

CHATHAM COUNTY NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020

PREPARED BY:

THE FINANCE DEPARTMENT

CHATHAM COUNTY, NORTH CAROLINA

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INTRODUCTORY SECTION

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December 18, 2020

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, 2020.

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, 2020. 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. More than half 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 was the third fastest growing county in the state between July 2014 and July 2017.

Within the County, education and health services is the largest industry, accounting for 28% of all jobs. Major employers in this sector are Carolina Meadows, Galloway Ridge, Chatham Hospital, The Laurels of Chatham and Piedmont Health Services. Central Carolina Community College and Chatham County completed a new health sciences building this year to support workforce development for this growing employment sector. Other large employers include manufacturers like Mountaire Farms, PalletOne, Brookwood Farms, and MAS Acme. Floorazzo, a Siler City-based terrazzo tile manufacturer, continues to grow its presence across the United States, and is currently constructing a new facility to expand into in Siler City. Nearby Floorazzo, Charter Furniture (a subsidiary of Brown Jordan) becomes the third furniture manufacturer in the county as they are in the process of moving 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.

Agriculture and agribusiness (food, fibers, and forestry) remain significant in the local economy. Total farm income in the County for 2017 was \$129,078,240, which ranked 31st 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 (third in overall cattle production) and 16th 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 16th 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, crinum, daylilies, orchids, exotic ferns, trees, and shrubs. The County is also gaining a reputation as an area of innovative and sustainable agriculture practices. Because of the County's proximity to the Research Triangle and Piedmont Triad metropolitan regions, there is a large demand for local agricultural products. Producers in the County currently are unable to satisfy this demand. Agricultural tourism showcasing our diverse agricultural industry brings many visitors to Chatham County to spend their money then return home. The dynamic agricultural industry of the County is also attracting investors to potential new agribusiness enterprises.

This year, to support the economic development goals of the Chatham County Board of Commissioners the Chatham Economic Development Corporation's (EDC) adopted a new three-year Strategic Action Agenda. 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 underway for the City of Sanford's sewer line to the Triangle Innovation Point, with an anticipated delivery in late 2020. With the goal of attracting new business and extending public utilities to underserved areas of Chatham County and as a requirement of the grant, Chatham County entered into 5-year option

agreements on both sites in late 2017. 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 to the major industrial sites, the EDC works with developers for Chatham Park, a 7,100-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, permanent jobs in Chatham County. Eco Group LLC, the developers for Mosaic at Chatham Park project, broke ground on the 44-acre, \$140 million mixed-use project in early 2019, and anticipate completion in early 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 underway in Pittsboro is the Retreat at Pittsboro, a multifamily development that will provide 48 housing units. Apartments at the Sanctuary at Powell Place have been completed and are now leasing, helping to provide more housing diversity in Pittsboro.

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 this 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 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.

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-diamond restaurant and five-diamond inn.

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 was robust, with the first overnight sports event, Cycle NC, for which festivities included hosting 1,400 cyclists (predominantly camping) that stayed in Chatham County and neighboring counties, thereby generating economic impact for the region; tax receipts generated a 16% increase in October 2019 when compared to October 2018.

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 from March 2020 onward is safe travel. 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 cautiously 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 \$25,000 or more. The CIP includes summaries of all major projects and detailed descriptions of each project, including justifications, cost detail, funding sources, and impact on the operating budget.

Major Initiatives

Implementation activities related to the Chatham Comprehensive Plan were well underway countywide in FY 2019-20. 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 Unified Development Ordinance (UDO) project is an effort focused on consolidating the multiple existing land use regulations into a single document.
 - Additionally, the project will update and modernize the regulations to encourage future proposals to exemplify the goals of the Chatham County community and fit the needs of many different areas of the county as gathered from the public feedback found in the Comprehensive Planning Process.
 - The overall goal of the project is to create a document for community members, applicants, and decision-makers alike; a regulation document that offers clarity, consistency, predictability, and flexibility in what will apply to future project proposals.
- The expansion of the Chatham County Animal Resources Center is under construction.

- The design of the new Emergency Operations Center and 911 Communications hub is in design and will be located on land acquired by the county on Renaissance Drive in Pittsboro.
- The upgrade to the emergency communications system is underway.
- Chatham County Parks and Recreation:
 - Completed the Southeast District Park master plan which is named the Parkers Ridge Park located in Moncure.
 - Completed the Northeast District Park master plan expansion.
 - Completed the Brooks Creek corridor plan study.
 - Completed the shared use agreement for the Parks & Rec Department's first community center at Chatham Grove Elementary School.

CONSTRUCTION TRENDS

- Single Family construction still remains strong, although down about 10-20% from a couple of years ago. Multi-family construction has increased substantially and nearly 400 dwelling units were permitted in the past year; another 400+ are currently in permitting.
- Commercial construction has increased steadily with a variety of projects from restaurants, retail and manufacturing to utilities. Mosaic has permitted several shell buildings which are being constructed and will soon be permitting end users such as UNC Healthcare and other retail and food/beverage businesses. Manufacturing plants such as Autonetics in Pittsboro and Floorazzo in Siler City are both nearing completion.

EDUCATION

During the 2018-19 school year, Chatham County Schools students outperformed their peers across the state in:

- Reading, math and science end-of-grade composite for grades 3-8
- End-of-course composite for grades 9-12
- ACT
- SAT
- WorkKeys
- Math course rigor
- Four-year and five-year graduation cohort

For the second consecutive year, Chatham County Schools earned national recognition with a Best Communities for Music Education designation from The NAMM Foundation, a nonprofit organization supported in part by the National Association of Music Merchants.

Thought leadership in prior years allowed every Chatham County Schools family who requested a digital learning device during at-home learning to receive one. Spanning preschool through 12th grade, at least 7,800 students received a device from the district for at-home learning.

Committed to digital access and equity for students, Chatham County Schools expanded its partnership with the 1Million Project for student hotspots and added additional Verizon hotspots through state funding. As of September 9, 2020, the school system provided hotspots to at least 625 families for the fall semester of the 2020-21 school year.

From the time Chatham County Schools closed March 16, 2020, to limit the spread of COVID-19 until the district opened August 17, 2020, Chatham County Schools Nutrition Services provided approximately 388,000 free meals to individuals 18 years old and younger.

The Chatham County Board of Commissioners approved Chatham County Promise in December 2018, which allows Chatham County residents who graduate from a public high school, private school, or homeschool for the years 2019, 2020, 2021 and 2022 to be guaranteed up to two years of free in-state tuition and required fees at Central Carolina Community College.

- Chatham County Promise data:
 - Students served last year (2019-2020): 140
 - Additional students being served this year (2020-2021): 130

SCHOOL FACILITIES

Chatham County moved forward on several school facilities projects:

- Seaforth High School is under construction and remains on schedule to open for the 2021-22 school year.

- Chatham Grove Elementary, along with the new shared use community center, came in under the projected budget when it opened for the 2020-21 school year.
- The new Chatham County Schools Central Services facility is under design, and will be located on land recently acquired by the county on Renaissance Drive.
- The Central Carolina Community College Health Sciences Center opened in January 2020 with medical assisting students and students completing preparatory coursework for Certified Nursing Assistant licensure attending classes.

ECONOMIC DEVELOPMENT

Closing out FY 2020, the Chatham County Economic Development Corporation (EDC) team continues to work through unprecedented times. The year began with strong growth in its existing industries. In an effort to curb job loss, the EDC rapidly pivoted to providing business support in response to the COVID-19 pandemic and expanded outreach efforts to ensure businesses understood the resources and programs available.

Small Business Support

- In addition to sharing frequent updates with the business community and offering one-on-one help, the EDC created a reopening guide to help businesses with safely reopening and operating (reopeninghelp.com).
- The EDC partnered with local Chamber organizations to create a source for personal protective equipment (chamberppe.com).
- Working with local business support providers and Chambers, the EDC also partnered on a campaign to encourage people to shop local (localstimulus.org).
- The EDC has developed a monthly newsletter with industry insights for larger employers and has recently launched a weekly newsletter for small and mid-sized businesses.

Industry Developments

- Floorazzo is constructing a new facility that will enable it to increase production and its workforce.
- Brookwood Farms plans to expand its existing campus with a new office space and common area for employees and has closed on land for a new distribution center in Siler City.
- Brookwood Farms and Capital Ready Mix Concrete were named 2019 Family Business Award winners by the Triangle Business Journal.
- The NC Manufacturing Expansion Partnership gives out six Manufacturing Leadership Awards at its annual conference. Chatham County was represented by two excellent employers: Alotech and 3M.
- CTI Systems, a printed circuit board depaneling and load routers company, relocated its operations to Goldston.
- Autonetics, based in Cary, is relocating its operations to a new facility in Pittsboro.

MAJOR LEADERSHIP NEWS

Public Health – Mike Zelek was appointed interim public health director in June 2020, succeeding the retiring Layton Long. Prior to becoming interim public health director, Zelek served the Chatham County Public Health Department for nearly eight years first as social research associate for the Department and then as Health Promotion & Policy Division director. Zelek got his start helping others in Nicaragua with a nonprofit organization called Fabretto Children’s Foundation where he first served as an English teacher and then coordinated health initiatives. That’s where he found his calling for public health, then moved to North Carolina to complete a Masters of Public Health at UNC-Chapel Hill.

Management & Information Systems (MIS) – Nick Haffele was appointed interim MIS director in June 2020 after longtime director Darlene Yudell retired. Haffele also serves Chatham County as the Geographic Information Systems (GIS) manager, a role he has served in since February 2015. Haffele has held GIS roles in both the public and private sector including time with GeoComm, Branch County MI (911), and Atos North America.

Public Information Officer – Kara Lusk Dudley joined Chatham County as public information officer in August 2019 with 23 years of communications experience. Dudley began her career as a broadcast journalist in 1996 and served communities across North Carolina as an anchor/reporter for 15 years. In 2011, Dudley continued her passion to make a difference in her community through public relations – first serving in communications roles at the American Red Cross both regionally and nationally, and then at her alma mater, UNC-Chapel Hill.

OTHER BIG NEWS IN CHATHAM COUNTY

Domestic visitors to and within Chatham County spent \$38.6 million in 2019, an increase of 4.5% from 2018. This represents a ten-year trend of increases.

The Chatham County Public Health Department Communicable Disease Team has led the COVID-19 response, working in the trenches from the notification of the first Chatham County case in March 2020. The CCPHD set up a hotline and email to respond to community questions and concerns about COVID-19. The Environmental Health Team has worked continually with childcare centers, long-term care facilities, restaurants, and other businesses to address coronavirus concerns and to implement infection control practices to prevent the spread of COVID-19.

Chatham County purchased new voting equipment in December 2019 from Hart InterCivic after testing it during the Municipal Elections in November 2019. The county had a successful Primary Election using the new equipment at all early voting sites and Election Day precincts.

The Chatham County Tax Office collected 98.86% of 2019 property taxes. A property tax assistance evaluator tool was added to the county website to evaluate whether a taxpayer qualifies for a tax assistance program such as the homestead exemption, circuit breaker deferral, disabled veteran or present use value program.

Chatham County Libraries provided 422 programs to the community with 6,919 attendees. The Libraries also provided 546 Early Literacy programs, serving 11,830 children ages 0-5. Chatham Community Library offered 25 classes on a wide variety of technology topics; 144 participants learned how to use a computer and navigate the internet, use Microsoft programs such as Word and Excel, collaborate using Google Apps and download free library eBooks through OverDrive. Digital literacy classes help provide community members with the skills they need to apply for jobs, conduct research, and communicate with others in our increasingly wired world.

Chatham County Parks and Recreation constructed a new paved walking trail at The Park at Briar Chapel, replaced 15 year old playground equipment with a new playground at Southwest District Park, improved the Southwest District Park walking trail, and installed a new staircase at the Highway 64 Haw River access.

Increasing the number of licensed foster families has been a longstanding goal at the Chatham County Department of Social Services. When the pandemic hit, the DSS foster home licensing unit pivoted a 30 hour, large group training curriculum into small group virtual training within a few weeks. Since March, more than 20 families, including several kinship families have completed training and ten more families are getting started soon. This new method of training has allowed the agency to offer the same level of high quality support to prospective foster parents and will make an impactful change in the number of licensed families in Chatham County.

Chatham County Family Violence and Prevention Services experienced a successful implementation of a 24/7 crisis hotline to serve survivors in the community. Chatham County Family Violence and Prevention Services continue collaboration with the nonprofit organization Second Bloom for domestic violence services and volunteer training. The services are providing support with the Chatham Housing Authority to staff two transitional homes for victims of domestic violence and are working with The Hispanic Liaison to increase outreach within the Latino community.

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, 2019. This was the thirtieth consecutive year that the County has received this award. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both GAAP and applicable legal requirements.

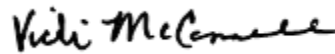
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the certificate of achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments – We appreciate the assistance and dedication of the members of the Finance Department throughout the preparation of this report. We would like to thank the entire county staff for the contributions they provided and the County’s independent certified public accountants, Martin Starnes & Associates CPAs, 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



Vicki McConnell
Deputy County Manager/Finance Officer

Chatham County, North Carolina
Principal Officials
June 30, 2020

Board of County Commissioners

<i>Karen Howard</i>	<i>Chairman</i>
<i>Diana Hales</i>	<i>Vice Chairman</i>
<i>James Crawford</i>	<i>Commissioner</i>
<i>Mike Dasher</i>	<i>Commissioner</i>
<i>Andy Wilkie</i>	<i>Commissioner</i>

County Officials:

<i>Dan LaMontagne</i>	<i>County Manager</i>
<i>Vicki McConnell</i>	<i>Deputy County Manager/Finance Officer</i>
<i>Bryan Thompson</i>	<i>Assistant County Manager</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>Carolyn Miller</i>	<i>Human Resources Director</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>Larry Bridges</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**

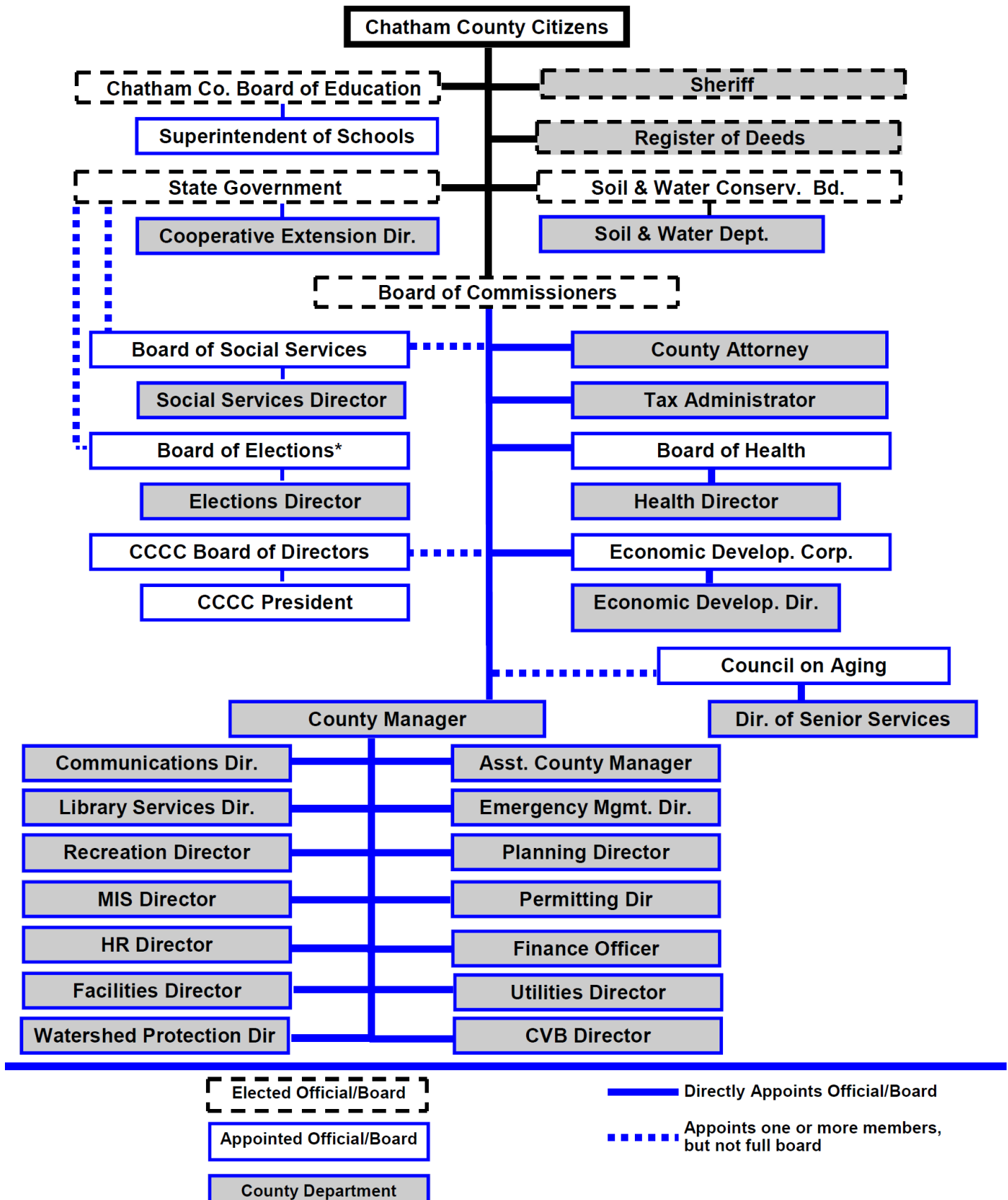
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

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, 2020, 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 upon 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, 2020, 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.

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 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, 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 December 18, 2020 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
December 18, 2020

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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, 2020. 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

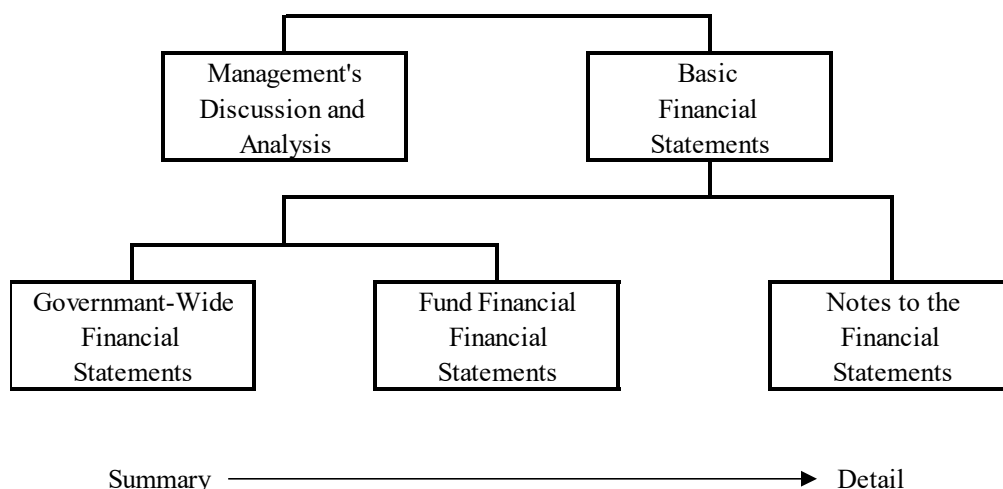
- The assets and deferred outflows of resources of Chatham County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$93,764,795 (*net position*).
- Long term liabilities increased by \$10,220,629. This increase can be attributed to the County entering into an installment purchase agreement in the amount of \$18,151,334. These funds will be used to make improvements to the County's emergency communication/radio system.
- The government's total net position decreased by \$37,922,730 primarily due to the expenditures incurred for the construction of school and community college facilities.
- As of the close of the current fiscal year, Chatham County's governmental funds reported combined ending fund balances of \$154,856,573 a net decrease in fund balance of \$36,124,441. Approximately 37.89% of this total amount, or \$58,681,147, is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$29,682,949, or 26.90%, 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 J) 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 27 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Chatham County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on pages 80-86 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$93,764,795.

During the 2019-2020 fiscal year, the County's net position decreased by \$37,922,730. This decrease is a result of funds expended for the construction of a new high school, a new elementary school and a community college health sciences facility. Net investment in capital assets (e.g. land, buildings, machinery, and equipment) makes up 92.90% of the County's total net position. Chatham County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Chatham County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Chatham County's net position \$10,674,439 (11.38%) 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	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other assets	\$ 176,784,835	\$ 210,832,871	\$ 33,964,793	\$ 30,310,076	\$ 210,749,628	\$ 241,142,947
Capital assets	106,311,233	101,769,636	51,818,246	53,356,635	158,129,479	155,126,271
Total assets	<u>283,096,068</u>	<u>312,602,507</u>	<u>85,783,039</u>	<u>83,666,711</u>	<u>368,879,107</u>	<u>396,269,218</u>
Deferred Outflows of Resources	<u>9,039,130</u>	<u>9,365,952</u>	<u>540,556</u>	<u>560,824</u>	<u>9,579,686</u>	<u>9,926,776</u>
Liabilities:						
Long-term liabilities outstanding	255,267,698	244,121,015	14,176,995	15,103,049	269,444,693	259,224,064
Other liabilities	13,449,873	13,390,277	795,585	993,454	14,245,458	14,383,731
Total liabilities	<u>268,717,571</u>	<u>257,511,292</u>	<u>14,972,580</u>	<u>16,096,503</u>	<u>283,690,151</u>	<u>273,607,795</u>
Deferred Inflows of Resources	<u>977,494</u>	<u>869,606</u>	<u>26,353</u>	<u>31,068</u>	<u>1,003,847</u>	<u>900,674</u>
Net Position:						
Net investment in capital assets	48,017,373	40,039,979	39,097,006	39,544,939	87,114,379	79,584,918
Restricted	10,674,439	9,521,662	-	-	10,674,439	9,521,662
Unrestricted	<u>(36,251,679)</u>	<u>14,025,920</u>	<u>32,227,656</u>	<u>28,555,025</u>	<u>(4,024,023)</u>	<u>42,580,945</u>
Total net position	<u>\$ 22,440,133</u>	<u>\$ 63,587,561</u>	<u>\$ 71,324,662</u>	<u>\$ 68,099,964</u>	<u>\$ 93,764,795</u>	<u>\$ 131,687,525</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 98.93%.
- The County continued to accumulate funds in the Capital Improvement Projects Reserve Fund. Chatham County Commissioners increased its contribution to the fund during the current fiscal year bringing the total contribution set aside to fund debt payments on current and future capital projects to an equivalent of 9.2 cents on the tax rate.
- 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.

- During the current fiscal year, the County borrowed \$18,151,334 from Banc of America to upgrade its current County-wide emergency communications/radio system and refinanced with PNC an existing loan previously with Capital Bank resulting in a net savings of \$1,104,459.20 over the life of the loan.
- Construction continued on the new Sea Fort High School, the Chatham Grove Elementary School, and the new health sciences facility. 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 and Central Carolina Community College.

Chatham County's Changes in Net Position
Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues						
Charges for services	\$ 9,223,357	\$ 7,871,262	\$ 12,740,493	\$ 12,813,267	\$ 21,963,850	\$ 20,684,529
Operating grants and contributions	10,170,676	12,638,854	310,845	194,495	10,481,521	12,833,349
General revenues:						
Property taxes	88,297,695	80,046,695	-	-	88,297,695	80,046,695
Sales taxes	16,284,600	14,707,545	-	-	16,284,600	14,707,545
Other taxes and licenses	1,002,335	995,458	-	-	1,002,335	995,458
Grants and contributions						
not restricted	3,589,710	3,230,947	-	-	3,589,710	3,230,947
Unrestricted investment earnings	3,475,231	5,892,009	545,789	663,679	4,021,020	6,555,688
Other	365,966	562,984	5,136	53,571	371,102	616,555
Total revenues	132,409,570	125,945,754	13,602,263	13,725,012	146,011,833	139,670,766
Expenses:						
General government	18,808,175	16,700,851	-	-	18,808,175	16,700,851
Public safety	32,313,920	29,544,421	-	-	32,313,920	29,544,421
Economic and physical development	5,600,580	3,033,823	-	-	5,600,580	3,033,823
Human services	16,141,257	14,441,440	-	-	16,141,257	14,441,440
Cultural and recreational	2,720,029	2,638,700	-	-	2,720,029	2,638,700
Education	89,234,803	72,291,352	-	-	89,234,803	72,291,352
Interest on long-term debt	8,724,610	8,793,382	-	-	8,724,610	8,793,382
Utility	-	-	6,377,301	7,070,801	6,377,301	7,070,801
Southeast water district	-	-	708,197	665,634	708,197	665,634
Solid waste management	-	-	3,305,691	3,487,136	3,305,691	3,487,136
Total expenses	173,543,374	147,443,969	10,391,189	11,223,571	183,934,563	158,667,540
Change in net position before transfers	(41,133,804)	(21,498,215)	3,211,074	2,501,441	(37,922,730)	(18,996,774)
Transfers	(13,624)	(26,532)	13,624	26,532	-	-
Change in net position	(41,147,428)	(21,524,747)	3,224,698	2,527,973	(37,922,730)	(18,996,774)
Net Position:						
Beginning of year - July 1	63,587,561	85,112,308	68,099,964	65,571,991	131,687,525	150,684,299
End of year - June 30	\$ 22,440,133	\$ 63,587,561	\$ 71,324,662	\$ 68,099,964	\$ 93,764,795	\$ 131,687,525

Governmental activities. Governmental activities decreased the County's net position by \$41,147,428.

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 \$51,347,341.

Business-type activities. Business-type activities increased the County's net position by \$3,224,698. 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, 2020, the governmental funds of Chatham County reported a combined fund balance of \$154,856,573, a 18.91% decrease over last year. This decrease can be attributed to the continued expenditure of funds for the construction of the new high school, elementary school, and health sciences facility.

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 \$39,739,277, while total fund balance was \$48,496,048. The County currently has an available fund balance of 31.57% of General Fund expenditures and transfers out, while total fund balance represents 38.52% of that same amount.

The County entered into an agreement with the City of Sanford to run sewer lines to the Moncure area. Coal ash funds in the amount of \$2,192,457 were used to fund the County's portion of that cost. While the General Fund balance increased by \$2,230,825 the consolidated General Fund balance only increased by \$37,202. A major portion of the difference in the consolidated fund balance increase can be attributed to the expenditure of those funds for the sewer project.

Fund balance for the Facilities Improvement Fund increased by \$12,514,893. This increase can be attributed to funds received and not spent from an installment financing that will be used to improve the County's emergency communication/radio system.

Fund balance for School Construction Fund decreased by \$49,220,240 reflecting the expenditure of funds received last fiscal year for the construction of a new high school and elementary school.

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, 2020, this percentage was 23.87%.

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 \$2,556,492 and expenditures and transfers out by \$3,484,546.

Proprietary Funds. Chatham County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. At the end of the fiscal year, unrestricted net position of the Utility Fund amounted to \$26,200,475 for the Southeast Water District \$700,628 and the Waste Management Fund \$5,326,553. The total increase in net position for all proprietary funds was \$3,224,698.

Capital Asset and Debt Administration

Capital assets. Chatham County's capital assets for its governmental and business-type activities as of June 30, 2020, totaled \$158,129,479 (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	
	2020	2019	2020	2019	2020	2019
Non-Depreciable Assets:						
Land	\$ 13,370,557	\$ 13,377,941	\$ 980,258	\$ 980,258	\$ 14,350,815	\$ 14,358,199
Construction in progress	9,522,247	3,273,425	8,468,592	8,449,728	17,990,839	11,723,153
Depreciable Assets:						
Buildings	77,823,910	79,372,762	1,876,493	1,979,882	79,700,403	81,352,644
Equipment and vehicles	5,594,519	5,745,508	1,050,508	1,331,870	6,645,027	7,077,378
Infrastructure:						
Water lines	-	-	39,442,395	40,614,897	39,442,395	40,614,897
Total assets	<u>\$ 106,311,233</u>	<u>\$ 101,769,636</u>	<u>\$ 51,818,246</u>	<u>\$ 53,356,635</u>	<u>\$ 158,129,479</u>	<u>\$ 155,126,271</u>

Major capital asset transactions during the year include:

- Purchase of voting equipment.
- Purchase of management information systems data storage.
- Construction of new facility for County transit.
- Beginning construction/purchases for communications/radio system upgrade.
- Design for new emergency operations facility.
- Beginning 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, 2020, Chatham County had total bonded debt outstanding of \$2,802,000 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	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ -	\$ -	\$ 2,802,000	\$ 2,853,000	\$ 2,802,000	\$ 2,853,000
Revenue bonds	-	-	1,626,000	1,659,000	1,626,000	1,659,000
Other long-term obligations	175,783,363	180,550,068	6,406,637	7,074,932	182,190,000	187,625,000
Direct placement/borrowings	45,982,887	29,205,044	1,886,603	2,224,764	47,869,490	31,429,808
Premium on long-term obligations	10,971,472	14,159,395	-	-	10,971,472	14,159,395
Compensated absences	1,852,901	1,918,844	132,190	130,905	1,985,091	2,049,749
LGERS Pension	9,415,176	8,173,173	675,035	585,988	10,090,211	8,759,161
LEOSSA Pension	2,216,411	2,102,099	-	-	2,216,411	2,102,099
OPEB	9,045,488	8,012,392	648,530	574,460	9,694,018	8,586,852
Total	<u>\$ 255,267,698</u>	<u>\$ 244,121,015</u>	<u>\$ 14,176,995</u>	<u>\$ 15,103,049</u>	<u>\$ 269,444,693</u>	<u>\$ 259,224,064</u>

Chatham County's total general obligation bonds and other long term obligations increased by \$10,220,629 (3.943%) over the past fiscal year. In July 2019, the County through PNC refinanced an existing Capital Bank loan. Net present value savings estimated to be \$980,432 over the life of the loan. In May 2020, the County entered into an installment purchase agreement with Bank of America in the amount of \$18,151,334.

