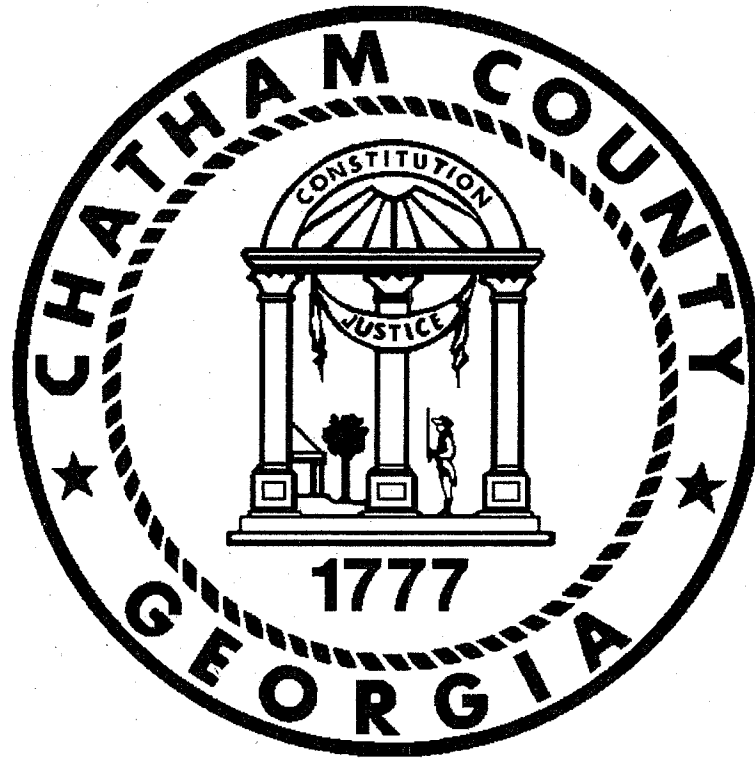




This section presents an overview of the total resources budgeted by the County. Included herein is a summary of major revenues and expenditures as well as other financing sources and uses.

In addition this section contains changes in fund balance, revenue analysis and overview, as well as a projected five year statement of revenues and expenditures.



CHATHAM COUNTY, GEORGIA
FY 2013/ 2014 BUDGET
REVENUES AND EXPENDITURES BY CATEGORY SUMMARY

REVENUES

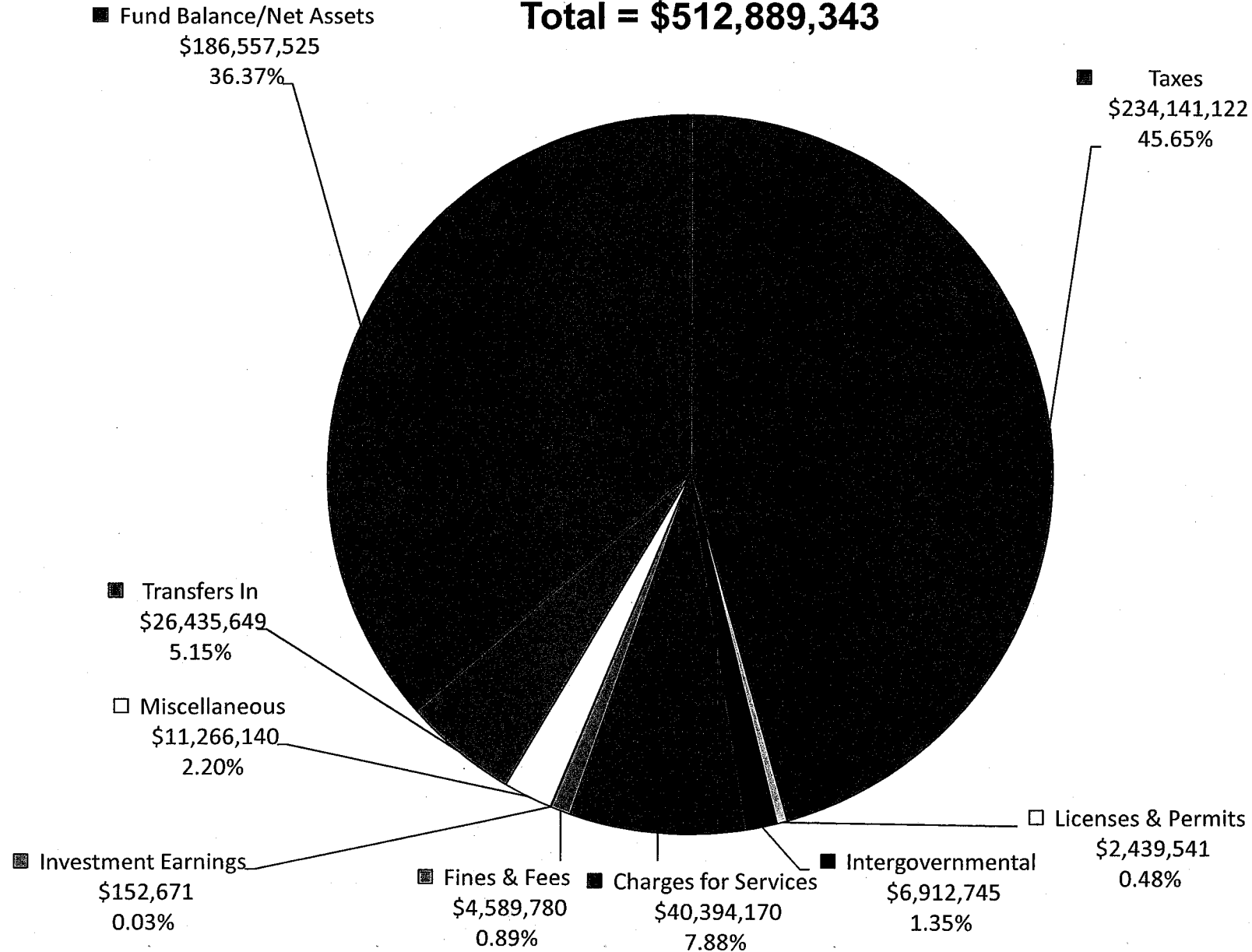
Revenues by Category	Total All Funds
Taxes	\$ 234,141,122
Licenses & Permits	2,439,541
Intergovernmental	6,912,745
Charges for Services	40,394,170
Fines & Fees	4,589,780
Investment Earnings	152,671
Miscellaneous	11,266,140
Transfers In	26,435,649
Fund Balance/Net Assets	186,557,525
TOTAL	<u>\$ 512,889,343</u>

EXPENDITURES

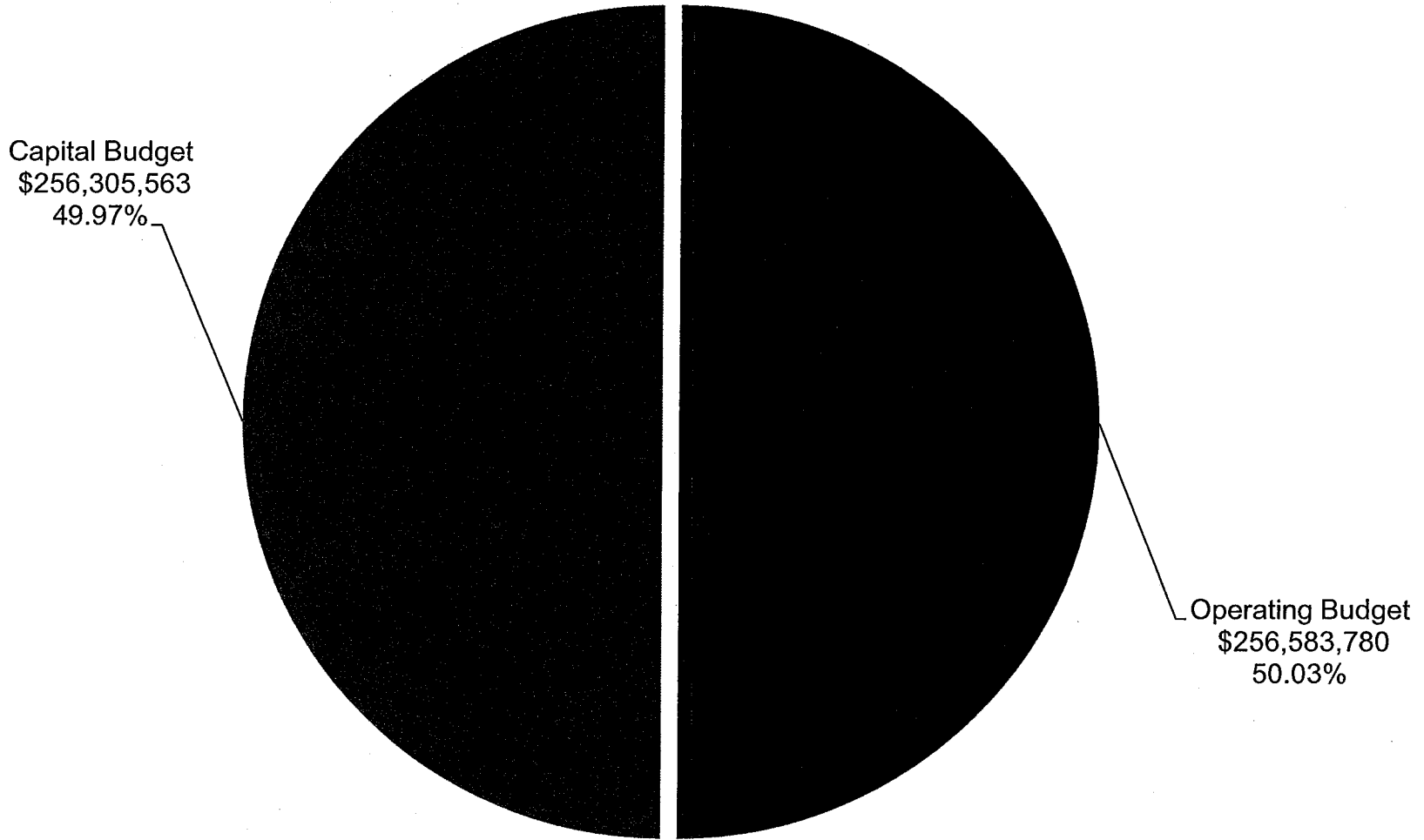
Expenditures by Category	
General Government	\$ 46,207,072
Judiciary	31,419,669
Public Safety	86,542,930
Public Works	14,541,626
Health & Welfare	10,971,199
Culture & Recreation	11,210,552
Housing & Development	4,531,911
Other Government Services	53,344,562
Major Capital	204,861,746
Public Transportation	19,871,722
Debt Service	2,950,705
Transfers Out	26,435,649
TOTAL	<u>\$ 512,889,343</u>

