>12,721,907</u>	<u>(3,513,793)</u>	<u>12,968,119</u>

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance Over/Under	2020
	Final Budget	Actual		Actual
Transfers Out:				
General fund:				
Revaluation	(572,000)	(572,000)	-	(400,000)
Housing Trust	(250,000)	(250,000)	-	(250,000)
Special revenue funds:				
Emergency telephone system	(469)	(469)	-	(9,479)
Capital Projects:				
CIP Debt Reserve	(12,823,888)	(12,823,888)	-	(11,043,948)
Capital reserve	(2,433,314)	(2,433,314)	-	(4,486,747)
Total transfers out	(16,079,671)	(16,079,671)	-	(16,190,174)
Total transfers in (out)	156,029	(3,357,764)	(3,513,793)	(3,222,055)
Refunding Bonds Issued:				
Refunding bonds issued	-	-	-	7,120,000
Payment to refunding agent	-	-	-	(7,050,000)
Total	-	-	-	70,000
Total other financing sources (uses)	156,029	(3,357,764)	(3,513,793)	(3,152,055)
Net change in fund balance	(5,960,118)	5,600,451	11,560,569	2,230,825
Appropriated fund balance	5,960,118	-	(5,960,118)	-
Net change in fund balance	\$ -	5,600,451	\$ 5,600,451	2,230,825
Fund Balance:				
Fund balance, beginning		42,712,390		40,481,565
Fund balance, ending		\$ 48,312,841		\$ 42,712,390

CHATHAM COUNTY, NORTH CAROLINA

REVALUATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Expenditures:				
General government	\$ 572,000	\$ 572,000	\$ -	\$ 574,437
Revenues over (under) expenditures	(572,000)	(572,000)	-	(574,437)
Other Financing Sources (Uses):				
Transfers from (to) other funds				
General fund	572,000	572,000	-	400,000
Net change in fund balance	\$ -	-	\$ -	(174,437)
Fund Balance:				
Fund balance, beginning		1,452		175,889
Fund balance, ending		\$ 1,452		\$ 1,452

CHATHAM COUNTY, NORTH CAROLINA

COAL ASH

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ 20,000	\$ 25,572	\$ 5,572	\$ 103,415
Expenditures:				
General government	1,920,000	-	1,920,000	-
Economic and physical development	2,100,000	47,706	2,052,294	2,192,457
Cultural and recreational	-	-	-	21,840
Total expenditures	4,020,000	47,706	3,972,294	2,214,297
Revenues over (under) expenditures	(4,000,000)	(22,134)	3,977,866	(2,110,882)
Appropriated fund balance	4,000,000	-	(4,000,000)	-
Net change in fund balance	\$ -	(22,134)	\$ (22,134)	(2,110,882)
Fund Balance:				
Fund balance, beginning		4,858,149		6,969,031
Fund balance, ending		\$ 4,836,015		\$ 4,858,149

CHATHAM COUNTY, NORTH CAROLINA

HOUSING TRUST FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ -	\$ 90	\$ 90	\$ 2,606
Expenditures:				
Economic and physical development	<u>207,750</u>	<u>195,500</u>	<u>12,250</u>	<u>222,400</u>
Revenues over (under) expenditures	(207,750)	(195,410)	12,340	(219,794)
Other Financing Sources (Uses):				
Transfers from (to) other funds				
General fund	<u>200,000</u>	<u>250,000</u>	<u>50,000</u>	<u>250,000</u>
Appropriated fund balance	<u>7,750</u>	<u>-</u>	<u>(7,750)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>54,590</u>	<u>\$ 54,590</u>	<u>30,206</u>
Fund Balance:				
Fund balance, beginning		<u>88,206</u>		<u>58,000</u>
Fund balance, ending		<u>\$ 142,796</u>		<u>\$ 88,206</u>

CHATHAM COUNTY, NORTH CAROLINA

LAW ENFORCEMENT SEPARATION ALLOWANCE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ 2,000	\$ 4,026	\$ 2,026	\$ 13,544
Other general revenues	155,000	155,000	-	145,000
Total revenues	<u>157,000</u>	<u>159,026</u>	<u>2,026</u>	<u>158,544</u>
Expenditures:				
Public safety	<u>157,000</u>	<u>107,296</u>	<u>49,704</u>	<u>97,054</u>
Net change in fund balance	<u>\$ -</u>	<u>51,730</u>	<u>\$ 51,730</u>	<u>61,490</u>
Fund Balance:				
Fund balance, beginning		<u>835,851</u>		<u>774,361</u>
Fund balance, ending		<u>\$ 887,581</u>		<u>\$ 835,851</u>

CHATHAM COUNTY, NORTH CAROLINA

**MAJOR - CAPITAL IMPROVEMENT PROJECT RESERVE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	2021			2020
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Restricted intergovernmental:				
Lottery proceeds	\$ 150,000	\$ 1,340,675	\$ 1,190,675	\$ 184,341
Investment earnings	<u>125,000</u>	<u>165,753</u>	<u>40,753</u>	<u>711,798</u>
Total revenues	<u>275,000</u>	<u>1,506,428</u>	<u>1,231,428</u>	<u>896,139</u>
Other Financing Sources (Uses):				
Transfers from (to) other funds:				
Transfer from other funds				
General fund	12,823,888	12,823,888	-	11,043,948
Capital Reserve	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
Total transfers from other funds	<u>13,323,888</u>	<u>13,323,888</u>	<u>-</u>	<u>11,043,948</u>
Transfer to other funds				
General fund	(10,399,146)	(10,398,562)	584	(9,033,789)
Capital Reserve	-	-	-	(2,749,187)
School construction project	(517,742)	(330,325)	187,417	(451,368)
Facilities improvement	<u>(2,682,000)</u>	<u>(2,661,223)</u>	<u>20,777</u>	<u>(2,528,679)</u>
Total transfers (to) other funds	<u>(13,598,888)</u>	<u>(13,390,110)</u>	<u>208,778</u>	<u>(14,763,023)</u>
Total other financing sources (uses)	<u>(275,000)</u>	<u>(66,222)</u>	<u>208,778</u>	<u>(3,719,075)</u>
Net change in fund balance	<u>\$ -</u>	1,440,206	<u>\$ 1,440,206</u>	(2,822,936)
Fund Balance:				
Fund balance, beginning		<u>36,897,757</u>		<u>39,720,693</u>
Fund balance, ending		<u>\$ 38,337,963</u>		<u>\$ 36,897,757</u>

CHATHAM COUNTY, NORTH CAROLINA

MAJOR - FACILITIES IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Project Budget	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
Intergovernmental					
State grants	\$ 3,022,031	\$ -	\$ -	\$ -	\$ (3,022,031)
Investment earnings	-	3,233	3,080	6,313	6,313
Total revenues	<u>3,022,031</u>	<u>3,233</u>	<u>3,080</u>	<u>6,313</u>	<u>(3,015,718)</u>
Expenditures:					
General government:					
Transit facility	900,000	868,272	30,790	899,062	938
Annex renovations	4,063,002	1,896,861	440,922	2,337,783	1,725,219
Total general government	<u>4,963,002</u>	<u>2,765,133</u>	<u>471,712</u>	<u>3,236,845</u>	<u>1,726,157</u>
Public safety:					
Emergency Communication improvements	18,247,811	2,027,275	7,259,203	9,286,478	8,961,333
Emergency Operations Center	10,000,000	2,528,679	2,661,223	5,189,902	4,810,098
EMS base	1,329,715	63,549	5,487	69,036	1,260,679
Animal shelter	6,445,281	466,305	5,432,021	5,898,326	546,955
Total public safety	<u>36,022,807</u>	<u>5,085,808</u>	<u>15,357,934</u>	<u>20,443,742</u>	<u>15,579,065</u>
Total County Facility Construction	<u>40,985,809</u>	<u>7,850,941</u>	<u>15,829,646</u>	<u>23,680,587</u>	<u>17,305,222</u>
Other:					
Education:					
Health Sciences Building	12,298,608	10,796,515	38,040	10,834,555	1,464,053
CCCC - Trail	298,750	165,519	-	165,519	133,231
Total education	<u>12,597,358</u>	<u>10,962,034</u>	<u>38,040</u>	<u>11,000,074</u>	<u>1,597,284</u>
Total expenditures	<u>53,583,167</u>	<u>18,812,975</u>	<u>15,867,686</u>	<u>34,680,661</u>	<u>18,902,506</u>
Revenues over (under) expenditures	<u>(50,561,136)</u>	<u>(18,809,742)</u>	<u>(15,864,606)</u>	<u>(34,674,348)</u>	<u>15,886,788</u>
Other Financing Sources (Uses):					
Transfers from other funds:					
General fund	2,952,990	2,952,991	-	2,952,991	1
Capital reserve	13,208,520	1,563,645	5,468,298	7,031,943	(6,176,577)
Capital improvement project reserve	1,961,890	4,490,568	2,661,223	7,151,791	5,189,901
Total transfers from other funds	<u>18,123,400</u>	<u>9,007,204</u>	<u>8,129,521</u>	<u>17,136,725</u>	<u>(986,675)</u>
Transfers (to) other funds					
Capital improvement project reserve	(1,961,890)	(1,961,889)	-	(1,961,889)	1
Total transfers from (to) other funds	<u>16,161,510</u>	<u>7,045,315</u>	<u>8,129,521</u>	<u>15,174,836</u>	<u>(986,674)</u>
Issuance of long-term debt (net)					
Limited Obligation Bonds	33,289,614	13,407,600	-	13,407,600	(19,882,014)
Other debt proceeds	1,110,012	18,151,334	-	18,151,334	17,041,322
Premium on limited obligation bond	-	1,644,163	-	1,644,163	1,644,163
Total proceeds	<u>34,399,626</u>	<u>33,203,097</u>	<u>-</u>	<u>33,203,097</u>	<u>(1,196,529)</u>
Total other financing sources (uses)	<u>50,561,136</u>	<u>40,248,412</u>	<u>8,129,521</u>	<u>48,377,933</u>	<u>(2,183,203)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 21,438,670</u>	<u>\$ (7,735,085)</u>	<u>\$ 13,703,585</u>	<u>\$ 13,703,585</u>

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NONMAJOR GOVERNMENTAL FUNDS

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CHATHAM COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Assets:			
Cash, cash equivalents, and investments	\$ 8,623,584	\$ 14,799,377	\$ 23,422,961
Cash - restricted	-	10,371,860	10,371,860
Property taxes receivable, net of allowance	133,712	-	133,712
Due from other governmental agencies	138,384	-	138,384
Other receivables	8,874	14,867	23,741
Total assets	<u>\$ 8,904,554</u>	<u>\$ 25,186,104</u>	<u>\$ 34,090,658</u>
Liabilities:			
Accounts payable and accrued liabilities	<u>\$ 69,579</u>	<u>\$ 1,038,101</u>	<u>\$ 1,107,680</u>
Deferred Inflows of Resources:			
Unearned revenues	31,054	-	31,054
Taxes receivable	<u>133,712</u>	<u>-</u>	<u>133,712</u>
Total deferred inflows of resources	<u>164,766</u>	<u>-</u>	<u>164,766</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	147,258	14,867	162,125
Courthouse clock	71,286	-	71,286
Emergency telephone	266,619	-	266,619
Human Services	58,828	-	58,828
Fire protection	195,710	-	195,710
Law enforcement	220,911	-	220,911
Economic and physical development	16,882	-	16,882
Capital Projects	-	10,371,860	10,371,860
Assigned:			
Subsequent year's budget	-	2,550,000	2,550,000
General government	-	9,724,088	9,724,088
Education	6,160,861	1,385,150	7,546,011
Public Safety	-	77,038	77,038
Cultural and recreation	1,549,150	25,000	1,574,150
Unassigned	<u>(17,296)</u>	<u>-</u>	<u>(17,296)</u>
Total fund balances	<u>8,670,209</u>	<u>24,148,003</u>	<u>32,818,212</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,904,554</u>	<u>\$ 25,186,104</u>	<u>\$ 34,090,658</u>

CHATHAM COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2021**

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:			
Ad valorem taxes	\$ 10,945,228	\$ -	\$ 10,945,228
Restricted intergovernmental	3,221,796	868,050	4,089,846
Permits and fees	3,595,926	-	3,595,926
Investment earnings	37,987	418,919	456,906
Other general revenues	360	-	360
Total revenues	<u>17,801,297</u>	<u>1,286,969</u>	<u>19,088,266</u>
Expenditures:			
General government	-	66,129	66,129
Public safety	12,620,975	-	12,620,975
Human Services	172,439	-	172,439
Cultural and recreational	4,190	273,837	278,027
Education	185,121	15,347,775	15,532,896
Total expenditures	<u>12,982,725</u>	<u>15,687,741</u>	<u>28,670,466</u>
Revenues over (under) expenditures	<u>4,818,572</u>	<u>(14,400,772)</u>	<u>(9,582,200)</u>
Other Financing Sources (Uses):			
Transfers from other funds	469	3,071,917	3,072,386
Transfers (to) other funds	(2,558,725)	(6,193,656)	(8,752,381)
Total	<u>(2,558,256)</u>	<u>(3,121,739)</u>	<u>(5,679,995)</u>
Net change in fund balances	<u>2,260,316</u>	<u>(17,522,511)</u>	<u>(15,262,195)</u>
Fund Balances:			
Fund balances, beginning as previously reported	6,353,584	41,670,514	48,024,098
Prior period restatement - change in accounting principle	56,309	-	56,309
Fund balances, beginning as previously restated	<u>6,409,893</u>	<u>41,670,514</u>	<u>48,080,407</u>
Fund balances, ending	<u>\$ 8,670,209</u>	<u>\$ 24,148,003</u>	<u>\$ 32,818,212</u>

NONMAJOR SPECIAL REVENUE FUNDS

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

Individual Fund Descriptions:

- **Emergency Telephone System Fund** – Accounts for the activities of a County-wide emergency telephone service funded by telephone company line charges.
- **Forfeited Property** – Accounts for revenues received from federal and state law enforcement agencies as a result of property confiscations through court convictions of criminal activities. These funds must be used by the County for law enforcement purposes.
- **CARES Act** – Accounts for revenue received from the federal government to aid counties with expenditures incurred related to COVID-19.
- **Recreation – Payment in Lieu** – Accounts for an additional fee charged to developers of new subdivision lots (except family subdivisions) within the County. Recreation fees are used to offset the cost of recreational facilities within the district that the subdivision is located.
- **Bynum Canoe Access/Easement Monitoring** – Accounts for the funds received from Triangle Land Conservancy to aid in the maintenance and upkeep of the Haw River canoe access and fund received from Mid-Atlantic Mitigation, LLC at the request of the Soil and Water Conservation District for easement monitoring.
- **Impact Fees** - Accounts for an additional fee charged on all building permits issued for the construction of new dwellings. Impact fees collected are to be used to offset a portion of the cost of new school construction
- **Courthouse Clock** – Accounts for monies held for maintenance of the courthouse clock.
- **Library Foundation** – Accounts for the money received to aid in financing library capital and other expenses.
- **Representative Payee** – This fund accounts for the monies of indigents for which the county Department of Social Services acts as an agent.
- **Fines and Forfeitures** – This fund accounts for fines and forfeitures collected by the County that are required to be remitted to the Chatham County Board of Education.
- **Special Fire Districts** – Accounts for the property tax revenues received and distributed to the fire districts within the County.