Chatham County maintained its Aa1 bond rating from Moody's Investor Service and it 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 \$707,230,053.

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 2020 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 2018, the latest data available, Chatham County has the second highest per capita income in the state, 37% higher than the state average.

- Chatham County's seasonally unadjusted unemployment rate (6.7% in July 2020, latest data available) continues to trend well below the state (8.9 %).
- The County's property tax rate increased from 62.81 cents/\$100 valuation of property in FY (fiscal year) 2019 to 67 cents in FY 2020. The property tax rate remained at 67 cents in FY 2021.
- Total property values increased by 3%. Values for each part of the base are expected to increase/decrease as follows:
 - Real property, a 3% increase is projected in FY 2021, mostly from residential development.
 - Personal property, a 20% increase, resulting from increases in business property listings.
 - Public utility values, 2% decrease; Utility values are provided by NC Department of Revenue.
 - Motor vehicles, 7% increase due to increased vehicle purchases in the County and statewide collection of vehicle taxes;
- In FY 2020, locally collected sales tax (Article 39), which is distributed based on where collected, grew by 13% compared to 7% statewide growth.
- In March 2020, Chatham County voters passed a referendum authorizing the local option Article 46 quarter-cent sales tax. This increase in the total sales and use tax rate will become effective on October 1, 2020 and the FY 2021 Budget accounts for $\frac{3}{4}$ of a year's collections.
- FY 2020 building permit revenue increased by 29% over the prior year, due to recovery from the extreme wet weather that had greatly slowed development. Register of Deeds stamps, which are paid when properties are sold within the County, were up 5% from FY 2019. 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. 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 FY 2021 budget was modified and continuation increases and expansion projects were curtailed in the event of reduced revenue from sales and ad valorem taxes in the latter part of FY 2020 and early FY 2021. Because so much of the impact of the pandemic was

unknown, a more budget conservative and defensive posture was adapted by administration, which allowed us to remain flexible when needed and, therefore, unplanned expenses arose.

Examination of first and second quarter sales tax receipts showed continued 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, 2021

- **Governmental Activities:** Chatham's FY 2021 budget was developed during a time of uncertainty with respect to the duration and impact of COVID-19. Therefore, the budget is cautious yet delivers critically needed services and makes conservative progress on Board of Commissioner goals. The overarching vision of the Board of Commissioners is: "We envision Chatham County is a thriving community of healthy people living in, a safe environment that provides opportunities for prosperity for all." The vision is supported by the Board's adoption of the goals in the comprehensive plan and these additional long-term goals:
- Demonstrate sound fiscal stewardship and economic support to ensure we can meet the important service needs of our residents.
- Provide effective, efficient government that is responsive to the different needs of residents and varying circumstances across the County.
- Support Pre-K through 12 and the community college in providing a quality education for all students.
- The County continues to prioritize funding of Chatham County Schools. The budget fully funds the Board of Education's request for an additional \$2,230,000. Of this amount, current expense increases by \$1,261,889 to support increased operating costs associated with the opening of Chatham Grove Elementary School, and \$968,111 is added to maintain the teacher supplement at the current level of funding. The additional funding for the supplement is largely due to a mandated 1.74% increase in retirement contributions. The overall increase in operating funds for Chatham County Schools is \$2.9 million or 7%. In addition to the increase in current expense, the overall increase reflects initial debt payments for construction of the new elementary and high school, scheduled to open in August 2020 and August 2021, respectively.
- The County funds the second 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 \$260,000 in FY 2021.

The FY 2021 budget includes six additional positions to meet current workload demand; two additional detention officers in the Sheriff's Office; two additional Social Worker III and one Social Worker II positions in the Department of Social Services; and one licensed substance abuse counselor in the Court Services department. These positions will also be critical for meeting the increased demand that is anticipated as a result of the economic downturn.

Council on Aging receives an additional \$35,000 for the Family Caregiver Respite program and \$25,000 is added to the general allocation. The Family Caregiver Respite Program has enabled the Council to keep vulnerable elderly at home. The risk of the spread of coronavirus emphasizes the importance of this program. The additional funds for the general allocation will provide foundational support for Council on Aging at a time when state funding is at risk.

An additional \$3,600 will support the first year of the Visit NC Farms application that was developed in a partnership between Cooperative Extension and the Convention and Visitors Bureau. The Visit NC Farms app helps local farmers attract visitors to the County.

\$50,000 is recommended for completion of a comprehensive pay study. Pay studies are typically done every 4-5 years to examine our job classifications and duties and use that to recommend appropriate pay levels and classifications. A pay study in FY 2021 will provide valuable information and allow time to formulate a fiscally responsible implementation strategy.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2020

	Primary Government			Chatham County Board of Alcoholic Beverage Control
	Governmental Activities	Business-Type Activities	Total	
Assets:				
Cash, cash equivalents and investments	\$ 115,414,734	\$ 32,193,261	\$ 147,607,995	\$ 916,153
Property taxes receivable, net	1,459,045	-	1,459,045	-
Accounts receivable, net	660,611	1,052,645	1,713,256	-
Due from other governments	8,610,989	167,405	8,778,394	-
Other receivables	-	104,519	104,519	-
Inventories	-	-	-	554,252
Prepaid items	-	-	-	32,701
Cash - restricted	50,496,159	446,963	50,943,122	-
Net pension asset	143,297	-	143,297	-
Capital assets:				
Land, improvements and construction in progress	22,892,804	9,448,850	32,341,654	206,623
Other capital assets, net of depreciation	83,418,429	42,369,396	125,787,825	175,287
Total capital assets	106,311,233	51,818,246	158,129,479	381,910
Total assets	283,096,068	85,783,039	368,879,107	1,885,016
Deferred Outflows of Resources:				
Pension deferrals	5,779,789	395,811	6,175,600	68,815
OPEB deferrals	2,018,860	144,745	2,163,605	-
Charge on refunding	1,240,481	-	1,240,481	-
Total deferred outflows of resources	9,039,130	540,556	9,579,686	68,815
Liabilities:				
Accounts payable and accrued liabilities	11,074,795	348,622	11,423,417	367,277
Liabilities to be paid from restricted assets	909,141	446,963	1,356,104	-
Advance from grantor	1,410,982	-	1,410,982	-
Due to other governments	54,955	-	54,955	-
Long-term liabilities:				
Due within one year	12,441,102	1,189,980	13,631,082	-
Due in more than one year	242,826,596	12,987,015	255,813,611	89,028
Total long-term liabilities	255,267,698	14,176,995	269,444,693	89,028
Total liabilities	268,717,571	14,972,580	283,690,151	456,305
Deferred Inflows of Resources:				
Pension deferrals	266,089	5,356	271,445	326
OPEB deferrals	292,855	20,997	313,852	-
Prepaid taxes	418,550	-	418,550	-
Total deferred inflows of resources	977,494	26,353	1,003,847	326
Net Position:				
Net investment in capital assets	48,017,373	39,097,006	87,114,379	381,910
Restricted for:				
Stabilization by State Statute	9,224,412	-	9,224,412	-
Register of Deeds	371,615	-	371,615	-
Register of Deeds Pension Plan	167,876	-	167,876	-
Courthouse Clock	70,778	-	70,778	-
Emergency Telephone	402,020	-	402,020	-
Economic Development	20,923	-	20,923	-
Fire Protection	176,342	-	176,342	-
Law Enforcement	240,473	-	240,473	-
Capital improvements	-	-	-	953,227
Working capital	-	-	-	162,063
Unrestricted	(36,251,679)	32,227,656	(4,024,023)	-
Total net position	\$ 22,440,133	\$ 71,324,662	\$ 93,764,795	\$ 1,497,200

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

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Functions / Programs	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
General government	\$ 18,808,175	\$ 1,233,640	\$ 616,476	\$ -	
Public safety	32,313,920	2,381,653	2,634,046	-	
Economic and physical development	5,600,580	632,541	337,746	-	
Human services	16,141,257	1,877,728	6,275,999	-	
Cultural and recreational	2,720,029	637,520	306,409	-	
Education	89,234,803	2,460,275	-	-	
Interest on long-term debt	8,724,610	-	-	-	
Total governmental activities	173,543,374	9,223,357	10,170,676	-	
Business-Type Activities:					
Utility	6,377,301	8,539,138	109,396	-	
Southeast Water District	708,197	720,518	-	-	
Solid waste management	3,305,691	3,480,837	201,449	-	
Total business-type activities	10,391,189	12,740,493	310,845	-	
Total primary government	\$ 183,934,563	\$ 21,963,850	\$ 10,481,521	\$ -	
Component Unit:					
Chatham County Board of Alcoholic Beverage Control	\$ 4,095,706	\$ 4,213,648	\$ -	\$ -	

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

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Functions / Programs	Net (Expense) Revenue and Changes in Net Position			
	Primary Government		Chatham County Board of Alcoholic Beverage Control	
	Governmental Activities	Business Type Activities	Total	
Primary Government:				
Governmental Activities:				
General government	\$ (16,958,059)	\$ -	\$ (16,958,059)	
Public safety	(27,298,221)	-	(27,298,221)	
Economic and physical development	(4,630,293)	-	(4,630,293)	
Human services	(7,987,530)	-	(7,987,530)	
Cultural and recreational	(1,776,100)	-	(1,776,100)	
Education	(86,774,528)	-	(86,774,528)	
Interest on long-term debt	(8,724,610)	-	(8,724,610)	
Total governmental activities	<u>(154,149,341)</u>	<u>-</u>	<u>(154,149,341)</u>	
Business-Type Activities:				
Utility	-	2,271,233	2,271,233	
Southeast Water District	-	12,321	12,321	
Solid waste management	-	376,595	376,595	
Total business-type activities	<u>-</u>	<u>2,660,149</u>	<u>2,660,149</u>	
Total primary government	<u>(154,149,341)</u>	<u>2,660,149</u>	<u>(151,489,192)</u>	
Component Unit:				
Chatham County Board of Alcoholic Beverage Control				\$ <u>117,942</u>
General Revenues:				
Taxes:				
Property taxes, levied for general purposes	88,297,695	-	88,297,695	-
Local option sales tax	16,284,600	-	16,284,600	-
Other taxes	1,002,335	-	1,002,335	-
Grants and contributions not restricted	3,589,710	-	3,589,710	-
Unrestricted investment earnings	3,475,231	545,789	4,021,020	1,531
Miscellaneous	<u>365,966</u>	<u>5,136</u>	<u>371,102</u>	<u>3,326</u>
Total general revenues	113,015,537	550,925	113,566,462	4,857
Transfers	<u>(13,624)</u>	<u>13,624</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>113,001,913</u>	<u>564,549</u>	<u>113,566,462</u>	<u>4,857</u>
Change in net position	(41,147,428)	3,224,698	(37,922,730)	122,799
Net Position:				
Beginning of year - July 1	<u>63,587,561</u>	<u>68,099,964</u>	<u>131,687,525</u>	<u>1,374,401</u>
End of year - June 30	<u>\$ 22,440,133</u>	<u>\$ 71,324,662</u>	<u>\$ 93,764,795</u>	<u>\$ 1,497,200</u>

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

CHATHAM COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2020

	Major Funds						Total Nonmajor Funds	Total Governmental Funds
	General	CARES Act Coronavirus	Capital Reserve	Capital Improvements Project Reserve	Facilities Improvements	School Construction Fund		
Assets:								
Cash, cash equivalents, and investments	\$ 43,475,817	\$ -	\$ 15,870,513	\$ 36,761,556	\$ 843,759	\$ 3,403,095	\$ 6,469,844	\$ 106,824,584
Cash - restricted	910,593	1,410,982	-	-	20,750,500	27,424,084	-	50,496,159
Property taxes receivable, net	1,296,814	-	-	-	-	-	162,231	1,459,045
Due from other governments	8,434,225	-	-	-	-	-	176,764	8,610,989
Other receivables	322,546	-	49,636	136,201	-	94,552	28,734	631,669
Total assets	<u>\$ 54,439,995</u>	<u>\$ 1,410,982</u>	<u>\$ 15,920,149</u>	<u>\$ 36,897,757</u>	<u>\$ 21,594,259</u>	<u>\$ 30,921,731</u>	<u>\$ 6,837,573</u>	<u>\$ 168,022,446</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:								
Liabilities:								
Accounts payable and accrued liabilities	\$ 3,274,040	\$ -	\$ -	\$ -	\$ 155,589	\$ 5,344,888	\$ 120,437	\$ 8,894,954
Liabilities to be paid from restricted assets	909,141	-	-	-	-	-	-	909,141
Advance from grantor	-	1,410,982	-	-	-	-	-	1,410,982
Due to other governments	54,955	-	-	-	-	-	-	54,955
Total liabilities	<u>4,238,136</u>	<u>1,410,982</u>	<u>-</u>	<u>-</u>	<u>155,589</u>	<u>5,344,888</u>	<u>120,437</u>	<u>11,270,032</u>
Deferred Inflows of Resources:								
Prepaid taxes	390,751	-	-	-	-	-	27,799	418,550
Property taxes receivable	1,296,814	-	-	-	-	-	162,231	1,459,045
Health clinic receivable	18,246	-	-	-	-	-	-	18,246
Total deferred inflows of resources	<u>1,705,811</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,030</u>	<u>1,895,841</u>
Fund Balances:								
Restricted:								
Stabilization by state statute	8,738,525	-	49,636	136,201	-	94,552	205,498	9,224,412
Register of Deeds	371,615	-	-	-	-	-	-	371,615
Courthouse Clock	-	-	-	-	-	-	70,778	70,778
Capital Projects	-	-	-	-	20,750,500	27,424,084	-	48,174,584
Emergency Telephone	-	-	-	-	-	-	402,020	402,020
Economic and Physical Development	-	-	-	-	-	-	20,923	20,923
Fire Protection	-	-	-	-	-	-	176,342	176,342
Law Enforcement	-	-	-	-	-	-	240,473	240,473
Committed:								
LEO Special Separation Allowance	835,851	-	-	-	-	-	-	835,851
Tax Revaluation	1,452	-	-	-	-	-	-	1,452
Housing Trust	87,824	-	-	-	-	-	-	87,824
Capital Projects	-	-	-	36,761,556	688,170	-	-	37,449,726
Assigned:								
Subsequent year's expenditures	8,777,832	-	8,500,000	-	-	-	-	17,277,832
General Government	-	-	7,370,513	-	-	-	126,133	7,496,646
Education	-	-	-	-	-	-	3,684,648	3,684,648
Cultural and Recreation	-	-	-	-	-	-	1,623,620	1,623,620
Unassigned	<u>29,682,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,941,793)</u>	<u>(23,329)</u>	<u>27,717,827</u>
Total fund balances	<u>48,496,048</u>	<u>-</u>	<u>15,920,149</u>	<u>36,897,757</u>	<u>21,438,670</u>	<u>25,576,843</u>	<u>6,527,106</u>	<u>154,856,573</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 54,439,995</u>	<u>\$ 1,410,982</u>	<u>\$ 15,920,149</u>	<u>\$ 36,897,757</u>	<u>\$ 21,594,259</u>	<u>\$ 30,921,731</u>	<u>\$ 6,837,573</u>	

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

Total fund balance - Governmental Funds	\$ 154,856,573
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	106,311,233
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.	8,126,239
Charges related to advance refunding bond issue	1,240,481
Net pension asset	143,297
Pension related deferred outflows	5,779,789
OPEB related deferred outflows	2,018,860
Net pension liability - LGERS	(9,415,176)
Total pension liability - LEOSSA	(2,216,411)
Net OPEB liability	(9,045,488)
Deferred inflows of resources for taxes and other receivables	1,477,291
Pension related deferred inflows	(266,089)
OPEB related deferred inflows	(292,855)
Compensated absences not expected to be materially liquidated with expendable available resources.	(1,852,901)
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.	(234,424,710)
Net position of governmental activities	<u>\$ 22,440,133</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, 2020

	Major Funds						Total Nonmajor Funds	Total Governmental Funds
	General	CARES Act Coronavirus	Capital Reserve	Capital Improvement Project Reserve	Facilities Improvements	School Construction Fund		
Revenues:								
Ad valorem taxes	\$ 77,607,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,343,432	\$ 87,951,167
Local option sales tax	16,284,600	-	-	-	-	-	-	16,284,600
Other taxes	1,002,335	-	-	-	-	-	-	1,002,335
Unrestricted intergovernmental	3,589,710	-	-	-	-	-	-	3,589,710
Restricted intergovernmental	7,840,261	600,897	-	184,341	-	-	739,165	9,364,664
Permits and fees	2,166,309	-	-	-	-	-	2,971,049	5,137,358
Sales and services	2,720,045	-	-	-	-	-	-	2,720,045
Investment earnings	511,658	-	240,286	711,798	3,233	1,675,733	140,713	3,283,421
Other general revenues	1,148,368	-	-	-	-	-	-	1,148,368
Total revenues	112,871,021	600,897	240,286	896,139	3,233	1,675,733	14,194,359	130,481,668
Expenditures:								
Current:								
General government	12,087,356	-	-	-	885,017	-	1,172,882	14,145,255
Public safety	20,867,650	550,228	-	-	4,920,009	-	11,253,525	37,591,412
Economic and physical development	6,109,680	-	-	-	-	-	-	6,109,680
Human services	16,849,708	-	-	-	-	-	-	16,849,708
Cultural and recreational	2,632,615	-	-	-	-	-	132,282	2,764,897
Intergovernmental:								
Education	36,854,614	-	-	-	3,526,845	52,041,267	-	92,422,726
Debt service:								
Principal retirement	6,210,196	-	-	-	-	-	-	6,210,196
Interest and fees	8,719,945	-	-	-	-	-	-	8,719,945
Total expenditures	110,331,764	550,228	-	-	9,331,871	52,041,267	12,558,689	184,813,819
Revenues over (under) expenditures	2,539,257	50,669	240,286	896,139	(9,328,638)	(50,365,534)	1,635,670	(54,332,151)
Other Financing Sources (Uses):								
Transfers from other funds	12,968,119	-	7,235,934	11,043,948	3,692,197	1,145,294	1,287,027	37,372,519
Transfers (to) other funds	(15,540,174)	(50,669)	(3,183,882)	(14,763,023)	-	-	(3,848,395)	(37,386,143)
Total transfers from (to) other funds	(2,572,055)	(50,669)	4,052,052	(3,719,075)	3,692,197	1,145,294	(2,561,368)	(13,624)
Debt proceeds:								
Installment refunding loan	7,120,000	-	-	-	18,151,334	-	-	25,271,334
Payment to refunding bond agent	(7,050,000)	-	-	-	-	-	-	(7,050,000)
Debt proceeds - net	70,000	-	-	-	18,151,334	-	-	18,221,334
Total other financing sources (uses)	(2,502,055)	(50,669)	4,052,052	(3,719,075)	21,843,531	1,145,294	(2,561,368)	18,207,710
Net change in fund balances	37,202	-	4,292,338	(2,822,936)	12,514,893	(49,220,240)	(925,698)	(36,124,441)
Fund Balances:								
Beginning of year - July 1	48,458,846	-	11,627,811	39,720,693	8,923,777	74,797,083	7,452,804	190,981,014
End of year - June 30	\$ 48,496,048	\$ -	\$ 15,920,149	\$ 36,897,757	\$ 21,438,670	\$ 25,576,843	\$ 6,527,106	\$ 154,856,573

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, 2020**

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

Net changes in fund balances - total governmental funds \$ (36,124,441)

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	8,086,606
Current year's depreciation	(3,553,173)

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	30,000
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Cost of capital asset disposed of during the year, not recognized on modified accrual basis	(21,836)
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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	16,448,119
Increase in accrued interest payable	(4,665)
Debt proceeds and premium	(25,271,334)
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	65,943
OPEB plan expense	(415,998)
Contributions to pension plan in the current fiscal year	2,238,839
Pension expense - LGERS	(4,212,774)
Pension expense - ROD	(12,984)
Pension expense - LEOSA	(214,933)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental fund statements.	340,138
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Net revenue of the Self-Insurance Internal Service Fund determined to be governmental-type.	<u>1,557,764</u>
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Total change in net position of governmental activities	<u><u>\$ (41,147,428)</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, 2020

	General Fund			Variance With
	Original Budget	Final Budget	Actual	Final Budget Over/Under
Revenues:				
Ad valorem taxes	\$ 77,127,260	\$ 77,127,260	\$ 77,607,735	\$ 480,475
Local option sales tax	14,788,500	14,788,500	16,284,600	1,496,100
Other taxes	941,000	941,000	1,002,335	61,335
Unrestricted intergovernmental	3,111,346	3,111,346	3,589,710	478,364
Restricted intergovernmental	6,813,907	8,904,777	7,840,261	(1,064,516)
Permits and fees	1,844,600	1,844,600	2,166,309	321,709
Sales and services	2,350,112	2,350,112	2,720,045	369,933
Investment earnings	300,000	300,000	392,093	92,093
Other general revenues	709,154	1,118,771	1,148,368	29,597
Total revenues	<u>107,985,879</u>	<u>110,486,366</u>	<u>112,751,456</u>	<u>2,265,090</u>
Expenditures:				
General government	12,386,243	12,702,863	11,512,919	1,189,944
Public safety	21,820,947	22,206,292	20,915,596	1,290,696
Economic and physical development	3,767,903	3,938,629	3,694,823	243,806
Human services	17,661,418	18,618,781	16,849,708	1,769,073
Cultural and recreational	2,682,385	3,053,151	2,610,775	442,376
Intergovernmental:				
Education	37,007,198	37,007,198	36,854,614	152,584
Debt service:				
Principal retirement	6,105,201	6,105,201	6,210,196	(104,995)
Interest and fees	8,932,460	8,932,460	8,719,945	212,515
Total expenditures	<u>110,363,755</u>	<u>112,564,575</u>	<u>107,368,576</u>	<u>5,195,999</u>
Revenues over (under) expenditures	<u>(2,377,876)</u>	<u>(2,078,209)</u>	<u>5,382,880</u>	<u>7,461,089</u>
Other Financing Sources (Uses):				
Transfers from other funds	13,829,003	13,885,008	12,968,119	(916,889)
Transfers to other funds	<u>(14,887,469)</u>	<u>(16,190,195)</u>	<u>(16,190,174)</u>	<u>21</u>
Total transfers	<u>(1,058,466)</u>	<u>(2,305,187)</u>	<u>(3,222,055)</u>	<u>(916,868)</u>
Debt proceeds:				
Installment refunding loan	-	7,120,000	7,120,000	-
Payment to refunding agent	-	<u>(7,050,000)</u>	<u>(7,050,000)</u>	-
Total refunding bonds	-	<u>70,000</u>	<u>70,000</u>	-
Total other financing sources (uses)	<u>(1,058,466)</u>	<u>(2,235,187)</u>	<u>(3,152,055)</u>	<u>(916,868)</u>
Appropriated fund balance	<u>3,436,342</u>	<u>4,313,396</u>	-	<u>(4,313,396)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,230,825</u>	<u>\$ 2,230,825</u>
Fund Balances:				
Beginning of year - July 1			40,481,565	
End of year - June 30			<u>\$ 42,712,390</u>	

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

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-Type Activities - Enterprise				Governmental Activities
	Utility	Southeast Water District	Solid Waste and Recycling	Total	Self-Insurance Internal Service
Assets:					
Current assets:					
Cash, cash equivalents, and investments	\$ 25,942,895	\$ 626,808	\$ 5,623,558	\$ 32,193,261	\$ 8,590,150
Cash - restricted	409,588	35,875	1,500	446,963	-
Receivables, net	888,687	84,887	79,071	1,052,645	-
Due from other governments	123,058	-	44,347	167,405	-
Other receivables	75,415	3,119	25,985	104,519	28,942
Total current assets	27,439,643	750,689	5,774,461	33,964,793	8,619,092
Noncurrent assets:					
Capital assets:					
Land, improvements, and construction in progress	8,953,345	-	495,505	9,448,850	-
Other capital assets, net of depreciation	36,148,597	4,351,019	1,869,780	42,369,396	-
Total capital assets, net	45,101,942	4,351,019	2,365,285	51,818,246	-
Total noncurrent assets	45,101,942	4,351,019	2,365,285	51,818,246	-
Total assets	72,541,585	5,101,708	8,139,746	85,783,039	8,619,092
Deferred Outflows of Resources:					
Pension deferrals	252,041	-	143,770	395,811	-
OPEB deferrals	92,170	-	52,575	144,745	-
Total deferred outflows of resources	344,211	-	196,345	540,556	-
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	221,460	14,186	112,976	348,622	492,853
Liabilities to be paid from restricted assets	409,588	35,875	1,500	446,963	-
Compensated absences payable	66,192	-	32,051	98,243	-
General obligation bonds payable	-	53,000	-	53,000	-
Revenue bonds payable	-	34,000	-	34,000	-
Installment notes payable	1,004,737	-	-	1,004,737	-
Total current liabilities	1,701,977	137,061	146,527	1,985,565	492,853
Non-current liabilities:					
Compensated absences payable	26,550	-	7,397	33,947	-
Net pension liability	429,843	-	245,192	675,035	-
Total OPEB liability	412,965	-	235,565	648,530	-
General obligation bonds payable	-	2,749,000	-	2,749,000	-
Revenue bonds payable	-	1,592,000	-	1,592,000	-
Installment notes payable	7,288,503	-	-	7,288,503	-
Total non-current liabilities	8,157,861	4,341,000	488,154	12,987,015	-
Total liabilities	9,859,838	4,478,061	634,681	14,972,580	492,853
Deferred Inflows of Resources:					
Pension deferrals	3,411	-	1,945	5,356	-
OPEB deferrals	13,370	-	7,627	20,997	-
Total deferred inflows of resources	16,781	-	9,572	26,353	-
Net Position:					
Net investment in capital assets	36,808,702	(76,981)	2,365,285	39,097,006	-
Unrestricted	26,200,475	700,628	5,326,553	32,227,656	8,126,239
Total net position	\$ 63,009,177	\$ 623,647	\$ 7,691,838	\$ 71,324,662	\$ 8,126,239

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, 2020

	Business-Type Activities - Enterprise				Governmental Activities
	Utility	Southeast Water District	Solid Waste and Recycling	Total	Self-Insurance Internal Service
Operating Revenues:					
Charges for services	\$ 8,539,138	\$ 720,518	\$ 3,480,837	\$ 12,740,493	\$ 7,117,069
Other operating revenues	109,357	-	-	109,357	-
Total operating revenues	8,648,495	720,518	3,480,837	12,849,850	7,117,069
Operating Expenses:					
Operating expenses	4,714,229	464,610	2,985,948	8,164,787	5,751,115
Depreciation	1,295,351	106,338	319,743	1,721,432	-
Total operating expenses	6,009,580	570,948	3,305,691	9,886,219	5,751,115
Operating income (loss)	2,638,915	149,570	175,146	2,963,631	1,365,954
Non-Operating Revenues (Expenses):					
Investment earnings	436,987	16,631	92,171	545,789	191,810
Interest and other charges	(367,721)	(137,249)	-	(504,970)	-
Gain on disposal of assets	5,136	-	-	5,136	-
Other grants and revenue	39	-	201,449	201,488	-
Total non-operating revenues (expenses)	74,441	(120,618)	293,620	247,443	191,810
Income before transfers	2,713,356	28,952	468,766	3,211,074	1,557,764
Transfers from other funds, net	13,624	-	-	13,624	-
Change in net position	2,726,980	28,952	468,766	3,224,698	1,557,764
Net Position:					
Beginning of year - July 1	60,282,197	594,695	7,223,072	68,099,964	6,568,475
End of year - June 30	\$ 63,009,177	\$ 623,647	\$ 7,691,838	\$ 71,324,662	\$ 8,126,239

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, 2020

	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	\$ 8,737,055	\$ 767,629	\$ 3,501,359	\$ 13,006,043	\$ 7,116,739
Cash paid for goods and services	(3,079,248)	(464,573)	(2,282,747)	(5,826,568)	(5,783,026)
Cash paid to or on behalf of employees for services	(1,551,511)	-	(788,373)	(2,339,884)	-
Customer deposits	13,067	5,531	1,250	19,848	-
Net cash provided (used) by operating activities	4,119,363	308,587	431,489	4,859,439	1,333,713
Cash Flows from Non-Capital Financing Activities:					
Intergovernmental non-operating revenues/transfers received	(90,557)	-	205,073	114,516	-
Net cash provided (used) by non-capital financing activities	(90,557)	-	205,073	114,516	-
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of capital assets	(152,888)	-	(30,155)	(183,043)	-
Principal paid on bonds, notes and capital leases	(1,006,456)	(84,000)	-	(1,090,456)	-
Interest paid on bonds, notes and capital leases	(371,274)	(169,793)	-	(541,067)	-
Net cash provided (used) by capital and related financing activities	(1,530,618)	(253,793)	(30,155)	(1,814,566)	-
Cash Flows from Investing Activities:					
Interest on investments	484,545	18,265	101,202	604,012	202,511
Net increase (decrease) in cash and cash equivalents	2,982,733	73,059	707,609	3,763,401	1,536,224
Cash and Cash Equivalents:					
Beginning of year - July 1	23,369,750	589,624	4,917,449	28,876,823	7,053,926
End of year - June 30	\$ 26,352,483	\$ 662,683	\$ 5,625,058	\$ 32,640,224	\$ 8,590,150
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 2,638,915	\$ 149,570	\$ 175,146	\$ 2,963,631	\$ 1,365,954
Adjustment to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation	1,295,351	106,338	319,743	1,721,432	-
Changes in assets and liabilities, and deferred outflows and inflows of resources:					
(Increase) decrease in accounts receivable	88,560	47,111	20,522	156,193	(330)
(Increase) decrease in deferred outflows of resources - pension	38,617	-	22,028	60,645	-
(Increase) decrease in deferred outflows of resources - OPEB	(25,712)	-	(14,665)	(40,377)	-
Increase (decrease) in net pension liability	56,703	-	32,344	89,047	-
Increase (decrease) in OPEB liability	47,165	-	26,905	74,070	-
Increase (decrease) in deferred inflows of resources - pensions	(2,462)	-	(1,404)	(3,866)	-
Increase (decrease) in deferred inflows of resources - OPEB	(540)	-	(309)	(849)	-
Increase (decrease) in accounts payable and accrued liabilities	(33,238)	37	(148,419)	(181,620)	(31,911)
Increase (decrease) in customer deposits	13,067	5,531	1,250	19,848	-
Increase (decrease) in accrued vacation pay	2,937	-	(1,652)	1,285	-
Total adjustments	1,480,448	159,017	256,343	1,895,808	(32,241)
Net cash provided (used) by operating activities	\$ 4,119,363	\$ 308,587	\$ 431,489	\$ 4,859,439	\$ 1,333,713

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

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2020

	Agency Funds
Assets:	
Cash, cash equivalents, and investments	\$ 241,972
Property taxes receivables, net	173,625
Due from other governmental agencies	84,354
Other receivables	<u>389</u>
Total assets	<u><u>\$ 500,340</u></u>
Liabilities:	
Accounts payable and other accrued liabilities	
Due to agency participants	\$ 77,425
Due to other government agencies	<u>422,915</u>
Total liabilities	<u><u>\$ 500,340</u></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, 2020

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

The County of Chatham, North Carolina is a political subdivision of the State of North Carolina. It is one of 100 counties established in North Carolina under North Carolina General Statute 153A-10, is located in the central part of the State, and has a population of approximately 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, 2020

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.

