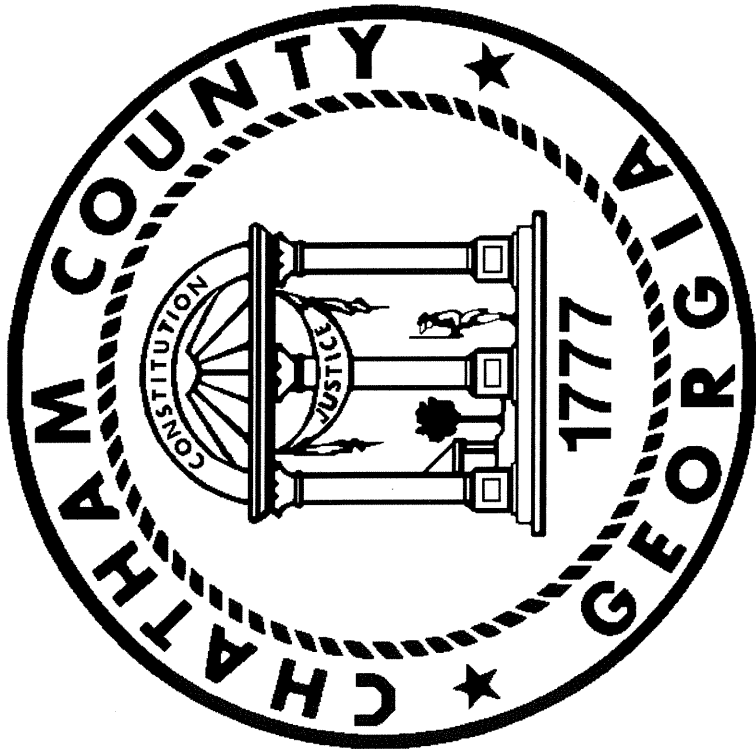


This section presents an overview of the total resources budgeted by the County. Included herein is a summary of major revenues and expenditures as well as other financing sources and uses.

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 2014 / 2015 REVENUE AND EXPENDITURES BU CATEGORY

REVENUES

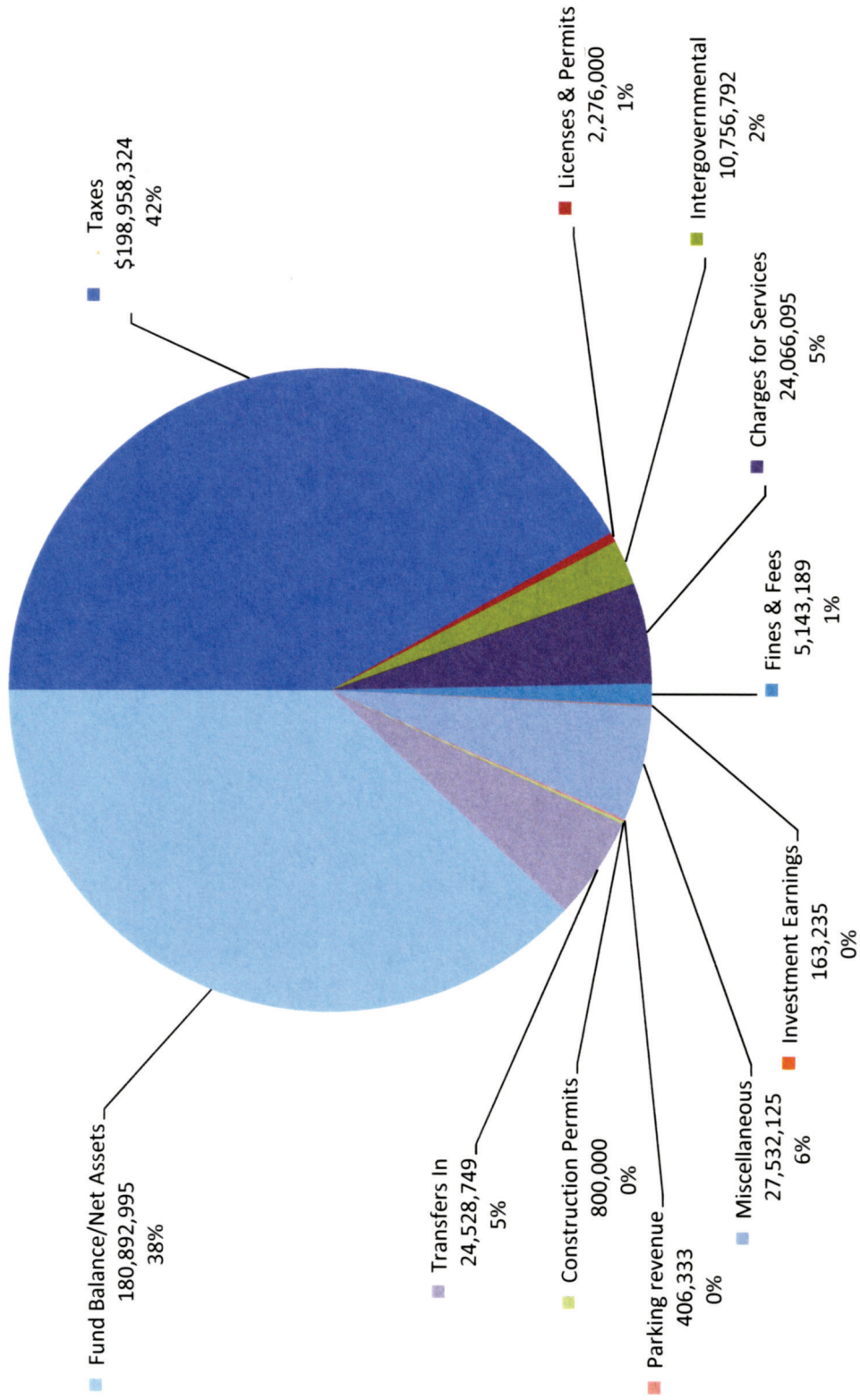
Revenues by Category	Total All Funds
Taxes	\$ 198,958,324
Licenses & Permits	2,276,000
Intergovernmental	10,756,792
Charges for Services	24,066,095
Fines & Fees	5,143,189
Investment Earnings	163,235
Miscellaneous	27,532,125
Parking revenue	406,333
Construction Permits	800,000
Transfers In	24,528,749
Fund Balance/Net Assets	180,892,995
TOTAL	\$ 475,523,837