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL REVENUE FUNDS - NONMAJOR FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	<u>Emergency Telephone System Fund</u>	<u>Forfeited Property</u>	<u>CARES Act</u>	<u>Impact Fee</u>	<u>Recreation Payment In Lieu</u>	<u>Bynum Canoe Access/Easement Monitoring</u>
Assets:						
Cash, cash equivalents, and investments	\$ 286,509	\$ 220,911	\$ -	\$ 6,160,861	\$ 1,536,087	\$ 16,882
Property taxes receivable, net	-	-	-	-	-	-
Due from other governmental agencies	44,606	-	-	-	-	-
Other receivables	361	209	-	6,411	1,614	15
Total assets	<u>\$ 331,476</u>	<u>\$ 221,120</u>	<u>\$ -</u>	<u>\$ 6,167,272</u>	<u>\$ 1,537,701</u>	<u>\$ 16,897</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	\$ 19,890	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>19,890</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:						
Prepaid taxes	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Restricted:						
Stabilization by State statute	44,967	209	-	6,411	1,614	15
Courthouse clock	-	-	-	-	-	-
Emergency telephone	266,619	-	-	-	-	-
Economic and physical development	-	-	-	-	-	16,882
Health services	-	-	-	-	-	-
Fire protection	-	-	-	-	-	-
Law enforcement	-	220,911	-	-	-	-
Assigned:						
Education	-	-	-	6,160,861	-	-
Cultural and recreation	-	-	-	-	1,536,087	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>311,586</u>	<u>221,120</u>	<u>-</u>	<u>6,167,272</u>	<u>1,537,701</u>	<u>16,897</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 331,476</u>	<u>\$ 221,120</u>	<u>\$ -</u>	<u>\$ 6,167,272</u>	<u>\$ 1,537,701</u>	<u>\$ 16,897</u>

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL REVENUE FUNDS - NONMAJOR FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	<u>Courthouse Clock</u>	<u>Library Foundation</u>	<u>Special Fire Districts</u>	<u>Representative Payee</u>	<u>Fines and Forfeitures</u>	<u>Total</u>
Assets:						
Cash and cash equivalents	\$ 71,286	\$ 13,063	\$ 244,720	\$ 58,828	\$ 14,437	\$ 8,623,584
Property taxes receivable, net	-	-	133,712	-	-	133,712
Due from other governmental agencies	-	-	77,412	-	16,366	138,384
Other receivables	65	12	187	-	-	8,874
Total assets	<u>\$ 71,351</u>	<u>\$ 13,075</u>	<u>\$ 456,031</u>	<u>\$ 58,828</u>	<u>\$ 30,803</u>	<u>\$ 8,904,554</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 18,886	\$ -	\$ 30,803	\$ 69,579
Total liabilities	<u>-</u>	<u>-</u>	<u>18,886</u>	<u>-</u>	<u>30,803</u>	<u>69,579</u>
Deferred Inflows of Resources:						
Prepaid taxes	-	-	31,054	-	-	31,054
Taxes receivable	-	-	133,712	-	-	133,712
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>164,766</u>	<u>-</u>	<u>-</u>	<u>164,766</u>
Fund Balances:						
Restricted:						
Stabilization by state statute	65	12	77,599	-	16,366	147,258
Courthouse clock	71,286	-	-	-	-	71,286
Emergency telephone	-	-	-	-	-	266,619
Economic and physical development	-	-	-	-	-	16,882
Health services	-	-	-	58,828	-	58,828
Fire protection	-	-	195,710	-	-	195,710
Law enforcement	-	-	-	-	-	220,911
Assigned:						
Education	-	-	-	-	-	6,160,861
Cultural and recreation	-	13,063	-	-	-	1,549,150
Unassigned	-	-	(930)	-	(16,366)	(17,296)
Total fund balances	<u>71,351</u>	<u>13,075</u>	<u>272,379</u>	<u>58,828</u>	<u>-</u>	<u>8,670,209</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 71,351</u>	<u>\$ 13,075</u>	<u>\$ 456,031</u>	<u>\$ 58,828</u>	<u>\$ 30,803</u>	<u>\$ 8,904,554</u>

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL REVENUE FUNDS - NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	Emergency Telephone System Fund	Forfeited Property	CARES Act	Impact Fee	Recreation Payment In Lieu	Bynum Canoe Access/ Easement Monitoring
Revenues:						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	535,274	20,379	2,306,064	-	-	-
Permits and fees	-	-	-	3,447,100	148,826	-
Sales and services	-	-	-	-	-	-
Investment earnings	1,505	1,128	-	19,516	8,981	104
Other general revenues	-	360	-	-	-	-
Total revenues	<u>536,779</u>	<u>21,867</u>	<u>2,306,064</u>	<u>3,466,616</u>	<u>157,807</u>	<u>104</u>
Expenditures:						
Public safety	671,024	42,011	987,743	-	-	-
Human services	-	-	-	-	-	-
Cultural and recreational	-	-	-	-	-	4,190
Education	-	-	-	-	-	-
Total expenditures	<u>671,024</u>	<u>42,011</u>	<u>987,743</u>	<u>-</u>	<u>-</u>	<u>4,190</u>
Revenues over (under) expenditures	<u>(134,245)</u>	<u>(20,144)</u>	<u>1,318,321</u>	<u>3,466,616</u>	<u>157,807</u>	<u>(4,086)</u>
Other Financing Sources (Uses):						
Transfers from other funds	469	-	-	-	-	-
Transfers to other funds	-	-	(1,318,321)	(1,005,024)	(235,380)	-
Total other financing sources (uses)	<u>469</u>	<u>-</u>	<u>(1,318,321)</u>	<u>(1,005,024)</u>	<u>(235,380)</u>	<u>-</u>
Net change in fund balances	<u>(133,776)</u>	<u>(20,144)</u>	<u>-</u>	<u>2,461,592</u>	<u>(77,573)</u>	<u>(4,086)</u>
Fund Balances:						
Fund balances, beginning as previously reported	445,362	241,264	-	3,705,680	1,615,274	20,983
Prior period restatement - change in accounting principle	-	-	-	-	-	-
Fund balances, beginning as previously restated	<u>445,362</u>	<u>241,264</u>	<u>-</u>	<u>3,705,680</u>	<u>1,615,274</u>	<u>20,983</u>
Fund balances, ending	<u>\$ 311,586</u>	<u>\$ 221,120</u>	<u>\$ -</u>	<u>\$ 6,167,272</u>	<u>\$ 1,537,701</u>	<u>\$ 16,897</u>

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL REVENUE FUNDS - NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Courthouse Clock</u>	<u>Library Foundation</u>	<u>Special Fire Districts</u>	<u>Representative Payee</u>	<u>Fines and Forfeitures</u>	<u>Total</u>
Revenues:						
Ad valorem taxes	\$ -	\$ -	\$ 10,945,228	\$ -	\$ -	\$ 10,945,228
Restricted intergovernmental	-	-	-	174,958	185,121	3,221,796
Permits and fees	-	-	-	-	-	3,595,926
Sales and services	-	-	-	-	-	-
Investment earnings	371	68	6,314	-	-	37,987
Other general revenues	-	-	-	-	-	360
Total revenues	<u>371</u>	<u>68</u>	<u>10,951,542</u>	<u>174,958</u>	<u>185,121</u>	<u>17,801,297</u>
Expenditures:						
Public safety	-	-	10,920,197	-	-	12,620,975
Human services	-	-	-	172,439	-	172,439
Cultural and recreational	-	-	-	-	-	4,190
Education	-	-	-	-	185,121	185,121
Total expenditures	<u>-</u>	<u>-</u>	<u>10,920,197</u>	<u>172,439</u>	<u>185,121</u>	<u>12,982,725</u>
Revenues over (under) expenditures	<u>371</u>	<u>68</u>	<u>31,345</u>	<u>2,519</u>	<u>-</u>	<u>4,818,572</u>
Other Financing Sources (Uses):						
Transfers from other funds	-	-	-	-	-	469
Transfers (to) other funds	-	-	-	-	-	(2,558,725)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,558,256)</u>
Net change in fund balances	<u>371</u>	<u>68</u>	<u>31,345</u>	<u>2,519</u>	<u>-</u>	<u>2,260,316</u>
Fund Balances:						
Fund balances, beginning as previously reported	70,980	13,007	241,034	-	-	6,353,584
Prior period restatement - change in accounting principle	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,309</u>	<u>-</u>	<u>56,309</u>
Fund balances, beginning as previously restated	<u>70,980</u>	<u>13,007</u>	<u>241,034</u>	<u>56,309</u>	<u>-</u>	<u>6,409,893</u>
Fund balances, ending	<u>\$ 71,351</u>	<u>\$ 13,075</u>	<u>\$ 272,379</u>	<u>\$ 58,828</u>	<u>\$ -</u>	<u>\$ 8,670,209</u>

CHATHAM COUNTY, NORTH CAROLINA

**EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE FISCAL YEAR ENDED JUNE 30, 2020**

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental:				
Service fee collections	\$ 535,294	\$ 535,274	\$ (20)	\$ 506,302
Investment earnings	<u>1,800</u>	<u>1,505</u>	<u>(295)</u>	<u>5,053</u>
Total revenues	<u>537,094</u>	<u>536,779</u>	<u>(315)</u>	<u>511,355</u>
Expenditures:				
Public safety:	<u>861,496</u>	<u>671,024</u>	<u>190,472</u>	<u>509,811</u>
Revenues over (under) expenditures	(324,402)	(134,245)	190,157	1,544
Other Financing Sources (Uses):				
Transfers from (to) other funds:				
Transfer from other funds:*				
General fund	<u>-</u>	<u>469</u>	<u>469</u>	<u>9,479</u>
Appropriated fund balance	<u>324,402</u>	<u>-</u>	<u>(324,402)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(133,776)</u>	<u>\$ (133,776)</u>	<u>11,023</u>
Fund Balance:				
Fund balance, beginning		<u>445,362</u>		<u>434,339</u>
Fund balance, ending		<u>\$ 311,586</u>		<u>\$ 445,362</u>

* The County transferred \$469 into the Emergency Telephone System Fund from the General Fund to reimburse the fund for expenses deemed to be ineligible by the E911 Board. \$9,479 for fiscal year 2020 and \$469 for fiscal year 2021.

CHATHAM COUNTY, NORTH CAROLINA

**FORFEITED PROPERTY/CONTROLLED SUBSTANCE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE FISCAL YEAR ENDED JUNE 30, 2020**

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Controlled Substance:				
Revenues:				
Restricted intergovernmental:				
Controlled substance tax	\$ -	\$ 12,173	\$ 12,173	\$ 4,828
Investment earnings	-	508	508	1,674
Other general revenues	-	360	360	-
Total revenues	-	13,041	13,041	6,502
Expenditures:				
Public safety:				
Operating expenditures	80,000	2,012	77,988	3,675
Capital outlay	-	-	-	30,800
Total expenditures	80,000	2,012	77,988	34,475
Revenues over (under) expenditures	(80,000)	11,029	91,029	(27,973)
Appropriated fund balance	80,000	-	(80,000)	-
Net change in fund balance	\$ -	11,029	\$ 11,029	(27,973)
Fund Balance:				
Fund balance, beginning		87,684		115,657
Fund balance, ending		\$ 98,713		\$ 87,684
Drug Forfeiture:				
Revenues:				
Restricted intergovernmental:				
Drug Forfeiture:	\$ -	\$ 8,206	\$ 8,206	\$ 144,428
Investment earnings	1,000	620	(380)	2,932
Total revenues	1,000	8,826	7,826	147,360
Expenditures:				
Public safety:				
Operating expenditures	71,074	9,701	61,373	83,124
Capital outlay	19,926	30,298	(10,372)	35,932
Total expenditures	91,000	39,999	51,001	119,056
Revenues over (under) expenditures	(90,000)	(31,173)	58,827	28,304
Appropriated fund balance	90,000	-	(90,000)	-
Net change in fund balance	\$ -	(31,173)	\$ (31,173)	28,304
Fund Balance:				
Fund balance, beginning		153,580		125,276
Fund balance, ending		\$ 122,407		\$ 153,580
Total fund balance - controlled substance/drug forfeiture		\$ 221,120		\$ 241,264

CHATHAM COUNTY, NORTH CAROLINA

CARES ACT - CORONAVIRUS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Restricted intergovernmental	\$ 2,856,291	\$ 2,306,064	\$ (550,227)	\$ 600,897
Expenditures:				
Public safety	1,537,970	987,743	550,227	550,228
Revenues over (under) expenditures	1,318,321	1,318,321	-	50,669
Other Financing Sources (Uses):				
Transfers from (to) other funds:				
Transfer to other funds:				
General fund	(1,318,321)	(1,318,321)	-	(50,669)
Total other financing sources (uses)	(1,318,321)	(1,318,321)	-	(50,669)
Net change in fund balance	\$ -	-	\$ -	-
Fund Balance:				
Fund balance, beginning		-		-
Fund balance, ending		\$ -		\$ -

CHATHAM COUNTY, NORTH CAROLINA

RECREATION - PAYMENT IN LIEU
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2021
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE FISCAL YEAR ENDED JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Permits and fees	\$ 158,000	\$ 148,826	\$ (9,174)	\$ 510,774
Investment earnings	3,000	8,981	5,981	24,405
Total revenues	<u>161,000</u>	<u>157,807</u>	<u>(3,193)</u>	<u>535,179</u>
Expenditures:				
Cultural and recreational	<u>275,620</u>	<u>-</u>	<u>275,620</u>	<u>-</u>
Total expenditures	<u>275,620</u>	<u>-</u>	<u>275,620</u>	<u>-</u>
Revenues over (under) expenditures	<u>(114,620)</u>	<u>157,807</u>	<u>272,427</u>	<u>535,179</u>
Other Financing Sources (Uses):				
Transfer to other funds:				
County-wide park project	<u>(235,380)</u>	<u>(235,380)</u>	<u>-</u>	<u>(20,739)</u>
Total other financing sources (uses)	<u>(235,380)</u>	<u>(235,380)</u>	<u>-</u>	<u>(20,739)</u>
Appropriated fund balance	<u>350,000</u>	<u>-</u>	<u>(350,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(77,573)</u>	<u>\$ (77,573)</u>	<u>514,440</u>
Fund Balance:				
Fund balance, beginning		<u>1,615,274</u>		<u>1,100,834</u>
Fund balance, ending		<u>\$ 1,537,701</u>		<u>\$ 1,615,274</u>

CHATHAM COUNTY, NORTH CAROLINA

**BYNUM CANOE ACCESS/EASEMENT MONITORING
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>2021</u>			<u>2020</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ 75	\$ 104	\$ 29	\$ 362
Expenditures:				
Cultural and recreational	8,575	4,190	4,385	-
Total expenditures	8,575	4,190	4,385	-
Revenues over (under) expenditures	(8,500)	(4,086)	4,414	362
Appropriated fund balance	8,500	-	(8,500)	-
Net change in fund balance	\$ -	(4,086)	\$ (4,086)	362
Fund Balance:				
Fund balance, beginning		20,983		20,621
Fund balance, ending		\$ 16,897		\$ 20,983

CHATHAM COUNTY, NORTH CAROLINA

IMPACT FEES

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Permits and fees	\$ 2,188,300	\$ 3,447,100	\$ 1,258,800	\$ 2,460,275
Investment earnings	40,000	19,516	(20,484)	92,674
Total revenues	<u>2,228,300</u>	<u>3,466,616</u>	<u>1,238,316</u>	<u>2,552,949</u>
Expenditures:				
Education	562,452	-	562,452	-
Revenues over (under) expenditures	<u>1,665,848</u>	<u>3,466,616</u>	<u>1,800,768</u>	<u>2,552,949</u>
Other Financing Sources (Uses):				
Transfer to other funds:				
General fund	(3,965,848)	(1,005,024)	2,960,824	(3,827,656)
Appropriated fund balance	<u>2,300,000</u>	<u>-</u>	<u>(2,300,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>2,461,592</u>	<u>\$ 2,461,592</u>	<u>(1,274,707)</u>
Fund Balance:				
Fund balance, beginning		<u>3,705,680</u>		<u>4,980,387</u>
Fund balance, ending		<u>\$ 6,167,272</u>		<u>\$ 3,705,680</u>

CHATHAM COUNTY, NORTH CAROLINA

COURTHOUSE CLOCK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>2021</u>			<u>2020</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ -	\$ 371	\$ 371	\$ 1,227
Expenditures:				
General government	65,000	-	65,000	-
Revenues over (under) expenditures	(65,000)	371	65,371	1,227
Appropriated fund balance	65,000	-	(65,000)	-
Net change in fund balance	<u>\$ -</u>	371	<u>\$ 371</u>	1,227
Fund Balance:				
Fund balance, beginning		70,980		69,753
Fund balance, ending		<u>\$ 71,351</u>		<u>\$ 70,980</u>

CHATHAM COUNTY, NORTH CAROLINA

LIBRARY FOUNDATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>2021</u>			<u>2020</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ 50	\$ 68	\$ 18	\$ 225
Total revenues	<u>50</u>	<u>68</u>	<u>18</u>	<u>225</u>
Expenditures:				
Cultural and recreational	<u>10,700</u>	<u>-</u>	<u>10,700</u>	<u>-</u>
Revenues over (under) expenditures	(10,650)	68	10,718	225
Appropriated fund balance	<u>10,650</u>	<u>-</u>	<u>(10,650)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>68</u>	<u>\$ 68</u>	<u>225</u>
Fund Balance:				
Fund balance, beginning		<u>13,007</u>		<u>12,782</u>
Fund balance, ending		<u>\$ 13,075</u>		<u>\$ 13,007</u>

CHATHAM COUNTY, NORTH CAROLINA

REPRESENTATIVE PAYEE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2021

	2021		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	\$ 173,000	\$ 174,958	\$ 1,958
Expenditures:			
Human Services	<u>173,000</u>	<u>172,439</u>	<u>561</u>
Net change in fund balance	<u>\$ -</u>	<u>2,519</u>	<u>\$ 2,519</u>
Fund Balance:			
Fund balances, beginning as previously reported		-	
Prior period restatement - change in accounting principle		<u>56,309</u>	
Fund balances, beginning as previously restated		<u>56,309</u>	
Fund balances, ending		<u>\$ 58,828</u>	