Coronavirus Relief Fund. This fund accounts for revenue received from the federal government to aid counties with expenditures incurred related to COVID 19.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Capital Reserve Fund. This fund is used to account for monies set aside by the County to fund general capital projects that are not funded through debt service, including school roof replacements, renovations to existing school buildings, school mobile classrooms, telephone system replacements, software system replacements, and renovations to existing county buildings.

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.

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

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

The County reports the following major enterprise funds:

Utility 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:

Agency Funds. Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Detention Center Fund, which accounts for money deposited on behalf of detention facility inmates; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to Chatham County Board of Education; the Chatham County Cooperative Extension Fund, which accounts for fees collected for programs conducted by the Chatham County Cooperative Extension; the Goldston- Gulf Sanitary District Fund, which accounts for taxes collected for a special tax district located within the County; and the Chatham County Municipalities Agency Fund, which accounts for taxes collected and remitted to municipalities located within the County.

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 Library Foundation 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, and Emergency Vehicle Replacement Capital Reserve Project are reported as nonmajor capital project funds.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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 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.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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 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.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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.

The North Carolina Capital Management Trust (NCCMT), which consists of two SEC registered funds, is authorized by G.S. 159-30(c)(8). One of these funds, the NCCMT Governmental Portfolio is a 2a-7 fund which invests in treasuries and government agencies and is rated AAAm by S&P. The second fund, the NCCMT Term Portfolio, is a short-term bond fund investing in treasuries, government agencies, and money market instruments allowed under G.S. 159-30. The Term Portfolio has no rating. Both the NCCMT Government and Term Portfolios are 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. CARES Act funds (advance from grantor) are classified as restricted cash because they must be expended in accordance with the guidance and section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act. Customer deposits and financial guarantees held by the County before any services are supplied are restricted to the service for which they were collected.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Restricted Cash			
Governmental Activities:			
General Fund	Tax revaluation	\$	1,452
	Customer deposits		28,021
	Financial guarantees		881,120
CARES Act - Coronavirus Fund	CARES Act funds		1,410,982
Facilities Improvements Fund	Unexpended bond proceeds		20,750,500
School Construction Fund	Unexpended bond proceeds		27,424,084
Total Governmental Activities		\$	<u>50,496,159</u>
Business-Type Activities:			
Utility Fund	Customer deposits		409,588
Southeast Water District	Customer deposits		35,875
Waste Management	Customer deposits		1,500
Total Business-type Activities		\$	<u>446,963</u>
Total Restricted Cash		\$	<u>50,943,122</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 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, 2019.

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.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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.

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, property taxes receivable, health clinic receivables, pension related deferrals and OPEB related deferrals.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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.

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.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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 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.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

The difference in restricted Fund Balance on Exhibit C from restricted net position on Exhibit A is ROD pension plan of \$167,876 and unexpended debt proceeds of \$48,174,584.

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.

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.

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.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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	Coal Ash	Housing Trust	Law Enforcement Separation Allowance Fund	Total
	Fund	Fund	Fund		
Fund balance, ending - General Fund (Exhibit F)	\$ -	\$ -	\$ -	\$ -	\$42,712,390
Revenues:					
Investemnt earnings	-	103,415	2,606	13,544	119,565
Other general revenues	-	-	-	145,000	145,000
Total Revenues	-	103,415	2,606	158,544	264,565
Expenditures:					
General government	574,437	-	-	-	-
Public safety	-	-	-	97,054	97,054
Economic and physical development	-	2,192,457	222,400	-	2,414,857
Cultural and recreational	-	21,840	-	-	21,840
Total Expenditures	574,437	2,214,297	222,400	97,054	2,533,751
Total revenues over expenditures	(574,437)	(2,110,882)	(219,794)	61,490	(2,269,186)
Other financing sources (uses)					
Transfers in	400,000	-	250,000	-	650,000
Transfers out	-	-	-	-	-
Total other financing sources (uses)	400,000	-	250,000	-	650,000
Total revenues and other financing sources over expenditures and other finacing uses	(174,437)	(2,110,882)	30,206	61,490	(1,619,186)
Fund balance:					
Beginning of year - July 1	175,889	6,969,031	58,000	774,361	7,977,281
End of year - June 30	\$ 1,452	\$4,858,149	\$ 88,206	\$ 835,851	5,783,658
Total ending fund balance (Exhibit D)					\$48,496,048

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 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

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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 \$(132,416,440) consists of the following:

Capital assets (net) used in governmental activities are not financial resources and are therefore not reported in the funds	\$ 106,311,233
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.	8,126,239
Charges related to advance refunding bond issue	1,240,481
Net pension asset	143,297
Pension related deferred outflows	5,779,789
OPEB related deferred outflows	2,018,860
Pension related deferred inflows	(266,089)
OPEB related deferred inflows	(292,855)
Deferred inflows of resources for taxes and other receivables	1,477,291
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	(232,737,722)
Accrued interest payable	(1,686,988)
Compensated absences	(1,852,901)
Net pension liability - LGERS	(9,415,176)
Total pension liability - LEOSSA	(2,216,411)
Net OPEB liability	(9,045,488)
Total adjustment	<u>\$ (132,416,440)</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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 \$(5,022,987) is comprised of the following:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 8,086,606
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	(3,553,173)
Cost of disposed capital asset not recorded in fund statements	(21,836)
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.	
Debt proceeds and premium	(25,271,334)
Principal Payments and payments to escrow agent	16,448,119
Deferred charge on refunding	(82,699)
Contributions to the pension plan in the current fiscal year are not included on the statement of activities	2,238,839
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)	(4,665)
Compensated absences	65,943
OPEB plan expense	(415,998)
Pension expense:	
Local Government Employee Retirement System (LGERS)	(4,212,774)
Register of Deeds (LGERS-ROD)	(12,984)
Law Enforcement Officers Special Separation Allowance (LEOSSA)	(214,933)
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	30,000
Net revenue of the Self-Insurance Internal Service Fund determined to be governmental-type	1,557,764
Increase in deferred inflows of resources at end of year - taxes receivable	340,138
	<u>\$ (5,022,987)</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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, 2020, the County's deposits had a carrying amount of \$5,778,561 and a bank balance of \$5,949,080. Of the bank balance, \$662,332 was covered by federal depository insurance, \$5,286,748 was covered by collateral held under the Pooling Method. The County had \$2,050 of cash on hand at year-end.

At June 30, 2020, the carrying amount of deposits for Chatham County ABC Board was \$799,478 and the bank balance was \$804,115. All of the bank balance was covered by federal depository insurance except for \$263,481.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

2. Investments

As of June 30, 2020, the County had the following investments and maturities:

<i>Investment Type</i>	Valuation Measurement Method	Fair Value	Less Than 6		
			Months	6-12 Months	1-5 Years
US Government Agencies	Fair Value-Level 2	70,516,900	2,008,450	2,031,667	66,476,783
US Government Treasuries	Fair Value-Level 1	19,515,178	12,067,735	6,432,170	1,015,273
Commerical Paper	Fair Value-Level 2	50,816,783	47,822,855	2,993,928	-
NC Capital Management Trust - Government Portfolio	Fair Value-Level 1	41,444,385	41,444,385	N/A	N/A
NC Capital Management Trust - Term Portfolio*	Fair Value-Level 1	10,719,232	10,719,232	-	-
Total		<u>\$ 193,012,478</u>	<u>\$ 114,062,657</u>	<u>\$ 11,457,765</u>	<u>\$ 67,492,056</u>

* As of June 30, 2020, the NCCMT Term Portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P. The NCCMT Term Portfolio has no rating.

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, 2020, 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 AAAM by Standard & Poor's as of June 30, 2020. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The County's investments in US Agencies (Federal Home Loan Bank) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

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

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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, 2020, 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	18.81%
Federal Home Loan Bank	13.22%
Federal Home Loan Mortgage Corporation	21.68%
Federal National Mortgage Association	15.81%

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	
2017	\$ 5,340,906	\$ 1,268,562	\$ 6,609,469	
2018	5,390,512	795,103	6,185,616	
2019	5,754,694	330,898	6,085,591	
2020	5,771,755	-	5,771,755	
Total	<u>\$ 22,257,868</u>	<u>\$ 2,394,564</u>	<u>\$ 24,652,431</u>	

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

4. Receivables

Receivables at the government-wide level at June 30, 2020, were as follows:

	<u>Taxes Receivable</u>	<u>Accounts Receivable</u>	<u>Interest Receivable</u>	<u>Due from Other Governments</u>	<u>Total</u>
Governmental Activities:					
General	\$ 1,827,451	\$ 217,503	\$ 102,650	\$ 8,434,225	\$ 10,581,829
Other governmental	236,636	-	311,516	176,764	724,916
Internal service	-	3,995	24,947	-	28,942
Total	2,064,087	221,498	439,113	8,610,989	11,335,687
Allowance for doubtful accounts	605,042	-	-	-	605,042
Total governmental activities	<u>\$ 1,459,045</u>	<u>\$ 221,498</u>	<u>\$ 439,113</u>	<u>\$ 8,610,989</u>	<u>\$ 10,730,645</u>
Business-Type Activities					
Utility	\$ -	\$ 972,585	\$ 73,490	\$ 123,058	\$ 1,169,133
Southeast water district	-	92,269	3,119	-	95,388
Solid waste management	-	124,949	16,364	44,347	185,660
Total	-	1,189,803	92,973	167,405	1,450,181
Allowance for doubtful accounts	-	125,612	-	-	125,612
Total business-type activities	<u>\$ -</u>	<u>\$ 1,064,191</u>	<u>\$ 92,973</u>	<u>\$ 167,405</u>	<u>\$ 1,324,569</u>

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

Governmental Activities:

Local Option Sales Tax	\$ 4,368,750
Sales Tax Refunds	2,178,345
Motor Vehicle Tax	563,472
Local Municipalities	34,347
Federal and State Grants	<u>1,466,075</u>
Total governmental activities	<u>\$ 8,610,989</u>

Business-Type Activities:

Solid Waste Disposal Tax	\$ 13,153
White Goods Disposal Tax	8,629
Scrap Tire Tax	22,565
Local municipalities	<u>123,058</u>
Total business-type activities	<u>\$ 167,405</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

5. Capital Assets

Governmental capital asset activity for the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Increases	Decreases	Transfers In (Out)	Balance July 1, 2020
Non-depreciable assets:					
Land	\$ 13,377,941	\$ 3,764	\$ 11,148	\$ -	\$ 13,370,557
Construction in progress	<u>3,273,425</u>	<u>7,194,117</u>	<u>-</u>	<u>(945,295)</u>	<u>9,522,247</u>
Total	<u>16,651,366</u>	<u>7,197,881</u>	<u>11,148</u>	<u>(945,295)</u>	<u>22,892,804</u>
Depreciable assets:					
Buildings	92,235,776	-	-	-	92,235,776
Equipment and vehicles	<u>19,342,250</u>	<u>918,725</u>	<u>361,246</u>	<u>945,295</u>	<u>20,845,024</u>
Total	<u>111,578,026</u>	<u>918,725</u>	<u>361,246</u>	<u>945,295</u>	<u>113,080,800</u>
Less accumulated depreciation for:					
Buildings	12,863,014	1,548,852	-	-	14,411,866
Equipment and vehicles	<u>13,596,742</u>	<u>2,004,321</u>	<u>350,558</u>	<u>-</u>	<u>15,250,505</u>
Total	<u>26,459,756</u>	<u>3,553,173</u>	<u>350,558</u>	<u>-</u>	<u>29,662,371</u>
Depreciable assets, net	<u>85,118,270</u>	<u>(2,634,448)</u>	<u>10,688</u>	<u>945,295</u>	<u>83,418,429</u>
Total governmental activities capital assets, net	<u>\$ 101,769,636</u>	<u>\$ 4,563,433</u>	<u>\$ 21,836</u>	<u>\$ -</u>	<u>\$ 106,311,233</u>

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

Governmental Activities:	
General government	\$ 1,421,523
Public safety	1,482,257
Human services	275,085
Economic and Physical Development	44,184
Cultural and recreational	<u>330,124</u>
Total	<u>\$ 3,553,173</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Enterprise Fund capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Increases	Decreases	Transfers In (Out)	Balance July 1, 2020
Utility Fund Non-depreciable assets:					
Land	\$ 484,753	\$ -	\$ -	\$ -	\$ 484,753
Construction in progress	8,449,728	18,864	-	-	8,468,592
Total	8,934,481	18,864	-	-	8,953,345
Depreciable assets:					
Buildings	5,478,618	-	-	-	5,478,618
Equipment and vehicles	2,499,162	134,024	59,426	-	2,573,760
Distribution lines	49,601,209	-	-	-	49,601,209
Total	57,578,989	134,024	59,426	-	57,653,587
Less accumulated depreciation:					
Buildings	5,174,067	51,473	-	-	5,225,540
Equipment and vehicles	1,651,329	177,714	59,426	-	1,769,617
Distribution lines	13,443,669	1,066,164	-	-	14,509,833
Total	20,269,065	1,295,351	59,426	-	21,504,990
Depreciable assets, net	37,309,924	(1,161,327)	-	-	36,148,597
Total utility fund capital assets, net	\$ 46,244,405	\$ (1,142,463)	\$ -	\$ -	\$ 45,101,942
	Balance July 1, 2019	Increases	Decreases	Transfers In (Out)	Balance July 1, 2020
Southeast Water District:					
Depreciable assets:					
Distribution lines	\$ 5,307,500	\$ -	\$ -	\$ -	\$ 5,307,500
Less accumulated depreciation:					
Distribution lines	850,143	106,338	-	-	956,481
Depreciable assets, net	4,457,357	(106,338)	-	-	4,351,019
Total Southeast Water District Fund capital assets, net	\$ 4,457,357	\$ (106,338)	\$ -	\$ -	\$ 4,351,019

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Increases	Decreases	Transfers In (Out)	Balance July 1, 2020
Solid Waste Management Non-depreciable assets:					
Land	\$ 495,505	\$ -	\$ -	\$ -	\$ 495,505
Depreciable assets:					
Buildings	3,500,195	-	-	-	3,500,195
Equipment and vehicles	2,479,765	30,155	-	-	2,509,920
Total	5,979,960	30,155	-	-	6,010,115
Less accumulated depreciation:					
Buildings	1,824,864	51,916	-	-	1,876,780
Equipment and vehicles	1,995,728	267,827	-	-	2,263,555
Total	3,820,592	319,743	-	-	4,140,335
Depreciable assets, net	2,159,368	(289,588)	-	-	1,869,780
Total Solid Waste Management Fund capital assets, net	\$ 2,654,873	\$ (289,588)	\$ -	\$ -	\$ 2,365,285
Total Enterprise fund capital assets	\$ 53,356,635	\$ (1,538,389)	\$ -	\$ -	\$ 51,818,246

6. Net Investment in Capital Assets

	Governmental Activities	Business- Type Activities
Capital assets, net of depreciation	\$ 106,311,233	\$ 51,818,246
Long-term debt	221,766,250	12,721,240
Add premium on long-term obligations	10,971,472	-
Less unspent debt proceeds	(16,127,292)	-
Less debt not tied to capital assets	(158,316,570)	-
Long-term debt related to capital assets	58,293,860	12,721,240
Invested in capital assets net of related debt	\$ 48,017,373	\$ 39,097,006

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

7. Discretely Presented Component Units

Activity for the ABC Board for the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Disposals	Balance July 1, 2020
Depreciable assets:				
Non-depreciable assets:				
Land	\$ 197,758	\$ -	\$ -	\$ 197,758
Construction in progress	<u>8,865</u>	<u>-</u>	<u>-</u>	<u>8,865</u>
Total	<u>206,623</u>	<u>-</u>	<u>-</u>	<u>206,623</u>
Depreciable assets:				
Leasehold improvements	275,596	14,546	-	290,142
Equipment and fixtures	<u>198,293</u>	<u>-</u>	<u>7,200</u>	<u>191,093</u>
Total	<u>473,889</u>	<u>14,546</u>	<u>7,200</u>	<u>481,235</u>
Less accumulated depreciation:				
Furniture/equipment and leasehold improvements	<u>263,312</u>	<u>49,836</u>	<u>7,200</u>	<u>305,948</u>
Total	<u>263,312</u>	<u>49,836</u>	<u>7,200</u>	<u>305,948</u>
Total ABC Board capital assets, net	<u>\$ 417,200</u>	<u>\$ (35,290)</u>	<u>\$ -</u>	<u>\$ 381,910</u>

8. Construction Commitments

The County has active construction projects as of June 30, 2020. The projects include an elementary school, a high school, and a community college health sciences building. At June 30, 2020, the County's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Chatham Grove Elementary School	27,478,087	402,652
Health Sciences Building	9,296,065	103,943
Seaforth High School	<u>13,600,197</u>	<u>13,284,315</u>
Totals	<u>\$ 50,374,349</u>	<u>\$ 13,790,910</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2020, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Claims Liability</u>	<u>Total</u>
Governmental activities:				
General	\$ 3,906,264	\$ 1,054,764	\$ -	\$ 4,961,028
Internal service	68,748	-	424,105	492,853
Other governmental	<u>7,031,896</u>	<u>-</u>	<u>-</u>	<u>7,031,896</u>
Total governmental activities	<u>\$ 11,006,908</u>	<u>\$ 1,054,764</u>	<u>\$ 424,105</u>	<u>\$ 12,485,777</u>
Business-type activities:				
Utility	\$ 173,376	\$ 48,084		\$ 221,460
Southeast water district	14,186	-	-	14,186
Solid waste management	<u>89,715</u>	<u>23,261</u>	<u>-</u>	<u>112,976</u>
Total business-type activities	<u>\$ 277,277</u>	<u>\$ 71,345</u>	<u>\$ -</u>	<u>\$ 348,622</u>

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, 2020 and 2019 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, 2020 and 2019 was \$4,681 and \$4,545, 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, 2020 and 2019 was \$5,325 and \$5,175, respectively.

Total lease expense for the years ended June 30, 2020 and 2019 amounted to \$155,372 and \$146,042, respectively. Minimum future lease payments are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2021	\$ 117,160
2022	<u>80,502</u>
Total	<u>\$ 197,662</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

3. Pension Plan and Other Postemployment 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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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, 2020, was 9.70% of compensation for law enforcement officers and 9.00% for general employees, actuarially

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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 \$2,289,955 for the year ended June 30, 2020.

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, 2020, the County reported a liability of \$10,090,211 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2020, the County's proportion was .3695% (measured as of June 30, 2019), which was an increase of .0003% from its proportion as of June 30, 2019 (measured as of June 30, 2018).

For the year ended June 30, 2020, the County recognized pension expense of \$4,514,815. At June 30, 2020, 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	\$ 1,727,700	\$ -
Changes of assumptions	1,644,537	-
Net difference between projected and actual earnings on pension plan investments	246,114	-
Changes in proportion and difference between County contributions and proportionate share of contributions	8,156	80,060
County contributions subsequent to the measurement date	2,289,955	-
Total	<u>\$ 5,916,462</u>	<u>\$ 80,060</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

The \$2,289,955 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 ended June 30, 2021. 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:

2021	\$ 1,786,986
2022	533,241
2023	958,038
2024	268,182
2025	-
Thereafter	-
	<u>\$ 3,546,447</u>

Actuarial Assumptions. The total pension liability in the December 31, 2018 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 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, 2018 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. 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

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 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	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 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)	\$ 23,078,157	\$ 10,090,211	\$ (705,404)

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

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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, 2018 valuation date, the Separation Allowance's membership consisted of:

Retirees receiving benefits	5
Active plan members	98
Total	<u>103</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, 2018 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	3.50 to 7.35 percent, including inflation and productivity factor
Discount Rate	3.26 percent

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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, 2018 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, 2014. Other key assumptions include:

Deaths After Retirement (Healthy): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 104% for males and 100% for females.

Deaths Before Retirement: RP-2014 Employee base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

Deaths After Retirement (Beneficiary): RP-2014 Health Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 123% for males and females.

Deaths After Retirement (Disabled): RP-2014 Disabled Retiree base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 103% for males and 99% for females.

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 \$94,031 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, 2020, the County reported a total pension liability of \$2,216,411. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was rolled forward to December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the County recognized pension expense of \$218,816.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 22,493	\$ 91,258
Changes of assumptions	154,978	93,077
County benefit payments and plan administrative expense made subsequent to the measurement date	50,038	-
Total	<u>\$ 227,509</u>	<u>\$ 184,335</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

The County paid \$50,038 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 ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30:

2021	\$	136
2022		136
2023		893
2024		419
2025		(7,582)
Thereafter		(866)
	\$	<u>(6,864)</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 3.26 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 (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total pension liability	\$ 2,453,457	\$ 2,216,411	\$ 2,004,347

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

	2020
Beginning Balance	\$ 2,102,099
Service Cost	143,014
Interest on the total pension liability	74,805
Changes in benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(92,897)
Changes of assumptions or other inputs	83,421
Benefit payments	(94,031)
Other changes	-
Net pension obligation, end of year	<u>\$ 2,216,411</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.64 percent at June 30, 2019 to 3.26 percent at June 30, 2020.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The state's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2020 were \$311,810, which consisted of \$257,982 from the County and \$53,828 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, 2020 were \$1,208,174, which consisted of \$894,736 from the County and \$313,438 from employees.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

e. Deferred Compensation Plan

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

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

Funding Policy. The County does not contribute to the deferred compensation plan. Employees may make voluntary contributions to the plan. Contributions from employees for the year ended June 30, 2020 were \$75,743.

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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The state's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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 \$8,051 for the year ended June 30, 2020.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

At June 30, 2020, the County reported an asset of \$143,297 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2019, the County's proportion was .726%, which was a decrease of .152% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$12,979. At June 30, 2020, 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	\$ -	\$ 6,910
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	1,466	-
Changes in proportion and difference between County contributions and proportionate share of contributions	22,112	140
County contributions subsequent to the measurement date	8,051	-
Total	<u>\$ 31,629</u>	<u>\$ 7,050</u>

\$8,051 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 ended June 30, 2021.

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:

2021	\$ 4,444
2022	8,786
2023	6,129
2024	(2,831)
2025	-
Thereafter	-
	<u>\$ 16,528</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Actuarial Assumptions. The total pension liability in the December 31, 2018 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, 2018 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, 2019 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 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, 2020

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)	\$ 118,451	\$ 143,297	\$ 164,303

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

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

The net pension liability for LGERS and ROD was measured as of December 31, 2018, and the total pension liability used to calculate the net position liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of December 31, 2019, with an actuarial valuation date of December 31, 2018. 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)	\$ (10,090,211)	\$ 143,297	n/a	\$ (9,946,914)
Proportion of the Net Pension Asset (Liability)	(0.36948%)	0.72585%	n/a	
Total Pension Liability			\$ (2,216,411)	\$ (2,216,411)
Pension Expense	\$ 4,514,815	\$ 12,979	\$ 218,816	\$ 4,746,610

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

At June 30, 2020, 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	\$ 1,727,700	\$ -	\$ 22,493	\$ 1,750,193
Changes of assumptions	1,644,537	-	154,978	1,799,515
Net difference between projected and actual earnings on pension plan investments	246,114	1,466	-	247,580
Changes in proportion and differences between County contributions and proportionate share of contributions	8,156	22,112	-	30,268
County contributions (LGERS,ROD)/benefits payments and administration costs (LEOSSA) subsequent to the measurement date	<u>2,289,955</u>	<u>8,051</u>	<u>50,038</u>	<u>2,348,044</u>
	<u>\$ 5,916,462</u>	<u>\$ 31,629</u>	<u>\$ 227,509</u>	<u>\$ 6,175,600</u>
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ -	\$ 6,910	\$ 91,258	\$ 98,168
Changes of assumptions	-	-	93,077	93,077
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>80,060</u>	<u>140</u>	<u>-</u>	<u>80,200</u>
	<u>\$ 80,060</u>	<u>\$ 7,050</u>	<u>\$ 184,335</u>	<u>\$ 271,445</u>

h. Other Postemployment Benefits

Healthcare Benefits

Plan Description. Under the terms of resolutions, the County and the ABC Board administer a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). The Boards have 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.

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, 13 retirees are eligible for post-employment health benefits. Eligible retirees who elect this

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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 retiree is responsible for paying the entire premium cost of dependent coverage if dependent coverage is elected. 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, 2018, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	13
Active plan members	487
Total	<u>500</u>

Total OPEB Liability

The County's total OPEB liability of \$9,694,018 was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2018.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified.

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	3.89%
Measurement Date	3.50%
Health Care Cost Trends, Pre-Medicare	7.25% for 2018 decreasing to an ultimate rate of 4.75% by 2028

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

The discount rate used to measure the total OPEB liability was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Bond Buyer.

Changes in the total OPEB Liability:

Total OPEB Liability as of June 30, 2019	\$	8,586,852
Changes for the year:		
Service Cost		533,397
Interest		325,835
Changes of benefit terms		-
Differences between expected and actual experience		223,024
Changes of assumptions or other inputs		450,204
Benefit payments		(425,294)
Net changes		<u>1,107,166</u>
Total OPEB Liability as of June 30, 2020	\$	<u><u>9,694,018</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% to 3.50% due to a change in the Municipal Bond Rate.