All Funds Combined Revenues by Category

Total = \$512,889,343

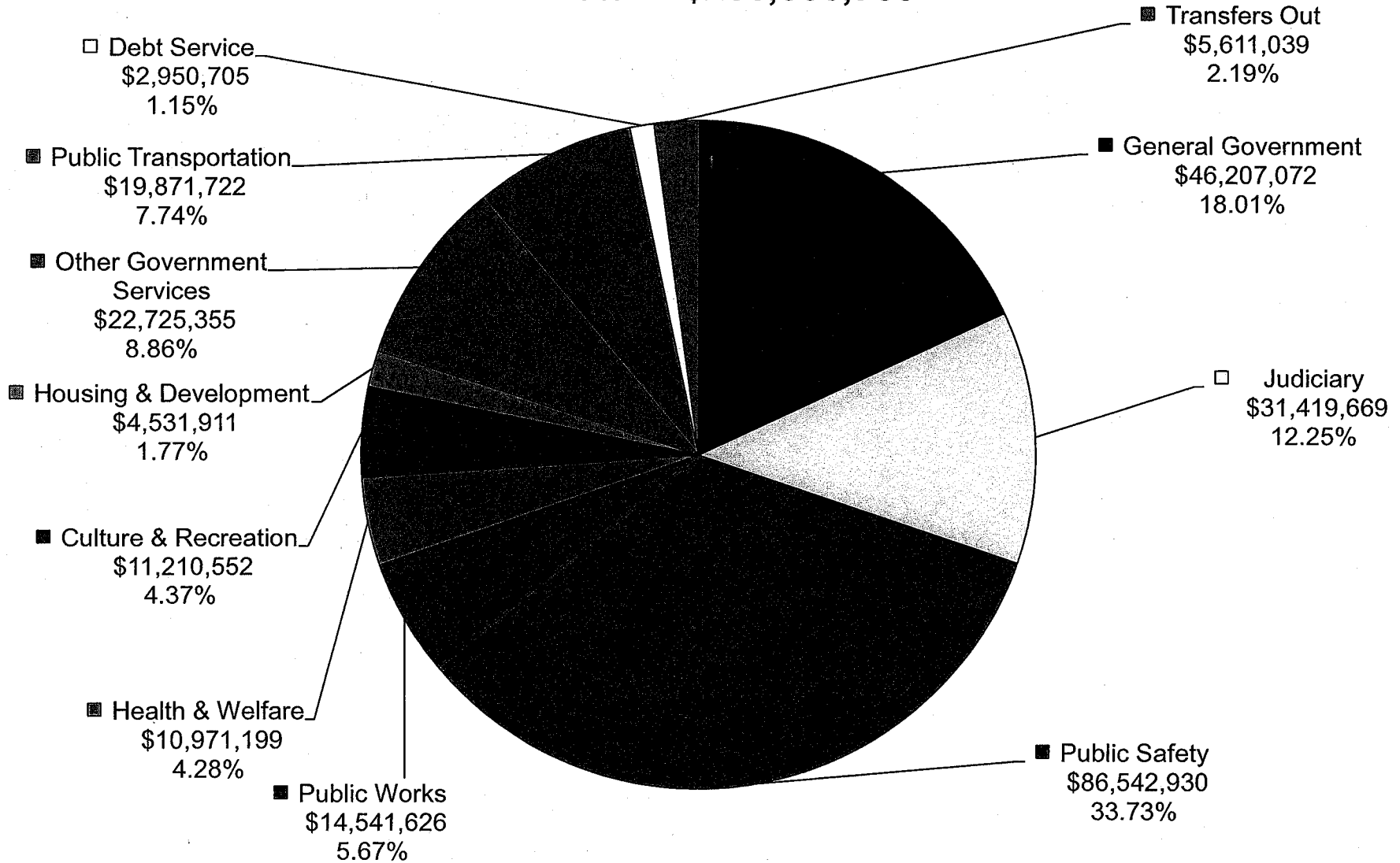


All Funds Combined Expenditure Budget by Category
Total = \$512,889,343



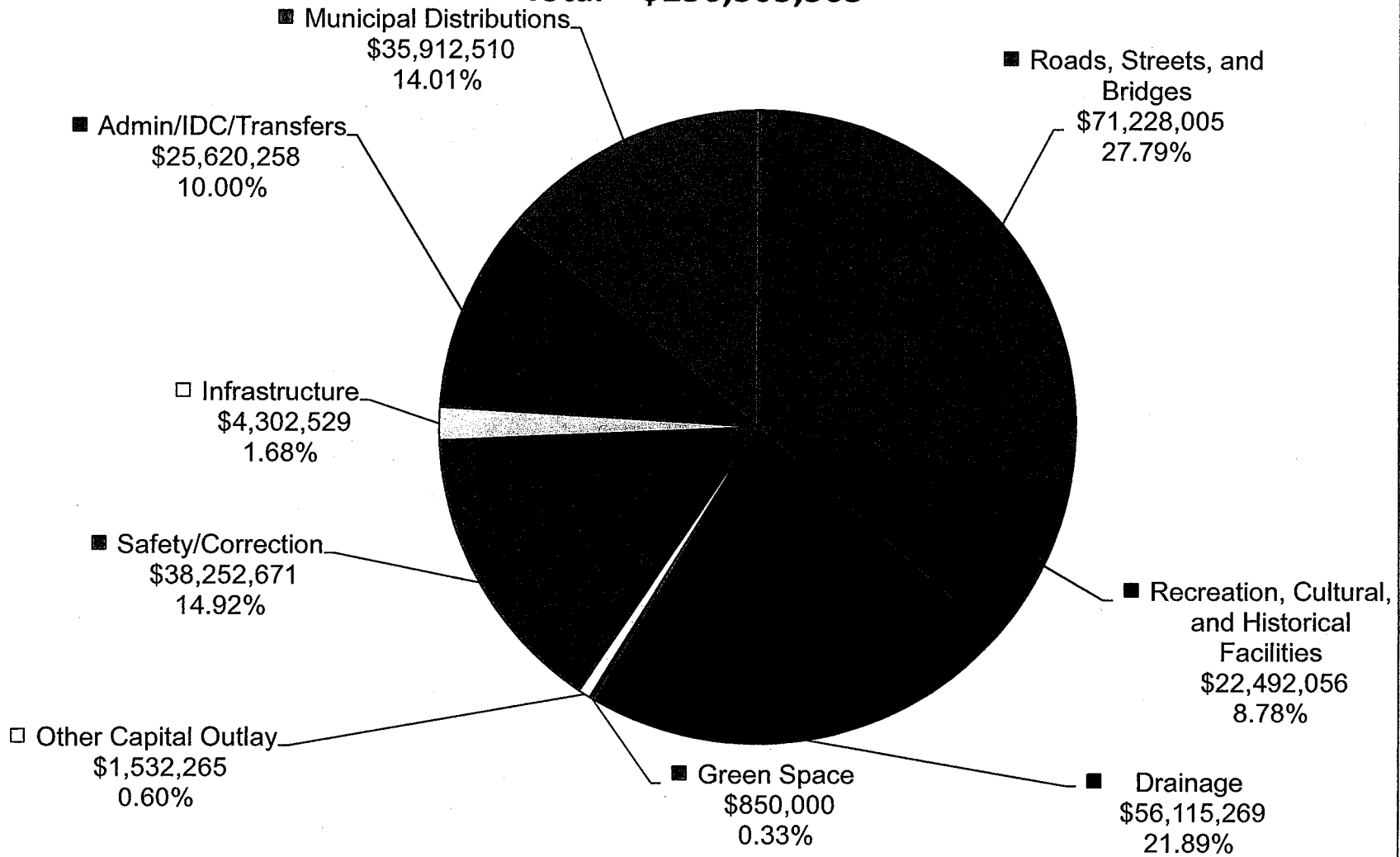
All Funds Combined Operating Budget Expenditures by Category