CHATHAM COUNTY, NORTH CAROLINA

**FINES AND FORFIETURES
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2021**

	<u>2021</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	\$ 250,000	\$ 185,121	\$ (64,879)
Expenditures:			
Education	<u>250,000</u>	<u>185,121</u>	<u>64,879</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance:			
Fund balances, beginning as previously reported		-	
Prior period restatement - change in accounting principle		<u>-</u>	
Fund balances, beginning as previously restated		<u>-</u>	
Fund balances, ending		<u><u>\$ -</u></u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
COMBINING BALANCE SHEET
JUNE 30, 2021

	<u>Combined</u>	<u>Bell's Annex</u>	<u>Bennett</u>	<u>Bonlee</u>	<u>Central Chatham</u>	<u>Circle City</u>	<u>Goldston</u>
Assets:							
Cash, cash equivalents, and investments	\$ 244,720	\$ 3,445	\$ 10,763	\$ 11,489	\$ 30,758	\$ 26,005	\$ 19,114
Property taxes receivable, net	133,712	432	3,551	8,440	17,908	21,683	8,623
Due from other governments	77,412	1,512	1,910	2,238	5,174	9,295	2,955
Other receivables	187	2	9	9	26	19	16
Total assets	<u>\$ 456,031</u>	<u>\$ 5,391</u>	<u>\$ 16,233</u>	<u>\$ 22,176</u>	<u>\$ 53,866</u>	<u>\$ 57,002</u>	<u>\$ 30,708</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:							
Liabilities:							
Accounts payable and accrued liabilities	\$ 18,886	\$ -	\$ -	\$ -	\$ -	\$ 17,161	\$ -
Deferred Inflows of Resources:							
Property taxes	133,712	432	3,551	8,440	17,908	21,683	8,623
Prepaid taxes	31,054	17	413	310	3,802	9,335	538
Total deferred inflows of resources	<u>164,766</u>	<u>449</u>	<u>3,964</u>	<u>8,750</u>	<u>21,710</u>	<u>31,018</u>	<u>9,161</u>
Fund Balances:							
Restricted:							
Stabilization by state statute	77,599	1,514	1,919	2,247	5,200	9,314	2,971
Fire protection	195,710	3,428	10,350	11,179	26,956	-	18,576
Unassigned	(930)	-	-	-	-	(491)	-
Total fund balances	<u>272,379</u>	<u>4,942</u>	<u>12,269</u>	<u>13,426</u>	<u>32,156</u>	<u>8,823</u>	<u>21,547</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 456,031</u>	<u>\$ 5,391</u>	<u>\$ 16,233</u>	<u>\$ 22,176</u>	<u>\$ 53,866</u>	<u>\$ 57,002</u>	<u>\$ 30,708</u>

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
COMBINING BALANCE SHEET
JUNE 30, 2021

	<u>Hope</u>	<u>Moncure</u>	<u>North Chatham</u>	<u>Parkwood</u>	<u>Staley</u>	<u>Northview</u>
Assets:						
Cash, cash equivalents, and investments	\$ 16,524	\$ 28,430	\$ 80,645	\$ 14,245	\$ 1,286	\$ 2,016
Property taxes receivable, net	6,903	27,906	34,728	1,121	1,844	573
Due from other governments	3,995	5,504	42,189	1,860	580	200
Other receivables	<u>12</u>	<u>24</u>	<u>55</u>	<u>12</u>	<u>1</u>	<u>2</u>
Total assets	<u>\$ 27,434</u>	<u>\$ 61,864</u>	<u>\$ 157,617</u>	<u>\$ 17,238</u>	<u>\$ 3,711</u>	<u>\$ 2,791</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 1,725	\$ -
Deferred Inflows of Resources:						
Property taxes receivable	6,903	27,906	34,728	1,121	1,844	573
Prepaid taxes	<u>2,342</u>	<u>611</u>	<u>13,686</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>9,245</u>	<u>28,517</u>	<u>48,414</u>	<u>1,121</u>	<u>1,844</u>	<u>573</u>
Fund Balances:						
Restricted:						
Stabilization by state statute	4,007	5,528	42,244	1,872	581	202
Fire protection	14,182	27,819	66,959	14,245	-	2,016
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(439)</u>	<u>-</u>
Total fund balances	<u>18,189</u>	<u>33,347</u>	<u>109,203</u>	<u>16,117</u>	<u>142</u>	<u>2,218</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 27,434</u>	<u>\$ 61,864</u>	<u>\$ 157,617</u>	<u>\$ 17,238</u>	<u>\$ 3,711</u>	<u>\$ 2,791</u>

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Combined Special Fire Districts</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 10,713,827	\$ 10,945,228	\$ 231,401
Investment earnings	-	6,314	6,314
Total revenues	<u>10,713,827</u>	<u>10,951,542</u>	<u>237,715</u>
Expenditures:			
Public safety:			
Fire protection contracts	10,819,602	10,819,358	244
Commissions	<u>114,853</u>	<u>100,839</u>	<u>14,014</u>
Total expenditures	<u>10,934,455</u>	<u>10,920,197</u>	<u>14,258</u>
Revenues over (under) expenditures	<u>(220,628)</u>	<u>31,345</u>	<u>251,973</u>
Appropriated fund balance	<u>220,628</u>	-	<u>(220,628)</u>
Net change in fund balance	<u>\$ -</u>	31,345	<u>\$ 31,345</u>
Fund Balances:			
Fund balance, beginning		<u>241,034</u>	
Fund balance, ending		<u>\$ 272,379</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Bells Annex Fire District		
	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 135,222	\$ 139,818	\$ 4,596
Investment earnings	-	89	89
Total revenues	<u>135,222</u>	<u>139,907</u>	<u>4,685</u>
Expenditures:			
Public safety:			
Fire protection contracts	140,917	140,917	-
Commissions	1,493	1,253	240
Total expenditures	<u>142,410</u>	<u>142,170</u>	<u>240</u>
Revenues over (under) expenditures	<u>(7,188)</u>	<u>(2,263)</u>	<u>4,925</u>
Appropriated fund balance	<u>7,188</u>	<u>-</u>	<u>(7,188)</u>
Net change in fund balance	<u>\$ -</u>	<u>(2,263)</u>	<u>\$ (2,263)</u>
Fund Balances:			
Fund balance, beginning		<u>7,205</u>	
Fund balance, ending		<u>\$ 4,942</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Bennett Fire District		
	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 130,164	\$ 142,126	\$ 11,962
Investment earnings	-	98	98
Total revenues	<u>130,164</u>	<u>142,224</u>	<u>12,060</u>
Expenditures:			
Public safety:			
Fire protection contracts	136,024	136,024	-
Commissions	<u>1,430</u>	<u>1,235</u>	<u>195</u>
Total expenditures	<u>137,454</u>	<u>137,259</u>	<u>195</u>
Revenues over (under) expenditures	<u>(7,290)</u>	<u>4,965</u>	<u>12,255</u>
Appropriated fund balance	<u>7,290</u>	-	<u>(7,290)</u>
Net change in fund balance	<u>\$ -</u>	4,965	<u>\$ 4,965</u>
Fund Balances:			
Fund balance, beginning		<u>7,304</u>	
Fund balance, ending		<u>\$ 12,269</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Bonlee Fire District		
	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 240,110	\$ 252,661	\$ 12,551
Investment earnings	-	176	176
Total revenues	<u>240,110</u>	<u>252,837</u>	<u>12,727</u>
Expenditures:			
Public safety:			
Fire protection contracts	251,450	251,450	-
Commissions	2,660	2,244	416
Total expenditures	<u>254,110</u>	<u>253,694</u>	<u>416</u>
Revenues over (under) expenditures	<u>(14,000)</u>	<u>(857)</u>	<u>13,143</u>
Appropriated fund balance	<u>14,000</u>	<u>-</u>	<u>(14,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(857)</u>	<u>\$ (857)</u>
Fund Balances:			
Fund balance, beginning		<u>14,283</u>	
Fund balance, ending		<u>\$ 13,426</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Central Chatham Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 428,029	\$ 453,132	\$ 25,103
Investment earnings	-	285	285
Total revenues	<u>428,029</u>	<u>453,417</u>	<u>25,388</u>
Expenditures:			
Public safety:			
Fire protection contracts	433,329	433,329	-
Commissions	4,700	4,011	689
Total expenditures	<u>438,029</u>	<u>437,340</u>	<u>689</u>
Revenues over (under) expenditures	<u>(10,000)</u>	<u>16,077</u>	<u>26,077</u>
Appropriated fund balance	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>16,077</u>	<u>\$ 16,077</u>
Fund Balances:			
Fund balance, beginning		<u>16,079</u>	
Fund balance, ending		<u>\$ 32,156</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Circle City Fire District</u>		
	<u>Final</u>		<u>Variance</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 1,396,056	\$ 1,402,059	\$ 6,003
Investment earnings	-	868	868
Total revenues	<u>1,396,056</u>	<u>1,402,927</u>	<u>6,871</u>
Expenditures:			
Public safety:			
Fire protection contracts	1,420,564	1,420,564	-
Commissions	<u>14,834</u>	<u>12,974</u>	<u>1,860</u>
Total expenditures	<u>1,435,398</u>	<u>1,433,538</u>	<u>1,860</u>
Revenues over (under) expenditures	<u>(39,342)</u>	<u>(30,611)</u>	<u>8,731</u>
Appropriated fund balance	<u>39,342</u>	<u>-</u>	<u>(39,342)</u>
Net change in fund balance	<u>\$ -</u>	<u>(30,611)</u>	<u>\$ (30,611)</u>
Fund Balances:			
Fund balance, beginning		<u>39,434</u>	
Fund balance, ending		<u>\$ 8,823</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Goldston Fire District		
	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 269,055	\$ 288,951	\$ 19,896
Investment earnings	-	174	174
Total revenues	<u>269,055</u>	<u>289,125</u>	<u>20,070</u>
Expenditures:			
Public safety:			
Fire protection contracts	272,063	272,063	-
Commissions	<u>2,992</u>	<u>2,556</u>	436
Total expenditures	<u>275,055</u>	<u>274,619</u>	436
Revenues over (under) expenditures	<u>(6,000)</u>	<u>14,506</u>	<u>20,506</u>
Appropriated fund balance	<u>6,000</u>	-	<u>(6,000)</u>
Net change in fund balance	<u>\$ -</u>	14,506	<u>\$ 14,506</u>
Fund Balances:			
Fund balance, beginning		<u>7,041</u>	
Fund balance, ending		<u>\$ 21,547</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Hope Fire District		
	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 461,278	\$ 474,604	\$ 13,326
Investment earnings	-	322	322
Total revenues	<u>461,278</u>	<u>474,926</u>	<u>13,648</u>
Expenditures:			
Public safety:			
Fire protection contracts	478,156	478,156	-
Commissions	<u>5,122</u>	<u>4,238</u>	<u>884</u>
Total expenditures	<u>483,278</u>	<u>482,394</u>	<u>884</u>
Revenues over (under) expenditures	<u>(22,000)</u>	<u>(7,468)</u>	<u>14,532</u>
Appropriated fund balance	<u>22,000</u>	-	<u>(22,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(7,468)</u>	<u>\$ (7,468)</u>
Fund Balances:			
Fund balance, beginning		<u>25,657</u>	
Fund balance, ending		<u>\$ 18,189</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Moncure Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 919,383	\$ 951,701	\$ 32,318
Investment earnings	-	457	457
Total revenues	<u>919,383</u>	<u>952,158</u>	<u>32,775</u>
Expenditures:			
Public safety:			
Fire protection contracts	929,199	929,199	-
Commissions	<u>9,518</u>	<u>8,994</u>	<u>524</u>
Total expenditures	<u>938,717</u>	<u>938,193</u>	<u>524</u>
Revenues over (under) expenditures	<u>(19,334)</u>	<u>13,965</u>	<u>33,299</u>
Appropriated fund balance	<u>19,334</u>	-	<u>(19,334)</u>
Net change in fund balance	<u>\$ -</u>	<u>13,965</u>	<u>\$ 13,965</u>
Fund Balances:			
Fund balance, beginning		<u>19,382</u>	
Fund balance, ending		<u>\$ 33,347</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>North Chatham Fire District</u>		
	<u>Final</u>		<u>Variance</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 6,287,108	\$ 6,384,318	\$ 97,210
Investment earnings	-	3,580	3,580
Total revenues	<u>6,287,108</u>	<u>6,387,898</u>	<u>100,790</u>
Expenditures:			
Public safety:			
Fire protection contracts	6,312,638	6,312,638	-
Commissions	<u>67,344</u>	<u>59,085</u>	<u>8,259</u>
Total expenditures	<u>6,379,982</u>	<u>6,371,723</u>	<u>8,259</u>
Revenues over (under) expenditures	<u>(92,874)</u>	<u>16,175</u>	<u>109,049</u>
Appropriated fund balance	<u>92,874</u>	-	<u>(92,874)</u>
Net change in fund balance	<u>\$ -</u>	16,175	<u>\$ 16,175</u>
Fund Balances:			
Fund balance, beginning		<u>93,028</u>	
Fund balance, ending		<u>\$ 109,203</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Parkwood Fire District		
	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 358,872	\$ 366,372	\$ 7,500
Investment earnings	-	214	214
Total revenues	<u>358,872</u>	<u>366,586</u>	<u>7,714</u>
Expenditures:			
Public safety:			
Fire protection contracts	355,075	355,075	-
Commissions	<u>3,797</u>	<u>3,463</u>	<u>334</u>
Total expenditures	<u>358,872</u>	<u>358,538</u>	<u>334</u>
Revenues over (under) expenditures	<u>-</u>	<u>8,048</u>	<u>8,048</u>
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>8,048</u>	<u>\$ 8,048</u>
Fund Balances:			
Fund balance, beginning		<u>8,069</u>	
Fund balance, ending		<u>\$ 16,117</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Staley Fire District		
	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 56,697	\$ 56,446	\$ (251)
Investment earnings	-	31	31
Total revenues	<u>56,697</u>	<u>56,477</u>	<u>(220)</u>
Expenditures:			
Public safety:			
Fire protection contracts	58,691	58,447	244
Commissions	606	493	113
Total expenditures	<u>59,297</u>	<u>58,940</u>	<u>357</u>
Revenues over (under) expenditures	<u>(2,600)</u>	<u>(2,463)</u>	<u>137</u>
Appropriated fund balance	<u>2,600</u>	-	<u>(2,600)</u>
Net change in fund balance	<u>\$ -</u>	<u>(2,463)</u>	<u>\$ (2,463)</u>
Fund Balances:			
Fund balance, beginning		<u>2,605</u>	
Fund balance, ending		<u>\$ 142</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Northview Fire District</u>		
	<u>Final</u>		<u>Variance</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 31,853	\$ 33,040	\$ 1,187
Investment earnings	-	20	20
Total revenues	<u>31,853</u>	<u>33,060</u>	<u>1,207</u>
Expenditures:			
Public safety:			
Fire protection contracts	31,496	31,496	-
Commissions	357	293	64
Total expenditures	<u>31,853</u>	<u>31,789</u>	<u>64</u>
Revenues over (under) expenditures	<u>-</u>	<u>1,271</u>	<u>1,271</u>
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>1,271</u>	<u>\$ 1,271</u>
Fund Balances:			
Fund balance, beginning		<u>947</u>	
Fund balance, ending		<u>\$ 2,218</u>	

NONMAJOR CAPITAL PROJECT FUNDS

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

Individual Fund Descriptions:

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

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CHATHAM COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	Capital Reserve	Emergency Vehicle Replacement Capital Reserve Project	Tech/System Improvements Projects	County-wide Park Projects	School Construction Projects	Total
Assets:						
Cash, cash equivalents, and investments	\$ 12,224,088	\$ 127,038	\$ -	\$ 25,000	\$ 2,423,251	\$ 14,799,377
Cash - restricted	-	-	-	-	10,371,860	10,371,860
Other receivables	14,678	117	-	-	72	14,867
Total assets	<u>\$ 12,238,766</u>	<u>\$ 127,155</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 12,795,183</u>	<u>\$ 25,186,104</u>
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,038,101	\$ 1,038,101
Fund Balances:						
Restricted:						
Stabilization by state statute	14,678	117	-	-	72	14,867
Capital Projects	-	-	-	-	10,371,860	10,371,860
Assigned:						
Subsequent years expenditures	2,500,000	50,000	-	-	-	2,550,000
General Government	9,724,088	-	-	-	-	9,724,088
Education	-	-	-	-	1,385,150	1,385,150
Public Safety	-	77,038	-	-	-	77,038
Recreation	-	-	-	25,000	-	25,000
Total fund balances	<u>12,238,766</u>	<u>127,155</u>	<u>-</u>	<u>25,000</u>	<u>11,757,082</u>	<u>24,148,003</u>
Total liabilities and fund balances	<u>\$ 12,238,766</u>	<u>\$ 127,155</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 12,795,183</u>	<u>\$ 25,186,104</u>