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2018 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, 2018 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2018 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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	\$ 10,962,801	\$ 9,694,018	\$ 8,586,230

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. 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 current healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 8,245,767	\$ 9,694,018	\$ 11,477,727

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

For the year ended June 30, 2020, the County recognized OPEB expense of \$1,066,044. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 987,310	\$ 6,723
Changes of assumptions	751,001	307,129
Benefit payments and administrative costs made subsequent to the measurement date	425,294	-
Total	<u>\$ 2,163,605</u>	<u>\$ 313,852</u>

\$425,294 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 ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

Year Ended June 30:

2021	\$ 198,970
2022	198,970
2023	198,970
2024	198,970
2025	198,970
Thereafter	429,609
	<u>\$ 1,424,459</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

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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.

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	\$ 1,240,481	\$ -
Pensions - difference between projected and actual investment earnings	247,580	-
Pensions - net difference between expected and actual experience	2,737,503	104,891
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	30,268	80,200
Pensions/OPEB - change of assumptions	2,550,516	400,206
Contributions to pension plans subsequent to the measurement date (LGERS, ROD)	2,298,006	-
Benefit payments for the OPEB plan paid subsequent to the measurement date	425,294	-
Benefit payments and admin costs paid subsequent to the measurement date (LEOSSA)	50,038	-
Prepaid taxes not yet earned (General)	-	390,751
Prepaid taxes not yet earned (Special Revenue)	-	27,799
Total	<u>\$ 9,579,686</u>	<u>\$ 1,003,847</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

6. Closure and Postclosure 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, 2020 were approximately \$13,719. 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 expensed as incurred.

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 \$154,793,431. 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, 2020

8. Contingent Liabilities and Commitments

At June 30, 2020, 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, 2018	\$ 368,000
Additions	4,524,984
Benefits paid	<u>(5,330,984)</u>
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	<u><u>\$ (424,105)</u></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, 2020 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 \$2,802,000

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2021	\$ -	\$ -	\$ 53,000	\$ 112,080
2022	-	-	56,000	109,960
2023	-	-	58,000	107,720
2024	-	-	60,000	105,400
2025	-	-	63,000	103,000
2026-2030	-	-	352,000	475,320
2031-2035	-	-	429,000	399,080
2036-2040	-	-	521,000	306,200
2041-2045	-	-	635,000	193,200
2046-2049	-	-	575,000	56,920
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,802,000</u>	<u>\$ 1,968,880</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 of its property in connection with any default under the bond order.

The County's revenue bonds payable at June 30, 2020 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	\$ 230,000
\$1,624,000 Bonds issued March 23, 2010, interest at 4%; due serially to 2049	<u>1,396,000</u>
	<u>\$ 1,626,000</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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
2021	\$ 34,000	\$ 54,570
2022	35,000	54,435
2023	37,000	52,267
2024	38,000	51,028
2025	39,000	49,755
2026-2030	214,000	228,430
2031-2035	253,000	190,037
2036-2040	299,000	144,645
2041-2045	352,000	90,985
2046-2049	325,000	27,748
	<u>\$ 1,626,000</u>	<u>\$ 943,900</u>

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

The debt service coverage ratio calculation for the year ended June 30, 2020, is as follows:

Operating revenues	\$ 720,518
Operating expenses	<u>(464,610)</u>
Operating income*	255,908
Nonoperating revenues (expenses)**	<u>(75,616)</u>
Income available for debt service	180,292
Debt service, principal and interest paid (Revenue bond only)	<u>\$ 78,002</u>
Debt service coverage ratio	231%

* Per revenue covenants, this does not include depreciation of \$106,338

** Per revenue covenants, this does not include revenue bond interest of \$45,002

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 issued pursuant to a deed of trust that requires that legal title remain with the County as long as the debt is

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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.

On July 12, 2019 the County entered into an installment purchase agreement with PNC in the amount of \$7,120,000. This purpose of the installment purchase was to refund a previous bank loan with Capital Bank. The refunded loan is considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The refunding was undertaken to reduce total debt service payments. The net present value savings over the life of the loan is estimated to be \$980,432.

On May 8, 2020 the County entered into an installment purchase agreement with the Bank of America in the amount of \$18,151,334. The proceeds will be used to make substantial upgrades and improvements to the County's emergency communications/radio system including the construction of several communication towers. At 1.566 % interest, the interest is due in semi-annual payments beginning on December 1, 2020 and continuing each June 1 and December 1 thereafter. Annual payment of the principal components of the installment purchase will begin on June 1, 2021 and each June 1 thereafter until June 1, 2030.

Other long-term debt payables by the County at June 30, 2020 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	\$ 19,763,101
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\$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	6,310,000
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\$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.	18,151,334
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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>1,758,452</u>
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Total Direct Placements	<u>45,982,887</u>
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CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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. 3,563,363

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 10,575,000

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 33,840,000

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 16,075,000

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 175,783,363
Total Governmental Activities \$ 221,766,250

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 1,868,770

\$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 17,833

1,886,603

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 6,406,637

Total Business-type Activities \$ 8,293,240

Total other long-term obligations \$ 230,059,490

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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>
2021	\$ 8,155,159	\$ 8,769,003	\$ 1,004,737	336,339
2022	14,371,568	8,333,959	1,024,015	301,150
2023	14,385,390	7,759,190	1,037,590	261,495
2024	14,364,566	7,182,610	1,060,081	217,448
2025	14,367,681	6,605,932	1,088,997	172,114
2026-2030	68,241,471	24,340,740	3,077,820	243,412
2031-2035	48,311,691	11,730,536	-	-
2036-2040	29,359,439	3,702,935	-	-
2041-2045	3,457,502	1,385,753	-	-
2046-2050	4,032,572	810,682	-	-
2051-2053	2,719,211	171,218	-	-
	<u>\$ 221,766,250</u>	<u>\$ 80,792,558</u>	<u>\$ 8,293,240</u>	<u>\$ 1,531,958</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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, 2020:

	Balance June 30, 2019	Additions	Retirements	Balance June 30, 2020	Current Portion
Governmental Activities:					
Other long-term obligations	\$ 180,550,068	\$ -	\$ 4,766,705	\$ 175,783,363	\$ 5,695,641
Direct placement installment purchase	29,205,044	25,271,334	8,493,491	45,982,887	2,459,518
Premium on long-term obligations	14,159,395	-	3,187,923	10,971,472	2,731,618
Net Pension Liability-LGERS	8,173,173	1,242,003	-	9,415,176	-
Total Pension Liability-LEOSSA	2,102,099	114,312	-	2,216,411	-
Total OPEB Liability	8,012,392	1,033,096	-	9,045,488	-
Compensated absences	1,918,844	1,488,382	1,554,325	1,852,901	1,554,325
Total Governmental Activities	<u>\$ 244,121,015</u>	<u>\$ 29,149,127</u>	<u>\$ 18,002,444</u>	<u>\$ 255,267,698</u>	<u>\$ 12,441,102</u>
Business-Type Activities:					
Solid Waste and Recycling:					
Net Pension Liability-LGERS	\$ 212,848	\$ 32,344	\$ -	\$ 245,192	\$ -
Total OPEB Liability	208,660	26,905	-	235,565	-
Compensated absences	41,100	30,399	32,051	39,448	32,051
Total Solid Waste Management:	<u>462,608</u>	<u>89,648</u>	<u>32,051</u>	<u>520,205</u>	<u>32,051</u>
Southeast Water District:					
General obligation bonds	2,853,000	-	51,000	2,802,000	53,000
Direct placement revenue bonds	1,659,000	-	33,000	1,626,000	34,000
Total Southeast Water District	<u>4,512,000</u>	<u>-</u>	<u>84,000</u>	<u>4,428,000</u>	<u>87,000</u>
Utility:					
Other long-term obligations	7,074,932	-	668,295	6,406,637	684,359
Direct borrowings	2,224,764		338,161	1,886,603	320,378
Net Pension Liability-LGERS	373,140	56,703	-	429,843	-
Total OPEB Liability	365,800	47,165	-	412,965	-
Compensated absences	89,805	69,129	66,192	92,742	66,192
Total Utility:	<u>10,128,441</u>	<u>172,997</u>	<u>1,072,648</u>	<u>9,228,790</u>	<u>1,070,929</u>
Total Business Type Activities	<u>\$ 15,103,049</u>	<u>\$ 262,645</u>	<u>\$ 1,188,699</u>	<u>\$ 14,176,995</u>	<u>\$ 1,189,980</u>

At June 30, 2020, Chatham County had a legal debt margin of \$707,230,053.

The County's outstanding notes from direct placements related to governmental activities of \$45,982,887 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 postemployment liability for governmental activities are all typically liquidated in the General Fund. Compensated absences 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 \$63,449,680 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, 2020

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2020, consist of the following:

<u>Fund Type</u>	<u>Fund Name</u>	<u>To</u>	<u>From</u>	<u>Purpose</u>
Major Governmental	General	\$ 3,827,656	\$ -	
Non-major Governmental	Impact Fees	-	3,827,656	Fund debt on planned capital
Major Governmental	General	9,033,789	-	
Major Governmental	Capital Improvement Project Reserve	-	9,033,789	Fund debt on planned capital
Major Governmental	General	56,005	-	
Major Governmental	Capital Reserve	-	56,005	
Major Governmental	General	50,669	-	Reimburse General Fund for
Non-major Governmental	Cares Act - Coronavirus	-	50,669	COVID Expenses Incurred
Major Governmental	General	-	400,000	
Major Governmental	General - Revaluation	400,000	-	Fund expense of revaluation
Major Governmental	General	-	250,000	Fund expenses for affordable
Major Governmental	General - Housing Trust	250,000	-	housing
Major Governmental	General	-	4,486,747	
Major Governmental	Capital Reserve	4,486,747	-	Fund pay-go capital projects
Major Governmental	General	-	11,043,948	
Major Governmental	Capital Improvement Project Reserve	11,043,948	-	Fund debt on planned capital
Major Governmental	General	-	9,479	Reimburse fund for ineligible
Non-major Governmental	Emergency Telephone System	9,479	-	expenses
Non-major Governmental	Recreation - Payment in Lieu	-	20,739	
Non-major Governmental	County-Wide Park Projects	20,739	-	Fund expenses for park project
Major Governmental	Capital Reserve	2,749,187	-	Upfront cost for initial project
Major Governmental	Capital Improvement Project Reserve	-	2,749,187	expenses
Major Governmental	Capital Reserve	-	1,256,809	Fund cost of tech/system
Non-major Governmental	Tech/System Improvement Project	1,256,809	-	upgrades
Major Governmental	Capital Reserve	-	1,163,518	
Major Governmental	Facilities Improvements	1,163,518	-	Fund pay-go facilities projects
Major Governmental	Capital Reserve	-	693,926	Fund pay-go school capital
Major Governmental	School Construction Project	693,926	-	projects
Major Governmental	Capital Improvement Project Reserve	-	2,528,679	Fund initial expense for
Major Governmental	Facilities Improvements	2,528,679	-	facilities project
Major Governmental	Capital Improvement Project Reserve	-	451,368	Fund initial expense for school
Major Governmental	School Construction Project	451,368	-	construction project
Major Governmental	Capital Reserve	-	13,624	Fund water project
Total Governmental Transfers		\$ 38,022,519	\$ 38,036,143	

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<u>Fund Type</u>	<u>Fund Name</u>	<u>To</u>	<u>From</u>	<u>Purpose</u>
Major Governmental	Utility Capital Reserve	\$ -	\$ 1,842	
Major Governmental	Utility Capital Projects	1,842		- Fund water project
Major Governmental	Solid Waste and Recycling Operating	-	272,740	Fund future waste and
Major Governmental	Solid Waste and Recycling Reserve	272,740		- recycling capital projects
Major Governmental	Utility Capital Projects	13,624		- Fund water project
Total Enterprise Transfers		<u>\$ 288,206</u>	<u>\$ 274,582</u>	
Grand Total		<u>\$ 38,310,725</u>	<u>\$ 38,310,725</u>	

ABC Board

The ABC Board had long-term net pension liability as of June 30, 2020 of \$89,028.

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.

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	\$ 48,496,048
Less:	
Restricted:	
Stablization by State Statute	8,738,525
Register of Deeds	371,615
Committed:	
LEO Special Separation Allowance	835,851
Revaluation	1,452
Housing Trust	87,824
Assigned:	
Subsequent Year's Expenditures	8,777,832
County Fund Balance Policy Minimum	<u>24,166,623</u>
Remaining Fund Balance	<u>\$ 5,516,326</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.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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, 2020.

IV. Joint Ventures

a. Cardinal Innovations Healthcare Solutions Area Authority

The County, in conjunction with Alamance, Cabarrus, Caswell, Davidson, Franklin, Granville, Halifax, Orange, Person, Rowan, Stanly, Union, Vance, and Warren Counties participates in a joint venture to operate Cardinal Innovations Healthcare Solutions Area Authority as a Managed Care Organization. The County appoints three members to the OPC Community Operations Oversight Board. The County has an ongoing financial responsibility for the joint venture because the Authority's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Authority; therefore, no equity interest has been reflected in the financial statements at June 30, 2020. The County appropriated \$418,960 to the Authority to supplement its activities for the year ended June 30, 2020.

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 \$1,120,626 to the Community College for operating purposes during the fiscal year ended June 30, 2020. 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, 2020.

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, 2020

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 \$393,484 to the Corporation during the fiscal year ended June 30, 2020. 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, 2020.

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 \$122,112 to the Council during the fiscal year ended June 30, 2020.

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.

VII. Subsequent Event

In March 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact County revenues. At the current time, we are unable to quantify the potential effects of this pandemic.

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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 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 SEVEN FISCAL YEARS***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.369%	0.369%	0.367%	0.366%	0.341%	0.332%	0.321%
County's proportionate share of the net pension liability (asset) \$	\$ 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	\$ 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	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	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.

CHATHAM COUNTY, NORTH CAROLINA

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 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	<u>2,289,955</u>	<u>1,912,737</u>	<u>1,763,243</u>	<u>1,675,171</u>	<u>1,401,182</u>	<u>1,465,177</u>	<u>1,326,337</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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
Contributions as a percentage of covered payroll	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 SEVEN YEARS***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.726%	0.878%	0.876%	0.820%	0.840%	0.828%	0.800%
County's proportionate share of the net pension liability (asset) \$	\$ (143,297)	\$ (145,431)	\$ (149,543)	\$ (153,131)	\$ (194,731)	\$ (187,622)	\$ (170,953)
County's covered payroll	\$ 83,375	\$ 78,589	\$ 73,773	\$ 73,773	\$ 67,399	\$ 67,396	\$ 65,053
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-171.870%	-185.053%	-202.707%	-207.571%	-288.923%	-278.387%	-262.790%
Plan fiduciary net position as a percentage of the total pension liability	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 SEVEN FISCAL YEARS ***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 8,051	\$ 6,899	\$ 7,514	\$ 7,612	\$ 7,299	\$ 6,116	\$ 6,758
Contributions in relation to the contractually required contribution	<u>8,051</u>	<u>6,899</u>	<u>7,514</u>	<u>7,612</u>	<u>7,299</u>	<u>6,116</u>	<u>6,758</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 83,375	\$ 80,946	\$ 78,589	\$ 79,152	\$ 73,773	\$ 67,399	\$ 67,396
Contributions as a percentage of covered payroll	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 FOUR FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 2,102,099	\$ 2,049,455	\$ 1,804,635	\$ 1,716,137
Service cost	143,014	153,127	128,004	134,235
Interest on the total pension liability	74,805	63,277	68,070	60,310
Differences between expected and actual experience				
in the measurement of the total pension liability	(92,897)	32,315	(22,711)	-
Changes of assumptions or other inputs	83,421	(102,044)	153,782	(52,457)
Benefit payments	<u>(94,031)</u>	<u>(94,031)</u>	<u>(82,325)</u>	<u>(53,590)</u>
Ending balance of the total pension liability	<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 COVERD PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST FOUR FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 2,216,411	\$ 2,102,099	\$ 2,049,455	\$ 1,804,635
Covered payroll	4,854,871	4,875,211	4,749,118	4,818,486
Total pension liability as a percentage of covered payroll	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.

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

CHATHAM COUNTY, NORTH CAROLINA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
HEALTHCARE BENEFITS PLAN
LAST THREE FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability			
Service cost	\$ 533,397	\$ 440,217	\$ 480,948
Interest	325,835	232,649	196,636
Differences between expected and actual experience	223,024	1,035,430	(10,437)
Changes of assumptions	450,204	463,615	(476,815)
Benefit payments	<u>(425,294)</u>	<u>(238,211)</u>	<u>(138,851)</u>
Net change in total OPEB liability	1,107,166	1,933,700	51,481
Total OBEB liability - beginning	<u>8,586,852</u>	<u>6,653,152</u>	<u>6,601,671</u>
Total OBEB liability - ending	<u>\$ 9,694,018</u>	<u>\$ 8,586,852</u>	<u>\$ 6,653,152</u>
Covered payroll	22,136,241	22,136,241	20,549,678
Total OPEB liability as a percentage of covered payroll	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%

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

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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.

CORONAVIRUS RELIEF FUND

The Coronavirus Relief Fund accounts for revenue received from the federal government to aid counties with expenditures incurred related to COVID-19.

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.

CAPITAL RESERVE

The Capital Reserve Fund accounts for the accumulation of funds for large capital purchases.

FACILITIES IMPROVEMENTS

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

SCHOOL CONSTRUCTION FUND

The School Construction Fund accounts for the construction of new school facilities and additions to existing facilities.

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CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND CONSOLIDATED
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE'S - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Revaluation Fund	Coal Ash Fund	Housing Trust Fund	Law Enforcement Separation Allowance Fund	Eliminations	Total General Fund
Revenues:							
Ad valorem taxes	\$ 77,607,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,607,735
Local option sales taxes	16,284,600	-	-	-	-	-	16,284,600
Other taxes	1,002,335	-	-	-	-	-	1,002,335
Unrestricted intergovernmental revenues	3,589,710	-	-	-	-	-	3,589,710
Restricted intergovernmental revenues	7,840,261	-	-	-	-	-	7,840,261
Permits and fees	2,166,309	-	-	-	-	-	2,166,309
Sales and services	2,720,045	-	-	-	-	-	2,720,045
Interest earned on investments	392,093	-	103,415	2,606	13,544	-	511,658
Other general revenues	1,148,368	-	-	-	145,000	(145,000)	1,148,368
Total revenues	112,751,456	-	103,415	2,606	158,544	(145,000)	112,871,021
Expenditures:							
General government	11,512,919	574,437	-	-	-	-	12,087,356
Public safety	20,915,596	-	-	-	97,054	(145,000)	20,867,650
Economic and physical development	3,694,823	-	2,192,457	222,400	-	-	6,109,680
Human services	16,849,708	-	-	-	-	-	16,849,708
Cultural and recreation	2,610,775	-	21,840	-	-	-	2,632,615
Intergovernmental:							
Education	36,854,614	-	-	-	-	-	36,854,614
Debt service:							
Principal repayments	6,210,196	-	-	-	-	-	6,210,196
Interest	8,719,945	-	-	-	-	-	8,719,945
Total expenditures	107,368,576	574,437	2,214,297	222,400	97,054	(145,000)	110,331,764
Revenues over (under) expenditures	5,382,880	(574,437)	(2,110,882)	(219,794)	61,490	-	2,539,257
Other Financing Sources (Uses):							
Transfers in	12,968,119	400,000	-	250,000	-	(650,000)	12,968,119
Transfers out	(16,190,174)	-	-	-	-	650,000	(15,540,174)
Total transfers	(3,222,055)	400,000	-	250,000	-	-	(2,572,055)
Installment loan proceeds	7,120,000	-	-	-	-	-	7,120,000
Payment to refunding agent	(7,050,000)	-	-	-	-	-	(7,050,000)
Net debt issued	70,000	-	-	-	-	-	70,000
Total other financing sources (uses)	(3,152,055)	400,000	-	250,000	-	-	(2,502,055)
Net change in fund balances	2,230,825	(174,437)	(2,110,882)	30,206	61,490	-	37,202
Fund Balances:							
Beginning of year - July 1	40,481,565	175,889	6,969,031	58,000	774,361	-	48,458,846
End of year - June 30	\$ 42,712,390	\$ 1,452	\$ 4,858,149	\$ 88,206	\$ 835,851	\$ -	\$ 48,496,048

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad Valorem Taxes:				
Current year taxes:				
Real/personal	\$ 70,639,805	\$ 71,308,926	\$ 669,121	\$ 64,440,673
DMV - Motor vehicles	5,784,955	5,720,288	(64,667)	5,242,171
Total current year taxes	76,424,760	77,029,214	604,454	69,682,844
Prior year taxes	665,500	550,177	(115,323)	649,386
Penalties, interest, other	37,000	28,344	(8,656)	35,375
Total ad valorem taxes	77,127,260	77,607,735	480,475	70,367,605
Local Option Sales Tax:				
Article 39 - 1 percent	5,330,250	6,137,490	807,240	5,273,229
Article 40 - 1/2 percent	4,761,000	4,946,152	185,152	4,753,361
Article 42 - 1/2 percent	3,467,250	3,870,323	403,073	3,438,327
Article 44 - 1/2 percent	1,230,000	1,330,635	100,635	1,242,628
Total local option sales tax	14,788,500	16,284,600	1,496,100	14,707,545
Other Taxes:				
Deed stamp excise tax	798,000	876,628	78,628	835,504
Occupancy tax	123,000	109,184	(13,816)	139,165
Other	20,000	16,523	(3,477)	20,789
Total other taxes and licenses	941,000	1,002,335	61,335	995,458
Intergovernmental:				
Unrestricted intergovernmental:				
Payments in lieu of taxes	100,000	112,567	12,567	107,557
Beer and wine excise tax	237,000	249,500	12,500	246,227
ABC profit distribution	125,000	151,954	26,954	124,247
Medicaid hold harmless	2,640,000	3,066,342	426,342	2,737,985
Other	9,346	9,347	1	14,931
Total unrestricted	3,111,346	3,589,710	478,364	3,230,947
Restricted intergovernmental:				
State and federal grants	8,318,128	7,248,019	(1,070,109)	7,996,139
Other	586,649	592,242	5,593	608,369
Total restricted	8,904,777	7,840,261	(1,064,516)	8,604,508
Total intergovernmental	12,016,123	11,429,971	(586,152)	11,835,455
Permits and Fees:				
Inspections fees	1,400,000	1,647,533	247,533	1,275,869
Register of Deeds fees	400,000	461,656	61,656	391,929
Other	44,600	57,120	12,520	47,031
Total permits and fees	1,844,600	2,166,309	321,709	1,714,829

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Sales and Services:				
Charges to other funds	360,000	378,763	18,763	351,159
Environmental health	305,550	368,785	63,235	339,029
Environmental services	368,100	374,940	6,840	359,220
Fire inspections	41,000	55,153	14,153	47,025
Health	668,142	1,041,380	373,238	926,454
Library	32,000	21,805	(10,195)	32,526
Planning	90,000	93,048	3,048	85,910
Recreation fees	94,742	46,615	(48,127)	91,634
Sheriff	97,040	105,822	8,782	74,235
Social services	20,000	31,141	11,141	17,240
Tax	242,000	169,097	(72,903)	175,267
Other	31,538	33,496	1,958	66,386
Total sales and services	2,350,112	2,720,045	369,933	2,566,085
Investment Earnings:				
Interest on investments	300,000	392,093	92,093	2,391,755
Total investment earnings	300,000	392,093	92,093	2,391,755
Other General Revenues:				
Rent	322,513	279,411	(43,102)	284,820
Contributions and donations	723,822	694,168	(29,654)	892,489
Sale of surplus property	-	39,495	39,495	57,626
Miscellaneous	72,436	135,294	62,858	121,725
Total other general revenues	1,118,771	1,148,368	29,597	1,356,660
Total revenues	110,486,366	112,751,456	2,265,090	105,935,392
Expenditures:				
General Government:				
Governing Board:				
Salaries and benefits	296,541	288,777	7,764	284,426
Other operating expenditures	121,185	99,205	21,980	108,225
Total	417,726	387,982	29,744	392,651
County Manager:				
Salaries and benefits	1,334,595	1,283,107	51,488	1,002,405
Other operating expenditures	92,467	72,767	19,700	46,300
Total	1,427,062	1,355,874	71,188	1,048,705
Finance:				
Salaries and benefits	857,197	832,626	24,571	771,440
Other operating expenditures	280,941	246,876	34,065	256,178
Total	1,138,138	1,079,502	58,636	1,027,618

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Information Services:				
Salaries and benefits	1,235,058	1,200,748	34,310	1,162,650
Other operating expenditures	722,206	702,203	20,003	604,595
Capital outlay	47,140	44,971	2,169	6,245
Total	2,004,404	1,947,922	56,482	1,773,490
Tax:				
Salaries and benefits	1,180,322	1,193,768	(13,446)	1,007,373
Other operating expenditures	396,005	351,378	44,627	392,991
Capital outlay	39,035	3,764	35,271	3,145
Total	1,615,362	1,548,910	66,452	1,403,509
County Attorney:				
Salaries and benefits	63,935	64,314	(379)	64,164
Other operating expenses	331,619	312,125	19,494	292,137
Total	395,554	376,439	19,115	356,301
Court Facilities:				
Other operating expenditures	211,024	200,845	10,179	199,375
Elections:				
Salaries and benefits	391,594	353,128	38,466	279,758
Other operating expenses	163,966	147,511	16,455	150,669
Total	555,560	500,639	54,921	430,427
General Services:				
Salaries and benefits	-	-	-	90,205
Other operating expenses	990,880	524,388	466,492	236,264
Total	990,880	524,388	466,492	326,469
Register of Deeds:				
Salaries and benefits	422,836	429,813	(6,977)	404,799
Other operating expenses	112,175	88,775	23,400	78,923
Total	535,011	518,588	16,423	483,722
Facilities Management:				
Salaries and benefits	1,083,306	1,065,209	18,097	1,033,132
Other operating expenditures	2,013,811	1,722,971	290,840	1,947,924
Capital outlay	33,648	32,765	883	141,864
Total	3,130,765	2,820,945	309,820	3,122,920
Agriculture and Conference Center				
Salaries and benefits	237,036	211,368	25,668	196,590
Other operating expenditures	44,341	39,517	4,824	44,831
Total	281,377	250,885	30,492	241,421
Total general government	12,702,863	11,512,919	1,189,944	10,806,608

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Public Safety:				
Sheriff:				
Salaries and benefits	11,090,705	10,598,769	491,936	10,130,174
Other operating expenditures	2,335,119	2,073,892	261,227	2,056,872
Capital outlay	510,034	420,004	90,030	646,244
Total sheriff	13,935,858	13,092,665	843,193	12,833,290
Law Enforcement Special Separation	145,000	145,000	-	125,000
Emergency Operations:				
Salaries and benefits	330,819	315,378	15,441	319,549
Other operating expenditures	354,818	327,933	26,885	378,228
Capital outlay	150,861	145,268	5,593	13,668
Total	836,498	788,579	47,919	711,445
Emergency Medical Services:				
Other operating expenditures	3,013,675	2,997,403	16,272	2,862,128
Assistance fire and rescue	121,800	45,697	76,103	42,859
Other	10,187	8,317	1,870	22,164
Total	3,145,662	3,051,417	94,245	2,927,151
Telecommunications:				
Salaries and benefits	1,631,968	1,600,958	31,010	1,519,599
Other operating expenses	177,575	164,144	13,431	146,880
Capital outlay	65,375	65,984	(609)	6,950
Total	1,874,918	1,831,086	43,832	1,673,429
Building Inspections:				
Salaries and benefits	816,212	690,479	125,733	670,246
Other operating expenditures	78,541	42,096	36,445	51,690
Capital outlay	8,368	7,050	1,318	-
Total	903,121	739,625	163,496	721,936
Fire Inspections:				
Salaries and benefits	328,562	275,997	52,565	321,335
Other operating expenses	36,808	25,867	10,941	28,219
Total	365,370	301,864	63,506	349,554
Court-Related Programs:				
Salaries and benefits	564,863	539,469	25,394	537,837
Operating expenses	435,002	425,891	9,111	378,091
Total	999,865	965,360	34,505	915,928
Total public safety	22,206,292	20,915,596	1,290,696	20,257,733