Total = \$256,583,780



All Funds Combined Major Capital Budget Expenditures by Category

Total = \$256,305,563



CHATHAM COUNTY, GEORGIA
SUMMARY OF FINANCIAL SOURCES AND USES

	General Fund			SPLOST IV Fund (2003 - 2008)			SPLOST V Fund (2008 - 2015)			Other Non-Major Funds			Total All Funds		
	FY 2012 Actual	FY 2013 Adopted	FY 2014 Adopted	FY 2012 Actual	FY 2013 Adopted	FY 2014 Adopted	FY 2012 Actual	FY 2013 Adopted	FY 2014 Adopted	FY 2012 Actual	FY 2013 Adopted	FY 2014 Adopted	FY 2012 Actual	FY 2013 Adopted	FY 2014 Adopted
Sources:															
Property Taxes	117,423,913	119,442,071	129,828,155							22,767,597	23,029,073	28,967,158	140,191,510	142,471,144	158,795,313
Other Taxes	11,719,615	11,201,000	14,328,798				61,976,814	66,743,849	51,371,437	8,484,520	7,065,050	7,610,000	82,180,949	85,009,899	73,310,235
Comm., Penalties, Etc.	2,208,495	1,645,101	1,645,574							411,088	390,000	390,000	2,619,583	2,035,101	2,035,574
Licenses & Permits	1,025,737	935,000	990,000							341,721	1,328,740	1,449,541	1,367,458	2,263,740	2,439,541
Intergovernmental	2,345,762	2,382,407	2,438,498	182,180	100,000					5,696,031	3,809,020	4,474,247	8,223,973	6,291,427	6,912,745
Charges For Services	11,083,591	11,350,152	10,150,504							28,317,994	29,538,730	30,243,666	39,401,585	40,888,882	40,394,170
Fines & Fees	3,232,208	3,036,995	3,029,305							1,961,400	2,010,100	1,560,475	5,193,608	5,047,095	4,589,780
Investment Earnings	173,303	70,000	97,000	387,835			357,660			308,772	24,020	55,671	1,227,569	94,020	152,671
Other Revenue	724,571	1,369,242	529,884	315						3,021,759	227,418	190,424	3,746,645	1,596,660	720,308
Parking Revenues										313,873	297,700	346,833	313,873	297,700	346,833
Transit Revenues										22,934,638	10,848,193	9,399,000	22,934,638	10,848,193	9,399,000
Construction Permits										908,987	752,086	800,000	908,987	752,086	800,000
Total Revenue	149,937,196	151,431,968	163,037,718	570,330	100,000	-	62,334,474	66,743,849	51,371,437	95,468,380	79,320,130	85,487,015	308,310,379	297,595,947	299,896,170
Other Financing Sources:															
Transfers In	1,159,905	225,000	235,000							10,006,426	64,173,451	26,200,649	11,166,331	64,398,451	26,435,649
Fund Balance Reserve / Retained Earnings		3,376,713		10,977,041	69,816,015	59,784,454	37,748,599	111,777,587	59,803,763	82,271,234	66,969,307	48,725,639	267,241,549	186,557,524	
Total Sources	151,097,101	155,033,681	163,272,718	11,547,370	69,916,015	59,784,454	100,083,072	178,521,436	111,175,200	105,474,806	225,764,815	178,656,971	368,202,349	629,235,947	512,889,343
Uses:															
General Government	33,157,725	38,366,416	39,753,461							28,247,668	5,904,688	6,453,611	61,405,393	44,271,104	46,207,072
Judiciary	26,684,483	28,263,308	28,606,233							3,699,267	2,383,850	2,813,436	30,383,750	30,647,158	31,419,669
Public Safety	55,054,038	57,761,367	64,148,543							21,256,892	21,849,653	22,394,387	76,310,930	79,611,020	86,542,930
Public Works	1,216,451	1,383,830	1,250,588							11,833,153	13,026,166	13,291,038	13,049,604	14,409,996	14,541,626
Health & Welfare	11,378,764	10,886,854	10,971,199							6,952			11,385,716	10,886,854	10,971,199
Culture & Recreation	10,591,068	10,788,190	11,210,552										11,166,331	10,788,190	11,210,552
Housing & Development	681,980	726,260	737,135							2,121,787	3,495,817	3,794,776	2,803,767	4,222,077	4,531,911
Insurance & Bonds											21,536,663	22,199,239	-	21,536,663	22,199,239
Other Gov. Svcs.		283,237	370,000				38,279,707	55,486,535	30,619,207		54,858	156,116	38,279,707	55,824,630	31,145,323
Major Capital				11,547,370	69,916,015	59,784,454	15,021,960	63,561,172	59,731,383	18,383,253	137,467,867	85,345,909	44,952,583	270,945,054	204,861,746
Public Transportation										21,498,521	18,072,890	19,871,722	11,166,331	18,072,890	19,871,722
Depreciation										276,533			276,533		
Debt Service	3,615,547	3,428,100	2,763,190								193,760	187,515	3,615,547	3,621,860	2,950,705
Total Expenditures	142,380,056	151,887,562	159,810,901	11,547,370	69,916,015	59,784,454	53,301,667	119,047,707	90,350,590	107,324,026	223,986,212	176,507,749	368,868,959	564,837,496	486,453,694
Other Financing Uses:															
Transfers Out	7,387,509	3,146,119	3,461,817				46,781,406	59,473,729	20,824,610	2,874,809	1,778,603	2,149,222	57,043,724	64,398,451	26,435,649
Total Uses	149,767,565	155,033,681	163,272,718	11,547,370	69,916,015	59,784,454	100,083,072	178,521,436	111,175,200	110,198,835	225,764,815	178,656,971	425,912,681	629,235,947	512,889,343

Notes:

- Major Fund categorizations are based on FY 2013/2014 revenues or expenditures, excluding other financing sources and uses, which constitute more than 10% of the revenues and expenditures of the appropriated budget. Funds, which do not meet the aforementioned criteria, are consolidated in the Non-Major fund category.
- Major Capital totals for each fiscal year represented includes the Sales Tax distributions to the various municipalities. This information is provided in detail in the Capital Project Funds section of this document.

CHATHAM COUNTY, GEORGIA
FY 2013 / 2014 ADOPTED BUDGET - ALL FUNDS COMBINED

FUNDS WHICH FINANCE: OPERATIONS	2012 / 2013 Adopted	2012 / 2013 Amended	2013 / 2014 Adopted
GENERAL M & O	\$ 155,033,681	\$ 159,131,328	\$ 163,272,718
SPECIAL REVENUE FUNDS			
Special Service District	\$ 27,861,965	\$ 28,174,095	\$ 29,303,236
Confiscated Fund	\$ 200,000	\$ 916,887	\$ 100,000
Sheriff Confiscated Fund	\$ 50,000	\$ 89,835	\$ 50,000
Restricted Court Fees	\$ 467,239	\$ 1,147,185	\$ 281,272
Inmate Welfare Fund	\$ 909,000	\$ 1,240,128	\$ 909,000
Street Lighting Fund	\$ 698,456	\$ 884,789	\$ 698,456
Emergency Telephone Fund	\$ 3,263,070	\$ 3,322,402	\$ 3,257,202
Multiple Grant Fund	\$ -	\$ 7,014,219	\$ 706,177
Child Support Fund	\$ 2,915,650	\$ 2,915,650	\$ 2,981,950
Hotel / Motel Tax Fund	\$ 1,130,050	\$ 1,130,050	\$ 1,270,000
Land Disturbing Activities Ord.	\$ 265,170	\$ 414,501	\$ 311,334
Land Bank Authority	\$ 4,858	\$ 8,236	\$ 5,978

FUNDS WHICH FINANCE: CAPITAL IMPROVEMENTS & SPECIAL PROJECTS	2012 / 2013 Adopted	2012 / 2013 Amended	2013 / 2014 Adopted
1 % Sales Tax Fund (85 - 93)	\$ 16,131,561	\$ 15,534,451	\$ 15,219,073
1 % Sales Tax Fund (93 - 98)	\$ 6,421,306	\$ 6,277,359	\$ 5,461,673
1 % Sales Tax Fund (98 - 03)	\$ 49,882,270	\$ 45,631,805	\$ 41,739,695
1 % Sales Tax Fund (03 - 08)	\$ 69,916,015	\$ 64,745,481	\$ 59,784,454
1 % Sales Tax Fund (08 - 14)	\$ 178,521,436	\$ 131,054,666	\$ 111,175,200
General Purpose CIP Fund	\$ 4,724,000	\$ 19,551,202	\$ 2,025,858
DSA Revenue Bonds - Series 1999	\$ 121,000	\$ 121,810	\$ -
DSA Revenue Bonds - Series 2005	\$ 714,000	\$ 627,569	\$ 75,000
CIP Bond Prog.- Detention Center Expansion	\$ 59,473,730	\$ 34,524,609	\$ 20,824,610

DEBT SERVICE FUNDS	2012 / 2013 Adopted	2012 / 2013 Amended	2013 / 2014 Adopted
Chatham County Hospital Authority	\$ 218,760	\$ 303,951	\$ 187,515

ENTERPRISE FUNDS	2012 / 2013 Adopted	2012 / 2013 Amended	2013 / 2014 Adopted
Water & Sewer Revenue Fund	\$ 2,291,920	\$ 2,473,932	\$ 2,290,330
Solid Waste Mgmt. Fund	\$ 4,003,550	\$ 4,034,710	\$ 4,125,297
C A T Authority Fund	\$ 18,072,890	\$ 18,072,890	\$ 19,871,722
Parking Garage Revenue Fund	\$ 374,532	\$ 340,498	\$ 499,833
Building Safety & Reg. Svcs. Fund	\$ 1,070,351	\$ 1,089,061	\$ 1,117,875

INTERNAL SERVICE FUNDS	2012 / 2013 Adopted	2012 / 2013 Amended	2013 / 2014 Adopted
Computer Replacement Fund	\$ 272,000	\$ 429,497	\$ 426,549
Risk Management Fund	\$ 2,962,824	\$ 2,962,824	\$ 3,144,646
Group Health Insurance Fund	\$ 21,264,663	\$ 21,264,663	\$ 21,772,690

TOTAL BUDGET	\$ 629,235,947	\$ 575,430,283	\$ 512,889,343
---------------------	-----------------------	-----------------------	-----------------------

**Chatham County, Georgia
Changes in Fund Balance**

Fund Name	Estimated Beginning Fund Balance 6/30/13 (\$)	Revenues (\$)	Expenditures (\$)	Estimated Ending Fund Balance 6/30/14 (\$)	FY12 to FY13 % Change	Increase (decrease) in Fund Balance (\$)
General Fund	28,402,706	163,272,718	163,272,718	28,402,706	0.00%	0
Special Revenue Funds	5,179,418	39,226,512	39,853,075	4,552,855	-12.10%	(626,563)
Debt Service Fund	85,191	218,760	218,760	85,191	0.00%	0
Capital Project Funds:						
Major Funds:						
Sales Tax IV	59,784,454	0	59,784,454	0	-100.00%	(59,784,454)
Sales Tax V	59,803,763	51,371,437	111,175,200	0	-100.00%	(59,803,763)
Non-major capital project funds	64,256,299	21,119,610	85,375,909	0	-100.00%	(64,256,299)

The chart above provides information on the budgeted use of fund balance during the current budget period. It shows estimated beginning fund balance as of July 1, 2013 (unaudited), budgeted revenues and expenditures for fiscal year 2014, and projected ending fund balance as of June 30, 2014.