CHATHAM COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2021

	Capital Reserve	Emergency Vehicle Replacement Capital Reserve Project	Tech/System Improvements Projects	County-wide Park Projects	School Construction Projects	Total
Revenues:						
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ 38,457	\$ 829,593	\$ 868,050
Investment earnings	78,959	661	-	-	339,299	418,919
Total revenues	<u>78,959</u>	<u>661</u>	<u>-</u>	<u>38,457</u>	<u>1,168,892</u>	<u>1,286,969</u>
Expenditures:						
General government	-	-	66,129	-	-	66,129
Cultural and recreational	-	-	-	273,837	-	273,837
Education	-	-	-	-	15,347,775	15,347,775
Total expenditures	<u>-</u>	<u>-</u>	<u>66,129</u>	<u>273,837</u>	<u>15,347,775</u>	<u>15,687,741</u>
Revenues over (under) expenditures	<u>78,959</u>	<u>661</u>	<u>(66,129)</u>	<u>(235,380)</u>	<u>(14,178,883)</u>	<u>(14,400,772)</u>
Other Financing Sources (Uses):						
Transfers:						
Transfers from other funds	2,433,314	-	44,101	235,380	359,122	3,071,917
Transfers (to) other funds	(6,193,656)	-	-	-	-	(6,193,656)
Total Other Financing Sources (Uses)	<u>(3,760,342)</u>	<u>-</u>	<u>44,101</u>	<u>235,380</u>	<u>359,122</u>	<u>(3,121,739)</u>
Net change in fund balances	(3,681,383)	661	(22,028)	-	(13,819,761)	(17,522,511)
Fund Balance:						
Fund balance, beginning	15,920,149	126,494	22,028	25,000	25,576,843	41,670,514
Fund balance, ending	<u>\$ 12,238,766</u>	<u>\$ 127,155</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 11,757,082</u>	<u>\$ 24,148,003</u>

CHATHAM COUNTY, NORTH CAROLINA

CAPITAL RESERVE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR
FOR YEAR ENDED JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ 50,000	\$ 78,959	\$ 28,959	\$ 240,286
Other Financing Sources (Uses):				
Transfers from other funds:				
General fund	2,433,314	2,433,314	-	4,486,747
Capital Projects:				
CIP Debt Reserve	-	-	-	2,749,187
Total transfers from other funds	<u>2,433,314</u>	<u>2,433,314</u>	<u>-</u>	<u>7,235,934</u>
Transfers to other funds:				
General fund	-	-	-	(56,005)
Enterprise fund	(152,460)	(152,460)	-	(13,624)
Capital Projects:				
Tech/Improvement project	(1,500,000)	(44,101)	1,455,899	(1,256,809)
Facilities improvement	(7,330,854)	(5,468,298)	1,862,556	(1,163,518)
CIP Debt Reserve	(500,000)	(500,000)	-	-
School construction project	(1,500,000)	(28,797)	1,471,203	(693,926)
Total transfers to other funds	<u>(10,983,314)</u>	<u>(6,193,656)</u>	<u>4,789,658</u>	<u>(3,183,882)</u>
Total transfers to (from) other funds	<u>(8,550,000)</u>	<u>(3,760,342)</u>	<u>4,789,658</u>	<u>4,052,052</u>
Appropriated fund balance	<u>8,500,000</u>	<u>-</u>	<u>(8,500,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(3,681,383)</u>	<u>\$ (3,681,383)</u>	<u>4,292,338</u>
Fund Balance:				
Fund balance, beginning		15,920,149		11,627,811
Fund balance, ending		<u>\$ 12,238,766</u>		<u>\$ 15,920,149</u>

CHATHAM COUNTY, NORTH CAROLINA

EMERGENCY VEHICLE REPLACEMENT CAPITAL PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR

THE FISCAL YEAR ENDED JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ -	\$ 661	\$ 661	\$ 2,187
Expenditures:				
Public safety	50,000	-	50,000	-
Revenues over (under) expenditures	(50,000)	661	50,661	2,187
Appropriated fund balance	50,000	-	(50,000)	-
Net change in fund balance	\$ -	661	\$ 661	2,187
Fund Balance:				
Fund balance, beginning		126,494		124,307
Fund balance, ending		\$ 127,155		\$ 126,494

CHATHAM COUNTY, NORTH CAROLINA

TECH/SYSTEM IMPROVEMENTS PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE FISCAL YEAR
 ENDED JUNE 30, 2021

	<u>Project Budget</u>	<u>Actual</u>		<u>Total</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Expenditures:					
General government	\$ 676,434	\$ 466,624	\$ 66,129	\$ 532,753	\$ 143,681
Revenues over (under) expenditures	(676,434)	(466,624)	(66,129)	(532,753)	143,681
Other Financing Sources (Uses):					
Transfers from other funds:					
Capital reserve	676,434	488,652	44,101	532,753	(143,681)
Net change in fund balance	<u>\$ -</u>	<u>\$ 22,028</u>	<u>\$ (22,028)</u>	<u>\$ -</u>	<u>\$ -</u>

CHATHAM COUNTY, NORTH CAROLINA

COUNTY-WIDE PARK PROJECTS
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE FISCAL YEAR
 ENDED JUNE 30, 2021

	Project Budget	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
Intergovernmental:					
State grants	\$ 333,375	\$ 111,543	\$ 38,457	\$ 150,000	\$ (183,375)
Expenditures:					
Cultural and recreational:					
Briar Chapel	1,809,526	1,204,682	273,837	1,478,519	331,007
Haw River Trail	125,000	-	-	-	125,000
Total expenditures	1,934,526	1,204,682	273,837	1,478,519	456,007
Revenues over (under) expenditures	(1,601,151)	(1,093,139)	(235,380)	(1,328,519)	272,632
Other Financing Sources (Uses):					
Transfers from other funds:					
General fund	25,000	25,000	-	25,000	-
Recreation in lieu	1,576,151	1,093,139	235,380	1,328,519	(247,632)
Total other financing sources (uses)	1,601,151	1,118,139	235,380	1,353,519	(247,632)
Net change in fund balance	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ 25,000

CHATHAM COUNTY, NORTH CAROLINA

SCHOOL CONSTRUCTION PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Project Budget	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
Intergovernmental					
State grants	\$ 540,063	\$ -	\$ 829,593	\$ 829,593	\$ 289,530
Investment earnings	3,500,000	3,576,210	339,299	3,915,509	415,509
Other general revenues:	638,060	638,060	-	638,060	-
Total revenues	<u>4,678,123</u>	<u>4,214,270</u>	<u>1,168,892</u>	<u>5,383,162</u>	<u>705,039</u>
Expenditures:					
Education:					
Construction:					
Sea Forth High School	80,014,310	57,425,815	13,645,039	71,070,854	8,943,456
Chatham Grove Elementary School	34,407,081	30,954,881	1,343,614	32,298,495	2,108,586
Central Services Facility	11,142,055	470,211	330,325	800,536	10,341,519
Total construction	<u>125,563,446</u>	<u>88,850,907</u>	<u>15,318,978</u>	<u>104,169,885</u>	<u>21,393,561</u>
Facility improvements					
Locker renovations	1,139,950	737,573	28,797	766,370	373,580
Mobile classrooms	1,331,695	224,292	-	224,292	1,107,403
Paving	189,002	-	-	-	189,002
Indoor bleachers	272,250	-	-	-	272,250
Track resurfacing	474,480	59,459	-	59,459	415,021
HVAC	234,605	-	-	-	234,605
Roof replacements	6,461,354	6,261,392	-	6,261,392	199,962
Total facility improvements	<u>10,103,336</u>	<u>7,282,716</u>	<u>28,797</u>	<u>7,311,513</u>	<u>2,791,823</u>
Total expenditures	<u>135,666,782</u>	<u>96,133,623</u>	<u>15,347,775</u>	<u>111,481,398</u>	<u>24,185,384</u>
Revenues over (under) expenditures	<u>(130,988,659)</u>	<u>(91,919,353)</u>	<u>(14,178,883)</u>	<u>(106,098,236)</u>	<u>24,890,423</u>
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
Transfer from other funds:					
CIP debt reserve	6,699,535	7,169,747	330,325	7,500,072	800,537
Capital reserve	6,527,195	3,706,575	28,797	3,735,372	(2,791,823)
General fund	1,780,422	1,780,422	-	1,780,422	-
Total	<u>15,007,152</u>	<u>12,656,744</u>	<u>359,122</u>	<u>13,015,866</u>	<u>(1,991,286)</u>
Transfer to other funds:					
CIP debt reserve	<u>(6,699,535)</u>	<u>(6,699,535)</u>	<u>-</u>	<u>(6,699,535)</u>	<u>-</u>
Net transfers	<u>8,307,617</u>	<u>5,957,209</u>	<u>359,122</u>	<u>6,316,331</u>	<u>(1,991,286)</u>
Proceeds from borrowing:					
Limited obligation bonds issued	109,464,455	98,322,400	-	98,322,400	(11,142,055)
Premium on borrowing	12,058,928	12,058,928	-	12,058,928	-
Installment	1,157,659	1,157,659	-	1,157,659	-
Total debt obligations issued	<u>122,681,042</u>	<u>111,538,987</u>	<u>-</u>	<u>111,538,987</u>	<u>(11,142,055)</u>
Total other financing sources (uses)	<u>130,988,659</u>	<u>117,496,196</u>	<u>359,122</u>	<u>117,855,318</u>	<u>(13,133,341)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 25,576,843</u>	<u>\$ (13,819,761)</u>	<u>\$ 11,757,082</u>	<u>\$ 11,757,082</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 Operating Fund** – Accounts for the water and sewer operations of the County.
- **Utility Capital Reserve Fund** – Accounts for funds accumulated to fund future capital projects.
- **Utility Equipment Reserve Fund** – Accounts for funds accumulated to fund future capital outlay purchases for utility operations.
- **Utility Capital Projects Fund** – Accounts for various capital projects within the Utility Fund.
- **Southeast Water District Fund** – Accounts for the operations of the water district covering the Southeastern portion of the County.
- **Solid Waste and Recycling Operating Fund** – Accounts for the operations of the County's collection and disposal of solid waste.
- **Solid Waste and Recycling Capital Reserve Fund** –Accounts for funds accumulated to fund future capital projects.

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CHATHAM COUNTY, NORTH CAROLINA

UTILITY OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE FISCAL YEAR ENDED JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Charges for services:				
Water sales	\$ 6,700,307	\$ 7,004,868	\$ 304,561	\$ 7,444,810
Sewer charges	21,500	15,145	(6,355)	-
Total charges for services	6,721,807	7,020,013	298,206	7,444,810
Other operating revenues	-	-	-	109,396
Total operating revenues	6,721,807	7,020,013	298,206	7,554,206
Non-operating revenues:				
Investment earnings	58,000	49,636	(8,364)	138,283
Sale of capital asset	-	4,200	4,200	5,136
Other non-operating revenues	-	1,654	1,654	-
Total revenues	6,779,807	7,075,503	295,696	7,697,625
Expenditures:				
Operating expenditures:				
Salaries and employee benefits	1,728,416	1,722,677	5,739	1,566,391
Repairs and maintenance	872,341	629,620	242,721	531,204
Other operating expenditures	4,468,193	2,569,004	1,899,189	2,499,926
Total	7,068,950	4,921,301	2,147,649	4,597,521
Capital outlay	338,795	312,352	26,443	134,024
Debt service:				
Principal	1,004,738	1,004,737	1	1,006,456
Interest	336,341	333,003	3,338	367,721
Total expenditures	8,748,824	6,571,393	2,177,431	6,105,722
Revenues over (under) expenditures	(1,969,017)	504,110	2,473,127	1,591,903

CHATHAM COUNTY, NORTH CAROLINA

UTILITY OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE FISCAL YEAR ENDED JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Other Financing Sources (Uses):				
Intrafund transfers from (to) other funds:				
Utility Equipment Reserve	257,549	-	(257,549)	-
Total other financing sources (uses)	257,549	-	(257,549)	-
Fund balance appropriated	1,711,468	-	(1,711,468)	-
Revenues and other financing sources				
(under) expenditures and other financing uses	\$ -	504,110	\$ 504,110	\$ 1,591,903
Reconciliation from Budgetary Basis to Full Accrual:				
Revenue:				
Utility capital reserve		465,717		
Utility equipment reserve		2,510		
Reconciling items:				
Transfers out - Utility capital project		152,460		
Capital outlay		312,352		
Debt principal		1,004,737		
Depreciation		(1,315,649)		
Decrease (increase) in compensated absences		(686)		
(Decrease) in deferred outflows of resources - pensions		58,140		
Decrease in net pension liability		(143,006)		
(Increase) in deferred inflows of resources - pensions		1,034		
Increase in deferred outflows of resources - OPEB		91,294		
(Increase) in net OPEB liability		(85,925)		
(Increase) in deferred inflows of resources - OPEB		2,462		
Change in net position		\$ 1,049,550		

CHATHAM COUNTY, NORTH CAROLINA

UTILITY CAPITAL RESERVE
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2021
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE FISCAL YEAR ENDED JUNE 30, 2020

	2021		2020	
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Charges for services	\$ 1,100,000	\$ 373,346	\$ (726,654)	\$ 1,094,328
Investment earnings	75,000	92,371	17,371	290,402
Total revenues	<u>1,175,000</u>	<u>465,717</u>	<u>(709,283)</u>	<u>1,384,730</u>
Expenditures:				
Future Projects	<u>3,477,011</u>	<u>-</u>	<u>3,477,011</u>	<u>-</u>
Revenues over (under) expenditures	<u>(2,302,011)</u>	<u>465,717</u>	<u>2,767,728</u>	<u>1,384,730</u>
Other Financing Sources (Uses):				
Intrafund transfers from (to):				
Utility capital project	<u>(147,989)</u>	<u>(147,988)</u>	<u>1</u>	<u>(1,842)</u>
Total other financing sources (uses)	<u>(147,989)</u>	<u>(147,988)</u>	<u>1</u>	<u>(1,842)</u>
Fund balance appropriated	<u>2,450,000</u>	<u>-</u>	<u>(2,450,000)</u>	<u>-</u>
Revenues and other financing sources (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 317,729</u>	<u>\$ 317,729</u>	<u>\$ 1,382,888</u>

CHATHAM COUNTY, NORTH CAROLINA

UTILITY EQUIPMENT RESERVE
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2021
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE FISCAL YEAR ENDED JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ 2,000	\$ 2,510	\$ 510	\$ 8,302
Expenditures:				
Future capital	<u>257,549</u>	-	<u>257,549</u>	-
Total expenditures	<u>257,549</u>	-	<u>257,549</u>	-
Revenues over (under) expenditures	<u>(255,549)</u>	<u>2,510</u>	<u>258,059</u>	<u>8,302</u>
Other Financing Sources (Uses):				
Appropriated fund balance	<u>255,549</u>	-	<u>(255,549)</u>	-
Revenues and other financing sources (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 2,510</u>	<u>\$ 2,510</u>	<u>\$ 8,302</u>

CHATHAM COUNTY, NORTH CAROLINA

UTILITY CAPITAL PROJECTS
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE FISCAL YEAR
 ENDED JUNE 30, 2021

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total	
Revenues:					
Intergovernmental:					
Grant - Department of Transportation	\$ 399,882	\$ 399,882	\$ -	\$ 399,882	\$ -
Investment earnings	28,056	28,056	-	28,056	-
Total revenues	<u>427,938</u>	<u>427,938</u>	<u>-</u>	<u>427,938</u>	<u>-</u>
Expenditures:					
Construction					
Haywood	140,552	27,942	2,250	30,192	110,360
Western Intake	2,385,030	-	145,738	145,738	2,239,292
Business Campus	<u>9,277,026</u>	<u>8,440,650</u>	<u>152,460</u>	<u>8,593,110</u>	<u>683,916</u>
Total expenditures	<u>11,802,608</u>	<u>8,468,592</u>	<u>300,448</u>	<u>8,769,040</u>	<u>3,033,568</u>
Revenues over (under) expenditures	<u>(11,374,670)</u>	<u>(8,040,654)</u>	<u>(300,448)</u>	<u>(8,341,102)</u>	<u>3,033,568</u>
Other Financing Sources (Uses):					
Transfers (to) from other funds					
General fund	257,695	257,695	-	257,695	-
Capital reserve	888,986	52,611	152,460	205,071	(683,915)
Capital improvement project reserve	7,364,593	7,364,593	-	7,364,593	-
Intrafund transfers:					
Utility capital reserve	<u>2,863,396</u>	<u>365,755</u>	<u>147,988</u>	<u>513,743</u>	<u>(2,349,653)</u>
Total other financing sources (uses)	<u>11,374,670</u>	<u>8,040,654</u>	<u>300,448</u>	<u>8,341,102</u>	<u>(3,033,568)</u>
Revenues and other financing sources (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHATHAM COUNTY, NORTH CAROLINA

SOUTHEAST WATER DISTRICT
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2021
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE FISCAL YEAR ENDED JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Charges for services	\$ 718,500	\$ 810,231	\$ 91,731	\$ 720,518
Non-operating revenues:				
Investment earnings	4,000	4,230	230	16,631
Total revenues	<u>722,500</u>	<u>814,461</u>	<u>91,961</u>	<u>737,149</u>
Expenditures:				
Operating expenditures	468,850	468,850	-	464,610
Debt service:				
Principal	87,000	87,000	-	84,000
Interest	166,650	166,117	533	137,249
Total expenditures	<u>722,500</u>	<u>721,967</u>	<u>533</u>	<u>685,859</u>
Revenues over (under) expenditures	<u>\$ -</u>	92,494	<u>\$ 92,494</u>	<u>\$ 51,290</u>

This schedule is included to show budgetary compliance.