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Economic and Physical Development:				
Planning:				
Salaries and employee benefits	761,666	764,970	(3,304)	739,994
Other operating expenditures	151,801	45,236	106,565	54,394
Capital outlay	5,476	4,645	831	25,821
Total	918,943	814,851	104,092	820,209
Central Permitting:				
Salaries and employee benefits	346,653	345,850	803	308,975
Other operating expenses	98,175	83,158	15,017	151,335
Total	444,828	429,008	15,820	460,310
Sedimentation and Erosion Control:				
Salaries and benefits	349,780	350,443	(663)	321,953
Operating expenses	19,022	13,309	5,713	13,965
Capital outlay	-	-	-	50,589
Total	368,802	363,752	5,050	386,507
Cooperative Extension				
Salaries and benefits	-	2,585	(2,585)	13,104
Other operating expenditures	477,619	434,230	43,389	375,045
Capital outlay	44,000	-	44,000	24,122
Total	521,619	436,815	84,804	412,271
Soil and Water Conservation:				
Salaries and employee benefits	228,804	231,117	(2,313)	214,790
Other operating expenditures	21,969	13,596	8,373	13,137
Total	250,773	244,713	6,060	227,927
Economic Development:				
Salaries and employee benefits	-	-	-	685,412
Other operating expenditures	1,306,099	1,283,552	22,547	-
Total	1,306,099	1,283,552	22,547	685,412
Pittsboro/Siler City Convention & Visitors Bureau:				
Salaries and employee benefits	112,631	113,867	(1,236)	100,224
Other operating expenses	14,934	8,265	6,669	7,919
Total	127,565	122,132	5,433	108,143
Total economic/physical development	3,938,629	3,694,823	243,806	3,100,779
Human Services:				
Health:				
Salaries and benefits	4,922,639	4,498,163	424,476	4,311,962
Other operating expenditures	1,723,703	1,021,870	701,833	929,058
Capital outlay	8,200	8,200	-	84,927
Total	6,654,542	5,528,233	1,126,309	5,325,947

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Social Services:				
Administration:				
Salaries and benefits	6,434,666	6,171,288	263,378	5,909,525
Other operating expenditures	849,685	682,097	167,588	697,362
Capital outlay	-	-	-	24,417
Total	7,284,351	6,853,385	430,966	6,631,304
Public Assistance:				
Assistance programs	1,715,112	1,826,462	(111,350)	1,674,635
Total social services	8,999,463	8,679,847	319,616	8,305,939
Mental Health:				
Mental health appropriation	457,766	420,814	36,952	427,151
Council on Aging:				
Salaries and benefits	206,517	207,267	(750)	213,190
Appropriation	1,124,618	1,123,494	1,124	794,596
Total	1,331,135	1,330,761	374	1,007,786
Appropriations to Non-Profit Agencies:				
Chatham Trades	206,000	206,000	-	182,000
Chatham Transit	240,394	99,423	140,971	145,852
Pass-through grants	204,796	204,796	-	174,617
Other non-profit agencies	524,685	379,834	144,851	293,150
Total	1,175,875	890,053	285,822	795,619
Total human services	18,618,781	16,849,708	1,769,073	15,862,442
Cultural and Recreational:				
Library:				
Salaries and benefits	1,096,818	1,063,635	33,183	1,044,330
Other operating expenditures	690,703	412,327	278,376	387,103
Capital outlay	-	-	-	5,418
Total	1,787,521	1,475,962	311,559	1,436,851
Recreation:				
Salaries and benefits	641,061	616,393	24,668	548,230
Other operating expenditures	531,374	425,314	106,060	550,460
Capital outlay	93,195	93,106	89	54,051
Total	1,265,630	1,134,813	130,817	1,152,741
Total cultural and recreational	3,053,151	2,610,775	442,376	2,589,592

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Education:				
Public Schools:				
Appropriation	33,351,710	33,351,710	-	31,887,310
Capital outlay	2,387,600	2,375,600	12,000	2,677,988
Total	35,739,310	35,727,310	12,000	34,565,298
Community College:				
Appropriation	1,267,888	1,127,304	140,584	781,444
Total education	37,007,198	36,854,614	152,584	35,346,742
Debt Service:				
Principal:				
Public schools - principal	2,734,885	2,734,884	1	2,837,262
Community college - principal	430,299	626,648	(196,349)	762,940
General building projects - principal	2,697,535	2,606,182	91,353	2,759,112
Business campus - principal	242,482	242,482	-	418,419
Total	6,105,201	6,210,196	(104,995)	6,777,733
Interest and Fees:				
Public schools - interest	5,965,878	5,964,655	1,223	5,038,615
Community college - interest	810,605	703,896	106,709	700,056
General building projects - interest	1,928,696	1,824,113	104,583	2,035,065
Business campus - interest	227,281	227,281	-	240,150
Total	8,932,460	8,719,945	212,515	8,013,886
Total debt service	15,037,661	14,930,141	107,520	14,791,619
Total expenditures	112,564,575	107,368,576	5,195,999	102,755,515
Revenues over (under) expenditures	(2,078,209)	5,382,880	7,461,089	3,179,877
Other Financing Sources (Uses):				
Transfers In:				
Special revenue funds:				
CARES Act	-	50,669	50,669	-
Recreation payment in lieu	56,005	-	(56,005)	3,288
Impact fee	3,879,632	3,827,656	(51,976)	4,259,204
Capital projects funds:				
Capital Reserve	-	56,005	56,005	-
Facilities improvements	-	-	-	165,676
CIP Debt Reserve	9,949,371	9,033,789	(915,582)	8,554,390
Total transfers in	13,885,008	12,968,119	(916,889)	12,982,558

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Transfers Out:				
General fund:				
Revaluation	(400,000)	(400,000)	-	(400,000)
Housing Trust	(250,000)	(250,000)	-	(200,000)
Special revenue funds:				
Emergency telephone system	(9,500)	(9,479)	21	(2,258)
Capital Projects:				
CIP Debt Reserve	(11,043,948)	(11,043,948)	-	(10,771,259)
Parks	-	-	-	(25,000)
Capital reserve	(4,486,747)	(4,486,747)	-	(2,830,433)
Total transfers out	(16,190,195)	(16,190,174)	21	(14,228,950)
Total transfers in (out)	(2,305,187)	(3,222,055)	(916,868)	(1,246,392)
Debt Proceeds:				
Installment refunding issued	7,120,000	7,120,000	-	-
Payment to refunding agent	(7,050,000)	(7,050,000)	-	-
Total	70,000	70,000	-	-
Total other financing sources (uses)	<u>(2,235,187)</u>	<u>(3,152,055)</u>	<u>(916,868)</u>	<u>(1,246,392)</u>
Net change in fund balance	(4,313,396)	2,230,825	6,544,221	1,933,485
Appropriated fund balance	<u>4,313,396</u>	<u>-</u>	<u>(4,313,396)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>2,230,825</u>	<u>\$ 2,230,825</u>	<u>1,933,485</u>
Fund Balance:				
Beginning of year - July 1		<u>40,481,565</u>		<u>38,548,080</u>
End of year - June 30		<u>\$ 42,712,390</u>		<u>\$ 40,481,565</u>

CHATHAM COUNTY, NORTH CAROLINA

REVALUATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Expenditures:				
General government	\$ 575,889	\$ 574,437	\$ 1,452	\$ 224,111
Revenues over (under) expenditures	(575,889)	(574,437)	1,452	(224,111)
Other Financing Sources (Uses):				
Transfers from (to) other funds				
General Fund	400,000	400,000	-	400,000
Appropriated fund balance	175,889	-	(175,889)	-
Net change in fund balance	\$ -	(174,437)	\$ (174,437)	175,889
Fund Balance:				
Beginning of year - July 1		175,889		-
End of year - June 30		\$ 1,452		\$ 175,889

CHATHAM COUNTY, NORTH CAROLINA

COAL ASH

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ 10,000	\$ 103,415	\$ 93,415	\$ 153,420
Expenditures:				
General government	1,518,250	-	1,518,250	-
Economic and physical development	2,455,000	2,192,457	262,543	580,292
Cultural and recreational	26,750	21,840	4,910	-
Total expenditures	4,000,000	2,214,297	1,785,703	580,292
Revenues over (under) expenditures	(3,990,000)	(2,110,882)	1,879,118	1,068,851
Appropriated fund balance	3,990,000	-	(3,990,000)	-
Net change in fund balance	\$ -	(2,110,882)	\$ (2,110,882)	1,068,851
Fund Balance:				
Beginning of year - July 1		6,969,031		5,900,180
End of year - June 30		<u>\$ 4,858,149</u>		<u>\$ 6,969,031</u>

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, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>2020</u>			<u>2019</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ -	\$ 2,606	\$ 2,606	\$ -
Expenditures:				
Economic and physical development	<u>250,000</u>	<u>222,400</u>	<u>27,600</u>	<u>142,000</u>
Revenues over (under) expenditures	(250,000)	(219,794)	30,206	(142,000)
Other Financing Sources (Uses):				
Transfers from (to) other funds				
General Fund	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>200,000</u>
Net change in fund balance	<u>\$ -</u>	30,206	<u>\$ 30,206</u>	58,000
Fund Balance:				
Beginning of year - July 1		<u>58,000</u>		<u>-</u>
End of year - June 30		<u>\$ 88,206</u>		<u>\$ 58,000</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, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ 2,000	\$ 13,544	\$ 11,544	\$ 15,079
Other general revenues	145,000	145,000	-	125,000
Total revenues	<u>147,000</u>	<u>158,544</u>	<u>11,544</u>	<u>140,079</u>
Expenditures:				
Public safety	<u>147,000</u>	<u>97,054</u>	<u>49,946</u>	<u>94,031</u>
Net change in fund balance	<u>\$ -</u>	<u>61,490</u>	<u>\$ 61,490</u>	<u>46,048</u>
Fund Balance:				
Beginning of year		<u>774,361</u>		<u>728,313</u>
End of year - June 30		<u>\$ 835,851</u>		<u>\$ 774,361</u>

**MAJOR - CARES ACT - CORONAVIRUS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	2020		
	Final Budget	Actual	Variance Over/Under
Revenues:			
Restricted intergovernmental	\$ 1,461,651	\$ 600,897	\$ (860,754)
Expenditures:			
Public safety	<u>1,361,651</u>	<u>550,228</u>	<u>811,423</u>
Revenues over (under) expenditures	100,000	50,669	(49,331)
Other Financing Sources (Uses):			
Transfer to other funds:			
General Fund	<u>(100,000)</u>	<u>(50,669)</u>	<u>49,331</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance:			
Beginning of year - July 1		<u>-</u>	
End of year - June 30		<u>\$ -</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, 2020
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental:				
Lottery proceeds	\$ 500,000	\$ 184,341	\$ (315,659)	\$ 626,300
Investment earnings	125,000	711,798	586,798	745,423
Total revenues	625,000	896,139	271,139	1,371,723
Expenditures:				
General government	1,828,762	-	1,828,762	-
Revenues over (under) expenditures	(1,203,762)	896,139	2,099,901	1,371,723
Other Financing Sources (Uses):				
Transfers from (to) other funds:				
Transfer from other funds:				
General Fund	11,043,948	11,043,948	-	10,771,259
Facility Project	-	-	-	1,961,889
School Construction Project	-	-	-	6,699,535
Total transfers from other funds	11,043,948	11,043,948	-	19,432,683
Transfer to other funds:				
General Fund	(9,033,789)	(9,033,789)	-	(8,554,390)
Capital Reserve	(2,749,189)	(2,749,187)	2	-
School Construction Project	(451,368)	(451,368)	-	(18,844)
Facilities Improvement	(2,528,679)	(2,528,679)	-	-
Total transfers (to) other funds	(14,763,025)	(14,763,023)	2	(8,573,234)
Total other financing sources (uses)	(3,719,077)	(3,719,075)	2	10,859,449
Appropriated fund balance	4,922,839	-	(4,922,839)	-
Net change in fund balance	\$ -	(2,822,936)	\$ (2,822,936)	12,231,172
Fund Balance:				
Beginning of year - July 1		39,720,693		27,489,521
End of year - June 30		\$ 36,897,757		\$ 39,720,693

CHATHAM COUNTY, NORTH CAROLINA

MAJOR - CAPITAL RESERVE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR

FOR YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ 30,000	\$ 240,286	\$ 210,286	\$ 255,658
Expenditures:				
Human services	2,433,853	-	2,433,853	-
Cultural and recreational	315,336	-	315,336	-
Total expenditures	2,749,189	-	2,749,189	-
Revenues over (under) expenditures	(2,719,189)	240,286	2,959,475	255,658
Other Financing Sources (Uses):				
Transfers from other funds:				
General Fund	3,193,521	4,486,747	1,293,226	2,830,433
Capital Projects:				
Tech/Improvement Project	-	-	-	525,162
CIP Debt Reserve	2,749,189	2,749,187	(2)	-
Total transfers from other funds	5,942,710	7,235,934	1,293,224	3,355,595
Transfers to other funds:				
General Fund	(56,005)	(56,005)	-	-
Capital Projects:				
Tech/Improvement Project	(1,430,371)	(1,256,809)	173,562	-
Facilities Improvement	(9,000,000)	(1,163,518)	7,836,482	(400,127)
Tech/Improvement Project	-	-	-	(104,189)
Utility Capital Project	(13,624)	(13,624)	-	(26,532)
School Construction Project	(1,223,521)	(693,926)	529,595	(1,562,627)
Total transfers to other funds	(11,723,521)	(3,183,882)	8,539,639	(2,093,475)
Total transfers to (from) other funds	(5,780,811)	4,052,052	9,832,863	1,262,120
Appropriated fund balance	8,500,000	-	(8,500,000)	-
Net change in fund balance	\$ -	4,292,338	\$ 4,292,338	1,517,778
Fund Balance:				
Beginning of year - July 1		11,627,811		10,110,033
End of year - June 30		<u>\$ 15,920,149</u>		<u>\$ 11,627,811</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, 2020

		Actual			
	Project Budget	Prior Years	Current Year	Total	Variance Over/Under
Revenues:					
Intergovernmental					
State grants	\$ 3,022,031	\$ -	\$ -	\$ -	\$ (3,022,031)
Investment earnings	-	-	3,233	3,233	3,233
Total revenues	<u>3,022,031</u>	<u>-</u>	<u>3,233</u>	<u>3,233</u>	<u>(3,018,798)</u>
Expenditures:					
General government:					
Transit facility	900,000	68,809	799,463	868,272	31,728
Annex renovations	<u>4,063,002</u>	<u>1,811,307</u>	<u>85,554</u>	<u>1,896,861</u>	<u>2,166,141</u>
Total general government	<u>4,963,002</u>	<u>1,880,116</u>	<u>885,017</u>	<u>2,765,133</u>	<u>2,197,869</u>
Public safety:					
Emergency Communication improvements	18,247,811	-	2,027,275	2,027,275	16,220,536
Emergency Operations Center	10,000,000	-	2,528,679	2,528,679	7,471,321
EMS base	1,329,715	-	63,549	63,549	1,266,166
Animal shelter	<u>6,445,281</u>	<u>165,799</u>	<u>300,506</u>	<u>466,305</u>	<u>5,978,976</u>
Total public safety	<u>36,022,807</u>	<u>165,799</u>	<u>4,920,009</u>	<u>5,085,808</u>	<u>30,936,999</u>
Total County Facility Construction	<u>40,985,809</u>	<u>2,045,915</u>	<u>5,805,026</u>	<u>7,850,941</u>	<u>33,134,868</u>
Other:					
Education:					
Health Sciences Building	12,298,608	7,269,670	3,526,845	10,796,515	1,502,093
CCCC - Trail	<u>298,750</u>	<u>165,519</u>	<u>-</u>	<u>165,519</u>	<u>133,231</u>
Total education	<u>12,597,358</u>	<u>7,435,189</u>	<u>3,526,845</u>	<u>10,962,034</u>	<u>1,635,324</u>
Total expenditures	<u>53,583,167</u>	<u>9,481,104</u>	<u>9,331,871</u>	<u>18,812,975</u>	<u>34,770,192</u>
Revenues over (under) expenditures	<u>(50,561,136)</u>	<u>(9,481,104)</u>	<u>(9,328,638)</u>	<u>(18,809,742)</u>	<u>31,751,394</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	400,127	1,163,518	1,563,645	(11,644,875)
CIP Debt Reserve	<u>1,961,890</u>	<u>1,961,889</u>	<u>2,528,679</u>	<u>4,490,568</u>	<u>2,528,678</u>
Total transfers from other funds	<u>18,123,400</u>	<u>5,315,007</u>	<u>3,692,197</u>	<u>9,007,204</u>	<u>(9,116,196)</u>
Transfers (to) other funds					
CIP Debt Reserve	<u>(1,961,890)</u>	<u>(1,961,889)</u>	<u>-</u>	<u>(1,961,889)</u>	<u>1</u>
Total transfer (to) other funds	<u>(1,961,890)</u>	<u>(1,961,889)</u>	<u>-</u>	<u>(1,961,889)</u>	<u>1</u>
Total transfers from (to) other funds	<u>16,161,510</u>	<u>3,353,118</u>	<u>3,692,197</u>	<u>7,045,315</u>	<u>(9,116,195)</u>
Issuance of long-term debt (net):					
Limited obligation bonds	22,298,608	13,407,600	-	13,407,600	(8,891,008)
Other debt proceeds	12,101,018	-	18,151,334	18,151,334	6,050,316
Premium on limited obligation bond	<u>-</u>	<u>1,644,163</u>	<u>-</u>	<u>1,644,163</u>	<u>1,644,163</u>
Total proceeds	<u>34,399,626</u>	<u>15,051,763</u>	<u>18,151,334</u>	<u>33,203,097</u>	<u>(1,196,529)</u>
Total other financing sources (uses)	<u>50,561,136</u>	<u>18,404,881</u>	<u>21,843,531</u>	<u>40,248,412</u>	<u>(10,312,724)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 8,923,777</u>	<u>\$ 12,514,893</u>	<u>\$ 21,438,670</u>	<u>\$ 21,438,670</u>

CHATHAM COUNTY, NORTH CAROLINA**MAJOR - 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, 2020**

		Actual			
	Project Budget	Prior Years	Current Year	Total	Variance Over/Under
Revenues:					
Investment earnings	\$ -	\$ 1,900,477	\$ 1,675,733	\$ 3,576,210	\$ 3,576,210
Other general revenues	638,060	638,060	-	638,060	-
Total revenues	638,060	2,538,537	1,675,733	4,214,270	3,576,210
Expenditures:					
Education:					
Construction:					
Sea Forth High School	70,153,956	20,648,374	36,777,441	57,425,815	12,728,141
Chatham Grove Elementary School	31,087,278	16,836,348	14,118,533	30,954,881	132,397
Central Services Facility	11,142,055	18,844	451,367	470,211	10,671,844
Total construction	112,383,289	37,503,566	51,347,341	88,850,907	23,532,382
Facility improvements					
Locker renovations	1,139,950	670,869	66,704	737,573	402,377
Mobile classrooms	1,331,695	224,292	-	224,292	1,107,403
Track resurfacing	474,480	-	59,459	59,459	415,021
Roof replacements	6,461,354	5,693,629	567,763	6,261,392	199,962
Total facility improvements	9,407,479	6,588,790	693,926	7,282,716	2,124,763
Total expenditures	121,790,768	44,092,356	52,041,267	96,133,623	25,657,145
Revenues over (under) expenditures	(121,152,708)	(41,553,819)	(50,365,534)	(91,919,353)	29,233,355
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
Transfer from other funds:					
CIP Debt Reserve	-	6,718,379	451,368	7,169,747	7,169,747
Capital Reserve	5,831,338	3,012,649	693,926	3,706,575	(2,124,763)
General Fund	1,780,422	1,780,422	-	1,780,422	-
Total	7,611,760	11,511,450	1,145,294	12,656,744	5,044,984
Transfer to other funds:					
CIP Debt Reserve	(6,699,535)	(6,699,535)	-	(6,699,535)	-
Net transfers	912,225	4,811,915	1,145,294	5,957,209	5,044,984
Proceeds from borrowing:					
Limited obligation bonds issued	119,082,824	98,322,400	-	98,322,400	(20,760,424)
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	120,240,483	111,538,987	-	111,538,987	(8,701,496)
Total other financing sources (uses)	121,152,708	116,350,902	1,145,294	117,496,196	(3,656,512)
Net change in fund balance	\$ -	\$ 74,797,083	\$ (49,220,240)	\$ 25,576,843	\$ 25,576,843

NONMAJOR GOVERNMENTAL FUNDS

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CHATHAM COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Assets:			
Cash, cash equivalents, and investments	\$ 6,270,383	\$ 199,461	\$ 6,469,844
Property taxes receivable, net of allowance	162,231	-	162,231
Due from other governmental agencies	106,407	70,357	176,764
Other receivables	28,373	361	28,734
Total assets	<u>\$ 6,567,394</u>	<u>\$ 270,179</u>	<u>\$ 6,837,573</u>
Liabilities:			
Accounts payable and accrued liabilities	<u>\$ 23,780</u>	<u>\$ 96,657</u>	<u>\$ 120,437</u>
Liabilities Deferred Inflows of Resources, and Fund Balances:			
Deferred Inflows of Resources:			
Prepaid taxes	27,799	-	27,799
Taxes receivable	<u>162,231</u>	<u>-</u>	<u>162,231</u>
Total deferred inflows of resources	<u>190,030</u>	<u>-</u>	<u>190,030</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	134,780	70,718	205,498
Courthouse clock	70,778	-	70,778
Emergency telephone	402,020	-	402,020
Fire protection	176,342	-	176,342
Law enforcement	240,473	-	240,473
Economic and physical development	20,923	-	20,923
Assigned:			
General government	-	126,133	126,133
Education	3,684,648	-	3,684,648
Cultural and recreation	1,623,620	-	1,623,620
Unassigned	<u>-</u>	<u>(23,329)</u>	<u>(23,329)</u>
Total fund balances	<u>6,353,584</u>	<u>173,522</u>	<u>6,527,106</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,567,394</u>	<u>\$ 270,179</u>	<u>\$ 6,837,573</u>

CHATHAM COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:			
Ad valorem taxes	\$ 10,343,432	\$ -	\$ 10,343,432
Restricted intergovernmental	655,558	83,607	739,165
Permits and fees	2,971,049	-	2,971,049
Investment earnings	138,526	2,187	140,713
Total revenues	14,108,565	85,794	14,194,359
Expenditures:			
General government	-	1,172,882	1,172,882
Public safety	11,169,598	83,927	11,253,525
Cultural and recreational	-	132,282	132,282
Total expenditures	11,169,598	1,389,091	12,558,689
Revenues over (under) expenditures	2,938,967	(1,303,297)	1,635,670
Other Financing Sources (Uses):			
Transfers from other funds	9,479	1,277,548	1,287,027
Transfers (to) other funds	(3,848,395)	-	(3,848,395)
Total	(3,838,916)	1,277,548	(2,561,368)
Net change in fund balances	(899,949)	(25,749)	(925,698)
Fund Balances:			
Beginning of year - July 1	7,253,533	199,271	7,452,804
End of year - June 30	\$ 6,353,584	\$ 173,522	\$ 6,527,106

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.
- **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.
- **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, 2020

	Emergency Telephone System Fund	Forfeited Property	Impact Fee	Recreation Payment In Lieu
Assets:				
Cash, cash equivalents, and investments	\$ 425,800	\$ 240,473	\$ 3,684,648	\$ 1,610,650
Property taxes receivable, net	-	-	-	-
Due from other governmental agencies	42,192	-	-	-
Other receivables	1,150	791	21,032	4,624
Total assets	<u>\$ 469,142</u>	<u>\$ 241,264</u>	<u>\$ 3,705,680</u>	<u>\$ 1,615,274</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 23,780	\$ -	\$ -	\$ -
Total liabilities	<u>23,780</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:				
Prepaid taxes	-	-	-	-
Taxes receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	43,342	791	21,032	4,624
Courthouse clock	-	-	-	-
Emergency telephone	402,020	-	-	-
Economic and physical development	-	-	-	-
Fire protection	-	-	-	-
Law enforcement	-	240,473	-	-
Assigned:				
Education	-	-	3,684,648	-
Cultural and recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,610,650</u>
Total fund balances	<u>445,362</u>	<u>241,264</u>	<u>3,705,680</u>	<u>1,615,274</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 469,142</u>	<u>\$ 241,264</u>	<u>\$ 3,705,680</u>	<u>\$ 1,615,274</u>

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL REVENUE FUNDS - NONMAJOR FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020

	Bynum Canoe Access/ Easement Monitoring	Courthouse Clock	Library Foundation	Special Fire Districts	Total
Assets:					
Cash and cash equivalents	\$ 20,923	\$ 70,778	\$ 12,970	\$ 204,141	\$ 6,270,383
Property taxes receivable, net	-	-	-	162,231	162,231
Due from other governmental agencies	-	-	-	64,215	106,407
Other receivables	60	202	37	477	28,373
Total assets	<u>\$ 20,983</u>	<u>\$ 70,980</u>	<u>\$ 13,007</u>	<u>\$ 431,064</u>	<u>\$ 6,567,394</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 23,780
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,780</u>
Deferred Inflows of Resources:					
Prepaid taxes	-	-	-	27,799	27,799
Taxes receivable	-	-	-	162,231	162,231
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,030</u>	<u>190,030</u>
Fund Balances:					
Restricted:					
Stabilization by state statute	60	202	37	64,692	134,780
Courthouse clock	-	70,778	-	-	70,778
Emergency telephone	-	-	-	-	402,020
Economic and physical development	20,923	-	-	-	20,923
Fire protection	-	-	-	176,342	176,342
Law enforcement	-	-	-	-	240,473
Assigned:					
Education	-	-	-	-	3,684,648
Cultural and recreation	-	-	12,970	-	1,623,620
Total fund balances	<u>20,983</u>	<u>70,980</u>	<u>13,007</u>	<u>241,034</u>	<u>6,353,584</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,983</u>	<u>\$ 70,980</u>	<u>\$ 13,007</u>	<u>\$ 431,064</u>	<u>\$ 6,567,394</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, 2020

	Emergency Telephone System Fund	Forfeited Property	Impact Fee	Recreation Payment In Lieu
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	506,302	149,256	-	-
Permits and fees	-	-	2,460,275	510,774
Investment earnings	5,053	4,606	92,674	24,405
Total revenues	<u>511,355</u>	<u>153,862</u>	<u>2,552,949</u>	<u>535,179</u>
Expenditures:				
Public safety	<u>509,811</u>	<u>153,531</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>1,544</u>	<u>331</u>	<u>2,552,949</u>	<u>535,179</u>
Other Financing Sources (Uses):				
Transfers from other funds	9,479	-	-	-
Transfers to other funds	<u>-</u>	<u>-</u>	<u>(3,827,656)</u>	<u>(20,739)</u>
Total other financing sources (uses)	<u>9,479</u>	<u>-</u>	<u>(3,827,656)</u>	<u>(20,739)</u>
Net change in fund balances	11,023	331	(1,274,707)	514,440
Fund Balances:				
Beginning of year - July 1	<u>434,339</u>	<u>240,933</u>	<u>4,980,387</u>	<u>1,100,834</u>
End of year - June 30	<u>\$ 445,362</u>	<u>\$ 241,264</u>	<u>\$ 3,705,680</u>	<u>\$ 1,615,274</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, 2020

	<u>Bynum Canoe Access/ Easement Monitoring</u>	<u>Courthouse Clock</u>	<u>Library Foundation</u>	<u>Special Fire Districts</u>	<u>Total</u>
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 10,343,432	\$ 10,343,432
Restricted intergovernmental	-	-	-	-	655,558
Permits and fees	-	-	-	-	2,971,049
Investment earnings	<u>362</u>	<u>1,227</u>	<u>225</u>	<u>9,974</u>	<u>138,526</u>
Total revenues	<u>362</u>	<u>1,227</u>	<u>225</u>	<u>10,353,406</u>	<u>14,108,565</u>
Expenditures:					
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,506,256</u>	<u>11,169,598</u>
Revenues over (under) expenditures	<u>362</u>	<u>1,227</u>	<u>225</u>	<u>(152,850)</u>	<u>2,938,967</u>
Other Financing Sources (Uses):					
Transfers from other funds	-	-	-	-	9,479
Transfers (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,848,395)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,838,916)</u>
Net change in fund balances	362	1,227	225	(152,850)	(899,949)
Fund Balances:					
Beginning of year - July 1	<u>20,621</u>	<u>69,753</u>	<u>12,782</u>	<u>393,884</u>	<u>7,253,533</u>
End of year - June 30	<u>\$ 20,983</u>	<u>\$ 70,980</u>	<u>\$ 13,007</u>	<u>\$ 241,034</u>	<u>\$ 6,353,584</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, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE FISCAL YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental:				
Service fee collections	\$ 506,754	\$ 506,302	\$ (452)	\$ 396,071
Investment earnings	4,000	5,053	1,053	12,991
Total revenues	<u>510,754</u>	<u>511,355</u>	<u>601</u>	<u>409,062</u>
Expenditures:				
Public safety:	<u>738,956</u>	<u>509,811</u>	<u>229,145</u>	<u>616,070</u>
Revenues over (under) expenditures	<u>(228,202)</u>	<u>1,544</u>	<u>229,746</u>	<u>(207,008)</u>
Other Financing Sources (Uses):				
Transfers from (to) other funds:				
Transfer from other funds:*				
General Fund	<u>-</u>	<u>9,479</u>	<u>9,479</u>	<u>2,258</u>
Appropriated fund balance	<u>228,202</u>	<u>-</u>	<u>(228,202)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>11,023</u>	<u>\$ 11,023</u>	<u>(204,750)</u>
Fund Balance:				
Beginning of year - July 1		<u>434,339</u>		<u>639,089</u>
End of year - June 30		<u>\$ 445,362</u>		<u>\$ 434,339</u>

* The County transferred \$9,479 into the Emergency Telephone System Fund from the General Fund to reimburse the fund for fiscal year 2018 expenses deemed to be ineligible by the E911 Board.