Increases or decreases in fund balance of over 10% are explained herein:

- 1) Special Revenue Funds - Two special revenue funds: Emergency Telephone System (E-911) and Land Disturbing Activities Ordinance have experienced a decline in revenues. In order to maintain current service levels, accumulated fund balance is being used to balance the budgets. As a result, this category shows a decrease to fund balance of 12%.
- 2) Sales Tax IV Fund - As a capital project fund, residual project balances are re-appropriated each year for project completion. Therefore the fund shows a decrease to fund balance of 100% as it is assumed that projects may be completed.
- 3) Sales Tax V Fund - As a capital project fund, residual project balances are re-appropriated each year for project completion. Therefore the fund shows a decrease to fund balance of 100% as it is assumed that projects may be completed.
- 4) Non-major capital project funds - As capital project funds, residual project balances are re-appropriated each year for project completion. Therefore the funds show a decrease to fund balance of 100%.

REVENUE ANALYSIS AND OVERVIEW

Major sources of revenue are discussed in this section. Revenues are projected using a straight line approach based on five year historical information. Projections may be revised after consideration of regional and national economic conditions. Revenues based on the tax digest (i.e. real and personal property, motor vehicles, timber, etc.) are adjusted to the actual digest when received from the Chief Appraiser prior to millage rate adoption. Departments submit any (legislated) fee increases at the beginning of the budget process with their revenue projections. Revenues are classified in accordance with the Uniform Chart of Accounts as required by the Georgia General Assembly. The County's main revenue sources are property taxes and sales and use taxes, on an entity-wide basis.

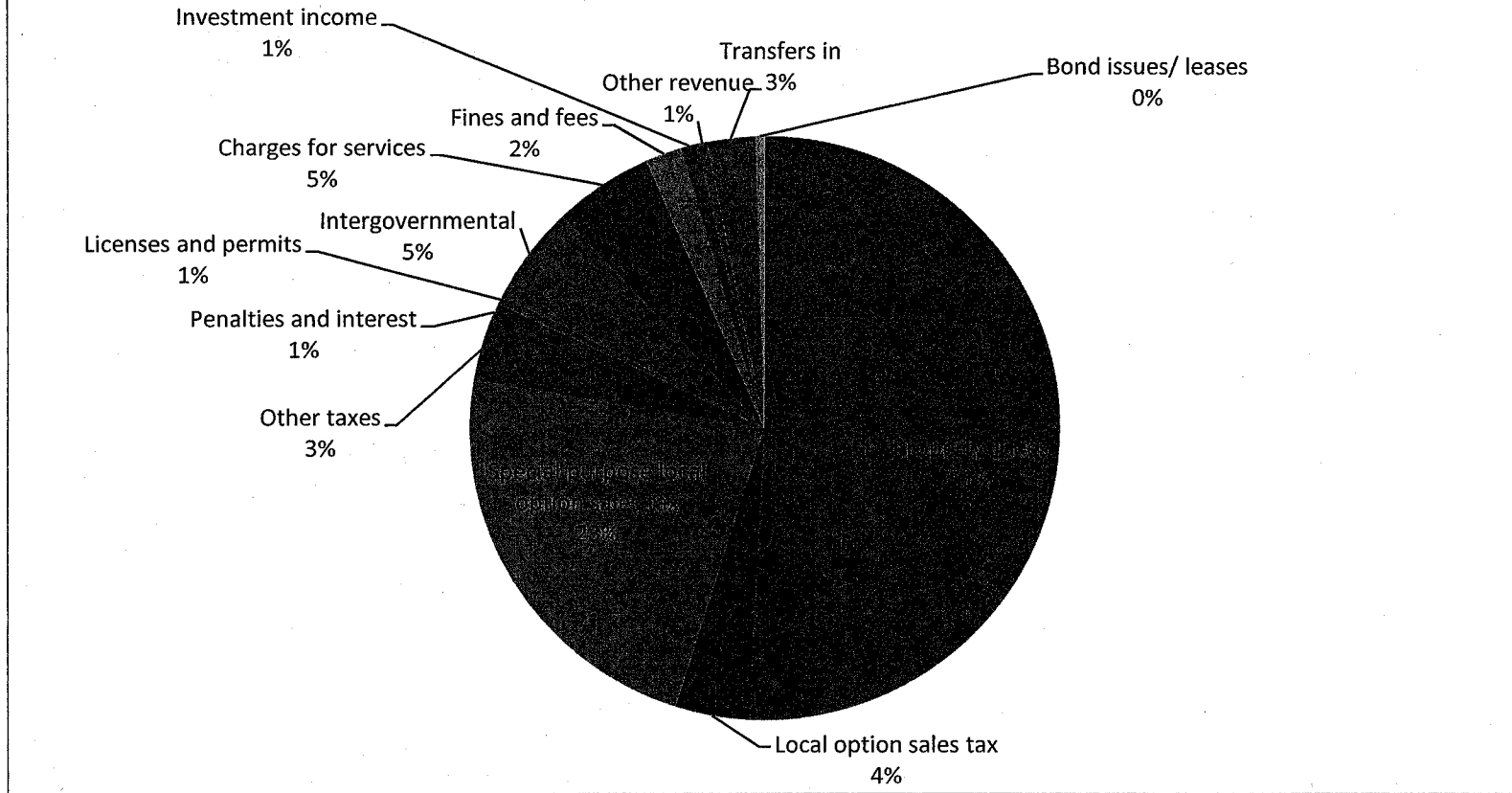
The following chart shows actual revenues for the fiscal years 2009 to 2012 for the governmental funds' revenue categories. A four year average is also shown.

Governmental Fund Revenue Categories Shown as a Percentage of Total Revenue

	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Average 4 Years
Property Taxes	48.11%	52.75%	50.74%	51.58%	50.80%
Local option sales tax	3.86%	4.08%	3.98%	4.33%	4.06%
Special purpose local option sales tax	22.16%	22.64%	22.39%	24.04%	22.81%
Other taxes	3.15%	3.37%	3.30%	3.51%	3.33%
Penalties and interest	0.72%	1.02%	1.33%	1.02%	1.02%
Licenses and permits	0.49%	0.57%	0.48%	0.53%	0.52%
Intergovernmental	8.67%	4.38%	5.36%	3.19%	5.40%
Charges for services	4.85%	5.17%	5.94%	5.88%	5.46%
Fines and fees	1.82%	1.96%	2.22%	2.01%	2.00%
Investment income	1.62%	0.89%	0.58%	0.47%	0.89%
Other revenue	0.36%	0.46%	0.92%	0.41%	0.54%
Transfers in	4.11%	1.76%	2.76%	1.99%	2.66%
Bond issues/ leases	0.07%	0.95%	0.00%	1.04%	0.52%
Total Revenues, governmental funds	100.00%	100.00%	100.00%	100.00%	100.00%

The related pictorial reference plainly indicates that the County's main revenue sources are property taxes and special purpose local option sales taxes (SPLOST).

Chatham County Revenue Category Analysis Governmental Funds 2009-2012



REVENUE SOURCES AND TRENDS

Taxes:

On the Four Year Revenue Categories Chart, tax revenues represent 81% of all governmental fund income. Tax revenues account for 88.3 percent of General Fund FY2014 budgeted revenue, and most of the tax revenue derives from property taxes driven by the tax digest. Property tax revenues related to the tax digest are budgeted based on the property tax digest which is received each June. The tax digest is an annual valuation process for real, personal, motor vehicles, motor homes and timber located within the county. It is prepared by the Board of Assessors' Chief Appraiser, and is submitted to the State of Georgia each year. It represents the County's annual tax levy. The remaining tax revenues are projected using a straight line approach based on five year historical information and economic trends.

A five year tax levy history for the General Fund, the Special Service District and the Chatham Area Transit Authority is presented below. During this period, the Consolidated (General Fund) digest decreased an average of 0.93 percent per year mainly as the result of property values declines in 2010 and 2011. The tax digest decreased 3.02 percent for tax year 2010 and 4.2 percent in tax year 2011. For 2012 and 2013 the digest increased 0.38 and 2.23 percent; this trend is expected to continue for next year. The tax millage rate remained the same for 2008 through 2010 and increased in 2011 and 2013. Another major tax revenue, Intangible taxes has remained stagnant in recent years, and FY2014 budget estimates reflect no growth for this category. The other major tax revenue, the Local Option Sales Tax (LOST) is distributed between the county and municipalities based on a negotiated formula. The latest negotiations have resulted in an increase in the share for the county. This revenue is projected to increase 26% in FY2014.

Property Taxes - Tax Digest

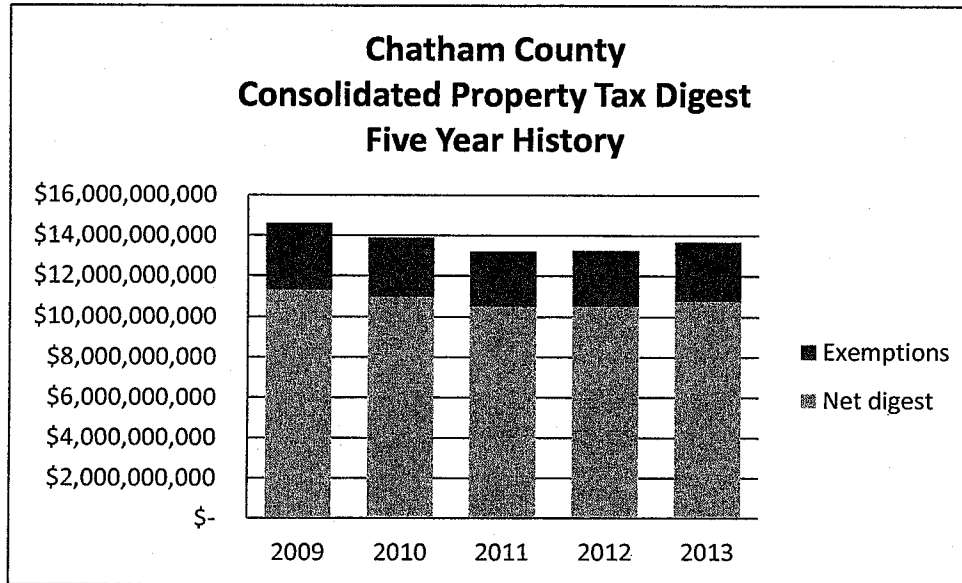
The Chief Appraiser is responsible for receiving returns and fairly and impartially assessing property. The total assessed valuation for County's 2013 Consolidated and Unincorporated Tax Digests was set at \$15.2 billion (net of 40 percent fair market value and exemptions). This translated into an increase of 2.2 percent for the General Fund in 2013 and 2.5 percent in the Special Service District. Property Taxes are the County's largest revenue source. Property Taxes are billed in semi-annual installments by the Chatham County Tax Commissioner. Below is a five year history of the tax digest and related tax levies. This analysis includes the Transit District, where taxes are levied for the benefit of Chatham Area Transit Authority, a component unit of the County:

CHATHAM COUNTY CURRENT 2013 TAX DIGEST AND FIVE YEAR HISTORY OF LEVY					
GENERAL FUND	2009	2010	2011	2012	2013
CONSOLIDATED DIGEST					
Real & Personal	\$ 13,931,316,675	\$ 13,287,801,495	\$ 12,600,566,459	\$ 12,607,971,796	\$ 13,003,903,361
Motor Vehicles	\$ 649,943,940	\$ 583,611,725	\$ 581,638,243	\$ 618,550,934	\$ 655,216,744
Mobile Homes	\$ 23,423,600	\$ 23,200,400	\$ 22,538,390	\$ 27,102,608	\$ 27,803,358
Timber	\$ 476,054	\$ 565,072	\$ 1,993,557	\$ 1,430,748	\$ 503,505
Gross Digest	\$ 14,605,160,269	\$ 13,895,178,692	\$ 13,206,736,649	\$ 13,255,056,086	\$ 13,687,426,968
Less M&O Exemptions	\$ (3,282,404,810)	\$ (2,914,272,177)	\$ (2,687,252,473)	\$ (2,695,589,558)	\$ (2,892,750,353)
Net M&O Digest	\$ 11,322,755,459	\$ 10,980,906,515	\$ 10,519,484,176	\$ 10,559,466,528	\$ 10,794,676,615
State Forest Land Grant		\$ 398,800	\$ 398,380	\$ 2,149,759.00	\$ 2,181,183.00
Adjusted Net M&O Digest		\$ 10,981,305,315	\$ 10,519,882,556	\$ 10,561,616,287	\$ 10,796,857,798
Gross M&O Millage	11.516	11.479	12.080	12.123	12.953
Less Rollbacks	<u>-0.979</u>	<u>-0.942</u>	<u>-0.971</u>	<u>-1.014</u>	<u>-1.045</u>
Net M&O Millage	10.537	10.537	11.109	11.109	11.908
Net Taxes Levied	\$ 119,307,869	\$ 115,711,482	\$ 116,862,219	\$ 117,328,995	\$ 128,568,983
Net Taxes \$ Increase	\$ 1,920,849	\$ (3,596,387)	\$ 1,150,738	\$ 466,776	\$ 11,239,987
Net Taxes % Increase	1.6%	-3.0%	1.0%	0.4%	9.62%

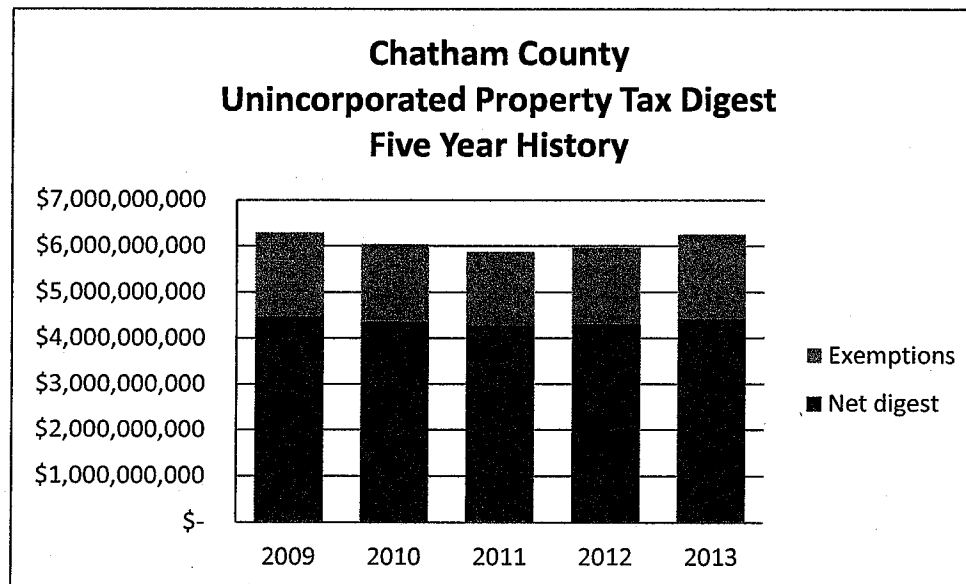
CHATHAM COUNTY CURRENT 2013 TAX DIGEST AND FIVE YEAR HISTORY OF LEVY

SPECIAL SERVICE DISTRICT	2009	2010	2011	2012	2013
UNINCORPORATED DIGEST					
Real & Personal	\$ 6,022,105,555	\$ 5,790,658,251	\$ 5,629,307,614	\$ 5,708,994,301	\$ 5,976,251,069
Motor Vehicles	\$ 257,271,684	\$ 229,776,598	\$ 233,122,846	\$ 244,024,786	\$ 259,374,592
Mobile Homes	\$ 10,853,200	\$ 10,696,000	\$ 10,409,682	\$ 12,725,626	\$ 12,909,438
Timber	\$ 107,211	\$ 289,446	\$ 412,254	\$ 231,835	\$ 192,129
Gross Digest	\$ 6,290,337,650	\$ 6,031,420,295	\$ 5,873,252,396	\$ 5,965,976,548	\$ 6,248,727,228
Less SSD Exemptions	\$ (1,825,788,413)	\$ (1,672,268,855)	\$ (1,600,685,426)	\$ (1,664,574,482)	\$ (1,837,556,874)
Net SSD Digest	\$ 4,464,549,237	\$ 4,359,151,440	\$ 4,272,566,970	\$ 4,301,402,066	\$ 4,411,170,354
State Forest Land Grant		\$ 3,420	\$ 3,380	\$ 1,750,782	\$ 1,778,077.00
Adjusted Net SSD Digest		\$ 4,359,154,860	\$ 4,272,570,350	\$ 4,303,152,848	\$ 4,412,948,431
Gross SSD Millage	4.269	4.277	4.385	4.438	5.043
Less Rollbacks	<u>-0.794</u>	<u>-0.802</u>	<u>-0.795</u>	<u>-0.848</u>	<u>-0.883</u>
Net SSD Millage	3.475	3.475	3.590	3.590	4.160
Net Taxes Levied	\$ 15,514,309	\$ 15,148,063	\$ 15,338,528	\$ 15,448,319	\$ 18,357,865
Net Taxes \$ Increase	\$ 292,617	\$ (366,245)	\$ 190,464	\$ 109,791	\$ 2,909,547
Net Taxes % Increase	1.9%	-2.4%	1.3%	0.7%	18.8%
CHATHAM AREA TRANSIT					
TRANSIT DIGEST					
Real & Personal	\$ 11,328,475,666	\$ 10,778,595,010	\$ 10,259,741,020	\$ 10,274,079,949	\$ 10,609,454,464
Motor Vehicles	\$ 520,503,715	\$ 460,963,026	\$ 461,179,460	\$ 493,954,657	\$ 523,351,953
Mobile Homes	\$ 17,058,200	\$ 16,768,000	\$ 13,176,676	\$ 15,912,178	\$ 16,082,038
Timber	\$ 107,211	\$ 289,446	\$ 1,454,924	\$ 983,017	\$ 377,756
Gross Digest	\$ 11,866,144,792	\$ 11,256,615,482	\$ 10,735,552,080	\$ 10,784,929,801	\$ 11,526,666,211
Less Transit Exemptions	\$ (2,821,339,441)	\$ (2,493,245,574)	\$ (2,334,741,216)	\$ (2,344,969,760)	\$ (2,534,420,451)
Net Transit Digest	\$ 9,044,805,351	\$ 8,763,369,908	\$ 8,400,810,864	\$ 8,439,960,041	\$ 8,992,245,760
State Forest Land Grant		\$ -	\$ 3,380	\$ 1,750,782	\$ 1,778,077
Adjusted Net Transit Digest		\$ 8,763,369,908	\$ 8,400,814,244	\$ 8,441,710,823	\$ 9,000,023,837
Gross Transit Millage	0.820	0.820	0.859	0.859	1.000
Less Rollbacks	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
Net Transit Millage	0.820	0.820	0.859	0.859	1.000
Net Taxes Levied	\$ 7,416,740	\$ 7,185,963	\$ 7,216,299	\$ 7,251,430	\$ 8,616,624
Net Taxes \$ Increase	\$ 113,942	\$ (230,777)	\$ 30,336	\$ 35,130	\$ 1,365,194
Net Taxes % Increase	1.6%	-3.1%	0.4%	0.5%	18.8%

The following graph outlines the General Fund current 2013 tax digest and 5-year history. It highlights the gross property tax digest, which is the total of the net digest plus exemptions.



The following graph outlines the Special Service District (SSD) current 2013 tax digest and 5-year history. It highlights the gross property tax digest, which is the total of the net digest plus exemptions.