Reconciliation from Budgetary Basis to Full Accrual:

Reconciling items:

Debt principal	87,000
Depreciation	<u>(106,339)</u>
Change in net position	<u>\$ 73,155</u>

CHATHAM COUNTY, NORTH CAROLINA

SOLID WASTE AND RECYCLING OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Charges for services:				
Collection center fees	\$ 3,372,300	\$ 3,607,880	\$ 235,580	\$ 3,306,532
Other charges for services	-	-	-	174,305
Total charges for services	3,372,300	3,607,880	235,580	3,480,837
Non-operating revenues:				
Investment earnings	30,000	24,824	(5,176)	74,966
Sale of capital assets	-	450	450	-
Other non-operating revenue:				
Scrap tire disposal tax	98,000	109,415	11,415	100,989
White goods disposal tax	30,000	40,157	10,157	33,643
Solid waste disposal tax	50,000	56,163	6,163	55,070
Electronics disposal tax	5,800	125	(5,675)	4,403
Other non-operating revenues	200	91	(109)	7,344
Total non-operating revenues	214,000	231,225	17,225	276,415
Total revenues	3,586,300	3,839,105	252,805	3,757,252
Expenditures:				
Operating expenditures:				
Salaries and employee benefits	879,589	809,062	70,527	795,383
Repairs and maintenance	460,381	157,947	302,434	155,785
Other operating expenditures	2,092,755	1,941,010	151,745	1,971,533
Total	3,432,725	2,908,019	524,706	2,922,701
Capital outlay	265,822	257,562	8,260	30,155
Total expenditures	3,698,547	3,165,581	532,966	2,952,856
Revenues over (under) expenditures	(112,247)	673,524	785,771	804,396
Other Financing Sources (Uses):				
Intrafund transfers from (to) other funds:				
Waste Management Capital Reserve	(100,753)	-	100,753	(272,740)
Total other financing sources (uses)	(100,753)	-	100,753	(272,740)
Fund balance appropriated	213,000	-	(213,000)	-
Revenues and other financing sources (under) expenditures and other financing uses	\$ -	673,524	\$ 673,524	\$ 531,656

CHATHAM COUNTY, NORTH CAROLINA

SOLID WASTE AND RECYCLING OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		2020
	Final Budget	Actual	Actual
Reconciliation from Budgetary Basis to Full Accrual:			
Solid waste & recycling reserve		7,410	
Reconciling items:			
Capital outlay		257,562	
Depreciation		(223,842)	
Decrease (increase) in compensated absences		(9,609)	
(Decrease) in deferred outflows of resources - pensions		33,165	
Decrease in net pension liability		(81,574)	
Decrease in deferred inflows of resources - pensions		590	
Increase in deferred outflows of resources - OPEB		52,077	
(Increase) in net OPEB liability		(49,014)	
Decrease in deferred inflows of resources -OPEB		1,405	
Change in net position		<u>\$ 661,694</u>	

CHATHAM COUNTY, NORTH CAROLINA

SOLID WASTE AND RECYCLING CAPITAL RESERVE

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ 3,500	\$ 7,410	\$ 3,910	\$ 17,205
Expenditures:				
Future capital	750,000	-	750,000	-
Revenues over (under) expenditures	(746,500)	7,410	753,910	17,205
Other Financing Sources (Uses):				
Intrafund transfers from (to) other funds:				
Solid Waste Management Operating	-	-	-	272,740
Appropriated fund balance	746,500	-	(746,500)	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 7,410	\$ 7,410	\$ 289,945

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INTERNAL SERVICE FUND

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

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CHATHAM COUNTY, NORTH CAROLINA

SELF-INSURANCE INTERNAL SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

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

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Financial Plan	Actual	Variance Over/Under	Actual
Revenues:				
Charges for services:				
Health insurance	\$ 6,941,085	\$ 7,144,091	\$ 203,006	\$ 6,774,496
Dental insurance	335,507	356,330	20,823	342,573
Total charges for services	7,276,592	7,500,421	223,829	7,117,069
Investment earnings	40,000	42,059	2,059	191,810
Total revenues	7,316,592	7,542,480	225,888	7,308,879
Expenditures:				
Benefits paid:				
Health insurance	6,031,085	5,603,860	427,225	4,709,899
Dental insurance	295,507	273,814	21,693	226,101
Workers' compensation	100,000	11,437	88,563	29,659
Administrative costs:				
Health insurance	950,000	841,916	108,084	748,460
Dental insurance	40,000	36,169	3,831	36,996
Total expenditures	7,416,592	6,767,196	649,396	5,751,115
Revenues over (under) expenditures	(100,000)	775,284	875,284	1,557,764
Appropriated fund balance	100,000	-	(100,000)	-
Revenues and other financing sources (under) expenditures and other financing uses	\$ -	775,284	\$ 775,284	1,557,764
Net Position:				
Net position, beginning		8,126,239		6,568,475
Net position, ending		\$ 8,901,523		\$ 8,126,239

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CUSTODIAL FUNDS

Custodial 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:

- **Chatham County Municipal Tax Fund** – This fund accounts for property taxes collected and remitted to municipalities located within the County.
- **Gulf- Goldston Sanitary District Fund** – This fund accounts for the property taxes collected for a special tax district located within the County.
- **Jail Inmate Pay Fund** – This fund accounts for monies of County detention inmates for which the County serves as an agent. Balances remaining are returned to the individuals when they are released from the facility.

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CHATHAM COUNTY, NORTH CAROLINA

CUSTODIAL FUNDS

COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2021

	Municipal Tax	Gulf-Goldston Sanitary District	Jail Inmate Pay	Total Custodial
	Fund	Fund	Fund	Funds
Assets:				
Cash and cash equivalents	\$ 22,093	\$ 470	\$ 26,357	\$ 48,920
Taxes receivable for other governments, net	110,799	7,110	-	117,909
Other receivables	-	1	-	1
Due from other governments	-	5,173	-	5,173
Total assets	<u>132,892</u>	<u>12,754</u>	<u>26,357</u>	<u>172,003</u>
Liabilities:				
Due to other governments	<u>22,093</u>	<u>5,644</u>	-	<u>27,737</u>
Total liabilities	<u>22,093</u>	<u>5,644</u>	-	<u>27,737</u>
Net Position:				
Restricted for:				
Individuals, organizations, and other governments	<u>110,799</u>	<u>7,110</u>	<u>26,357</u>	<u>144,266</u>
Total net position	<u>\$ 110,799</u>	<u>\$ 7,110</u>	<u>\$ 26,357</u>	<u>\$ 144,266</u>

CHATHAM COUNTY, NORTH CAROLINA

CUSTODIAL FUNDS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2021

	Gulf-Goldston			Total Custodial Funds
	Municipal Tax Fund	Sanitary District Fund	Jail Inmate Pay Fund	
Additions:				
Ad valorem taxes for other governments	\$ 9,543,112	\$ 140,824	\$ -	\$ 9,683,936
Collections on behalf of inmates	-	-	179,728	179,728
Total assets	<u>9,543,112</u>	<u>140,824</u>	<u>179,728</u>	<u>9,863,664</u>
Deductions:				
Tax distributions to other governments	9,596,906	142,746		9,739,652
Payments on behalf of inmates	-	-	174,487	174,487
Total liabilities	<u>9,596,906</u>	<u>142,746</u>	<u>174,487</u>	<u>9,914,139</u>
Net increase (decrease) in fiduciary net position	<u>(53,794)</u>	<u>(1,922)</u>	<u>5,241</u>	<u>(50,475)</u>
Net position, beginning, as previously reported	-	-	-	-
Prior period restatement - change in accounting principle	164,593	9,032	21,116	194,741
Net position, beginning, as restated	<u>164,593</u>	<u>9,032</u>	<u>21,116</u>	<u>194,741</u>
Net position, ending	<u>\$ 110,799</u>	<u>\$ 7,110</u>	<u>\$ 26,357</u>	<u>\$ 144,266</u>

OTHER SUPPLEMENTAL SCHEDULES

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CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2021

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2020</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2021</u>
2020-2021	\$ -	\$ 81,601,001	\$ (81,083,169)	\$ 517,832
2019-2020	836,436	-	(588,617)	247,819
2018-2019	252,822	-	(92,975)	159,847
2017-2018	165,661	-	(36,011)	129,650
2016-2017	76,702	-	(20,037)	56,665
2015-2016	58,377	-	(14,926)	43,451
2014-2015	63,335	-	(9,647)	53,688
2013-2014	57,754	-	(3,632)	54,122
2012-2013	57,315	-	(3,134)	54,181
2011-2012	65,837	-	(1,760)	64,077
Prior Years	53,639	-	(35,604)	18,035
Total	<u>\$ 1,687,878</u>	<u>\$ 81,601,001</u>	<u>\$ (81,889,512)</u>	<u>1,399,367</u>
Plus: FY 2021-2022 Ad valorem taxes receivable				36,414
Less: Allowance for uncollectible ad valorem taxes receivable				<u>(431,042)</u>
Ad valorem taxes receivable (net)				<u>\$ 1,004,739</u>
Reconcilement with Revenues:				
Ad valorem taxes - General Fund				\$ 81,974,219
Reconciling items:				
Interest collected and penalties				(94,951)
Releases and other credits				<u>10,244</u>
Total collections and credits				<u>\$ 81,889,512</u>

CHATHAM COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2021

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 12,098,652,725	\$ 0.6700	\$ 81,080,328	\$ 74,263,804	\$ 6,816,524
Penalties	-		97,495	97,495	-
Total	<u>12,098,652,725</u>		<u>81,177,823</u>	<u>74,361,299</u>	<u>6,816,524</u>
Discoveries:					
Current year	8,359,080	0.6700	56,006	56,006	-
Prior years	<u>74,959,484</u>		<u>479,530</u>	<u>479,530</u>	<u>-</u>
Total	<u>83,318,564</u>		<u>535,536</u>	<u>535,536</u>	<u>-</u>
Releases					
Current year	(11,173,347)	0.6700	(80,322)	(80,322)	-
Prior years	<u>(5,012,550)</u>		<u>(32,036)</u>	<u>(32,036)</u>	<u>-</u>
Total	<u>(16,185,897)</u>		<u>(112,358)</u>	<u>(112,358)</u>	<u>-</u>
Total property valuation	<u>\$ 12,165,785,392</u>				
Net Levy			81,601,001	74,784,477	6,816,524
Uncollected taxes at June 30, 2021			<u>517,832</u>	<u>474,616</u>	<u>43,216</u>
Current Year's Taxes Collected			<u>\$ 81,083,169</u>	<u>\$ 74,309,861</u>	<u>\$ 6,773,308</u>
Current Levy Collection Percentage			<u>99.37%</u>	<u>99.37%</u>	<u>99.37%</u>

CHATHAM COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY COUNTY-WIDE LEVY FOR THE YEAR ENDED JUNE 30, 2021

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio (1)	100%
Real Property	\$ 10,304,116,871
Personal Property	1,646,846,277
Public Service Companies (2)	<u>214,822,244</u>
Total Assessed Valuation	<u>\$ 12,165,785,392</u>
Tax Rate per \$100	<u>\$ 0.6700</u>
Levy (includes discoveries, releases and abatements) (3)	<u>\$ 81,601,001</u>

In addition to the County-wide rate, the following lists the levy by the County on behalf of fire protection districts for the fiscal year ended June 30, 2021

Fire Protection Districts	<u>\$ 10,041,148</u>
---------------------------	----------------------

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

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STATISTICAL SECTION

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

Financial Trends: Page 161

These schedules contain trend information to help the reader understand how the government's financial performance and well being have changed over time.

Revenue Capacity: Page 165

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity: Page 170

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information: Page 174

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information: Page 177

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive report for the relevant year.

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 23,297,981	\$ 34,705,133	\$ 35,625,472	\$ 33,807,327	\$ 20,381,972	\$ 34,736,678	\$ 37,007,498	\$ 40,039,979	\$ 48,017,373	\$ 59,387,963
Restricted	7,002,729	20,001,062	12,422,065	6,321,345	8,712,333	8,311,358	8,045,521	9,521,662	10,674,439	11,751,305
Unrestricted	36,666,777	19,590,379	(6,211,010)	13,294,826	39,657,533	37,622,231	40,059,289	14,025,920	(36,251,679)	(41,854,871)
Total governmental activities net assets	<u>\$ 66,967,487</u>	<u>\$ 74,296,574</u>	<u>\$ 41,836,527</u>	<u>\$ 53,423,498</u>	<u>\$ 68,751,838</u>	<u>\$ 80,670,267</u>	<u>\$ 85,112,308</u>	<u>\$ 63,587,561</u>	<u>\$ 22,440,133</u>	<u>\$ 29,284,397</u>
Business-type activities										
Net investment in capital assets	\$ 30,745,494	\$ 33,240,609	\$ 36,926,405	\$ 37,674,038	\$ 37,987,189	\$ 38,577,997	\$ 38,652,392	\$ 39,544,939	\$ 39,097,006	\$ 39,413,275
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	26,669,081	25,628,489	23,248,519	24,774,601	26,793,503	25,424,039	26,919,599	28,555,025	32,227,656	33,695,786
Total business-type activities	<u>\$ 57,414,575</u>	<u>\$ 58,869,098</u>	<u>\$ 60,174,924</u>	<u>\$ 62,448,639</u>	<u>\$ 64,780,692</u>	<u>\$ 64,002,036</u>	<u>\$ 65,571,991</u>	<u>\$ 68,099,964</u>	<u>\$ 71,324,662</u>	<u>\$ 73,109,061</u>
Primary government										
Net investment in capital assets	\$ 54,043,475	\$ 67,945,742	\$ 72,551,877	\$ 71,481,365	\$ 58,369,161	\$ 73,314,675	\$ 75,659,890	\$ 79,584,918	\$ 87,114,379	\$ 98,801,238
Restricted	7,002,729	20,001,062	12,422,065	6,321,345	8,712,333	8,311,358	8,045,521	9,521,662	10,674,439	11,751,305
Unrestricted	63,335,858	45,218,868	17,037,509	38,069,427	66,451,036	63,046,270	66,978,888	42,580,945	(4,024,023)	(8,159,085)
Total primary government net position	<u>\$ 124,382,062</u>	<u>\$ 133,165,672</u>	<u>\$ 102,011,451</u>	<u>\$ 115,872,137</u>	<u>\$ 133,532,530</u>	<u>\$ 144,672,303</u>	<u>\$ 150,684,299</u>	<u>\$ 131,687,525</u>	<u>\$ 93,764,795</u>	<u>\$ 102,393,458</u>