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, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE FISCAL YEAR ENDED JUNE 30, 2019**

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Controlled Substance:				
Revenues:				
Restricted intergovernmental:				
Controlled substance tax	\$ -	\$ 4,828	\$ 4,828	\$ 14,496
Investment earnings	-	1,674	1,674	2,859
Total revenues	-	6,502	6,502	17,355
Expenditures:				
Public safety:				
Operating expenditures	80,000	3,675	76,325	17,902
Capital outlay	-	30,800	(30,800)	-
Total expenditures	80,000	34,475	45,525	17,902
Revenues over (under) expenditures	(80,000)	(27,973)	52,027	(547)
Appropriated fund balance	80,000	-	(80,000)	-
Net change in fund balance	\$ -	(27,973)	\$ (27,973)	(547)
Fund Balance:				
Beginning of year - July 1		115,657		116,204
End of year - June 30		\$ 87,684		\$ 115,657
Drug Forfeiture:				
Revenues:				
Restricted intergovernmental:				
Drug forfeiture:	\$ 40,701	\$ 144,428	\$ 103,727	\$ 29,944
Investment earnings	1,000	2,932	1,932	3,097
Total revenues	41,701	147,360	105,659	33,041
Expenditures:				
Public safety:				
Operating expenditures	95,769	83,124	12,645	13,577
Capital outlay	35,932	35,932	-	35,900
Total expenditures	131,701	119,056	12,645	49,477
Revenues over (under) expenditures	(90,000)	28,304	118,304	(16,436)
Appropriated fund balance	90,000	-	(90,000)	-
Net change in fund balance	\$ -	28,304	\$ 28,304	(16,436)
Fund Balance:				
Beginning of year - July 1		125,276		141,712
End of year - June 30		\$ 153,580		\$ 125,276
Total fund balance - controlled substance/drug forfeiture		\$ 241,264		\$ 240,933

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, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR

THE FISCAL YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Permits and fees	\$ 158,000	\$ 510,774	\$ 352,774	\$ 153,300
Investment earnings	3,000	24,405	21,405	24,530
Total revenues	<u>161,000</u>	<u>535,179</u>	<u>374,179</u>	<u>177,830</u>
Expenditures:				
Cultural and recreational	<u>469,522</u>	<u>-</u>	<u>469,522</u>	<u>-</u>
Revenues over (under) expenditures	<u>(308,522)</u>	<u>535,179</u>	<u>843,701</u>	<u>177,830</u>
Other Financing Sources (Uses):				
Transfer to other funds:				
General Fund	-	-	-	(3,288)
County-wide park project	<u>(20,739)</u>	<u>(20,739)</u>	<u>-</u>	<u>(99,928)</u>
Total	<u>(20,739)</u>	<u>(20,739)</u>	<u>-</u>	<u>(103,216)</u>
Appropriated fund balance	<u>350,000</u>	<u>-</u>	<u>(350,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>514,440</u>	<u>\$ 493,701</u>	<u>74,614</u>
Fund Balance:				
Beginning of year - July 1		<u>1,100,834</u>		<u>1,026,220</u>
End of year - June 30		<u>\$ 1,615,274</u>		<u>\$ 1,100,834</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, 2020
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE FISCAL YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ 75	\$ 362	\$ 287	\$ 449
Expenditures:				
Cultural and recreational	8,575	-	8,575	-
Revenues over (under) expenditures	(8,500)	362	8,862	449
Appropriated fund balance	8,500	-	(8,500)	-
Net change in fund balance	\$ -	362	\$ 362	449
Fund Balance:				
Beginning of year - July 1		20,621		20,172
End of year - June 30		<u>\$ 20,983</u>		<u>\$ 20,621</u>

CHATHAM COUNTY, NORTH CAROLINA

IMPACT FEES

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Permits and fees	\$ 2,850,000	\$ 2,460,275	\$ (389,725)	\$ 2,941,100
Investment earnings	40,000	92,674	52,674	175,079
Total revenues	<u>2,890,000</u>	<u>2,552,949</u>	<u>(337,051)</u>	<u>3,116,179</u>
Expenditures:				
Education	<u>1,062,344</u>	<u>-</u>	<u>1,062,344</u>	<u>-</u>
Revenues over (under) expenditures	<u>1,827,656</u>	<u>2,552,949</u>	<u>725,293</u>	<u>3,116,179</u>
Other Financing Sources (Uses):				
Transfer to other funds:				
General Fund	<u>(3,827,656)</u>	<u>(3,827,656)</u>	<u>-</u>	<u>(4,259,204)</u>
Appropriated fund balance	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,274,707)</u>	<u>\$ (1,274,707)</u>	<u>(1,143,025)</u>
Fund Balance:				
Beginning of year - July 1		<u>4,980,387</u>		<u>6,123,412</u>
End of year - June 30		<u>\$ 3,705,680</u>		<u>\$ 4,980,387</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, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR

THE FISCAL YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ -	\$ 1,227	\$ 1,227	\$ 1,518
Expenditures:				
General government	66,000	-	66,000	-
Revenues over (under) expenditures	(66,000)	1,227	67,227	1,518
Appropriated fund balance	66,000	-	(66,000)	-
Net change in fund balance	\$ -	1,227	\$ 1,227	1,518
Fund Balance:				
Beginning of year - July 1		69,753		68,235
End of year - June 30		<u>\$ 70,980</u>		<u>\$ 69,753</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, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR

THE FISCAL YEAR ENDED JUNE 30, 2019

	2020			2019
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ 50	\$ 225	\$ 175	\$ 277
Expenditures:				
Cultural and recreational	<u>10,700</u>	<u>-</u>	<u>10,700</u>	<u>-</u>
Revenues over (under) expenditures	(10,650)	225	10,875	412
Appropriated fund balance	<u>10,650</u>	<u>-</u>	<u>(10,650)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	225	<u>\$ 225</u>	412
Fund Balance:				
Beginning of year - July 1		<u>12,782</u>		<u>12,370</u>
End of year - June 30		<u>\$ 13,007</u>		<u>\$ 12,782</u>

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
COMBINING BALANCE SHEET
JUNE 30, 2020

	<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	\$ 204,141	\$ 6,047	\$ 5,827	\$ 14,853	\$ 11,900	\$ 36,969	\$ 5,686
Property taxes receivable, net	162,231	723	5,273	11,030	18,506	27,961	11,518
Due from other governments	64,215	1,189	1,789	1,917	4,155	7,670	2,373
Other receivables	477	16	13	34	24	92	14
Total assets	<u>\$ 431,064</u>	<u>\$ 7,975</u>	<u>\$ 12,902</u>	<u>\$ 27,834</u>	<u>\$ 34,585</u>	<u>\$ 72,692</u>	<u>\$ 19,591</u>
Deferred Inflows of Resources and Fund Balances:							
Deferred Inflows of Resources:							
Property taxes	\$ 162,231	\$ 723	\$ 5,273	\$ 11,030	\$ 18,506	\$ 27,961	\$ 11,518
Prepaid taxes	27,799	47	325	2,521	-	5,297	1,032
Total deferred inflows of resources	<u>190,030</u>	<u>770</u>	<u>5,598</u>	<u>13,551</u>	<u>18,506</u>	<u>33,258</u>	<u>12,550</u>
Fund Balances:							
Restricted:							
Stabilization by state statute	64,692	1,205	1,802	1,951	4,179	7,762	2,387
Fire protection	176,342	6,000	5,502	12,332	11,900	31,672	4,654
Total fund balances	<u>241,034</u>	<u>7,205</u>	<u>7,304</u>	<u>14,283</u>	<u>16,079</u>	<u>39,434</u>	<u>7,041</u>
Total deferred inflows of resources and fund balances	<u>\$ 431,064</u>	<u>\$ 7,975</u>	<u>\$ 12,902</u>	<u>\$ 27,834</u>	<u>\$ 34,585</u>	<u>\$ 72,692</u>	<u>\$ 19,591</u>

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
COMBINING BALANCE SHEET
JUNE 30, 2020

	Hope	Moncure	North Chatham	Parkwood	Staley	Northview
Assets:						
Cash, cash equivalents, and investments	\$ 23,350	\$ 18,245	\$ 71,620	\$ 6,716	\$ 1,969	\$ 959
Property taxes receivable, net	7,541	38,774	34,762	2,725	2,608	810
Due from other governments	3,650	3,479	35,784	1,335	632	242
Other receivables	60	47	153	18	4	2
Total assets	<u>\$ 34,601</u>	<u>\$ 60,545</u>	<u>\$ 142,319</u>	<u>\$ 10,794</u>	<u>\$ 5,213</u>	<u>\$ 2,013</u>
Deferred Inflows of Resources and Fund Balances:						
Deferred Inflows of Resources:						
Property taxes receivable	\$ 7,541	\$ 38,774	\$ 34,762	\$ 2,725	\$ 2,608	\$ 810
Prepaid taxes	1,403	2,389	14,529	-	-	256
Total deferred inflows of resources	<u>8,944</u>	<u>41,163</u>	<u>49,291</u>	<u>2,725</u>	<u>2,608</u>	<u>1,066</u>
Fund Balances:						
Restricted:						
Stabilization by state statute	3,710	3,526	35,937	1,353	636	244
Fire protection	21,947	15,856	57,091	6,716	1,969	703
Total fund balances	<u>25,657</u>	<u>19,382</u>	<u>93,028</u>	<u>8,069</u>	<u>2,605</u>	<u>947</u>
Total deferred inflows of resources and fund balances	<u>\$ 34,601</u>	<u>\$ 60,545</u>	<u>\$ 142,319</u>	<u>\$ 10,794</u>	<u>\$ 5,213</u>	<u>\$ 2,013</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, 2020

Combined Special Fire Districts			
	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 10,136,825	\$ 10,343,432	\$ 206,607
Investment earnings	-	9,974	9,974
Total revenues	10,136,825	10,353,406	216,581
Expenditures:			
Public safety:			
Fire protection contracts	10,415,329	10,409,970	5,359
Commissions	108,256	96,286	11,970
Total expenditures	10,523,585	10,506,256	17,329
Revenues over (under) expenditures	(386,760)	(152,850)	233,910
Appropriated fund balance	386,760	-	(386,760)
Net change in fund balance	\$ -	(152,850)	\$ (152,850)
Fund Balances:			
Beginning of year - July 1		393,884	
End of year - June 30		\$ 241,034	

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, 2020

	Bells Annex Fire District		
	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 127,722	\$ 134,623	\$ 6,901
Investment earnings	-	155	155
Total revenues	127,722	134,778	7,056
Expenditures:			
Public safety:			
Fire protection contracts	131,561	131,561	-
Commissions	1,371	1,222	149
Total expenditures	132,932	132,783	149
Revenues over (under) expenditures	(5,210)	1,995	7,205
Appropriated fund balance	5,210	-	(5,210)
Net change in fund balance	\$ -	1,995	\$ 1,995
Fund Balances:			
Beginning of year - July 1		5,210	
End of year - June 30		\$ 7,205	

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, 2020

	Bennett Fire District		
	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 128,668	\$ 133,456	\$ 4,788
Investment earnings	-	163	163
Total revenues	128,668	133,619	4,951
Expenditures:			
Public safety:			
Fire protection contracts	132,983	132,983	-
Commissions	1,435	1,163	272
Total expenditures	134,418	134,146	272
Revenues over (under) expenditures	(5,750)	(527)	5,223
Appropriated fund balance	5,750	-	(5,750)
Net change in fund balance	\$ -	(527)	\$ (527)
Fund Balances:			
Beginning of year - July 1		7,831	
End of year - June 30		\$ 7,304	

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, 2020

	Bonlee Fire District		
	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 224,324	\$ 237,020	\$ 12,696
Investment earnings	-	334	334
Total revenues	224,324	237,354	13,030
Expenditures:			
Public safety:			
Fire protection contracts	237,861	237,861	-
Commissions	2,463	2,164	299
Total expenditures	240,324	240,025	299
Revenues over (under) expenditures	(16,000)	(2,671)	13,329
Appropriated fund balance	16,000	-	(16,000)
Net change in fund balance	\$ -	(2,671)	\$ (2,671)
Fund Balances:			
Beginning of year - July 1		16,954	
End of year - June 30		\$ 14,283	

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, 2020

Central Chatham Fire District			
	Final		Variance
	Budget	Actual	Over/Under
Revenues:			
Ad valorem taxes	\$ 416,689	\$ 430,904	\$ 14,215
Investment earnings	-	275	275
Total revenues	416,689	431,179	14,490
Expenditures:			
Public safety:			
Fire protection contracts	412,059	412,059	-
Commissions	4,630	3,858	772
Total expenditures	416,689	415,917	772
Revenues over (under) expenditures	-	15,262	15,262
Appropriated fund balance	-	-	-
Net change in fund balance	\$ -	15,262	\$ 15,262
Fund Balances:			
Beginning of year - July 1		817	
End of year - June 30		\$ 16,079	

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, 2020

	Circle City Fire District		
	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 1,295,450	\$ 1,331,419	\$ 35,969
Investment earnings	-	1,309	1,309
Total revenues	1,295,450	1,332,728	37,278
Expenditures:			
Public safety:			
Fire protection contracts	1,324,707	1,324,707	-
Commissions	13,743	12,435	1,308
Total expenditures	1,338,450	1,337,142	1,308
Revenues over (under) expenditures	(43,000)	(4,414)	38,586
Appropriated fund balance	43,000	-	(43,000)
Net change in fund balance	\$ -	(4,414)	\$ (4,414)
Fund Balances:			
Beginning of year - July 1		43,848	
End of year - June 30		\$ 39,434	

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, 2020

Goldston Fire District			
	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 265,822	\$ 271,902	\$ 6,080
Investment earnings	-	383	383
Total revenues	<u>265,822</u>	<u>272,285</u>	<u>6,463</u>
Expenditures:			
Public safety:			
Fire protection contracts	285,897	285,897	-
Commissions	<u>2,925</u>	<u>2,423</u>	<u>502</u>
Total expenditures	<u>288,822</u>	<u>288,320</u>	<u>502</u>
Revenues over (under) expenditures	<u>(23,000)</u>	<u>(16,035)</u>	<u>6,965</u>
Appropriated fund balance	<u>23,000</u>	<u>-</u>	<u>(23,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(16,035)</u>	<u>\$ (16,035)</u>
Fund Balances:			
Beginning of year - July 1		<u>23,076</u>	
End of year - June 30		<u>\$ 7,041</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, 2020

	Hope Fire District		
	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 437,128	\$ 461,073	\$ 23,945
Investment earnings	-	587	587
Total revenues	437,128	461,660	24,532
Expenditures:			
Public safety:			
Fire protection contracts	454,383	454,383	-
Commissions	4,745	4,130	615
Total expenditures	459,128	458,513	615
Revenues over (under) expenditures	(22,000)	3,147	25,147
Appropriated fund balance	22,000	-	(22,000)
Net change in fund balance	\$ -	3,147	\$ 3,147
Fund Balances:			
Beginning of year - July 1		22,510	
End of year - June 30		\$ 25,657	

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, 2020

Moncure Fire District			
	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 791,515	\$ 808,827	\$ 17,312
Investment earnings	-	851	851
Total revenues	791,515	809,678	18,163
Expenditures:			
Public safety:			
Fire protection contracts	812,225	812,225	-
Commissions	8,290	7,666	624
Total expenditures	820,515	819,891	624
Revenues over (under) expenditures	(29,000)	(10,213)	18,787
Appropriated fund balance	29,000	-	(29,000)
Net change in fund balance	\$ -	(10,213)	\$ (10,213)
Fund Balances:			
Beginning of year - July 1		29,595	
End of year - June 30		\$ 19,382	

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, 2020**

North Chatham Fire District			
	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 6,014,482	\$ 6,094,764	\$ 80,282
Investment earnings	-	5,523	5,523
Total revenues	<u>6,014,482</u>	<u>6,100,287</u>	<u>85,805</u>
Expenditures:			
Public safety:			
Fire protection contracts	6,181,434	6,181,434	-
Commissions	<u>64,048</u>	<u>57,091</u>	<u>6,957</u>
Total expenditures	<u>6,245,482</u>	<u>6,238,525</u>	<u>6,957</u>
Revenues over (under) expenditures	<u>(231,000)</u>	<u>(138,238)</u>	<u>92,762</u>
Appropriated fund balance	<u>231,000</u>	<u>-</u>	<u>(231,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(138,238)</u>	<u>\$ (138,238)</u>
Fund Balances:			
Beginning of year - July 1		<u>231,266</u>	
End of year - June 30		<u>\$ 93,028</u>	

CHATHAM COUNTY, NORTH CAROLINA

**SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

Parkwood Fire District			
	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 352,551	\$ 354,575	\$ 2,024
Investment earnings	-	291	291
Total revenues	<u>352,551</u>	<u>354,866</u>	<u>2,315</u>
Expenditures:			
Public safety:			
Fire protection contracts	355,359	350,000	5,359
Commissions	<u>3,692</u>	<u>3,377</u>	<u>315</u>
Total expenditures	<u>359,051</u>	<u>353,377</u>	<u>5,674</u>
Revenues over (under) expenditures	<u>(6,500)</u>	<u>1,489</u>	<u>7,989</u>
Appropriated fund balance	<u>6,500</u>	<u>-</u>	<u>(6,500)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,489</u>	<u>\$ 1,489</u>
Fund Balances:			
Beginning of year - July 1		<u>6,580</u>	
End of year - June 30		<u>\$ 8,069</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, 2020**

	Staley Fire District		
	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 51,844	\$ 53,388	\$ 1,544
Investment earnings	-	85	85
Total revenues	<u>51,844</u>	<u>53,473</u>	<u>1,629</u>
Expenditures:			
Public safety:			
Fire protection contracts	56,570	56,570	-
Commissions	<u>574</u>	<u>474</u>	<u>100</u>
Total expenditures	<u>57,144</u>	<u>57,044</u>	<u>100</u>
Revenues over (under) expenditures	<u>(5,300)</u>	<u>(3,571)</u>	<u>1,729</u>
Appropriated fund balance	<u>5,300</u>	<u>-</u>	<u>(5,300)</u>
Net change in fund balance	<u>\$ -</u>	<u>(3,571)</u>	<u>\$ (3,571)</u>
Fund Balances:			
Beginning of year - July 1		<u>6,176</u>	
End of year - June 30		<u>\$ 2,605</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, 2020**

Northview Fire District			
	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 30,630	\$ 31,481	\$ 851
Investment earnings	-	18	18
Total revenues	<u>30,630</u>	<u>31,499</u>	<u>869</u>
Expenditures:			
Public safety:			
Fire protection contracts	30,290	30,290	-
Commissions	<u>340</u>	<u>283</u>	<u>57</u>
Total expenditures	<u>30,630</u>	<u>30,573</u>	<u>57</u>
Revenues over (under) expenditures	<u>-</u>	<u>926</u>	<u>926</u>
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>926</u></u>	<u><u>\$ 926</u></u>
Fund Balances:			
Beginning of year - July 1		<u>21</u>	
End of year - June 30		<u><u>\$ 947</u></u>	

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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:

- **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.

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CHATHAM COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2020

	County-Wide Park Projects	Tech/System Improvement Projects	Emergency Vehicle Replacement Capital Reserve Project	Total
Assets:				
Cash, cash equivalents, and investments	\$ 73,328	\$ -	\$ 126,133	\$ 199,461
Due from other governments	48,329	22,028	-	70,357
Other receivables	-	-	361	361
Total assets	<u>\$ 121,657</u>	<u>\$ 22,028</u>	<u>\$ 126,494</u>	<u>\$ 270,179</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	<u>\$ 96,657</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,657</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	48,329	22,028	361	70,718
Assigned		-	126,133	126,133
Unassigned	<u>(23,329)</u>	<u>-</u>	<u>-</u>	<u>(23,329)</u>
Total fund balances	<u>25,000</u>	<u>22,028</u>	<u>126,494</u>	<u>173,522</u>
Total liabilities and fund balances	<u>\$ 121,657</u>	<u>\$ 22,028</u>	<u>\$ 126,494</u>	<u>\$ 270,179</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, 2020

	County-Wide Park Projects	Tech/System Improvements Project	Emergency Vehicle Replacement Capital Reserve Project	Total
Revenues:				
Restricted intergovernmental	\$ 61,579	\$ 22,028	\$ -	\$ 83,607
Investment earnings	-	-	2,187	2,187
Total revenues	<u>61,579</u>	<u>22,028</u>	<u>2,187</u>	<u>85,794</u>
Expenditures:				
General government	-	1,172,882	-	1,172,882
Public safety	-	83,927	-	83,927
Cultural and recreational	<u>132,282</u>	<u>-</u>	<u>-</u>	<u>132,282</u>
Total expenditures	<u>132,282</u>	<u>1,256,809</u>	<u>-</u>	<u>1,389,091</u>
Revenues over (under) expenditures	(70,703)	(1,234,781)	2,187	(1,303,297)
Other Financing Sources (Uses):				
Transfers:				
Transfers from other funds	<u>20,739</u>	<u>1,256,809</u>	<u>-</u>	<u>1,277,548</u>
Net change in fund balances	(49,964)	22,028	2,187	(25,749)
Fund Balance:				
Beginning of year - July 1	<u>74,964</u>	<u>-</u>	<u>124,307</u>	<u>199,271</u>
End of year - June 30	<u>\$ 25,000</u>	<u>\$ 22,028</u>	<u>\$ 126,494</u>	<u>\$ 173,522</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, 2020

		Actual			
	Project Budget	Prior Years	Current Year	Total	Variance Over/Under
Revenues:					
Intergovernmental:					
State grants	\$ 333,375	\$ 49,964	\$ 61,579	\$ 111,543	\$ (221,832)
Expenditures:					
Cultural and recreational:					
Briar Chapel	1,809,526	1,072,400	132,282	1,204,682	604,844
Haw River Trail	125,000	-	-	-	125,000
Total expenditures	1,934,526	1,072,400	132,282	1,204,682	729,844
Revenues over (under) expenditures	(1,601,151)	(1,022,436)	(70,703)	(1,093,139)	508,012
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
General fund	25,000	25,000	-	25,000	-
Recreation in lieu	1,576,151	1,072,400	20,739	1,093,139	(483,012)
Total other financing sources (uses)	1,601,151	1,097,400	20,739	1,118,139	(483,012)
Net change in fund balance	\$ -	\$ 74,964	\$ (49,964)	\$ 25,000	\$ 25,000

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, 2020

	Project Budget	Actual		Variance Over/Under
		Prior Years	Current Year	
Revenues:				
Intergovernmental:			-	
Federal/State grants	\$ 72,118	\$ 49,935	\$ 22,028	\$ 71,963
				\$ (155)
Expenditures:				
General government	1,400,340	17,080	1,172,882	1,189,962
Public safety	223,637	138,030	83,927	221,957
Total expenditures	1,623,977	155,110	1,256,809	1,411,919
				212,058
Revenues over (under) expenditures	(1,551,859)	(105,175)	(1,234,781)	(1,339,956)
				211,903
Other Financing Sources (Uses):				
Transfers from (to) other funds:				
Capital reserve	1,551,859	105,175	1,256,809	1,361,984
				(189,875)
Net change in fund balance	\$ -	\$ -	\$ 22,028	\$ 22,028
				\$ 22,028

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, 2020
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE FISCAL YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ -	\$ 2,187	\$ 2,187	\$ 2,706
Expenditures:				
Public safety	50,000	-	50,000	-
Revenues over (under) expenditures	(50,000)	2,187	52,187	2,706
Appropriated fund balance	50,000	-	(50,000)	-
Net change in fund balance	\$ -	2,187	\$ 2,187	2,706
Fund Balance:				
Beginning of year - July 1		124,307		121,601
End of year - June 30		\$ 126,494		\$ 124,307

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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, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR

THE FISCAL YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Charges for services:				
Water sales	\$ 6,520,307	\$ 7,444,810	\$ 924,503	\$ 6,681,210
Sewer charges	23,000	-	(23,000)	23,655
Total charges for services	6,543,307	7,444,810	901,503	6,704,865
Other operating revenues	-	109,396	109,396	-
Total operating revenues	6,543,307	7,554,206	1,010,899	6,704,865
Non-operating revenues:				
Investment earnings	58,000	138,283	80,283	146,752
Sale of capital asset	-	5,136	5,136	-
Other non-operating revenues	-	-	-	37
Total revenues	6,601,307	7,697,625	1,096,318	6,851,654
Expenditures:				
Operating expenditures:				
Salaries and employee benefits	1,711,957	1,566,391	145,566	1,533,771
Repairs and maintenance	847,366	531,204	316,162	740,028
Other operating expenditures	3,473,221	2,499,926	973,295	3,109,287
Total	6,032,544	4,597,521	1,435,023	5,383,086
Capital outlay	200,025	134,024	66,001	26,894
Debt service:				
Principal	1,006,457	1,006,456	1	993,603
Interest	371,276	367,721	3,555	402,119
Total expenditures	7,610,302	6,105,722	1,504,580	6,805,702
Revenues over (under) expenditures	(1,008,995)	1,591,903	2,600,898	45,952

CHATHAM COUNTY, NORTH CAROLINA

UTILITY OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR

THE FISCAL YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Other Financing Sources (Uses):				
Intrafund transfers from (to) other funds:				
Utility capital reserve	80,000	-	(80,000)	609,943
Fund balance appropriated	928,995	-	(928,995)	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	1,591,903	\$ 1,591,903	\$ 655,895

Reconciliation from Budgetary Basis to Full Accrual:

Revenue:

Utility capital reserve 1,384,730

Utility equipment reserve 8,302

Reconciling items:

Transfers out - Utility capital project 13,624

Capital outlay 134,024

Debt principal 1,006,456

Depreciation (1,295,351)

Decrease (increase) in compensated absences (2,937)

(Decrease) in deferred outflows of resources - pensions (38,617)

Decrease in net pension liability (56,703)

(Increase) in deferred inflows of resources - pensions 540

Increase in deferred outflows of resources - OPEB 25,712

(Increase) in net OPEB liability (47,165)

(Increase) in deferred inflows of resources - OPEB 2,462

Change in net position \$ 2,726,980

CHATHAM COUNTY, NORTH CAROLINA

UTILITY CAPITAL RESERVE

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR

THE FISCAL YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Charges for services	\$ 1,100,000	\$ 1,094,328	\$ (5,672)	\$ 2,123,724
Investment earnings	75,000	290,402	215,402	375,390
Total revenues	1,175,000	1,384,730	209,730	2,499,114
Expenditures:				
Future projects	3,623,158	-	3,623,158	-
Revenues over (under) expenditures	(2,448,158)	1,384,730	3,832,888	2,499,114
Other Financing Sources (Uses):				
Intrafund transfers from (to):				
Utility capital project	(1,842)	(1,842)	-	(1,157,077)
Utility operating	-	-	-	(609,943)
Total other financing sources (uses)	(1,842)	(1,842)	-	(1,767,020)
Fund balance appropriated	2,450,000	-	(2,450,000)	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 1,382,888	\$ 1,382,888	\$ 732,094

CHATHAM COUNTY, NORTH CAROLINA

UTILITY EQUIPMENT RESERVE

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR

THE FISCAL YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ 2,000	\$ 8,302	\$ 6,302	\$ 10,275
Expenditures:				
Capital	102,000	-	102,000	-
Revenues over (under) expenditures	(100,000)	8,302	108,302	10,275
Other Financing Sources (Uses):				
Appropriated fund balance	100,000	-	(100,000)	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 8,302	\$ 8,302	\$ 10,275

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, 2020

		Actual			
	Project Authorization	Prior Years	Current Year	Total	Variance Over/Under
Revenues:					
Intergovernmental:					
Grant - Department of Transportation	\$ 399,882	\$ 399,882	\$ -	\$ 399,882	\$ -
Investment earnings	28,056	28,056	-	28,056	-
Total revenues	427,938	427,938	-	427,938	-
Expenditures:					
Construction					
Haywood	140,552	22,702	5,240	27,942	112,610
Business campus	9,277,026	8,427,026	13,624	8,440,650	836,376
Total expenditures	9,417,578	8,449,728	18,864	8,468,592	948,986
Revenues over (under) expenditures	(8,989,640)	(8,021,790)	(18,864)	(8,040,654)	948,986
Other Financing Sources (Uses):					
Transfers (to) from other funds					
General fund	257,695	257,695	-	257,695	-
Capital reserve	888,986	38,987	13,624	52,611	(836,375)
Capital improvement project reserve	7,364,593	7,364,593	-	7,364,593	-
Intrafund transfers:					
Utility capital reserve	478,366	363,913	1,842	365,755	(112,611)
Total other financing sources (uses)	8,989,640	8,025,188	15,466	8,040,654	(948,986)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 3,398	\$ (3,398)	\$ -	\$ -

CHATHAM COUNTY, NORTH CAROLINA

SOUTHEAST WATER DISTRICT

SCHEDULE OF REVENUES AND EXPENDITURES

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR

THE FISCAL YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Charges for services	\$ 718,500	\$ 720,518	\$ 2,018	\$ 771,243
Non-operating revenues:				
Investment earnings	4,000	16,631	12,631	19,256
Total revenues	<u>722,500</u>	<u>737,149</u>	<u>14,649</u>	<u>790,499</u>
Expenditures:				
Operating expenditures	468,707	464,610	4,097	387,305
Debt service:				
Principal	84,000	84,000	-	81,000
Interest	<u>169,793</u>	<u>137,249</u>	<u>32,544</u>	<u>171,990</u>
Total expenditures	<u>722,500</u>	<u>685,859</u>	<u>36,641</u>	<u>640,295</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>51,290</u>	<u>\$ 51,290</u>	<u>\$ 150,204</u>

This schedule is included to show budgetary compliance.