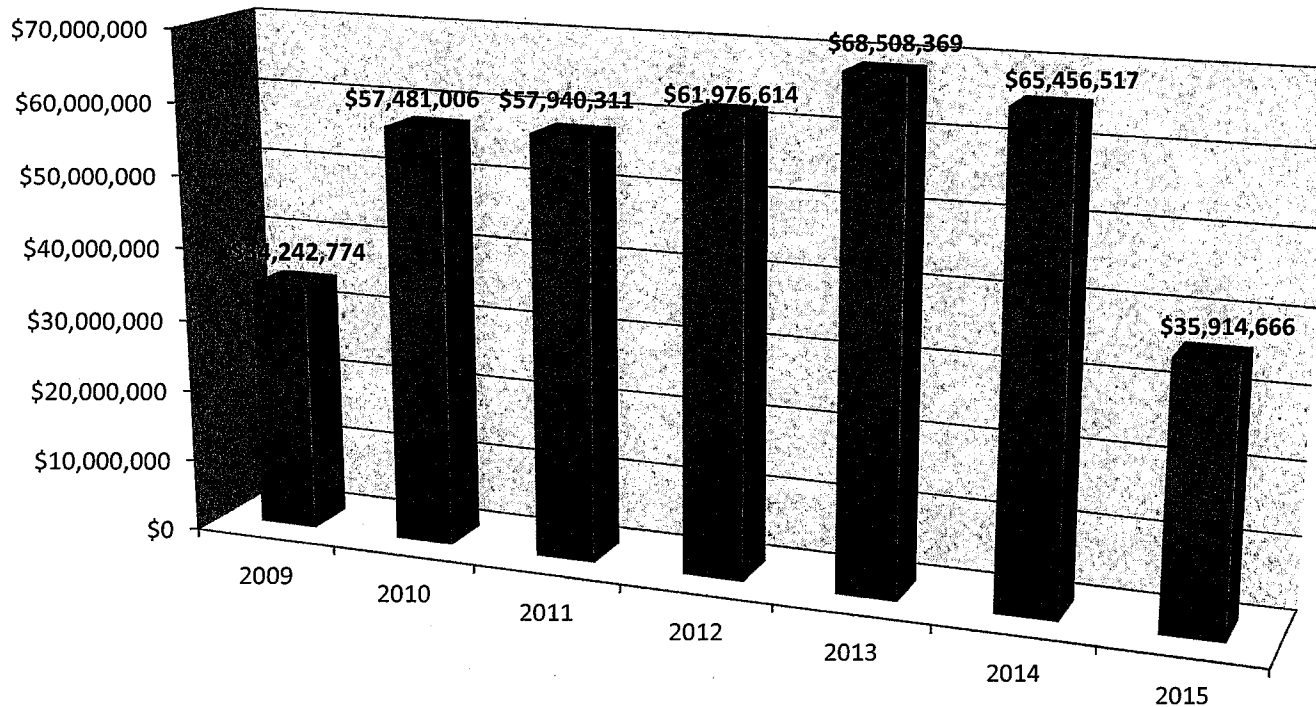
Fiscal Year 2014 revenue budgets for the County's two main operating funds, the General Fund and the SSD Fund, show the following revenue distribution percentages:

ANALYSIS OF REVENUE CATEGORIES FY 2014 GENERAL FUND AND SSD FUND				
Revenue Category	General Fund FY 2014		SSD Fund FY 2014	
	Revenues	% of Total	Revenues	% of Total
Property Taxes	129,828,155	79.5%	18,499,436	63.1%
Local option sales tax	13,577,798	8.3%	-	0.0%
Other taxes	751,000	0.5%	6,340,000	21.6%
Penalties and interest	1,645,574	1.0%	390,000	1.3%
Licenses and permits	990,000	0.6%	1,150,000	3.9%
Intergovernmental	2,438,498	1.5%	840,500	2.9%
Charges for services	10,150,504	6.2%	221,200	0.8%
Fines and fees	3,029,305	1.9%	1,210,500	4.1%
Investment income	97,000	0.1%	15,600	0.1%
Other revenue	529,884	0.3%	1,000	0.0%
Transfers in	235,000	0.1%	635,000	2.2%
Bond issues/ leases	-	0.0%	-	0.0%
	<u>163,272,718</u>	<u>100.0%</u>	<u>29,303,236</u>	<u>100.0%</u>

SPLOST Revenue:

Special Purpose Local Option sales taxes (SPLOST) are the primary revenue source for five of the County's capital improvement funds including two major funds. These funds are the result of voter-approved referendums that authorized the collection of 1 cent on every dollar for special purpose projects. Original revenue estimates for the SPLOST funds are prepared before the referendum. The revenues are based on historical trend data and a review of local economic trends. Once the revenue estimates are established, the County and the eight cities work together to determine which projects should be included in the referendum. Revenue projections are closely monitored against actual collections. In the most recent SPLOST referendum for the six year period beginning October 2008, actual collections have been 14-15% below initial collection estimates of \$445 million. The County has adjusted its cash flow and project budgets to accommodate the revenue shortfall. The FY2014 budget for the SPLOST V Fund was prepared based on the revised cash flow of 85% of the original referendum amount. Estimated SPLOST collections for the budget year are \$65,456,517.

**CHATHAM COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX FUND
PROJECTED CASH FLOW**



Penalties and Interest Revenues:

This revenue category represents penalties and interest collected on delinquent real and personal property tax payments by the County Tax Commissioner. As the recession intensified, the category saw an increase in its revenue. Fiscal Year 2014 maintains the categories revenue share at 1.0% in the General Fund and 1.3% in the SSD Fund. Budget estimates are based on a review of historical collections and delinquent property tax accounts.

License and Permit Revenues:

These revenues are from marriage licenses, animal tags, pistol permits and motor vehicle penalties. This revenue source comprises 0.60 percent of the total General Fund revenue budget and 3.9% of SSD Fund revenue budget. Revenues are projected based on historical collections and a review of local economic conditions including analysis of any new business locations.

Intergovernmental Revenue:

Intergovernmental revenues are revenues from other governments in the form of operating grants, entitlements, shared revenues, or payments in lieu of taxes. A major change in this category is the loss of the Homeowner Tax Relief Grant from the state in 2009. As a result, these revenues have decreased in significance over the recent period. Revenues are projected based on historical collections, a review of economic trends and an analysis of any new reimbursements from State and local governments.

Charges for Services:

These revenues include court fees, commissions, charges for housing prisoners, recreation fees, and charges to other funds for indirect costs. Indirect costs are based on the Indirect Cost Allocation study which is updated annually. Other revenues are based on historical experience. These revenues account for 6.2 percent of the General Fund revenue budget and .8% of the SSD Fund revenue budget.

Fine and Forfeiture Revenues:

Fines and fees from the courts are recorded in this category. In March 2009 the Governmental Accounting Standards Board issued Statement 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. Finance staff met with the external auditor and determined that three new special revenue funds should be added. One of these is the Restricted Court Fees & Accounts Special Revenue Fund. This fund accounts for legally restricted court collections for victim witness fees, drug surcharge fees, and juvenile court supervision fees. These fees were accounted for in the General Fund and the Special Service District prior to FY2011. Revenues are projected based on historical data, and have remained fairly steady in recent years.

Interest Revenues:

Investment income includes monies derived from the investment of assets. This is less than 1% of General Fund revenue estimates. Revenues for this category have been decreasing based on projections of cash flow and current interest rates, which are at historical lows.

Miscellaneous Revenue:

Miscellaneous revenue are revenues received that are not otherwise classified. This category is projected based on historical data.

Other Financing Sources:

Interfund transfers and interfund loans are budgeted in this category. The transfers are for restricted court fees from Recorder's Court. This revenue has seen a decline that is expected to continue in the current year.

Other Facts related to the County's Property Taxes

Millage Value for Chatham County Government

One mill is the equivalent of \$1 of tax for each \$1,000 of assessed value of a resident's home. Assessed value for homeowners is arrived at by multiplying 40% times the estimated fair market value of the property. If a resident has a home with the estimated fair market value of \$100,000, the assessed value is \$40,000 (100,000 x 40%). A \$12,000 Homestead Exemption (HE) is applied to the \$40,000 value. The table below calculates county taxes of a home with a market value of \$100,000.

Sample Millage Value Calculation		
Tax Year 2013		
	<u>Millage Rate</u>	<u>Value</u>
Estimated Market Value of Home		\$ 100,000
Assessment Factor		40%
Assessed Value (40%)		\$ 40,000
Less Homestead Exemption (County)		\$ 12,000
Difference		\$ 28,000
County Taxation		
Consolidated - General Fund	11.908	\$ 333.42
Unincorporated Area - SSD	4.13	\$ 115.64

Tax Reduction Factors

The five year levy history shows the growth trend in exemptions for the County. These exemptions include:

- **Homestead Exemption:** The homeowner's tax bill is reduced due to the increase in homestead exemption in 1991 from \$2,000 to \$12,000 over the period 1991-1994 in increments of \$2,500 annually. The homeowner's tax bill is further reduced due to several types of additional exemptions allowed. This budget document does not address other taxing levies for the other municipalities in Chatham County.
- **Freeport Exemption:** *Freeport* is the general term used for the exemption of ad valorem tax on inventories as defined by Georgia law. The law offers manufacturers, distributors, wholesalers and warehouse operations an attractive inventory tax exemption on three classes of property. Chatham County exempts 100% on all classes of certain business inventory from property taxation.
- **The Property Taxpayer's Bill of Rights:** This law, which took effect on January 1, 2000, calls for a mandatory rollback in the millage rate whenever the tax digests increases. The stated aim is to prevent creeping tax bills. If elected officials propose to adopt a millage rate greater than the mandatory rollback rate, they must hold three public meetings - at times when the most constituents can attend - to explain why the tax hike is necessary and vote publicly for or against it.

The law also shifts the burden of proof from the homeowner to the local government in the appeals process; requires the county assessor's office to provide a written explanation to homeowners as to why their taxes went up; and allows taxpayers going through the appeal to name the time of their hearing before the Board of Equalization. The law also calls on taxing bodies to cover the legal fees of any homeowner who receives a 15 percent reduction or greater in their assessment and allows taxpayers going through the appeals process the right to record the hearing.

- **The Stephens-Day Bill:** This law, which took effect on January 1, 2001, grants each Chatham County homeowner a homestead exemption from all Chatham County ad valorem taxes for county purposes in an amount equal to the amount of the assessed value of that homestead that exceeds the assessed value of that homestead for the taxable year immediately preceding the taxable year in which that exemption is first granted to such resident. This exemption does not apply to taxes assessed on improvements to the home or additional land added to the homestead after January 1 of the base year. In addition, it does not apply to taxes to pay interest on and to retire bonded indebtedness of the County. The exemption is renewed automatically from year to year as long as the homeowner occupies the residence as a homestead.

Chatham County, Georgia
Projected Five Year Statement of Revenues and Expenditures
General Fund - Adopted FY 2014

The Projected Statements of Revenues and Expenditures are used to facilitate financial planning and identify problem areas well ahead of the annual budget cycle. The forecasts are provided to County management and elected officials. Assumptions are based on both historical trend and current economic conditions.