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

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Expenses										
Governmental activities:										
General government	\$ 6,973,790	\$ 10,439,515	\$ 11,802,931	\$ 12,366,637	\$ 12,408,260	\$ 13,494,733	\$ 15,068,952	\$ 16,700,851	\$ 18,808,175	\$ 20,333,676
Public safety	19,891,626	20,060,250	21,029,450	21,020,275	25,111,163	26,541,301	28,373,014	29,544,421	31,763,693	33,486,720
Economic and physical development	2,750,430	1,980,219	2,803,531	1,850,614	2,256,179	2,377,889	3,193,937	3,033,823	5,600,580	3,104,470
Human Services	15,694,203	15,530,646	15,071,151	14,699,063	15,554,918	15,927,642	15,105,429	14,441,440	16,141,257	16,201,415
Cultural and recreation	743,753	1,842,358	1,804,748	1,755,623	2,253,547	2,287,418	2,578,431	2,638,700	2,720,029	2,510,393
Education	43,711,018	32,680,272	71,104,550	29,069,935	31,802,557	34,443,820	39,950,462	72,291,352	89,234,803	51,950,817
Interest on long term debt	4,076,098	4,219,127	5,167,547	5,104,152	5,345,658	4,714,468	4,473,431	8,793,382	8,724,610	8,722,868
Total governmental activities expenses	93,840,918	86,752,387	128,783,908	85,866,299	94,732,282	99,787,271	108,743,656	147,443,969	172,993,147	136,310,359
Business-type activities:										
Utility	4,909,100	5,008,867	5,209,241	5,353,260	6,101,974	8,986,398	6,612,241	7,070,801	6,377,301	6,646,640
Southeast Water District	757,410	798,953	743,520	637,255	490,657	636,376	637,880	665,634	708,197	741,306
Solid Waste Management	2,851,055	2,906,654	2,991,862	2,796,993	2,711,885	3,117,342	3,079,844	3,487,136	3,305,691	3,184,821
Total business-type activities expenses	8,517,565	8,714,474	8,944,623	8,787,508	9,304,516	12,740,116	10,329,965	11,223,571	10,391,189	10,572,767
Total primary government expenses	\$ 102,358,483	\$ 95,466,861	\$ 137,728,531	\$ 94,653,807	\$ 104,036,798	\$ 112,527,387	\$ 119,073,621	\$ 158,667,540	\$ 183,384,336	\$ 146,883,126
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,262,817	\$ 1,350,060	\$ 1,268,706	\$ 1,075,186	\$ 1,330,019	\$ 2,042,443	\$ 1,141,356	\$ 1,414,303	\$ 1,233,640	\$ 2,098,074
Public safety	762,623	1,151,403	1,274,668	1,179,357	1,515,852	1,540,605	1,945,557	1,509,098	2,381,653	2,000,914
Economic and physical development	1,656,769	197,730	310,837	247,520	401,448	345,467	584,700	446,578	632,541	593,457
Human Services	1,464,931	1,186,509	1,271,112	780,664	1,353,713	1,358,206	2,059,613	1,282,723	1,877,728	1,640,619
Cultural and recreation	347,672	454,496	384,243	450,328	431,225	443,285	534,520	277,460	637,520	205,227
Education	-	2,154,828	2,480,400	2,853,900	2,793,300	3,104,600	3,163,900	2,941,100	2,460,275	3,447,100
Operating grants and contributions:										
General government	21,946	92,730	326,456	694,923	6,831,278	1,663,292	4,774,069	3,071,043	616,476	4,120,199
Public safety	1,384,574	1,337,957	1,463,474	1,351,988	1,375,650	1,438,673	1,538,987	1,983,928	2,083,819	1,934,536
Economic and physical development	684,540	1,629,610	677,944	748,634	27,870	353,238	181,254	346,421	337,746	253,629
Human Services	7,865,277	7,489,253	6,973,557	7,420,434	7,328,809	7,561,735	5,584,293	6,822,116	6,275,999	6,925,884
Cultural and recreation	395,369	212,462	211,619	203,622	187,144	235,652	233,411	415,346	306,409	286,993
Education	546,589	558,850	623,328	-	-	2,861,940	-	-	-	829,593
Capital grants and contributions:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Economic and physical development	-	-	-	-	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	16,393,107	17,815,888	17,266,344	17,006,556	23,576,308	22,949,136	21,741,660	20,510,116	18,843,806	24,336,225
Business-type activities:										
Utility:										
Charges for services	6,423,457	6,390,263	6,635,206	7,346,592	7,638,429	7,632,185	7,664,182	8,828,589	8,539,138	7,284,002
Operating grants and contributions	1,200	1,189	6,601	7,420	458	27,651	61,016	37	109,396	111,011
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Southeast Water District:										
Charges for services	559,207	582,425	632,761	601,417	667,814	670,485	701,728	771,243	720,518	810,231
Waste Management:										
Charges for services	2,995,148	2,971,742	2,956,250	2,985,544	2,964,407	3,064,260	3,083,918	3,213,435	3,480,837	3,607,880
Operating grants and contributions	139,771	136,801	150,470	175,935	199,383	244,591	242,329	194,458	201,449	205,951
Total business-type activities program revenues	10,118,783	10,082,420	10,381,288	11,116,908	11,470,491	11,639,172	11,753,173	13,007,762	13,051,338	12,019,075
Total primary government program revenues	\$ 26,511,890	\$ 27,898,308	\$ 27,647,632	\$ 28,123,464	\$ 35,046,799	\$ 34,588,308	\$ 33,494,833	\$ 33,517,878	\$ 31,895,144	\$ 36,355,300

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue										
Governmental activities	\$ (77,447,811)	\$ (68,936,499)	\$ (111,517,564)	\$ (68,859,743)	\$ (71,155,974)	\$ (76,838,135)	\$ (87,001,996)	\$ (126,933,853)	\$ (154,149,341)	\$ (111,974,134)
Business-type activities	1,601,218	1,367,946	1,436,665	2,329,400	2,165,975	(1,100,944)	1,423,208	1,784,191	2,660,149	1,446,308
Total primary government net (expense)/revenue	\$ (75,846,593)	\$ (67,568,553)	\$ (110,080,899)	\$ (66,530,343)	\$ (68,989,999)	\$ (77,939,079)	\$ (85,578,788)	\$ (125,149,662)	\$ (151,489,192)	\$ (110,527,826)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes levied for general purpose	61,548,697	63,637,790	65,632,697	66,026,045	68,398,363	72,729,177	76,064,823	80,046,695	88,297,695	92,598,853
Local option sales tax	8,190,337	8,523,462	9,193,703	10,130,996	11,298,727	12,964,564	13,859,606	14,707,545	16,284,600	20,376,820
Other taxes and licenses	672,927	776,265	645,523	993,101	900,089	898,394	983,132	995,458	1,002,335	1,433,801
Grants and contributions not restricted to specific programs	-	1,998,194	2,399,117	2,538,745	2,916,159	3,054,645	3,115,650	3,230,947	3,589,710	4,305,542
Unrestricted investment earnings	154,371	166,260	286,999	351,729	729,182	594,374	1,080,152	5,892,009	3,475,231	(179,005)
Miscellaneous	2,520,642	345,098	407,173	2,055,854	1,702,446	41,761	-	562,984	365,966	378,538
Extraordinary item - Insurance recovery	1,779,856	830,517	250,000	-	-	-	-	-	-	-
Extraordinary item - Sales of property	-	-	-	552,036	-	-	-	-	-	-
Transfers	-	(12,000)	242,305	-	-	-	(12,455)	(26,532)	(13,624)	(152,460)
Total governmental activities	74,866,830	76,265,586	79,057,517	82,648,506	85,944,966	90,282,915	95,090,908	105,409,106	113,001,913	118,762,089
Business-type activities:										
Other taxes and licenses	-	-	-	-	-	-	-	-	-	-
Investment earnings	49,293	52,092	91,466	106,554	172,806	225,518	373,675	663,679	545,789	180,981
Miscellaneous	-	22,485	20,000	-	(6,728)	96,770	-	53,571	5,136	4,650
Transfers	-	12,000	(242,305)	-	-	-	12,455	26,532	13,624	152,460
Total business-type activities	49,293	86,577	(130,839)	106,554	166,078	322,288	386,130	743,782	564,549	338,091
Total primary government	\$ 74,916,123	\$ 76,352,163	\$ 78,926,678	\$ 82,755,060	\$ 86,111,044	\$ 90,605,203	\$ 95,477,038	\$ 106,152,888	\$ 113,566,462	\$ 119,100,180
Change in Net Position										
Governmental activities	(2,580,980)	7,329,087	(32,460,047)	13,788,763	14,788,992	13,444,780	8,088,912	(21,524,747)	(41,147,428)	6,787,955
Business-type activities	1,650,511	1,454,523	1,305,826	2,435,954	2,332,053	(778,656)	1,809,338	2,527,973	3,224,698	1,784,399
Total primary government	\$ (930,469)	\$ 8,783,610	\$ (31,154,221)	\$ 16,224,717	\$ 17,121,045	\$ 12,666,124	\$ 9,898,250	\$ (18,996,774)	\$ (37,922,730)	\$ 8,572,354

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted:										
Stabilization by State Statute	\$ 4,496,057	\$ 3,902,936	\$ 4,872,993	\$ 4,743,155	\$ 6,492,437	\$ 5,943,692	\$ 6,143,553	\$ 7,083,495	\$ 8,738,525	\$ 10,058,054
Future Register of Deeds technology enhancements	<u>227,443</u>	<u>271,108</u>	<u>294,320</u>	<u>320,759</u>	<u>348,617</u>	<u>380,812</u>	<u>334,815</u>	<u>353,346</u>	<u>371,615</u>	<u>385,064</u>
Total restricted	4,723,500	4,174,044	5,167,313	5,063,914	6,841,054	6,324,504	6,478,368	7,436,841	9,110,140	10,443,118
Committed:										
LEO Special Separation Allowance					625,093	682,719	725,817	770,904	835,851	886,902
Tax Revaluation								175,889	1,452	1,452
Housing Trust								58,000	87,824	465,647
Recreation										322,851
Land Preservation										322,851
Assigned:										
Subsequent year's expenditures	5,098,248	4,537,988	3,081,207	5,611,109	5,934,834	5,498,830	7,963,031	7,426,342	8,777,832	7,069,857
Unassigned	<u>17,267,856</u>	<u>20,175,793</u>	<u>22,205,716</u>	<u>25,120,834</u>	<u>29,552,687</u>	<u>29,949,912</u>	<u>30,009,357</u>	<u>32,590,870</u>	<u>29,682,949</u>	<u>34,668,007</u>
Total General Fund	<u>\$27,089,604</u>	<u>\$28,887,825</u>	<u>\$30,454,236</u>	<u>\$35,795,857</u>	<u>\$42,953,668</u>	<u>\$42,455,965</u>	<u>\$45,176,573</u>	<u>\$48,458,846</u>	<u>\$48,496,048</u>	<u>\$54,180,685</u>
All Other Governmental Funds										
Restricted:										
Stabilization by State Statute	\$ 2,132,189	\$ 1,145,226	\$ 719,969	\$ 250,390	\$ 862,218	\$ 306,449	\$ 277,986	\$ 848,829	\$ 485,887	\$ 291,813
Special Revenue Funds	147,040	418,546	1,013,504	1,007,041	1,009,061	1,478,266	1,103,554	1,063,183	910,536	830,236
Capital Projects Funds	<u>2,552,044</u>	<u>14,263,246</u>	<u>5,540,939</u>	<u>16,573,978</u>	<u>5,219,772</u>	<u>-</u>	<u>-</u>	<u>83,667,558</u>	<u>-</u>	<u>23,554,737</u>
Total restricted	4,831,273	15,827,018	7,274,412	17,831,409	7,091,051	1,784,715	1,381,540	85,579,570	1,396,423	24,676,786
Committed:										
Capital Projects Funds	26,768,930	29,183,376	27,303,285	31,435,343	31,191,521	30,745,436	28,800,096	40,491,773	85,624,310	38,728,983
Assigned:										
Subsequent year's expenditures	4,570,336	3,989,032	2,751,832	1,821,204	1,410,554	4,143,097	2,471,579	8,500,000	8,500,000	2,550,000
General Government			2,244,430	2,278,120	3,070,391	6,212,454	7,724,181	3,211,559	7,496,646	9,724,088
Public Safety										77,038
Education	2,618,264	2,501,286	2,450,191	2,834,270	3,153,282	5,411,375	5,411,375	4,935,246	3,684,648	7,546,011
Cultural and Recreation	<u>138,907</u>	<u>94,544</u>	<u>328,521</u>	<u>265,821</u>	<u>854,215</u>	<u>888,412</u>	<u>1,034,265</u>	<u>1,107,644</u>	<u>1,623,620</u>	<u>1,574,150</u>
Total assigned	7,327,507	6,584,862	7,774,974	7,199,415	8,488,442	16,655,338	16,641,400	17,754,449	21,304,914	21,471,287
Unassigned	<u>(36,273)</u>	<u>(65,467)</u>	<u>(5,131)</u>	<u>(3,251)</u>	<u>-</u>	<u>(41,792)</u>	<u>678,517</u>	<u>(1,303,624)</u>	<u>(1,965,122)</u>	<u>(17,296)</u>
Total all other governmental funds	<u>\$38,891,437</u>	<u>\$51,529,789</u>	<u>\$42,347,540</u>	<u>\$56,462,916</u>	<u>\$46,771,014</u>	<u>\$49,143,697</u>	<u>\$47,501,553</u>	<u>\$142,522,168</u>	<u>\$106,360,525</u>	<u>\$84,859,760</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues										
Ad Valorem Taxes	\$ 61,179,366	\$ 63,789,388	\$ 66,313,838	\$ 66,075,764	\$ 68,549,496	\$ 72,959,709	\$ 76,305,714	\$ 80,009,131	\$ 87,951,167	\$ 92,919,447
Local Option Sales Tax	8,190,337	8,523,462	9,193,703	10,130,996	11,298,727	12,964,564	13,859,606	14,707,545	16,284,600	20,376,820
Other Taxes	672,927	776,265	645,523	993,101	900,089	898,394	983,132	995,458	1,002,335	1,433,801
Unrestricted Intergovernmental	2,077,526	1,998,194	2,399,117	2,538,745	2,916,159	3,054,645	3,115,650	3,230,947	3,589,710	4,305,542
Restricted Intergovernmental	10,816,807	9,921,914	9,802,315	9,447,109	9,700,751	10,100,364	7,655,321	9,721,283	8,814,437	13,778,971
Permits and fees	2,697,298	3,753,304	4,247,490	4,921,308	4,837,313	5,225,772	5,339,411	4,809,229	5,137,358	6,039,507
Sales and Services	2,786,867	2,681,657	2,682,066	2,517,720	2,784,386	2,651,568	2,955,862	2,566,085	2,720,045	3,027,538
Interest	143,733	153,463	263,907	330,535	701,287	544,039	993,253	5,695,974	3,283,421	(221,064)
Other General Revenues	2,343,746	2,560,252	1,152,252	2,226,760	7,750,455	3,703,186	4,641,363	3,462,461	1,148,368	1,136,126
Total Revenues	90,908,607	94,157,899	96,700,211	99,182,038	109,438,663	112,102,241	115,849,312	125,198,113	129,931,441	142,796,688
Expenditures										
General Government	4,547,711	7,108,896	8,215,662	7,968,083	8,382,535	9,267,834	10,522,593	10,879,465	12,005,856	12,584,383
Public Safety	20,197,041	20,161,438	21,320,729	22,692,563	25,648,707	26,314,889	28,149,202	29,577,293	31,332,211	33,337,668
Economic and Physical Development	3,076,738	2,343,630	3,196,635	2,123,541	2,897,118	2,863,508	3,625,299	3,722,539	6,105,035	3,774,088
Human Services	16,908,799	16,697,736	16,388,489	16,824,797	17,262,615	17,098,738	16,375,220	15,753,098	16,841,508	17,491,583
Culture and Recreation	878,823	1,839,156	1,831,710	1,890,492	2,248,969	2,200,890	2,251,988	2,530,123	2,539,509	2,374,412
Education	42,932,342	32,318,872	29,310,870	29,543,117	32,614,364	35,629,338	41,135,980	73,186,700	92,422,726	54,682,436
Capital Outlay	7,182,131	12,508,508	14,273,016	9,237,064	13,011,854	5,319,680	1,412,977	1,860,947	8,086,606	17,344,419
Debt Service:										
Principal Retirement	5,459,010	5,070,455	5,309,907	6,032,104	5,530,753	6,780,522	6,770,581	6,777,733	6,210,196	8,155,159
Interest and fees	4,076,098	3,833,802	4,711,336	5,047,258	5,105,953	4,751,862	4,514,553	8,013,886	8,719,945	8,772,517
Total Expenditures	105,258,693	101,882,493	104,558,354	101,359,019	112,702,868	110,227,261	114,758,393	152,301,784	184,263,592	158,516,665
Excess of revenues Over (Under) Expenditures	(14,350,086)	(7,724,594)	(7,858,143)	(2,176,981)	(3,264,205)	1,874,980	1,090,919	(27,103,671)	(54,332,151)	(15,719,977)
Other financing sources (uses):										
Transfers from (to) other funds	-	(12,000)	242,305	-	-	-	(12,455)	(26,532)	(13,624)	(152,460)
Proceeds from borrowings	-	-	-	-	-	-	-	-	25,271,334	-
Debt obligations issued	-	21,001,158	-	45,445,000	21,655,000	-	-	111,730,000	-	-
Discount on debt obligations issued	-	-	-	-	(100,932)	-	-	-	-	-
Refunding bonds issued	20,766,407	-	-	-	-	-	-	-	-	-
Premium on refunding bonds issued	1,212,927	-	-	-	-	-	-	-	-	-
Premium on limited obligation bonds issued	-	1,172,009	-	6,548,984	2,281,528	-	-	13,703,091	-	-
Payment to refunding bond agent	(7,817,655)	-	-	(30,360,006)	(23,644,830)	-	-	-	(7,050,000)	-
Total other financing sources (uses)	14,161,679	22,161,167	242,305	21,633,978	190,766	-	(12,455)	125,406,559	18,207,710	(152,460)
Net change in fund balances	\$ (188,407)	\$ 14,436,573	\$ (7,615,838)	\$ 19,456,997	\$ (3,073,439)	\$ 1,874,980	\$ 1,078,464	\$ 98,302,888	\$ (36,124,441)	\$ (15,872,437)
Debt service as a percentage of noncapital expenditures	9.72%	9.96%	11.10%	12.03%	10.67%	10.99%	9.96%	9.83%	8.47%	11.99%

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

Fiscal Year	Real Property	Personal Property	Utilities	Total Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value (2)
2012	7,595,281,840	997,189,774	252,455,361	8,844,926,975	0.6219	8,451,105,461
2013	7,762,384,556	1,101,205,185	247,205,251	9,110,794,992	0.6219	8,705,135,670
2014	7,911,664,627	1,255,924,366	208,776,076	9,376,365,069	0.6219	9,006,209,844
2015	8,090,965,839	1,119,557,141	207,720,059	9,418,243,039	0.6219	9,108,552,262
2016	8,375,333,581	1,139,160,858	223,438,841	9,737,933,280	0.6219	9,719,466,294
2017	8,638,744,786	1,214,250,096	209,285,802	10,062,280,684	0.6338	10,445,635,507
2018	9,213,087,671	1,262,629,247	210,741,503	10,686,458,421	0.6281	10,775,898,378
2019	10,449,123,673	526,034,115	206,350,142	11,181,507,930	0.6281	11,539,223,870
2020	9,958,925,737	1,439,726,019	213,802,027	11,612,453,783	0.6700	12,353,674,237
2021	10,304,116,871	1,646,846,277	214,822,244	12,165,785,392	0.6700	*

* Information not available

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

Notes:

(1) Per \$100 of value.