Reconciliation from Budgetary Basis to Full Accrual:

Reconciling items:

Debt principal	84,000
Depreciation	<u>(106,338)</u>
Change in net position	<u>\$ 28,952</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, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Charges for services:				
Collection center fees	\$ 3,322,156	\$ 3,306,532	\$ (15,624)	\$ 3,002,472
Other charges for services	139,526	174,305	34,779	210,963
Total charges for services	3,461,682	3,480,837	19,155	3,213,435
Non-operating revenues:				
Investment earnings	30,000	74,966	44,966	90,711
Sale of capital assets	-	-	-	53,571
Other non-operating revenue:				
Scrap tire disposal tax	96,000	100,989	4,989	101,197
White goods disposal tax	30,000	33,643	3,643	29,868
Solid waste disposal tax	45,270	55,070	9,800	52,928
Electronics disposal tax	5,275	4,403	(872)	4,390
Other non-operating revenues	18,813	7,344	(11,469)	6,075
Total non-operating revenues	225,358	276,415	51,057	338,740
Total revenues	3,687,040	3,757,252	70,212	3,552,175
Expenditures:				
Operating expenditures:				
Salaries and employee benefits	899,130	795,383	103,747	732,275
Repairs and maintenance	391,005	155,785	235,220	538,824
Other operating expenditures	2,090,027	1,971,533	118,494	1,891,698
Total	3,380,162	2,922,701	457,461	3,162,797
Capital outlay	34,138	30,155	3,983	240,764
Total expenditures	3,414,300	2,952,856	461,444	3,403,561
Revenues over (under) expenditures	272,740	804,396	531,656	148,614
Other Financing Sources (Uses):				
Intrafund transfers from (to) other funds:				
Waste Management Capital Reserve	(272,740)	(272,740)	-	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	531,656	\$ 531,656	\$ 148,614

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, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020		2019
	Final Budget	Actual	Variance Over/Under
			Actual
Reconciliation from Budgetary Basis to Full Accrual:			
Solid waste & recycling reserve		17,205	
Transfers in (out) - Solid waste & recycling capital project		272,740	
Reconciling items:			
Capital outlay		30,155	
Depreciation		(319,743)	
Decrease (increase) in compensated absences		1,652	
(Decrease) in deferred outflows of resources - pensions		(22,028)	
Decrease in net pension liability		(32,344)	
Decrease in deferred inflows of resources - pensions		309	
Increase in deferred outflows of resources - OPEB		14,665	
(Increase) in net OPEB liability		(26,905)	
Decrease in deferred inflows of resources - OPEB		1,404	
Change in net position		<u>\$ 468,766</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, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ 3,500	\$ 17,205	\$ 13,705	\$ 21,295
Expenditures:				
Capital	750,000	-	750,000	-
Revenues over (under) expenditures	(746,500)	17,205	763,705	21,295
Other Financing Sources (Uses):				
Intrafund transfers from (to) other funds:				
Solid Waste Management Operating	-	272,740	272,740	-
Appropriated fund balance	746,500	-	(746,500)	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 289,945	\$ 289,945	\$ 21,295

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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, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Charges for services:				
Health insurance	\$ 6,647,871	\$ 6,774,496	\$ 126,625	\$ 6,428,143
Dental insurance	331,264	342,573	11,309	334,163
Total charges for services	6,979,135	7,117,069	137,934	6,762,306
Investment earnings	40,000	191,810	151,810	196,035
Total revenues	7,019,135	7,308,879	289,744	6,958,341
Expenditures:				
Benefits paid:				
Health insurance	5,737,871	4,709,899	1,027,972	5,056,507
Dental insurance	291,264	226,101	65,163	257,281
Workers' compensation	100,000	29,659	70,341	17,195
Administrative costs:				
Health insurance	950,000	748,460	201,540	897,305
Dental insurance	40,000	36,996	3,004	38,070
Total expenditures	7,119,135	5,751,115	1,368,020	6,266,358
Revenues over (under) expenditures	(100,000)	1,557,764	1,657,764	691,983
Appropriated fund balance	100,000	-	(100,000)	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	1,557,764	\$ 1,557,764	691,983
Net Position:				
Beginning of year - July 1		6,568,475		5,876,492
End of year - June 30		\$ 8,126,239		\$ 6,568,475

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AGENCY FUNDS

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

Individual Fund Descriptions:

- **Chatham County Cooperative Extension Fund** – This fund accounts for fees collected for programs conducted by the Chatham County Cooperative Extension Service.
- **Social Services Agency Fund Accounts** – This fund accounts for the monies of indigents for which the county Department of Social Services acts as an agent.
- **Fines and Forfeitures Fund** – This fund accounts for fines and forfeitures collected by the County that are required to be remitted to the Chatham County Board of Education.
- **Chatham County Municipalities Agency Fund** – This fund accounts for property taxes collected and remitted to municipalities located within the County.
- **Goldston-Gulf Sanitary District Agency Fund** – This fund accounts for the property taxes collected for a special tax district located within the County.
- **Detention Center 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

TRUST AND AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Chatham County Cooperative Extension:				
Assets:				
Cash, cash equivalents, and investments	\$ 146,530	\$ 67,625	\$ 73,838	\$ 140,317
Other receivables	1,109	1,183	1,903	389
Total assets	<u>\$ 147,639</u>	<u>\$ 68,808</u>	<u>\$ 75,741</u>	<u>\$ 140,706</u>
Liabilities:				
Due to other governmental agencies	<u>\$ 147,639</u>	<u>\$ 135,558</u>	<u>\$ 142,491</u>	<u>\$ 140,706</u>
Social Services:				
Assets:				
Cash, cash equivalents, and investments	<u>\$ 33,491</u>	<u>\$ 37,700</u>	<u>\$ 14,882</u>	<u>\$ 56,309</u>
Liabilities:				
Due to agency participants	<u>\$ 33,491</u>	<u>\$ 186,791</u>	<u>\$ 163,973</u>	<u>\$ 56,309</u>
Fines and Forfeitures:				
Assets:				
Cash	\$ -	\$ 232,751	\$ 226,972	\$ 5,779
Due from other governmental agencies	13,308	12,829	13,308	12,829
Total assets	<u>\$ 13,308</u>	<u>\$ 245,580</u>	<u>\$ 240,280</u>	<u>\$ 18,608</u>
Liabilities:				
Due to other governmental agencies	<u>\$ 13,308</u>	<u>\$ 451,715</u>	<u>\$ 446,415</u>	<u>\$ 18,608</u>
Chatham County Municipalities:				
Assets:				
Cash, cash equivalents, and investments	\$ 8,457	\$ 8,755,532	\$ 8,747,107	\$ 16,882
Property taxes receivable	127,520	8,140,957	8,103,884	164,593
Due from other governmental agencies	61,211	72,876	63,388	70,699
Total assets	<u>\$ 197,188</u>	<u>\$ 16,969,365</u>	<u>\$ 16,914,379</u>	<u>\$ 252,174</u>
Liabilities:				
Due to other governmental agencies	<u>\$ 197,188</u>	<u>\$ 25,676,920</u>	<u>\$ 25,621,934</u>	<u>\$ 252,174</u>

CHATHAM COUNTY, NORTH CAROLINA

TRUST AND AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Goldston-Gulf Sanitary District:				
Assets:				
Cash, cash equivalents, and investments	\$ 717	\$ 136,188	\$ 135,336	\$ 1,569
Property taxes receivable	7,799	117,679	116,446	9,032
Due from other governmental agencies	809	854	837	826
Other receivables	11	11	22	-
Total assets	<u>\$ 9,336</u>	<u>\$ 254,732</u>	<u>\$ 252,641</u>	<u>\$ 11,427</u>
Liabilities:				
Due to other governmental agencies	<u>\$ 9,336</u>	<u>\$ 384,655</u>	<u>\$ 382,564</u>	<u>\$ 11,427</u>
Detention Center:				
Assets:				
Cash, cash equivalents, and investments	<u>\$ 5,366</u>	<u>\$ 23,431</u>	<u>\$ 7,681</u>	<u>\$ 21,116</u>
Liabilities:				
Due to agency participants	<u>\$ 5,366</u>	<u>\$ 204,527</u>	<u>\$ 188,777</u>	<u>\$ 21,116</u>
Combining Totals:				
Assets:				
Cash, cash equivalents, and investments	\$ 194,561	\$ 9,253,227	\$ 9,205,816	\$ 241,972
Property taxes receivable	135,319	8,258,636	8,220,330	173,625
Due from other governmental agencies	75,328	86,559	77,533	84,354
Other receivables	1,120	1,194	1,925	389
Total assets	<u>\$ 406,328</u>	<u>\$ 17,599,616</u>	<u>\$ 17,505,604</u>	<u>\$ 500,340</u>
Liabilities:				
Due to agency participants	\$ 38,857	\$ 391,318	\$ 352,750	\$ 77,425
Due to other governmental agencies	<u>367,471</u>	<u>26,648,848</u>	<u>26,593,404</u>	<u>422,915</u>
Total liabilities	<u>\$ 406,328</u>	<u>\$ 27,040,166</u>	<u>\$ 26,946,154</u>	<u>\$ 500,340</u>

OTHER SUPPLEMENTAL SCHEDULES

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CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE

JUNE 30, 2020

Fiscal Year	Uncollected Balance July 1, 2019	Additions	Collections and Credits	Uncollected Balance June 30, 2020
2019-2020	\$ -	\$ 77,865,650	\$ (77,029,214)	\$ 836,436
2018-2019	653,930	-	(401,108)	252,822
2017-2018	267,548	-	(101,887)	165,661
2016-2017	102,981	-	(26,279)	76,702
2015-2016	76,976	-	(18,599)	58,377
2014-2015	75,204	-	(11,869)	63,335
2013-2014	88,307	-	(30,553)	57,754
2012-2013	87,563	-	(30,248)	57,315
2011-2012	94,344	-	(28,507)	65,837
2010-2011	62,029	-	(21,639)	40,390
Prior Years	50,997	-	(37,748)	13,249
Total	<u>\$ 1,559,879</u>	<u>\$ 77,865,650</u>	<u>\$ (77,737,651)</u>	1,687,878
Plus: Ad valorem taxes receivable - 2020				139,573
Less: Allowance for uncollectible ad valorem taxes receivable				<u>(530,637)</u>
Ad valorem taxes receivable (net)				<u>\$ 1,296,814</u>
Reconcilement with Revenues:				
Ad valorem taxes - General Fund				\$ 77,607,735
Reconciling items:				
Interest collected and penalties				(65,774)
Releases and other credits				<u>195,690</u>
Total collections and credits				<u>\$ 77,737,651</u>

CHATHAM COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2020

	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	\$ 11,574,837,209	\$ 0.6700	\$ 77,550,631	\$ 71,830,343	\$ 5,720,288
Penalties	-		51,026	51,026	-
Total	11,574,837,209		77,601,657	71,881,369	5,720,288
Discoveries:					
Current year	20,067,193	0.6700	134,451	132,239	2,212
Prior years	45,439,474		285,776	285,776	-
Penalties	-		32,437	32,437	-
Total	65,506,667		452,664	450,452	2,212
Releases					
Current year	(25,074,884)	0.6700	(168,002)	(168,002)	-
Prior years	(2,815,209)		(17,724)	(17,724)	-
Penalties	-		(2,945)	(2,945)	-
Total	(27,890,093)		(188,671)	(188,671)	-
Total property valuation	\$ 11,612,453,783				
Net Levy			77,865,650	72,143,150	5,722,500
Uncollected taxes at June 30, 2020			836,436	836,436	-
Current Year's Taxes Collected			\$ 77,029,214	\$ 71,306,714	\$ 5,722,500
Current Levy Collection Percentage			98.93%	98.84%	100.00%

CHATHAM COUNTY, NORTH CAROLINA**ANALYSIS OF CURRENT YEAR LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2020**

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio (1)	100%
Real Property	\$ 9,958,925,737
Personal Property	1,439,726,019
Public Service Companies (2)	213,802,027
Total Assessed Valuation	<u>\$ 11,612,453,783</u>
Tax Rate per \$100	<u>\$ 0.6700</u>
Levy (includes discoveries, releases and abatements) (3)	<u>\$ 77,865,650</u>

In addition to the County-wide rate, the following lists the levy by the County on behalf of fire protection/rescue districts for the fiscal year ended June 30, 2020:

Fire protection districts:

Bennett	\$ 135,095
Bonlee	235,943
Central Chatham	434,611
Circle City	1,340,967
Goldston	272,204
Hope	461,797
Moncure	822,342
North Chatham	6,092,572
Bells Annex	134,402
Parkwood	357,760
Staley	54,848
Northview	31,597
Total	<u>\$ 10,374,138</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 Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends: Page 153

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 158

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

Debt Capacity: Page 162

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 166

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 169

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 comprehensive annual 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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 32,810,111	\$ 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
Restricted	7,136,044	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
Unrestricted	29,602,312	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)
Total governmental activities net assets	<u>\$ 69,548,467</u>	<u>\$ 66,967,487</u>	<u>\$ 74,296,574</u>	<u>\$ 41,836,527</u>	<u>\$ 53,423,498</u>	<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>
Business-type activities										
Net investment in capital assets	\$ 32,259,505	\$ 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
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	23,504,559	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
Total business-type activities	<u>\$ 55,764,064</u>	<u>\$ 57,414,575</u>	<u>\$ 58,869,098</u>	<u>\$ 60,174,924</u>	<u>\$ 62,448,639</u>	<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>
Primary government										
Net investment in capital assets	\$ 65,069,616	\$ 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
Restricted	7,136,044	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
Unrestricted	53,106,871	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)
Total primary government net position	<u>\$ 125,312,531</u>	<u>\$ 124,382,062</u>	<u>\$ 133,165,672</u>	<u>\$ 102,011,451</u>	<u>\$ 115,872,137</u>	<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>

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

Page 1 of 2

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 10,222,252	\$ 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
Public safety	18,684,461	19,891,626	20,060,250	21,029,450	21,020,275	25,111,163	26,541,301	28,373,014	29,544,421	32,313,920
Economic and physical development	2,784,443	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
Human Services	16,811,310	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
Cultural and recreation	1,287,933	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
Education	27,098,335	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
Interest on long term debt	4,203,953	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
Total governmental activities expenses	<u>81,092,687</u>	<u>93,840,918</u>	<u>86,752,387</u>	<u>128,783,908</u>	<u>85,866,299</u>	<u>94,732,282</u>	<u>99,787,271</u>	<u>108,743,656</u>	<u>147,443,969</u>	<u>173,543,374</u>
Business-type activities:										
Utility	5,280,325	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
Southeast Water District	510,016	757,410	798,953	743,520	637,255	490,657	636,376	637,880	665,634	708,197
Solid Waste Management	2,860,614	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
Total business-type activities expenses	<u>8,650,955</u>	<u>8,517,565</u>	<u>8,714,474</u>	<u>8,944,623</u>	<u>8,787,508</u>	<u>9,304,516</u>	<u>12,740,116</u>	<u>10,329,965</u>	<u>11,223,571</u>	<u>10,391,189</u>
Total primary government expenses	<u>\$ 89,743,642</u>	<u>\$ 102,358,483</u>	<u>\$ 95,466,861</u>	<u>\$ 137,728,531</u>	<u>\$ 94,653,807</u>	<u>\$ 104,036,798</u>	<u>\$ 112,527,387</u>	<u>\$ 119,073,621</u>	<u>\$ 158,667,540</u>	<u>\$ 183,934,563</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 844,125	\$ 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
Public safety	1,000,242	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
Economic and physical development	1,694,671	1,656,769	197,730	310,837	247,520	401,448	345,467	584,700	446,578	632,541
Human Services	1,099,856	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
Cultural and recreation	186,344	347,672	454,496	384,243	450,328	431,225	443,285	534,520	277,460	637,520
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
Operating grants and contributions:										
General government	16,730	21,946	92,730	326,456	694,923	6,831,278	1,663,292	4,774,069	3,071,043	616,476
Public safety	1,165,095	1,384,574	1,337,957	1,463,474	1,351,988	1,375,650	1,438,673	1,538,987	1,983,928	2,634,046
Economic and physical development	414,946	684,540	1,629,610	677,944	748,634	27,870	353,238	181,254	346,421	337,746
Human Services	8,060,955	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
Cultural and recreation	524,682	395,369	212,462	211,619	203,622	187,144	235,652	233,411	415,346	306,409
Education	636,060	546,589	558,850	623,328	-	-	2,861,940	-	-	-
Capital grants and contributions:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Economic and physical development	-	-	-	-	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>15,643,706</u>	<u>16,393,107</u>	<u>17,815,888</u>	<u>17,266,344</u>	<u>17,006,556</u>	<u>23,576,308</u>	<u>22,949,136</u>	<u>21,741,660</u>	<u>20,510,116</u>	<u>19,394,033</u>
Business-type activities:										
Utility:										
Charges for services	6,065,705	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
Operating grants and contributons	-	1,200	1,189	6,601	7,420	458	27,651	61,016	37	109,396
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Southeast Water District:										
Charges for services	588,714	559,207	582,425	632,761	601,417	667,814	670,485	701,728	771,243	720,518
Waste Management:										
Charges for services	3,140,391	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
Operating grants and contributons	-	139,771	136,801	150,470	175,935	199,383	244,591	242,329	194,458	201,449
Total business-type activities program revenues	<u>9,794,810</u>	<u>10,118,783</u>	<u>10,082,420</u>	<u>10,381,288</u>	<u>11,116,908</u>	<u>11,470,491</u>	<u>11,639,172</u>	<u>11,753,173</u>	<u>13,007,762</u>	<u>13,051,338</u>
Total primary government program revenues	<u>\$ 25,438,516</u>	<u>\$ 26,511,890</u>	<u>\$ 27,898,308</u>	<u>\$ 27,647,632</u>	<u>\$ 28,123,464</u>	<u>\$ 35,046,799</u>	<u>\$ 34,588,308</u>	<u>\$ 33,494,833</u>	<u>\$ 33,517,878</u>	<u>\$ 32,445,371</u>

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

Page 2 of 2

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense)/Revenue										
Governmental activities	\$ (65,448,981)	\$ (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)
Business-type activities	1,143,855	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
Total primary government net (expense)/revenue	<u>\$ (64,305,126)</u>	<u>\$ (75,846,593)</u>	<u>\$ (67,568,553)</u>	<u>\$ (110,080,899)</u>	<u>\$ (66,530,343)</u>	<u>\$ (68,989,999)</u>	<u>\$ (77,939,079)</u>	<u>\$ (85,578,788)</u>	<u>\$ (125,149,662)</u>	<u>\$ (151,489,192)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property taxes levied for general purpose	59,903,369	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
Local option sales tax	7,879,070	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
Other taxes and licenses	667,747	672,927	776,265	645,523	993,101	900,089	898,394	983,132	995,458	1,002,335
Grants and contributions not restricted to specific progr:	-	-	1,998,194	2,399,117	2,538,745	2,916,159	3,054,645	3,115,650	3,230,947	3,589,710
Unrestricted investment earnings	157,610	154,371	166,260	286,999	351,729	729,182	594,374	1,080,152	5,892,009	3,475,231
Miscellaneous	2,646,943	2,520,642	345,098	407,173	2,055,854	1,702,446	41,761	-	562,984	365,966
Extraordinary item - Insurance recovery	2,475,000	1,779,856	830,517	250,000	-	-	-	-	-	-
Extraordinary item - Sales of property	-	-	-	-	552,036	-	-	-	-	-
Transfers	(106,355)	-	(12,000)	242,305	-	-	-	(12,455)	(26,532)	(13,624)
Total governmental activities	<u>73,623,384</u>	<u>74,866,830</u>	<u>76,265,586</u>	<u>79,057,517</u>	<u>82,648,506</u>	<u>85,944,966</u>	<u>90,282,915</u>	<u>95,090,908</u>	<u>105,409,106</u>	<u>113,001,913</u>
Business-type activities:										
Other taxes and licenses	-	-	-	-	-	-	-	-	-	-
Investment earnings	42,246	49,293	52,092	91,466	106,554	172,806	225,518	373,675	663,679	545,789
Miscellaneous	-	-	22,485	20,000	-	(6,728)	96,770	-	53,571	5,136
Transfers	106,355	-	12,000	(242,305)	-	-	-	12,455	26,532	13,624
Total business-type activities	<u>148,601</u>	<u>49,293</u>	<u>86,577</u>	<u>(130,839)</u>	<u>106,554</u>	<u>166,078</u>	<u>322,288</u>	<u>386,130</u>	<u>743,782</u>	<u>564,549</u>
Total primary government	<u>\$ 73,771,985</u>	<u>\$ 74,916,123</u>	<u>\$ 76,352,163</u>	<u>\$ 78,926,678</u>	<u>\$ 82,755,060</u>	<u>\$ 86,111,044</u>	<u>\$ 90,605,203</u>	<u>\$ 95,477,038</u>	<u>\$ 106,152,888</u>	<u>\$ 113,566,462</u>
Change in Net Position										
Governmental activities	8,174,403	(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)
Business-type activities	<u>1,292,456</u>	<u>1,650,511</u>	<u>1,454,523</u>	<u>1,305,826</u>	<u>2,435,954</u>	<u>2,332,053</u>	<u>(778,656)</u>	<u>1,809,338</u>	<u>2,527,973</u>	<u>3,224,698</u>
Total primary government	<u>\$ 9,466,859</u>	<u>\$ (930,469)</u>	<u>\$ 8,783,610</u>	<u>\$ (31,154,221)</u>	<u>\$ 16,224,717</u>	<u>\$ 17,121,045</u>	<u>\$ 12,666,124</u>	<u>\$ 9,898,250</u>	<u>\$ (18,996,774)</u>	<u>\$ (37,922,730)</u>

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted:										
Stabilization by State Statute	\$ 3,703,273	\$ 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
Future Register of Deeds technology enhancements	<u>191,698</u>	<u>227,443</u>	<u>271,108</u>	<u>294,320</u>	<u>320,759</u>	<u>348,617</u>	<u>380,812</u>	<u>334,815</u>	<u>353,346</u>	<u>371,615</u>
Total restricted	3,894,971	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
Committed:										
LEO Special Separation Allowance						625,093	682,719	725,817	770,904	835,851
Tax Revaluation									175,889	1,452
Housing Trust									58,000	87,824
Assigned:										
Subsequent year's expenditures	885,148	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
Unassigned	<u>19,224,665</u>	<u>17,267,856</u>	<u>20,175,793</u>	<u>22,205,716</u>	<u>25,120,834</u>	<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>
Total General Fund	<u>\$24,004,784</u>	<u>\$27,089,604</u>	<u>\$28,887,825</u>	<u>\$30,454,236</u>	<u>\$35,795,857</u>	<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>
All Other Governmental Funds										
Restricted:										
Stabilization by State Statute	\$ 2,044,101	\$ 2,132,189	\$ 1,145,226	\$ 719,969	\$ 250,390	\$ 862,218	\$ 306,449	\$ 277,986	\$ 848,829	\$ 485,887
Special Revenue Funds	1,196,972	147,040	418,546	1,013,504	1,007,041	1,009,061	1,478,266	1,103,554	1,063,183	910,536
Capital Projects Funds	<u>6,101,939</u>	<u>2,552,044</u>	<u>14,263,246</u>	<u>5,540,939</u>	<u>16,573,978</u>	<u>5,219,772</u>	<u>-</u>	<u>-</u>	<u>83,667,558</u>	<u>48,174,584</u>
Total restricted	9,343,012	4,831,273	15,827,018	7,274,412	17,831,409	7,091,051	1,784,715	1,381,540	85,579,570	49,571,007
Committed:										
Capital Projects Funds	23,345,381	26,768,930	29,183,376	27,303,285	31,435,343	31,191,521	30,745,436	28,800,096	40,491,773	37,449,726
Assigned:										
Subsequent year's expenditures	4,611,577	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
General Government				2,244,430	2,278,120	3,070,391	6,212,454	7,724,181	3,211,559	7,496,646
Education	4,326,547	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
Cultural and Recreation	<u>561,334</u>	<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>
Total assigned	9,499,458	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
Unassigned	<u>(23,187)</u>	<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>
Total all other governmental funds	<u>\$42,164,664</u>	<u>\$38,891,437</u>	<u>\$51,529,789</u>	<u>\$42,347,540</u>	<u>\$56,462,916</u>	<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>

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

	<u>2011</u>	<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>
Revenues										
Ad Valorem Taxes	\$ 59,709,827	\$ 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
Local Option Sales Tax	7,879,070	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
Other Taxes	667,747	672,927	776,265	645,523	993,101	900,089	898,394	983,132	995,458	1,002,335
Unrestricted Intergovernmental	1,680,291	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
Restricted Intergovernmental	10,818,468	10,816,807	9,921,914	9,802,315	9,447,109	9,700,751	10,100,364	7,655,321	9,721,283	9,364,664
Permits and fees	2,815,155	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
Sales and Services	2,003,763	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
Interest	149,101	143,733	153,463	263,907	330,535	701,287	544,039	993,253	5,695,974	3,283,421
Other General Revenues	3,323,003	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
Total Revenues	<u>89,046,425</u>	<u>90,908,607</u>	<u>94,157,899</u>	<u>96,700,211</u>	<u>99,182,038</u>	<u>109,438,663</u>	<u>112,102,241</u>	<u>115,849,312</u>	<u>125,198,113</u>	<u>130,481,668</u>
Expenditures										
General Government	6,860,351	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
Public Safety	18,216,894	20,197,041	20,161,438	21,320,729	22,692,563	25,648,707	26,314,889	28,149,202	29,577,293	31,882,438
Economic and Physical Development	3,119,621	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
Human Services	17,982,081	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
Culture and Recreation	1,800,537	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
Education	25,573,034	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
Capital Outlay	17,562,785	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
Debt Service:										
Principal Retirement	3,583,515	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
Interest and fees	4,203,954	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
Total Expenditures	<u>98,902,772</u>	<u>105,258,693</u>	<u>101,882,493</u>	<u>104,558,354</u>	<u>101,359,019</u>	<u>112,702,868</u>	<u>110,227,261</u>	<u>114,758,393</u>	<u>152,301,784</u>	<u>184,813,819</u>
Excess of revenues Over (Under) Expenditures	(9,856,347)	(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)
Other financing sources (uses):										
Transfers from (to) other funds	(106,355)	-	(12,000)	242,305	-	-	-	(12,455)	(26,532)	(13,624)
Proceeds from borrowings	6,781,063	-	-	-	-	-	-	-	-	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)	<u>6,674,708</u>	<u>14,161,679</u>	<u>22,161,167</u>	<u>242,305</u>	<u>21,633,978</u>	<u>190,766</u>	<u>-</u>	<u>(12,455)</u>	<u>125,406,559</u>	<u>18,207,710</u>
Net change in fund balances	<u>\$ (3,181,639)</u>	<u>\$ (188,407)</u>	<u>\$ 14,436,573</u>	<u>\$ (7,615,838)</u>	<u>\$ 19,456,997</u>	<u>\$ (3,073,439)</u>	<u>\$ 1,874,980</u>	<u>\$ 1,078,464</u>	<u>\$ 98,302,888</u>	<u>\$ (36,124,441)</u>
Debt service as a percentage of noncapital expenditures	9.57%	9.72%	9.96%	11.10%	12.03%	10.67%	10.99%	9.96%	9.83%	8.45%