Assumptions:

Revenues

Digest growth

Due to the volatility of the digest growth, the annual growth rate multiplier is held constant at 1.61%, which is the current CPI as of June 2013.

Other revenue categories

1.00% in year 1, 1.00% in year 2, 1.25% in year 3,
 1.50% in year 4

Expenditures	Annual Growth Rate			
	2015	2016	2017	2018
Personal services & benefits ¹	1.95%	1.95%	1.95%	1.95%
Pension ²	2.50%	2.50%	2.50%	2.50%
Insurance ³	8.00%	8.00%	8.00%	8.00%
OPEB ⁴	5.00%	5.00%	5.00%	5.00%
Purchased services ¹	1.95%	1.95%	1.95%	1.95%
Supplies ¹	1.95%	1.95%	1.95%	1.95%
Equipment/capital outlay ¹	1.00%	1.00%	1.00%	1.00%
Interfund/interdepartmental charges ¹	1.95%	1.95%	1.95%	1.95%
Depreciation	0.00%	0.00%	0.00%	0.00%
Other expenditures ¹	1.95%	1.95%	1.95%	1.95%
Debt service ⁵		Varies		
Transfers out ¹	1.00%	1.00%	1.00%	1.00%

Notes:

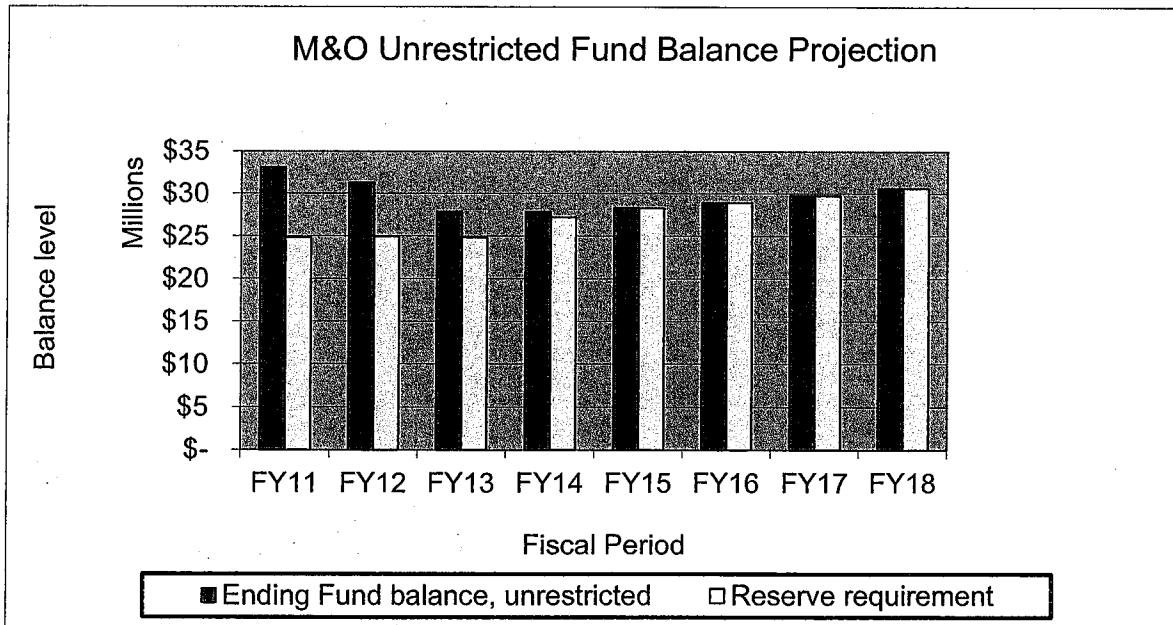
1. The annual growth rate for this category of expenditures is based on the projected Municipal Cost Index growth rate for the stated period. The Municipal Cost Index is designed to show the effects of inflation on the cost of providing municipal services.
2. The annual growth rate for Pension costs is based on estimated annual increases to each year's base.
3. The annual growth rate for Insurance costs is based on historical year to year cost increases for this category of expenditures.
4. The annual growth rate for Other Post-Employment Benefits, OPEB, is based on an estimated annual increases per employee for the forecast period.
5. The annual growth rate for Debt Service is based on scheduled principal and interest payments as outlined in the organization's various debt agreements. It also includes funding for a potential bond issue in FY14.
6. The FY 2014 budget includes 94 additional positions at the Detention Center.
7. The FY 2015 projected budget includes \$434,234 in additional costs associated with the Garden City Branch Library as well as increased hours at the Islands Branch Library.
8. The FY 2015 projected budget includes an additional \$132,200 in the General Fund for Indigent Defense related cost increases.

Chatham County, Georgia
General Fund - Adopted 2014 Budget
Projected Five Year Statement of Revenues and Expenditures

	Actual 2010-2011	Actual 2011-2012	Adopted Budget 2012-2013	Adopted 2013-2014	Projected 2014-2015	Projected 2015-2016	Projected 2016-2017	Projected 2017-2018
REVENUES								
Tax Revenue - Digest	115,432,108	117,423,913	119,442,071	129,828,155	136,647,086	140,652,970	145,307,434	149,937,205
Other Tax Revenue	14,956,247	11,719,615	11,201,000	14,328,798	14,472,086	14,472,086	14,652,987	14,872,782
License & Permits	976,768	1,025,737	935,000	990,000	999,900	999,900	1,012,399	1,027,585
Intergovernmental	2,983,371	2,345,762	2,382,407	2,438,498	2,462,883	2,462,883	2,493,669	2,531,074
Charges for Services	11,284,088	11,083,594	11,350,152	10,120,504	10,221,709	10,221,709	10,349,480	10,504,723
Fines & Forfeitures	3,638,368	3,232,208	3,036,995	3,029,305	3,059,598	3,059,598	3,097,843	3,144,311
Interest on Investments	204,338	173,303	70,000	97,000	97,970	97,970	99,195	100,683
Miscellaneous	965,408	724,571	1,369,242	529,884	535,183	535,183	541,873	550,001
Other Financing Sources	2,488,653	3,368,398	1,870,101	1,910,574	1,929,680	1,929,680	1,953,801	1,983,108
Subtotal of Revenues	152,929,349	151,097,101	151,656,968	163,272,718	170,426,095	174,431,978	179,508,681	184,651,470
EXPENDITURES								
General Government	32,682,958	33,157,721	38,366,416	39,753,461	39,351,733	40,735,759	42,194,576	43,733,404
Judiciary	26,162,414	26,684,483	28,263,308	28,606,233	29,892,744	30,715,911	31,573,002	32,466,053
Public Safety	52,835,001	55,054,037	57,761,367	64,148,543	66,823,992	68,671,656	70,595,654	72,600,575
Public Works	1,361,819	1,216,449	1,383,830	1,250,588	1,286,393	1,317,613	1,349,904	1,383,321
Health and Welfare	10,090,749	11,378,763	10,886,854	10,971,199	11,242,380	11,487,429	11,739,175	11,997,898
Culture and Recreation	10,821,114	10,591,066	10,788,190	11,210,552	11,953,582	12,228,519	12,511,977	12,804,367
Housing & Development	761,388	681,980	726,260	737,135	759,525	777,872	796,842	816,467
Debt Service	5,428,319	3,615,547	3,428,100	2,763,190	2,912,022	2,911,988	2,913,676	2,920,339
Other Financing Uses	9,093,773	7,387,509	3,429,356	3,831,817	5,779,724	4,951,193	5,014,193	5,078,086
Subtotal of Expenses	149,237,537	149,767,557	155,033,681	163,272,718	170,002,095	173,797,940	178,688,998	183,800,510
Fund Balance added (used)	3,691,812	1,329,544	(3,376,713)	-	424,000	634,039	819,682	850,960
Digest Revenue calculation:								
Prior Year Tax Digest Total	11,322,755,459	10,981,305,315	10,519,882,556	10,561,616,287	10,796,857,798	10,970,687,209	11,147,315,273	11,326,787,048
Digest Growth Rate	-3.02%	-4.20%	0.40%	2.23%	1.61%	1.61%	1.61%	1.61%
Net Tax Digest	10,981,305,315	10,519,882,556	10,561,616,287	10,796,857,798	10,970,687,209	11,147,315,273	11,326,787,048	11,509,148,320
Tax rate	10.537	11.109	11.109	11.908	13.148	13.310	13.521	13.720
Projected Digest revenue	\$ 115,710,014	\$ 116,865,375	\$ 117,328,995	\$ 126,815,107	\$ 136,647,086	\$ 140,652,970	\$ 145,307,434	\$ 149,937,205
Value of One Mil	10,981,305	10,519,883	10,561,616	10,796,858	10,970,687	11,147,315	11,326,787	11,509,148
Revenue Change	(3,597,860)	1,155,361	463,620	16,961,270	9,952,330	4,128,171	4,778,721	4,756,027

**Unrestricted Fund Balance Projection
General Fund M&O**

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Beginning Fund Balance, unrestricted	\$ 26,765,482	\$ 33,077,827	\$ 31,287,908	\$ 27,911,195	\$ 27,911,195	\$ 28,335,195	\$ 28,969,234	\$ 29,788,916
Changes:								
Projected additions (use) of fund balance	6,312,345	(1,789,919)	(3,376,713)	0	424,000	634,039	819,682	850,960
Ending Fund balance, unrestricted	<u>\$ 33,077,827</u>	<u>\$ 31,287,908</u>	<u>\$ 27,911,195</u>	<u>\$ 27,911,195</u>	<u>\$ 28,335,195</u>	<u>\$ 28,969,234</u>	<u>\$ 29,788,916</u>	<u>\$ 30,639,876</u>
Reserve requirement	\$ 24,872,923	\$ 24,961,259	\$ 24,882,890	\$ 27,212,120	\$ 28,333,682	\$ 28,966,323	\$ 29,781,500	\$ 30,633,418



Chatham County, Georgia
Projected Five Year Statement of Revenues and Expenditures
Special Service District - Adopted FY 2014

The Projected Statements of Revenues and Expenditures are used to facilitate financial planning and identify problem areas well ahead of the annual budget cycle. The forecasts are provided to County management and elected officials. Assumptions are based on both historical trend and current economic conditions.