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

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

	Year Taxes Are Payable									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Chatham County	0.6219	0.6219	0.6219	0.6219	0.6219	0.6338	0.6281	0.6281	0.6700	0.6700
<u>Municipality Rates:</u>										
Town of Pittsboro	0.3020	0.3673	0.4033	0.4333	0.4333	0.4333	0.4333	0.4333	0.4333	0.4333
Town of Siler City	0.4500	0.4500	0.4500	0.4800	0.4800	0.4800	0.5100	0.5100	0.5400	0.5400
Town of Goldston	0.1400	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.2200
Town of Cary	0.3300	0.3300	0.3500	0.3500	0.3700	0.3500	0.3500	0.3500	0.3500	0.3500
<u>Fire Districts:</u>										
Bells Annex	0.0660	0.0880	0.0880	0.0880	0.1030	0.1030	0.1030	0.1030	0.1080	0.1080
Bennett	0.0700	0.0800	0.0800	0.0800	0.0800	0.0900	0.0900	0.0900	0.0900	0.0900
Bonlee	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Central Chatham	0.0800	0.0800	0.0800	0.0900	0.0900	0.0900	0.0900	0.0900	0.1200	0.1200
Circle City	0.1082	0.1158	0.1158	0.1158	0.1225	0.1225	0.1225	0.1225	0.1225	0.1225
Goldston	0.0800	0.0800	0.0800	0.0800	0.0800	0.0900	0.0900	0.0900	0.0900	0.0900
Hope	0.0667	0.0685	0.0685	0.0685	0.0685	0.0685	0.0685	0.0785	0.0785	0.0785
Moncure	0.0875	0.1104	0.1104	0.1104	0.1250	0.1250	0.1250	0.1250	0.1250	0.1375
North Chatham	0.0660	0.0880	0.0880	0.0880	0.1030	0.1030	0.1030	0.1030	0.1080	0.1080
Parkwood	0.1000	0.1000	0.1000	0.1000	0.1150	0.1050	0.0940	0.1000	0.1100	0.1100
Staley	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Northview	0.0835	0.0830	0.0830	0.0830	0.0830	0.0860	0.0860	0.0860	0.0860	0.0860
<u>Sanitary District:</u>										
Gulf-Goldston	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500

Note: Tax rates per \$100 of property valuation

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

Taxpayer	Type of Business	Fiscal Year 2021			Fiscal Year 2012		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Mountaire Farms of NC Inc	Poultry	\$ 139,493,714	1	1.15%			
Chatham Park Investors LLC	Real Estate	119,314,014	2	0.98%	\$ 83,527,461	3	0.94%
Carolina Meadows Inc.	Assisted Living	115,674,165	3	0.95%	56,901,034	5	0.64%
Duke Energy Progress (formerly Progress Energy)	Public Utility - Electric	110,882,273	4	0.91%	153,187,084	1	1.73%
Galloway Ridge Inc.	Retirement Community	103,345,641	5	0.85%	60,532,895	4	0.68%
Arauco Panels USA	Mfg of Engineered Wood Products	94,877,299	6	0.78%	110,329,042	2	1.25%
Minnesota Mining & Manufacturing Co.	Mining	52,272,649	7	0.43%	40,966,305	7	0.46%
General Shale Brick Inc.	Brick	29,750,408	8	0.24%	47,674,608	6	0.54%
Public Service Co of NC	Public Utility - Natural Gas	29,357,364	9	0.24%	22,140,147	9	0.25%
CSP Community Owner LLC	Residential	26,156,239	10	0.21%			
NNP Briar Chapel LLC	Real Estate				32,137,121	8	0.36%
Triangle Brick	Brick				22,090,807	10	0.25%
Totals		\$ 821,123,766		6.75%	\$ 629,486,504		7.12%

Source: Chatham County Tax Assessor

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

Fiscal Year	Taxes Levied for the Fiscal Year (Net)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2012	55,092,804	53,900,198	97.84%	1,128,529	55,028,727	99.88%
2013	56,753,860	55,446,864	97.70%	1,252,815	56,699,679	99.90%
2014	58,419,050	57,553,931	98.52%	810,997	58,364,928	99.91%
2015	58,636,579	57,830,764	98.63%	752,127	58,582,891	99.91%
2016	60,613,213	59,840,287	98.72%	729,475	60,569,762	99.93%
2017	63,850,060	63,246,063	99.05%	547,332	63,793,395	99.91%
2018	67,206,357	66,417,903	98.83%	658,804	67,076,707	99.81%
2019	70,336,774	69,682,844	99.07%	401,108	70,083,952	99.64%
2020	77,865,650	77,029,214	98.93%	588,617	77,617,831	99.68%
2021	81,601,001	81,083,169	99.37%	-	81,083,169	99.37%

Source: Chatham County Tax Department

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

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Per Capita (1)	Percentage of Personal Income (1)
	General Obligation Bonds	COPS/LOBS & Installment Loans	Capital Leases	General Obligation Bonds	Revenue Bonds	LOBS & Installment Loans			
2012	6,385,000	97,911,077	-	3,162,000	1,861,000	16,367,966	125,687,043	1,968	4.06%
2013	4,635,000	116,619,394	-	3,123,000	1,835,000	15,840,626	142,053,020	2,201	4.43%
2014	2,925,000	112,762,583	-	3,082,000	1,808,000	14,589,755	135,167,338	2,029	3.79%
2015	1,250,000	129,522,694	-	3,040,000	1,781,000	13,389,125	148,982,819	2,203	4.20%
2016	-	124,365,462	-	2,996,000	1,752,000	12,245,164	141,358,626	2,057	3.84%
2017	-	115,561,935	-	2,950,000	1,722,000	11,274,051	131,507,986	1,831	3.41%
2018	-	107,025,251	-	2,902,000	1,691,000	10,293,299	121,911,550	1,706	2.84%
2019	-	223,914,507	-	2,853,000	1,659,000	9,299,696	237,726,203	3,250	5.16%
2020	-	232,737,722	-	2,802,000	1,626,000	8,293,240	245,458,962	3,296	5.09%
2021	-	221,850,944	-	2,749,000	1,592,000	7,288,503	233,480,447	3,135	*

* Information not available

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

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

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

Fiscal Year	General Obligation Bonds	Percentage of Personal Income(1)	Percentage of Actual Taxable Value of Property(2)	Per Capita(1)
2012	9,547,000	0.31%	0.11%	149
2013	7,758,000	0.24%	0.09%	120
2014	6,007,000	0.17%	0.06%	90
2015	4,290,000	0.12%	0.05%	63
2016	2,996,000	0.08%	0.03%	44
2017	2,950,000	0.08%	0.03%	41
2018	2,902,000	0.07%	0.03%	41
2019	2,853,000	0.06%	0.03%	39
2020	2,802,000	0.06%	0.02%	38
2021	2,749,000	*	0.02%	37

* Information not available

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

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

(2) See schedule 5 for property value data.

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed Value of Property	8,844,927	9,110,795	9,376,365	9,418,243	9,737,933	10,062,281	10,686,458	11,181,508	11,612,454	12,165,785
Debt Limit, 8% of Assessed Value (Statutory Limitation)	707,594	728,864	750,109	753,459	779,035	804,982	854,917	894,521	928,996	973,263
Amount of Debt Applicable to Limit										
Gross debt	125,687	142,053	135,167	148,983	141,359	131,508	121,912	237,726	245,459	233,480
Less: Debt outstanding for water purposes	21,391	20,799	19,480	18,210	16,993	15,946	14,886	13,812	12,721	11,630
Total net debt applicable to limit	104,296	121,254	115,688	130,773	124,365	115,562	107,025	223,915	232,738	221,851
Legal Debt Margin	<u>603,298</u>	<u>607,609</u>	<u>634,422</u>	<u>622,687</u>	<u>654,669</u>	<u>689,421</u>	<u>747,891</u>	<u>670,606</u>	<u>696,259</u>	<u>751,412</u>
Total net debt applicable to the limit as a percentage of debt limit	14.74%	16.64%	15.42%	17.36%	15.96%	14.36%	12.52%	25.03%	25.05%	22.79%

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

Schedule 12
 Chatham County
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2021

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Direct Debt:			
Chatham County	\$ 221,850,944	100.00%	\$ 221,850,944
Other Debt:			
Town of Cary	<u>99,328,541</u>	2.77%	<u>2,751,401</u>
Total	\$ <u><u>321,179,485</u></u>		\$ <u><u>224,602,345</u></u>

Source: "Other debt" provided by Town of Cary.

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

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

<u>Year</u>	<u>Population</u>	<u>Personal Income (C) (thousands of dollars)</u>	<u>Per Capita Personal Income (C)</u>	<u>Public School Enrollment (D)</u>	<u>Unemployment Rate (E)</u>
2012	63,870 B	3,093,642	48,191	7,938	7.00%
2013	64,553 B	3,204,182	49,084	8,065	6.30%
2014	66,618 B	3,563,765	53,336	8,193	4.50%
2015	67,620 B	3,544,330	51,593	8,330	5.20%
2016	68,725 B	3,676,829	51,839	8,436	4.40%
2017	71,815 B	3,853,597	53,342	8,636	3.60%
2018	71,472 A	4,297,392	60,127	8,735	3.60%
2019	73,139 A	4,610,745	63,041	8,799	4.00%
2020	74,470 A	4,826,158	64,807	8,977	5.80%
2021	74,470 A	*	*	8,588	3.60%

* Information not yet available.

Notes:

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

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

Employer	FY 2021		FY 2012	
	Employment Range (1)	Rank	Employment Range (2)	Rank
Chatham County Schools	1000+	1	1000+	1
Chatham County	500-999	2	250-499	2
Mountaire Farms of NC Inc.	250-499	3		
Carolina Meadows Inc	250-499	4	250-499	3
Galloway Ridge Inc	250-499	5	100-249	9
NC Health	100-249	6		
Wal-Mart	100-249	7	100-249	8
NFI Interactive Logistics, Inc.	100-249	8		
Flakeboard America Limited (subsidiary of Arauco Panels USA LLC)	100-249	9		
Piedmont Health Services	100-249	10		
Arauco			250-499	4
Performance Fibers			250-499	5
Chatham Hospital			250-499	6
Performance Bicycle			100-249	7
Fitch Creations			100-249	10

Sources:

- (1) NC Dept of Commerce, Labor and Economic Analysis (QE 03/31/21)
- (2) Chatham County EDC

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

Function/Program	Full-time Equivalent Employees as of June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	65	67	68	70	70	74	79	87	87	87
Public Safety	136	149	162	171	176	181	184	194	195	196
Economic and Physical Development	18	18	16	17	19	20	22	22	23	22
Human Services	151	151	152	154	147	148	156	163	152	156
Cultural and Recreation	24	24	23	22	20	22	27	28	27	27
Water	23	22	22	22	20	23	23	23	25	24
Waste Management	13	13	12	12	14	13	10	11	11	11
Total	430	444	455	468	466	481	501	528	520	523

Source: County Finance Department

Notes:

Vacant positions are not included in the above numbers.

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

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

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

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities:										
General Government:										
Land records recorded	14,092	17,608	12,707	12,717	12,800	14,617	14,113	12,673	14,713	20,014
Marriage licenses issued	251	281	286	343	330	304	322	292	308	434
New registered voters	2,714	5,421	2,530	3,046	4,949	5,511	3,934	4,833	8,114	6,397
Public Safety:										
Civil processes served	4,151	4,654	3,944	3,527	3,187	3,273	2,982	2,619	2,449	1,734
Applications for pistol permits	917	2,312	678	890	964	1,569	1,497	1,370	3,084	4,306
911 calls received	99,384	103,295	136,875	164,970	131,486	136,870	116,101	120,090	113,258	118,152
Fire inspections conducted	806	591	648	712	670	728	1,099	897	1,244	1,731
Economic and Physical Development:										
Zoning permits issued	1,062	1,158	1,558	1,805	1,819	2,094	1,986	1,945	2,124	1,978
Building permits issued (single-family dwellings)	313	396	636	674	756	870	713	632	581	818
Human Services:										
Total patients seen in health clinics	8,150	5,403	4,789	5,614	3,612	3,036	2,407	2,066	2,000	2,043
Children and families receiving Medicaid	4,137	6,151	7,012	5,777	5,017	5,606	5,679	5,874	5,693	6,089
Total child support collections	\$2,892,255	\$2,785,510	\$2,559,088	\$2,523,317	\$2,566,690	\$2,607,660	\$2,578,299	\$2,587,171	\$2,708,262	\$2,711,702
Cultural and Recreational:										
Library patron visits (3 branches)	173,743	191,003	189,074	178,820	180,771	181,494	171,177	177,403	118,890	5,822
Participants in youth sports	879	902	863	918	967	1,050	909	904	1,355	592
Education:										
Average daily membership	7,938	8,065	8,193	8,330	8,436	8,636	8,735	8,799	8,977	8,588
County appropriation per student (rounded)	\$4,130	\$4,130	\$4,276	\$4,019	\$4,175	\$4,252	\$4,386	\$4,890	\$4,991	\$5,561
Business-Type Activities:										
Water:										
Number of new connections	266	315	370	483	505	541	571	506	368	310
Gallons of water consumed (in thousands)	660,518	637,843	664,271	607,396	645,293	683,242	713,548	706,500	773,235	862,795
Waste Management:										
Tons of recyclables	3,546	4,154	4,249	4,627	4,910	2,691	3,015	3,160	3,209	3,582
Tons of waste managed	11,173	10,741	11,099	11,338	11,995	12,160	11,908	12,684	13,235	13,546

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

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

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety:										
Jail Capacity	51	51	51	110	110	110	110	110	110	110
Total Sheriff Vehicles	109	108	111	126	131	147	151	151	162	162
Cultural and Recreational:										
Park Acreage	437	437	437	437	437	437	437	437	437	437
Libraries (branches)	3	3	3	3	3	3	3	3	3	3
Business-Type:										
Water:										
Miles of Water Main	395	395	395	415	415	419	419	419	435	440
Number of Storage Tanks	8	9	9	9	9	9	9	9	9	9
Waste Management:										
Collection Centers	12	12	12	12	12	12	12	12	12	12

Sources: Various county departments and county asset records.

COMPLIANCE SECTION

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MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

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

Independent Auditor's Report

To the Board of Commissioners
Chatham County
Pittsboro, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable of the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Chatham County, North Carolina (the "County"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 8, 2021. Our report includes a reference to other auditors who audited the financial statements of the Chatham County ABC Board as described in our report on Chatham County's financial statements. The financial statements of the Chatham County ABC Board were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable non-compliance associated with the Chatham County ABC Board.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
November 8, 2021

MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance; Required by the Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Chatham County
Pittsboro, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the compliance of Chatham County, North Carolina, with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Chatham County's major federal programs for the year ended June 30, 2021. Chatham County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Chatham County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Chatham County's compliance with those requirements and performing, such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Chatham County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
November 8, 2021

MARTIN STARNES

& ASSOCIATES, CPAs, P.A.

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

Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance; Required by the Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Chatham County
Pittsboro, North Carolina

Report on Compliance for Each Major State Program

We have audited the compliance of Chatham County, North Carolina, with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Chatham County's major state programs for the year ended June 30, 2021. Chatham County's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Chatham County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Chatham County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, Chatham County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
November 8, 2021

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

Section I – Summary of Auditor’s Results

Financial Statements

Type of report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(s) identified? _____ Yes X None reported

Non-compliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(s) identified? _____ Yes X None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major federal programs:

<u>Program Name</u>	<u>AL#</u>
Medicaid Cluster	93.778
Coronavirus Relief Fund	21.019
Supplemental Nutrition Assistance Program Cluster	10.561

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

X Yes _____ No

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings, Responses, and Questioned Costs

None reported.