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)
2011	7,447,218,800	996,196,743	250,159,010	8,693,574,553	0.6219	8,531,476,500
2012	7,595,281,840	997,189,774	252,455,361	8,844,926,975	0.6219	8,451,105,461
2013	7,762,384,556	1,101,205,185	247,205,251	9,110,794,992	0.6219	8,705,135,670
2014	7,911,664,627	1,255,924,366	208,776,076	9,376,365,069	0.6219	9,006,209,844
2015	8,090,965,839	1,119,557,141	207,720,059	9,418,243,039	0.6219	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	*

* 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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Chatham County	0.6219	0.6219	0.6219	0.6219	0.6219	0.6219	0.6338	0.6281	0.6281	0.6700
<u>Municipality Rates:</u>										
Town of Pittsboro	0.3020	0.3020	0.3673	0.4033	0.4333	0.4333	0.4333	0.4333	0.4333	0.4333
Town of Siler City	0.4500	0.4500	0.4500	0.4500	0.4800	0.4800	0.4800	0.5100	0.5100	0.5400
Town of Goldston	0.1400	0.1400	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900
Town of Cary	0.3300	0.3300	0.3300	0.3500	0.3500	0.3700	0.3500	0.3500	0.3500	0.3500
<u>Fire Districts:</u>										
Bells Annex	0.0660	0.0660	0.0880	0.0880	0.0880	0.1030	0.1030	0.1030	0.1030	0.1080
Bennett	0.0700	0.0700	0.0800	0.0800	0.0800	0.0800	0.0900	0.0900	0.0900	0.0900
Bonlee	0.0650	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	0.0800	0.0900	0.0900	0.0900	0.0900	0.0900	0.1200
Circle City	0.1000	0.1082	0.1158	0.1158	0.1158	0.1225	0.1225	0.1225	0.1225	0.1225
Goldston	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0900	0.0900	0.0900	0.0900
Hope	0.0600	0.0667	0.0685	0.0685	0.0685	0.0685	0.0685	0.0685	0.0785	0.0785
Moncure	0.0842	0.0875	0.1104	0.1104	0.1104	0.1250	0.1250	0.1250	0.1250	0.1250
North Chatham	0.0660	0.0660	0.0880	0.0880	0.0880	0.1030	0.1030	0.1030	0.1030	0.1080
Parkwood	0.0960	0.1000	0.1000	0.1000	0.1000	0.1150	0.1050	0.0940	0.1000	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	0.0835	0.0830	0.0830	0.0830	0.0830	0.0860	0.0860	0.0860	0.0860
Sanitary District:										
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 2020			Fiscal Year 2011		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Mountaire Farms of NC Inc	Poultry	\$ 123,811,365	1	1.07%			
Chatham Park Investors LLC	Real Estate	118,766,560	2	1.02%	\$ 83,324,899	3	0.96%
Carolina Meadows Inc.	Assisted Living	114,186,891	3	0.98%	56,764,416	5	0.65%
Duke Energy Progress (formerly Progress Energy)	Public Utility - Electric	109,177,740	4	0.94%	150,984,956	1	1.74%
Galloway Ridge Inc.	Retirement Community	104,014,862	5	0.90%	60,804,087	4	0.70%
Arauco Panels USA	Mfg of Engineered Wood Products	83,997,656	6	0.72%			
Minnesota Mining & Manufacturing Co.	Mining	49,874,535	7	0.43%	41,473,595	7	0.48%
General Shale Brick Inc.	Brick	30,922,871	8	0.27%	49,373,980	6	0.57%
Public Service Co of NC	Public Utility - Natural Gas	28,061,691	9	0.24%			
NNP Briar Chapel LLC	Real Estate	28,053,361	10	0.24%	27,292,768	8	0.31%
Uniboard USA LLC	Mfg of Engineered Wood Products				117,113,279	2	1.35%
Archlin USA	Chemical				24,949,551	9	0.29%
Triangle Brick	Brick				23,821,767	10	0.27%
Totals		\$ 790,867,532		6.81%	\$ 635,903,298		7.31%

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
2011	54,118,464	52,891,913	97.73%	1,186,161	54,078,074	99.93%
2012	55,092,804	53,900,198	97.84%	1,126,769	55,026,967	99.88%
2013	56,753,860	55,446,864	97.70%	1,249,681	56,696,545	99.90%
2014	58,419,050	57,553,931	98.52%	807,365	58,361,296	99.90%
2015	58,636,579	57,830,764	98.63%	742,480	58,573,244	99.89%
2016	60,613,213	59,840,287	98.72%	714,549	60,554,836	99.90%
2017	63,850,060	63,246,063	99.05%	527,295	63,773,358	99.88%
2018	67,206,357	66,417,903	98.83%	622,793	67,040,696	99.75%
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%	-	77,029,214	98.93%

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			
2011	8,120,000	88,093,680	-	3,200,000	1,886,000	18,316,661	119,616,341	1,884	4.09%
2012	6,385,000	97,911,077	-	3,162,000	1,861,000	16,367,966	125,687,043	1,968	4.06%
2013	4,635,000	116,619,394	-	3,123,000	1,835,000	15,840,626	142,053,020	2,201	4.43%
2014	2,925,000	112,762,583	-	3,082,000	1,808,000	14,589,755	135,167,338	2,029	3.79%
2015	1,250,000	129,522,694	-	3,040,000	1,781,000	13,389,125	148,982,819	2,203	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	-	221,766,250	-	2,802,000	1,626,000	8,293,240	234,487,490	3,149	*

* 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)
2011	11,320,000	0.39%	0.13%	178
2012	9,547,000	0.31%	0.11%	149
2013	7,758,000	0.24%	0.09%	120
2014	6,007,000	0.17%	0.06%	90
2015	4,290,000	0.12%	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	*	0.02%	38

* 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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assessed Value of Property	8,693,575	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
Debt Limit, 8% of Assessed Value (Statutory Limitation)	695,486	707,594	728,864	750,109	753,459	779,035	804,982	854,917	894,521	928,996
Amount of Debt Applicable to Limit										
Gross debt	119,616	125,687	142,053	135,167	148,983	141,359	131,508	121,912	237,726	234,487
Less: Debt outstanding for water purposes	23,403	21,391	20,799	19,480	18,210	16,993	15,946	14,886	13,812	12,721
Total net debt applicable to limit	96,214	104,296	121,254	115,688	130,773	124,365	115,562	107,025	223,915	221,766
Legal Debt Margin	<u>599,272</u>	<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>707,230</u>
Total net debt applicable to the limit as a percentage of debt limit	13.83%	14.74%	16.64%	15.42%	17.36%	15.96%	14.36%	12.52%	25.03%	23.87%

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, 2020

<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	\$ 221,766,250	100.00%	\$ 221,766,250
Other Debt:			
Town of Cary	<u>108,728,914</u>	3.07%	<u>3,337,978</u>
Total	\$ <u><u>330,495,164</u></u>		\$ <u><u>225,104,228</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>
2011	63,505	A	2,922,436	45,804	7,750	7.60%
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	*	*	8,977	5.80%

* 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 2020		FY 2011	
	Employment Range (1)	Rank	Employment Range (2)	Rank
Chatham County Schools	1000+	1	1000+	1
Chatham County	500-999	2	250-499	3
Mountaire Farms of NC Inc.	250-499	3		
Carolina Meadows Inc	250-499	4	250-499	4
Galloway Ridge Inc	250-499	5	100-249	10
Wal-Mart	100-249	6	100-249	9
Chatham Hospital	100-249	7	250-499	7
Flakeboard America Limited (subsidiary of Arauco Panels USA LLC)	100-249	8		
Fitch Creations	100-249	9		
Piedmont Health Services	100-249	10		
Townsend's Inc.			1000+	2
Uniboard USA LLC			250-499	5
Performance Fibers			250-499	6
Performance Bicycle			100-249	8

Sources:

- (1) NC Dept of Commerce, Labor and Economic Analysis (QE 03/31/20)
- (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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	69	65	67	68	70	70	74	79	87	87
Public Safety	129	136	149	162	171	176	181	184	194	195
Economic and Physical Development	17	18	18	16	17	19	20	22	22	23
Human Services	145	151	151	152	154	147	148	156	163	152
Cultural and Recreation	18	24	24	23	22	20	22	27	28	27
Water	24	23	22	22	22	20	23	23	23	25
Waste Management	13	13	13	12	12	14	13	10	11	11
Total	415	430	444	455	468	466	481	501	528	520

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities:										
General Government:										
Land records recorded	12,121	14,092	17,608	12,707	12,717	12,800	14,617	14,113	12,673	14,713
Marriage licenses issued	264	251	281	286	343	330	304	322	292	308
New registered voters	2,714	2,714	5,421	2,530	3,046	4,949	5,511	3,934	4,833	8,114
Public Safety:										
Civil processes served	4,931	4,151	4,654	3,944	3,527	3,187	3,273	2,982	2,619	2,449
Applications for pistol permits	984	917	2,312	678	890	964	1,569	1,497	1,370	3,084
911 calls received	85,821	99,384	103,295	136,875	164,970	131,486	136,870	116,101	120,090	113,258
Fire inspections conducted	1,074	806	591	648	712	670	728	1,099	897	1,244
Economic and Physical Development:										
Zoning permits issued	917	1,062	1,158	1,558	1,805	1,819	2,094	1,986	1,945	2,124
Building permits issued (single-family dwellings)	245	313	396	636	674	756	870	713	632	977
Human Services:										
Total patients seen in health clinics	7,240	8,150	5,403	4,789	5,614	3,612	3,036	2,407	2,066	2,000
Children and families receiving Medicaid	3,986	4,137	6,151	7,012	5,777	5,017	5,606	5,679	5,874	5,693
Total child support collections	\$2,947,071	\$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
Cultural and Recreational:										
Library patron visits (3 branches)	152,775	173,743	191,003	189,074	178,820	180,771	181,494	171,177	177,403	118,890
Participants in youth sports	942	879	902	863	918	967	1,050	909	904	1,355
Education:										
Average daily membership	7,750	7,938	8,065	8,193	8,330	8,436	8,636	8,735	8,799	8,977
County appropriation per student (rounded)	\$4,171	\$4,130	\$4,130	\$4,276	\$4,019	\$4,175	\$4,252	\$4,386	\$4,890	\$4,991
Business-Type Activities:										
Water:										
Number of new connections	263	266	315	370	483	505	541	571	506	368
Gallons of water consumed (in thousands)	696,127	660,518	637,843	664,271	607,396	645,293	683,242	713,548	706,500	773,235
Waste Management:										
Tons of recyclables	3,341	3,546	4,154	4,249	4,627	4,910	2,691	3,015	3,160	3,209
Tons of waste managed	11,438	11,173	10,741	11,099	11,338	11,995	12,160	11,908	12,684	13,235

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety:										
Jail Capacity	51	51	51	51	110	110	110	110	110	110
Total Sheriff Vehicles	109	109	108	111	126	131	147	151	151	162
Cultural and Recreational:										
Park Acreage	233	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	395	415	415	419	419	419	435
Number of Storage Tanks	8	8	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.

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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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 18, 2020. 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
December 18, 2020

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, 2020. 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, 2020.

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
December 18, 2020

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, 2020. 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, 2020.

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
December 18, 2020

CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2020

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

Program Name

CFDA#

Medicaid Cluster	93.778
Aging Cluster	93.044, 93.045, 93.053
Foster Care Title IV-E	93.658
Adoption Assistance	93.659

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, 2020

Section I – Summary of Auditor’s Results (continued)

State Awards

Internal control over major state 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 state programs:

Unmodified

Any findings disclosed that are required to be
reported in accordance with the State Single
Audit Implementation Act?

_____ Yes X No

Identification of major state programs:

Program Name

Medicaid Cluster

Aging Cluster

Foster Care and Adoption Cluster

Public School Building Capital Fund

Juvenile Crime Prevention Program

CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2020

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, 2020**

No prior year findings.

**CHATHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
Federal Awards:					
<u>U.S. Dept. of Agriculture</u>					
<u>Food and Nutrition Service</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services					
Administration:					
<u>Supplemental Nutrition Assistance Program Cluster</u>					
Administration:					
State Administrative Matching Grants for the					
Supplemental Nutrition Assistance Program	10.561	185NC406S2514	\$ 440,119	\$ -	\$ -
Supplemental Nutrition Assistance Program-Fraud	10.561	185NC406S2514	23,404	-	-
Supplemental Nutrition Assistance Program-E&T	10.561	CHAT2020DSS1	7,514	-	-
Supplemental Nutrition Assistance Program-E&T & Depend	10.561	CHAT2020DSS2	11,313	-	-
Total Supplemental Nutrition Assistance Program Cluster			<u>482,350</u>	<u>-</u>	<u>-</u>
Total U.S. Dept. of Agriculture			<u>482,350</u>	<u>-</u>	<u>-</u>
<u>U.S. Environmental Protection Agency (EPA)</u>					
<u>U.S. Dept. of Justice</u>					
Direct Program:					
Equitable Sharing Program	16.922	17-DEA-625415	144,428	-	-
Equitable Sharing Program	16.922	OCDETF-SENCM01221224	11,371	-	-
Equitable Sharing Program	16.922	2018TAC	10,228	-	-
Justice Systems Response to Families	16.021	2016-FJ-AX-0005	133,151	-	-
Bulletproof Vest Partnership Program	16.607	K51128326	7,144	-	-
State Criminal Alien Assistance Program	16.606	2016-AP-BX-0626	45,037	-	-
Passed-through N.C. Dept. of Crime Control and Public Safety:					
Grants to Encourage Arrest Policies & Enforcement					
of Protection Orders (EMI)	16.590	2019-WF-AX-0021	88,212	-	-
Crime Victim Assistance	16.575	2017-VA-GX-0050	122,236	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0041	22,028	-	-
Violence Against Women Formula Grants	16.588	2017-WF-AX-0040	<u>32,423</u>	<u>-</u>	<u>-</u>
Total U.S. Dept. of Justice			<u>616,258</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>					
Passed-through N.C. Dept. of Crime Control and Public Safety:					
Division of Emergency Management					
Disaster Grants-Public Assistance (Presidentially					
Declared Disasters)	97.036	FEMA-4285-DR-NC	4,231	-	-
Homeland Security Grant Program	97.067	EMW-2019-SS-0057	16,000	-	-
Homeland Security Grant Program	97.067	EMW-2018-SS-00053	4,053	-	-
Emergency Management Performance Grants	97.042	EMPG-2017-37037	<u>38,904</u>	<u>-</u>	<u>-</u>
Total U. S. Department of Homeland Security			<u>63,188</u>	<u>-</u>	<u>-</u>

**CHATHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<u>U.S. Dept. of Health & Human Services</u>					
<u>Administration for Children and Families</u>					
Passed-through N.C. Department of Health and Human Services:					
Division of Social Services:					
Special Children Adoption Incentive Fund Cluster (Note 4):					
Social Services Block Grant-CPS TANF	93.667	G1701NCSOSR; G1801NCSOSR	385,361	-	-
Social Services Block Grant-State In Home Services	93.667	G1701NCSOSR; G1801NCSOSR	6,682	-	-
Social Services Block Grant-State In-Home Services over 60	93.667	G1701NCSOSR; G1801NCSOSR	9,310	-	-
Social Services Block Grant-Other Services and Training	93.667	G1701NCSOSR; G1801NCSOSR	205,039	-	-
Social Services Block Grant - Admin	93.667	2018-J007-019	24,666	705	-
Total Special Children Adoption Incentive Fund Cluster			<u>631,058</u>	<u>-</u>	<u>-</u>
Child Support Enforcement Section-IV-D Administration	93.563	1804NC4005	319,130	-	-
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	3,316	-	-
Refugee and Entrant Assistance Cluster (Note 4):					
Refugee and Entrant Assistance - State Replacement Designee Administered Program	93.566	CHAT2020DSS3	224	-	-
Total Refugee and Entrant Assistance Cluster			<u>224</u>	<u>-</u>	<u>-</u>
Low Income Home Energy Assistance:					
Crisis Intervention Program	93.568	G17B1NCLIEA; G18B1NCLIEA	184,656	-	-
Administration	93.568	G17B1NCLIEA; G18B1NCLIEA	30,902	-	-
Low Income Home Energy Assistance	93.568	G17B1NCLIEA; G18B1NCLIEA	188,553	-	-
Total Low-Income Home Energy Assistance			<u>404,111</u>	<u>-</u>	<u>-</u>
Stephanie Tubbs Jones Child Welfare Services Program:					
Permanency Planning - Special	93.645	G1701NCCWSS; G1801NCCWSS	17,997	-	-
Total Stephanie Tubbs Jones Child Welfare Services Program:			<u>17,997</u>	<u>-</u>	<u>-</u>
John H. Chafee Foster Care Program for Successful Transition to Adulthood					
Links	93.674	G1701NC1420; G1801NC1420	20,417	5,104	-
Links Transitional Funds	93.674	G1701NC1420; G1801NC1420	10,719	-	-
Total Division of Social Services			<u>1,406,976</u>	<u>5,809</u>	<u>-</u>
<u>Temporary Assistance for Needy Families:</u>					
TANF	93.558	13A15151T219	5,990	-	-
TANF Work First Administration	93.558	G1701NCTANF; G1801NCTANF	37,218	-	-
TANF Work First Service	93.558	G1701NCTANF; G1801NCTANF	210,409	-	-
Total Temporary Assistance for Needy Families			<u>253,617</u>	<u>-</u>	<u>-</u>

**CHATHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Passed-through to Subrecipients</u>
<u>Foster Care and Adoption Cluster (Note 4)</u>					
Division of Social Services:					
Adoption Assistance	93.659	1801NCADPT	61,439	-	-
Foster Care-Title IV-E Administration	93.658	1801NCFOST	269,072	70,953	-
COVID-19 Foster Care Title IV-E Administration	93.658	1801NCFOST	4,073	260	-
Foster Care-Title IV-E Family	93.658	1801NCFOST	182,489	44,649	-
Foster Care Title IV-E Training	93.658	1801NCFOST	315,259	-	-
Total Foster Care and Adoption Cluster			832,332	115,862	-
<u>Subsidized Child Care</u>					
<u>Child Care Development Fund Cluster:</u>					
Division of Social Services:					
Child Care Mandatory and matching Funds of the Child Care and Development Fund-Administration	93.596	G1702NCCCDF; G1802NCCCDF	92,789	-	-
Total Child Care Development Fund Cluster			92,789	-	-
Total Administration for Children and Families			2,585,714	121,671	-
<u>Centers for Medicare and Medicaid Service</u>					
<u>Passed-through the N.C. Department of Health and Human Services:</u>					
Division of Health Benefits:					
Division of Social Services:					
Medicaid Cluster:					
Administration:					
Medical Assistance Program:					
Adt Cr Hm Cs Mgt/Spec	93.778	XIX-MAP18	8,706	4,353	-
Medical Assistance	93.778	XIX-MAP18	21,159	-	-
Medical Assistance Administration	93.778	XIX-MAP18	1,419,905	-	-
Medical Transportation Administration	93.778	XIX-MAP18	57,975	-	-
State County Special Assistance	93.778	XIX-MAP18	36,908	-	-
Total Medical Medicaid Cluster:			1,544,653	4,353	-
Division of Social Services:					
Administration:					
Children's Health Insurance Program-N.C. Health Choice	93.767	CHIP18	86,291	2,266	-
Total Division of Medical Assistance			1,630,944	6,619	-

**CHATHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Passed-through to Subrecipients</u>
<u>Centers for Disease Control and Prevention</u>					
Passed-through the N.C. Dept. of Health and Human Services					
Division of Public Health:					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	12642680EY19; 12642680EZ; 12642680EN	35,411	-	-
Project Grants and Coop Agreements for Tuberculosis Control Programs	93.116	146022DNF; 1460272CNF; 1460272ANF; 1460272ENF	50	-	-
Immunization Cooperative Agreements	93.268	1331631DEJ; 1331631AEJ	13,994	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	1320310AD719; 1320310CD7	5,900	-	-
Preventive Health and Health Services Bock Grant	93.991	12615503PH; 13114536PF	40,837	-	-
HIV Cluster (Note 4)					
		1311462DNB19; 1311462ENB19; 1311462CNB19; 1311462ANB; 1311462BNB	100	-	-
Sexually Transmitted Disease (STD) Prevention & Control Grants	93.977		100	-	-
Total HIV Cluster			100	-	-
Total Centers for Disease Control and Prevention			96,292	-	-
<u>Health Resources and Services Administration</u>					
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; 12715745AR; 13A15740AR	33,496	12,152	-
<u>Office of Population Affairs</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Office of Population Affairs					
Family Planning Services	93.217	13A1592CFP	5,316	-	-
Family Planning Services	93.217	13A1592BFP	43,042	-	-
Family Planning Services	93.217	13A1592DFP	-	-	-
Total Office of Population Affairs			48,358	-	-

CHATHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Passed-through to Subrecipients</u>
<u>Administration for Community Living</u>					
<u>Division of Aging and Adult Services</u>					
Passed through Triangle Regional Council:					
Special Programs for the Aging - Title III Part D					
Disease Prevention and Health Promotion Services	93.043	2018-J007-019	8,922	525	-
National Family Caregiver Support, Title III Part E	93.052	2018-J007-019	52,161	3,477	-
<u>Aging Cluster:</u>					
Special Programs for the Aging - Title III, Part B-Grants for					
Supportive Services and Senior Centers-Access Services	93.044	2018-J007-019	44,216	17,784	-
Special Programs for the Aging - Title III, Part B-Grants for					
Supportive Services and Senior Centers-In-Home Services	93.044	2018-J007-019	30,181	272,707	-
Special Programs for the Aging - Title III, Part C-Nutrition					
Services-Congregate Nutrition	93.045	2018-J007-019	80,015	4,707	-
Special Programs for the Aging - Title III, Part C-Nutrition					
Services-Home Delivered Meals	93.045	2018-J007-019	70,116	55,908	-
Nutrition Services Incentive Program	93.053	2018-J007-019	19,129	-	-
Total Aging Cluster			243,657	351,106	-
Total Administration for Community Living			304,740	355,108	-
Total U.S. Dept. of Health and Human Services			4,699,544	495,550	-
<u>Institute of Museum and Library Services</u>					
Grants to States	45.310	LSTA 2019-2020 COVID-19	2,000	-	-
Total Institute of Museum and Library Services			2,000	-	-
<u>U.S. Dept. of the Treasury</u>					
Coronavirus Relief Fund					
COVID-19 Coronavirus Aide Relief and Economic Security Act	21.019	NCPRO 02-19	600,897	-	550,227
Total U.S. Dept. of the Treasury			600,897	-	550,227
Total Federal Awards			6,464,237	495,550	550,227
State Awards:					
<u>N.C. Dept. of Natural and Cultural Resources</u>					
<u>Division of State Library</u>					
State Aid to Public Libraries		2018-STATEAID	-	91,742	-
<u>Division of Parks and Recreation</u>					
Parks and Recreation Trust Fund		2018-856	-	61,579	-
Total N.C. Dept. of Cultural Resources			-	153,321	-

**CHATHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

Grantor/Pass-through Grantor/Program Title	Federal CFDA 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>					
Construction & Demolition Pilot Project		7920JAN2020	-	7,018	-
Scrap Tire Grant		536961-6770	-	233	-
Electronics Management		536961-2395	-	4,403	-
Agricultural Cost Share-Technical Assistance		CHAT170	-	25,176	-
Education Grant		CHAT2018SWCD	-	3,630	-
Total N.C. Dept. of Environmental and Natural Resources			-	40,460	-
<u>N.C. Dept. of Health and Human Services</u>					
Division of Social Services:					
Administration and Services					
AFDC-Program Integrity		2018AFDC	-	932	-
Energy Assistance Private Grants		2018LIEA	-	13,548	-
State Child Welfare/CPS		2018CPS	-	97,628	-
Senior Center General Purpose		2018-J007-019	-	21,148	-
Direct Benefit Payments:					
State Foster Home		2018SFH	-	54,803	-
State Foster Home Maximization		2018SFHM	-	48,749	-
F/C /Max Non IV-E		2018FCAR	-	11,372	-
F/C At Risk Maximization		2018FCAR	-	2,166	-
Total Division of Social Services			-	250,346	-
Division of Public Health					
Other Receipts / State Supported Expenditures					
CLAS Standards Advancing Health Equity		1262418100	-	20,000	-
Food and Lodging Fees		11534752SZ19	-	20,123	-
General Aid to Counties		116141100019	-	80,736	-
General Communicable Disease Control		117545100019	-	1,610	-
Breast and Cervical Cancer Program		132055990019	-	2,550	-
Child Health		127157450019	-	3,316	-
Family Planning		13A157350019	-	8,343	-
Maternal Health		13A157400019	-	19,885	-
		13114536BN19;13114536RQ19;			
HIV/STD State		13114536RR	-	500	-
Gonorrhea Partner Services		13114601BN19	-	46	-
Healthy Community Activities		13114536PF19	-	3,785	-
STD Drugs		13114601RR	-	826	-
Risk Reduction/Health Promotion					
School Nurse Funding Initiative		133253580019	-	100,000	-
Tuberculosis		146045510019; 146045540019	-	9,688	-
Women's Health Service Fund		13A16018FR19; 13A16020FR	-	7,948	-
Total Division of Public Health			-	279,356	-

**CHATHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Passed-through to Subrecipients</u>
<u>N.C. Dept. of Military and Veteran Affairs</u>					
DMVA Community County Grants		DMVACNTYGRANT17	-	2,182	-
Total N.C. Dept. of Public Instruction			-	2,182	-
<u>N.C. Dept. of Public Instruction</u>					
Public School Building Capital Fund-Lottery Proceeds		CHATPSBCF		184,341	
Total N.C. Dept. of Public Instruction			-	184,341	-
<u>N.C. Dept. of Public Safety</u>					
Juvenile Crime Prevention Program-Administration		536301-12409019	-	15,500	-
Juvenile Crime Prevention Program		536301-12409019	-	158,381	137,756
Tier II Universal State Grant		TIERII-T22017-1722	-	1,000	-
State Forfeiture Funds		USUB2018	-	4,828	-
Total N.C. Dept. of Public Safety			-	179,709	137,756
<u>N.C. Dept. of Transportation</u>					
Rural Operating Assistance Program (ROAP) Cluster (Note 4)					
ROAP-Elderly and Disabled Transportation Assistance Program		DOT-16CL-36220.10.7.1	-	82,992	-
ROAP Rural General Public Program		DOT-16CL-36228.22.7.1	-	103,624	-
ROAP Work First Transitional - Employment		DOT-16CL-36236.11.6.1	-	18,180	-
Total ROAP Cluster			-	204,796	-
Precon Engineering for CAM Site		DOT-18-48171	-	150,000	-
Total N.C Dept. of Transportation			-	354,796	-
Total State Awards			-	1,444,511	137,756
Total Federal and State awards			\$ 6,464,237	\$ 1,940,061	\$ 687,983

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

Note 1: Basis of Presentation

The accompanying schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and state grant activity of Chatham County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2020. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. 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.

**CHATHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Passed-through to Subrecipients</u>
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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 and Adoption, Refugee and Entrant Assistant Cluster, and HIV 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.

<u>Program Title</u>	<u>CFDA</u>	<u>Federal</u>	<u>State</u>
Medicaid	93.778	46,188,211	20,526,658
CHIP	93.767	1,805,528	123,112
TANF-Special Children Adoption	93.558	54,258	-
TANF-Payments & Penalties	93.558	143,443	-
WIC	10.557	736,721	-
Adoption Assistance-IV-E Adopt Subsidy & Vendor	93.659	528,771	119,532
Promoting Safe & Stable Families	93.556	39,020	-
Child Welfare Services Adoption-Vendor Guard		-	206,769
SAA/SAD HB 1030		-	102
State/County Special Assistance Program		-	262,400
Federal Jail Reimbursements		140	-

Note 6: Coronavirus Relief Funds

The County received \$1,461,651 of funding from the Coronavirus Relief Fund (21.019) and is scheduled to receive \$1,445,310 in July 2020. At least twenty-five percent (25%) of the funds are mandated to go to municipalities within Chatham County, at the discretion of the County. Municipalities are to have a plan to spend these funds by September 1, 2020, or any funds received are to be returned to the County. Counties and municipalities are liable to the state for funds not spent in accordance with US Dept. of Treasury, the granting agency, guidelines. According to the Office of State Budget and Management, the state's pass-through agency, municipalities are considered subrecipients of the Counties. However, under state statute, municipalities are liable to the State, not the County, for any misused or misspent funds. CRF must be spent during the period March 1, 2020 to December 30, 2020.