Assumptions:

Revenues
 Digest growth 1.00% in year 1, 1.00% in year 2, 1.25% in year 3, 1.50% in year 4

Other revenue categories 1.00% in year 1, 1.00% in year 2, 1.25% in year 3, 1.50% in year 4

Expenditures	Annual Growth Rate			
	2015	2016	2017	2018
Personal services & benefits ¹	1.95%	1.95%	1.95%	1.95%
Pension ²	2.50%	2.50%	2.50%	2.50%
Insurance ³	8.00%	8.00%	8.00%	8.00%
OPEB ⁴	5.00%	5.00%	5.00%	5.00%
Purchased services ¹	1.95%	1.95%	1.95%	1.95%
Supplies ¹	1.95%	1.95%	1.95%	1.95%
Equipment/capital outlay ¹	1.00%	1.00%	1.00%	1.00%
Interfund/interdepartmental charges ¹	1.95%	1.95%	1.95%	1.95%
Depreciation	0.00%	0.00%	0.00%	0.00%
Other expenditures ¹	1.95%	1.95%	1.95%	1.95%
Debt service ⁵		Varies		
Transfers out ¹	1.00%	1.00%	1.00%	1.00%

Notes:

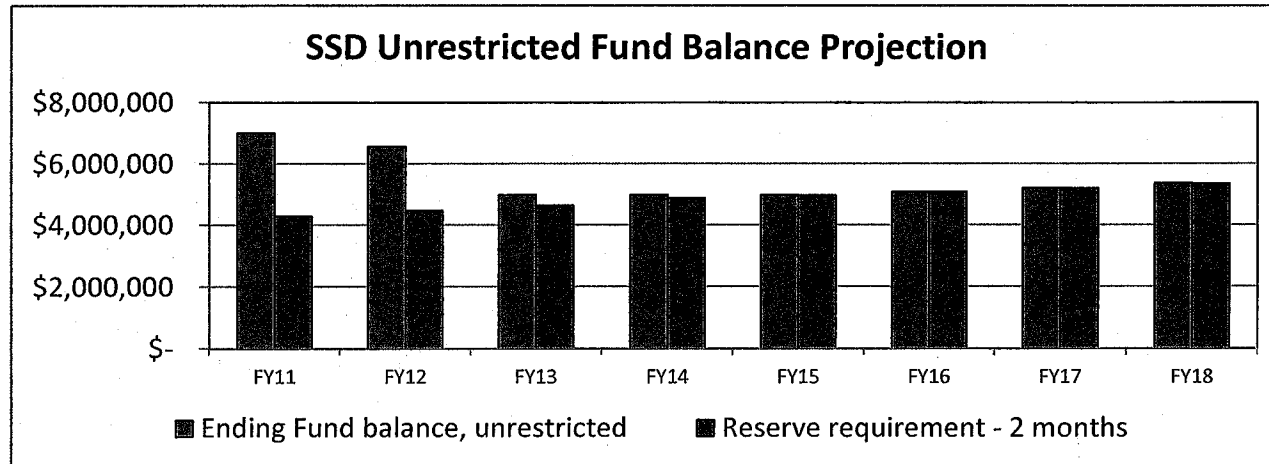
1. The annual growth rate for this category of expenditures is based on the projected Municipal Cost Index growth rate for the stated period. The Municipal Cost Index is designed to show the effects of inflation on the cost of providing municipal services.
2. The annual growth rate for Pension costs is based on estimated annual increases to each year's base.
3. The annual growth rate for Insurance costs is based on historical year to year cost increases for this category of expenditures.
4. The annual growth rate for Other Post-Employment Benefits, OPEB, is based on an estimated annual increase per employee for the forecast period.
5. The annual growth rate for Debt Service is based on scheduled principal and interest payments as outlined in the organization's various debt agreements.
6. The FY 2015 projected budget includes an additional \$68,200 in the Special Service District (SSD) Fund for Indigent Defense related cost increases.

Chatham County, Georgia
Special Service District - Adopted 2014 Budget
Projected Five Year Statement of Revenues and Expenditures

	Actual 2010-2011	Actual 2011 - 2012	Adopted Budget 2012-2013	Adopted 2013-2014	Projected 2014-2015	Projected 2015-2016	Projected 2016-2017	Projected 2017-2018
REVENUES								
Tax Revenue - Digest (less HTRG)	15,608,123	15,213,106	15,804,376	18,499,436	18,956,965	19,623,709	20,269,891	20,968,904
Other Tax Revenue	6,490,866	6,821,505	5,935,000	6,340,000	6,403,400	6,467,434	6,564,446	6,695,734
License & Permits	1,267,604	1,249,399	1,150,000	1,150,000	1,161,500	1,173,115	1,190,712	1,214,526
Intergovernmental	522,064	393,557	863,370	840,500	848,905	857,394	870,255	887,660
Charges for Services	217,590	177,277	215,400	221,200	223,412	225,646	229,031	233,611
Fines & Forfeitures	1,470,229	1,207,950	1,360,100	1,210,500	1,222,605	1,234,831	1,253,354	1,278,421
Interest on Investments	7,556	10,737	8,000	15,600	15,756	15,914	16,152	16,475
Miscellaneous	14,044	12,480	1,000	1,000	1,010	1,020	1,035	1,056
Other Financing Sources	568,435	682,300	955,027	1,025,000	1,035,250	1,045,603	1,061,287	1,082,512
Subtotal of Revenues	26,166,511	25,768,311	26,292,273	29,303,236	29,868,803	30,644,665	31,456,162	32,378,900
EXPENDITURES								
General Government	2,424,822	2,255,928	2,792,871	2,787,747	2,832,800	2,902,275	2,974,177	3,048,635
Judiciary	1,966,708	1,989,954	1,916,611	2,041,082	1,978,895	2,018,590	2,059,131	2,100,540
Public Safety	13,644,827	14,057,044	14,561,933	15,034,455	15,327,627	15,626,516	15,931,233	16,241,892
Public Works	5,313,874	5,372,374	6,032,240	6,254,747	6,389,247	6,606,877	6,834,743	7,073,510
Housing & Development	1,242,758	1,256,824	1,220,734	1,230,734	1,254,733	1,279,201	1,304,145	1,329,576
Debt Service	-	0	-	0	-	-	-	-
Other Financing Uses	1,164,884	1,285,210	1,337,576	1,954,471	2,085,357	2,111,177	2,137,353	2,307,343
Subtotal of Expenses	25,757,873	26,217,334	27,861,965	29,303,236	29,868,659	30,544,635	31,240,782	32,101,495
Fund Balance added (used)	408,638	(449,023)	(1,569,692)	0	144	100,030	215,380	277,405
Digest Revenue calculation:								
Prior Year Tax Digest Total	4,464,549,237	4,359,154,860	4,272,570,390	4,303,152,848	4,412,948,431	4,457,077,915	4,501,648,694	4,569,173,425
Digest Growth Rate	-2.36%	-1.99%	0.72%	1.00%	1.00%	1.00%	1.50%	2.00%
Net Tax Digest	4,359,154,860	4,272,570,350	4,303,152,848	4,412,948,431	4,457,077,915	4,501,648,694	4,569,173,425	4,660,556,893
Tax rate	3.475	3.59	3.598	4.13	4.464	4.570	4.647	4.710
Projected Digest revenue	\$ 15,148,063	\$ 15,388,528	\$ 15,482,744	\$ 17,181,837	\$ 18,956,965	\$ 19,623,709	\$ 20,269,891	\$ 20,968,904
Value of One Mil	4,464,549	4,272,570	4,303,153	4,412,948	4,246,632	4,294,028	4,361,930	4,451,997
Revenue Change	(366,245)	\$ 240,465	94,216	2,629,223	1,784,429	676,139	660,414	718,274

**Unrestricted Fund Balance Projection
Special Service District**

	Actual FY11	Actual FY12	Adopted FY13	Adopted FY14	Projected FY15	Projected FY16	Projected FY17	Projected FY18
Beginning Fund Balance, unrestricted	\$ 6,092,597	\$ 7,011,950	\$ 6,562,927	\$ 4,993,235	\$ 4,993,235	\$ 4,993,379	\$ 4,993,379	\$ 5,093,409
Changes:								
Projected additions (use) of fund balance	919,353	(449,023)	(1,569,692)	0	144	100,030	215,380	277,405
Adjustments to reserved fund balance								
Ending Fund balance, unrestricted	<u>\$ 7,011,950</u>	<u>\$ 6,562,927</u>	<u>\$ 4,993,235</u>	<u>\$ 4,993,235</u>	<u>\$ 4,993,379</u>	<u>\$ 5,093,409</u>	<u>\$ 5,208,759</u>	<u>\$ 5,370,814</u>
Reserve requirement - 2 months	\$ 4,292,979	\$ 4,479,777	\$ 4,643,661	\$ 4,883,873	\$ 4,978,110	\$ 5,090,773	\$ 5,206,797	\$ 5,350,249



Chatham County, Georgia
Comparison of Presentation of Funds
Adopted Budget Book to Comprehensive Annual Financial Report

When comparing fund presentations between the County's Adopted Budget Book and its Comprehensive Annual Financial report, several differences should be noted:

- The County's Comprehensive Annual Financial Report presents audited financial statements for the Chatham County Health Department and the Live Oak Public Library System. These entities are discretely presented component units of the County. The County does not set budgets for these entities.
- The Comprehensive Annual Financial Report combines the activities of the CIP Bond Program Fund – Detention Center Expansion with the SPLOST V Fund. In the budget document, these two funds are shown separately.
- The Comprehensive Annual Financial Report provides audited information on the County's Pension Trust Fund and OPEB Trust Fund. The budget document does not provide information on the Trust Funds since no budgets are adopted.
- The definition of major funds in the Adopted Budget Document differs from the definition of major funds under GASB Statements. Therefore, the level of presentation in the two documents varies across funds.
- No budget is shown for the Catastrophic Claims Internal Service Fund, which is presented in the CAFR as a separate fund.