Section IV – State Award Findings, Responses, and Questioned Costs

None reported.

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

No prior year findings.

CHATHAM COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
Federal Awards:					
U.S. Dept. of Agriculture					
Food and Nutrition Service					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services					
Administration:					
Supplemental Nutrition Assistance Program Cluster					
Administration:					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	185NC406S2514	\$ 416,490	\$ -	\$ -
Supplemental Nutrition Assistance Program-Fraud	10.561	185NC406S2514	29,633	-	-
Supplemental Nutrition Assistance Program-E&T	10.561	CHAT2020DSS1	14,865	-	-
Supplemental Nutrition Assistance Program-E&T & Depend	10.561	CHAT2020DSS2	6,695	-	-
Total Supplemental Nutrition Assistance Program Cluster			467,683	-	-
Total U.S. Dept. of Agriculture			467,683	-	-
U.S. Dept. of Justice					
Direct Program:					
Equitable Sharing Program	16.922	17-DEA-625415	8,206	-	-
Equitable Sharing Program	16.922	OCDEF-SENCM01221224	33,855	-	-
Equitable Sharing Program	16.922	2018TAC	300	-	-
Justice Systems Response to Families	16.021	2016-FJ-AX-0005	138,423	-	-
Juvenile Justice and Delinquency Prevention	16.838	2020-AR-BX-0021	41,586	-	-
Bulletproof Vest Partnership Program	16.607	K51128326	5,884	-	-
Passed-through N.C. Dept. of Crime Control and Public Safety:					
Violence Against Women Formula Grants	16.588	2019-WF-AX-0021	87,954	-	-
Crime Victim Assistance	16.575	2017-VA-GX-0050	142,127	-	-
Crime Victim Assistance	16.575	2020-V2-GX-0057	50,165	-	-
Edward Byrne Memorial Justice Assistance Grants Program	16.738	2019-DJ-BX-0067	23,714	-	-
Violence Against Women Formula Grants	16.588	2017-WF-AX-0040	28,748	-	-
Total U.S. Dept. of Justice			560,962	-	-
U.S. Department of Homeland Security					
Passed-through N.C. Dept. of Crime Control and Public Safety:					
Division of Emergency Management					
Disaster Grants-Public Assistance (Presidentially					
Homeland Security Grant Program	97.067	EMW-2020-SS-0023-2041009	9,500	-	-
Homeland Security Grant Program	97.067	EMW-2018-SS-00053	9,104	-	-
Emergency Management Performance Grants	97.042	EMPG-2017-37037	39,378	-	-
Total U. S. Department of Homeland Security			57,982	-	-
U.S. Institute of Museum and Library Services					
Office of Library Services					
Passed-through the NC Dept. of Cultural Resources					
Grants to States	45.310	LS-246155-OLS-20	16,080	-	-
Total U.S. Institute of Museum and Library Services			16,080	-	-
U.S. Dept. of Health & Human Services					
Administration for Children and Families					
Passed-through N.C. Department of Health and Human Services:					
Division of Social Services:					
Mental Health, Intellectual Developmental Disabilities - Development Disabilities Services Cluster (Note 4):					
Social Services Block Grant-CPS TANF	93.667	G1701NCSOSR; G1801NCSOSR	373,641	-	-
Social Services Block Grant-State In Home Services	93.667	G1701NCSOSR; G1801NCSOSR	2,995	-	-
Social Services Block Grant-State In-Home Services over 60	93.667	G1701NCSOSR; G1801NCSOSR	5,739	-	-
Social Services Block Grant-Other Services and Training	93.667	G1701NCSOSR; G1801NCSOSR	239,601	-	-
Total Mental Health, Intellectual Developmental Disabilities - Development Disabilities Services Cluster			621,976	-	-
Child Support Enforcement Section-IV-D Administration	93.563	1804NC4005	317,365	-	-
Child Support Enforcement Section-IV-D Offset Fees - ESC	93.563	1804NC4005	4	-	-
Child Support Enforcement Section-IV-D Offset Fees - Federal	93.563	1804NC4005	2,771	281	-
Total Division of Social Services			942,116	281	-
Low Income Home Energy Assistance:					
Crisis Intervention Program	93.568	G17B1NCLIEA; G18B1NCLIEA	180,774	-	-
Administration	93.568	G17B1NCLIEA; G18B1NCLIEA	27,121	-	-
Low Income Home Energy Assistance	93.568	G17B1NCLIEA; G18B1NCLIEA	209,406	-	-
LIEAP COV19	93.568	G17B1NCLIEA; G18B1NCLIEA	107,289	-	-
LIEAP COV19 ADM	93.568	G17B1NCLIEA; G18B1NCLIEA	1,360	-	-
Total Low-Income Home Energy Assistance			525,950	-	-
Special Children Adoption Fund Cluster (Note 4):					
Stephanie Tubbs Jones Child Welfare Services Program:					
Permanency Planning - Special	93.645	G1701NCCWSS; G1801NCCWSS	21,854	-	-
Total Special Children Adoption Fund Cluster			21,854	-	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood					
Links	93.674	G1701NC1420; G1801NC1420	12,341	3,085	-
Links Transitional Funds	93.674	G1701NC1420; G1801NC1420	12,603	808	-
LINKS/CHAFEE/NR-LINKS	93.674	G1701NC1420; G1801NC1420	7,819	-	-
Total John H. Chafee Foster Care Program for Successful Transition to Adulthood			32,763	3,893	-
Total Division of Social Services			1,522,683	4,174	-
Temporary Assistance for Needy Families:					
TANF	93.558	13A15151T219	5,990	-	-
Work First Administration	93.558	G1701NCTANF; G1801NCTANF	35,760	-	-
Work First Service	93.558	G1701NCTANF; G1801NCTANF	220,274	-	-
Total Temporary Assistance for Needy Families			262,024	-	-
Foster Care, Adoption, and Guardianship Assistance Program Cluster (Note 4)					
Division of Social Services:					
Adoption Assistance	93.659	1801NCADPT	82,461	-	-
Foster Care-Title IV-E Administration	93.658	1801NCFOST	286,200	68,387	-
COVID Foster Care Title IV-E Administration	93.658	1801NCFOST	900	-	-
Foster Care-Title IV-E Family	93.658	1801NCFOST	182,213	38,333	-
Foster Care Title IV-E Training	93.658	1801NCFOST	279,557	-	-
Total Foster Care, Adoption, and Guardianship Assistance Program Cluster			831,331	106,720	-
Child Care Development Fund Cluster:					
Division of Social Services:					
Child Care Mandatory and matching Funds of the Child Care and Development Fund-Administration	93.596	G1702NCCCDF; G1802NCCCDF	89,439	-	-
Total Child Care Development Fund Cluster			89,439	-	-
Total Administration for Children and Families			2,705,477	110,894	-

CHATHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
Centers for Medicare and Medicaid Service					
Passed-through the N.C. Department of Health and Human Services:					
Division of Health Benefits:					
Division of Social Services:					
Administration:					
Medicaid Cluster:					
Adt Cr Hm Cs Mgt/Spec	93.778	XIX-MAP18	9,171	4,586	-
Medical Assistance	93.778	XIX-MAP18	17,927	-	-
Medical Assistance Administration	93.778	XIX-MAP18	1,362,525	-	-
Medical Transportation Administration	93.778	XIX-MAP18	54,703	-	-
State County Special Assistance	93.778	XIX-MAP18	38,181	-	-
Total Medicaid Cluster:			1,482,507	4,586	-
Division of Social Services:					
Administration:					
Children's Health Insurance Program-N.C. Health Choice	93.767	CHIP18	70,938	-	-
Total Division of Medical Assistance			1,553,445	4,586	-
Centers for Disease Control and Prevention					
Passed-through the N.C. Dept. of Health and Human Services					
Division of Public Health:					
Public Health Emergency Preparedness	93.069	12642680EN; 12641680EQ	35,411	-	-
		146022DNF; 1460272CNF; 1460272ANF;			
Project Grants and Coop Agreements for Tuberculosis Control Program	93.116	1460272ENF	50	-	-
Immunization Cooperative Agreements	93.268	1331631DEJ; 1331631AEJ	207,119	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	1175870AWT; 1175878AHH	151,747	-	-
COVID-19 - Public Health Emergency Response:	93.354	12642680CP	84,631	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	1320310AD719; 1320310CD7	3,250	-	-
		1311462DNB19; 1311462ENB19; 1311462CNB19;			
Sexually Transmitted Disease (STD) Prevention and Control Grants	93.977	1311462ANB; 1311462BNB	42	-	-
Preventive Health and Health Services Block Grant	93.991	12615503PH; 13114536PF	39,302	-	-
Total Centers for Disease Control and Prevention			521,552	-	-
Health Resources and Services Administration					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Maternal and Child Health Services Block Grant to the States	93.994	13A15735AP19;12715318AP19; 12715745AP19; 12715351AP19; 13A15740AP19; 13A15107AP19;	35,052	8,005	-
Maternal and Child Health Federal Consolidated Programs	93.110	13A1588AMZ	7,500	-	-
			42,552	8,005	-
Office of Assistant Secretary for Health					
Passed-through the N.C. Dept. of Health and Human Services:					
Office of Population Affairs					
Family Planning Services	93.217	13A1592CFP	37,990	-	-
Family Planning Services	93.217	13A1592DFP	5,316	-	-
Total Office of Population Affairs			43,306	-	-
Administration for Community Living					
Division of Aging and Adult Services					
Passed through Triangle Regional Council:					
Special Programs for the Aging - Title III D					
Disease Prevention and Health Promotion Services	93.043	2018-J007-019	7,216	424	-
National Family Caregiver Support, Title III Part E	93.052	2018-J007-019	53,887	3,592	-
Administration for Children and Families					
Social Services Block Grant	93.667	2018-J007-019	28,103	803	-
Aging Cluster:					
Special Programs for the Aging - Title III, Part B-Grants for Supportive Services and Senior Centers-Access Services					
	93.044	2018-J007-019	49,843	20,048	-
Special Programs for the Aging - Title III, Part B-Grants for Supportive Services and Senior Centers-In-Home Services					
	93.044	2018-J007-019	34,386	310,703	-
Special Programs for the Aging - Title III, Part C-Nutrition Services-Congregate Nutrition					
	93.045	2018-J007-019	125,431	7,378	-
Special Programs for the Aging - Title III, Part C-Nutrition Services-Home Delivered Meals					
	93.045	2018-J007-019	18,486	14,740	-
Nutrition Services Incentive Program	93.053	2018-J007-019	2,029	-	-
Total Aging Cluster			230,175	352,869	-
Total Administration for Community Living			319,381	357,688	-
Total U.S. Dept. of Health and Human Services			5,185,713	481,173	-
U.S. Dept. of the Treasury					
Passed-through the Office of State Budget and Management:					
NC Pandemic Recovery Office					
Coronavirus Relief Fund	21.019	NCPRO 02-19	2,306,064	-	367,092
Division of Public Health Coronavirus Relief Fund 4	21.019	11754026HN; 11754026P5	97,266	-	-
U.S. Economic Development Administration					
Coronavirus Relief Fund - NC Tourism Recovery Grant	21.019	NC60-00-54-02	10,750	-	-
Coronavirus Relief Fund - The Tourism Recovery Grant	21.019	NC60-00-54	10,000	-	-
Total U.S. Dept. of the Treasury			2,424,080	-	367,092
Election Assistance Commission					
Help America Vote Act					
2020 Supplemental COVID-19 Election Security Grants	90.404	NC20101001-019	56,945	-	-
2020 Supplemental COVID-19 Election Security Grants	90.404	NC20101001-019	145,248	-	-
Total Election Assistance Commission			202,193	-	-
Total Federal Awards			8,914,693	481,173	367,092
State Awards:					
N.C. Dept. of Natural and Cultural Resources					
Division of State Library					
State Aid to Public Libraries		2018-STATEAID	-	100,910	-
Division of Parks and Recreation					
Parks and Recreation Trust Fund		2018-856	-	38,457	-
Total N.C. Dept. of Cultural Resources			-	139,367	-

CHATHAM COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<u>N.C. Department of Environmental Quality</u>					
Electronics Management		536961-2395	-	125	-
Agricultural Cost Share-Technical Assistance		CHAT170	-	24,521	-
Education Grant		CHAT2018SSWCD	-	3,600	-
Total N.C. Dept. of Environmental and Natural Resources			-	28,246	-
<u>N.C. Dept. of Health and Human Services</u>					
Division of Social Services:					
Administration and Services					
AFDC-Program Integrity		2018AFDC	-	266	-
Energy Assistance Private Grants		2018LIEA	-	15,252	-
State Child Welfare/CPS		2018CPS	-	96,778	-
DCD Smart Start		2021DCDSS	-	168	-
County Funded Programs		2018CFP	-	-	-
APS/CPS CARE COVID 19			-	32,919	-
Senior Center General Purpose		2018-J007-019	-	21,030	-
Direct Benefit Payments:					
State Foster Home		2018SFH	-	45,042	-
State Foster Home Maximization		2018SFHM	-	35,537	-
F/C/Max Non IV-E		2018FCAR	-	11,412	-
Extended FC>20 Stipend		2021FCST	-	5,400	-
FC Stipend		2021FCSTD	-	32,200	-
Total Division of Social Services			-	296,004	-
Division of Public Health					
Other Receipts / State Supported Expenditures					
Food and Lodging Fees		11534752SZ19	-	16,441	-
General Aid to Counties		116141100019	-	80,736	-
General Communicable Disease Control		117545100019	-	1,610	-
Healthy Communities	126155030019; 12615503PF19; 13114536PF19		-	3,747	-
Breast and Cervical Cancer Program		132055990019; 1320335504	-	7,800	-
Child Health		127157450019	-	3,316	-
HIV/STD State	13114536BN19; 13114536RQ19; 13114536RR		-	500	-
STD Drugs	13114601RR; 13114601BN; 13114601RQ		-	655	-
School Nurse Funding Initiative		133253580019	-	100,000	-
Family Planning - State		13A157350019	-	20,641	-
Maternal Health		13A157400019	-	17,238	-
Tuberculosis Controls	146045510019; 146045540019		-	9,688	-
Women's Health Service Fund		13A16018FR19; 13A16020FR	-	7,948	-
Total Division of Public Health			-	270,320	-
<u>N.C. Dept. of Military and Veteran Affairs</u>					
DMVA Community County Grants		DMVACNTYGRANT17	-	2,084	-
Total N.C. Dept. of Public Instruction			-	2,084	-
<u>N.C. Dept. of Public Instruction</u>					
Public School Building Capital Fund-Lottery Proceeds		CHATPSBCF	-	1,340,675	-
Total N.C. Dept. of Public Instruction			-	1,340,675	-
<u>N.C. Dept. of Public Safety</u>					
Juvenile Crime Prevention Program-Administration		536301-12409019	-	15,500	-
Juvenile Crime Prevention Program		536301-12409019	-	170,862	145,734
Tier II Universal State Grant		TIERII-T22017-1722	-	1,000	-
State Forfeiture Funds		USUB2018	-	12,173	-
Total N.C. Dept. of Public Safety			-	199,535	145,734
<u>N.C. Dept. of Transportation</u>					
Rural Operating Assistance Program (ROAP) Cluster			-		
Precon Engineering for CAM Site		DOT-18-48171	-	25,000	-
Total N.C. Dept. of Transportation			-	25,000	-
Total State awards			-	2,301,231	145,734
Total Federal and State awards			\$ 8,914,693	\$ 2,782,404	\$ 512,826

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

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Chatham County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Chatham County, it is not intended to and does not present the financial position, changes in net position or cash flows of Chatham County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

Chatham County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4: Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Foster Care, Adoption, and Guardianship Assistance Program Cluster; Special Children Adoption Fund Cluster; and Mental Health, Intellectual Developmental Disabilities - Development Disabilities Services Cluster.

Note 5: Benefit Payments Issued by the State

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

Program Title	CFDA	Federal	State
Medicaid	93.778	\$ 54,021,444	\$ 20,542,628
CHIP	93.767	1,485,107	267,292
TANF-Special Children Adoption	93.558	37,139	-
TANF-Payments & Penalties	93.558	121,997	-
WIC	10.557	724,866	-
Adoption Assistance-IV-E Adopt Subsidy & Vendor	93.659	618,304	109,042
Promoting Safe & Stable Families	93.556	36,130	-
Child Welfare Services Adoption-Vendor Guard		-	191,995
SAA/SAD HB 1043/1105		-	151,071
State/County Special Assistance Program		-	246,182

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