EXPENDITURES

Expenditures by Category	
General Government	\$ 32,299,801
Judiciary	\$ 32,192,029
Public Safety	\$ 84,763,180
Public Works	\$ 14,557,286
Health & Welfare	\$ 11,372,383
Culture & Recreation	\$ 11,627,730
Housing & Development	\$ 4,525,991
Other Government Services	\$ 43,623,784
Major Capital	\$ 212,921,060
Public Transportation	\$ 19,648,609
Debt Service	\$ 2,568,450
Transfers Out	5,423,534
TOTAL	\$ 475,523,837

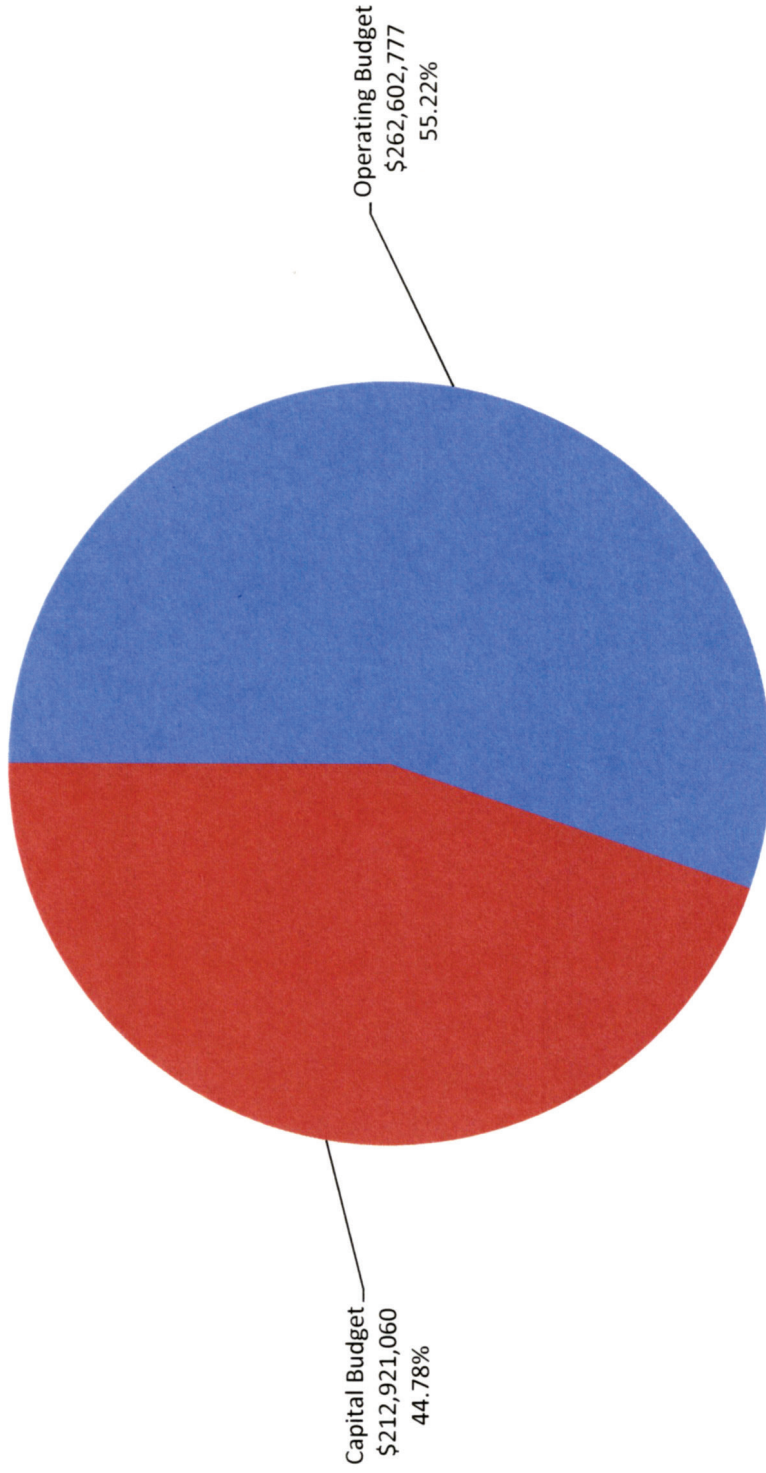
All Funds Combined Revenues by Category

Total = \$475,523,837



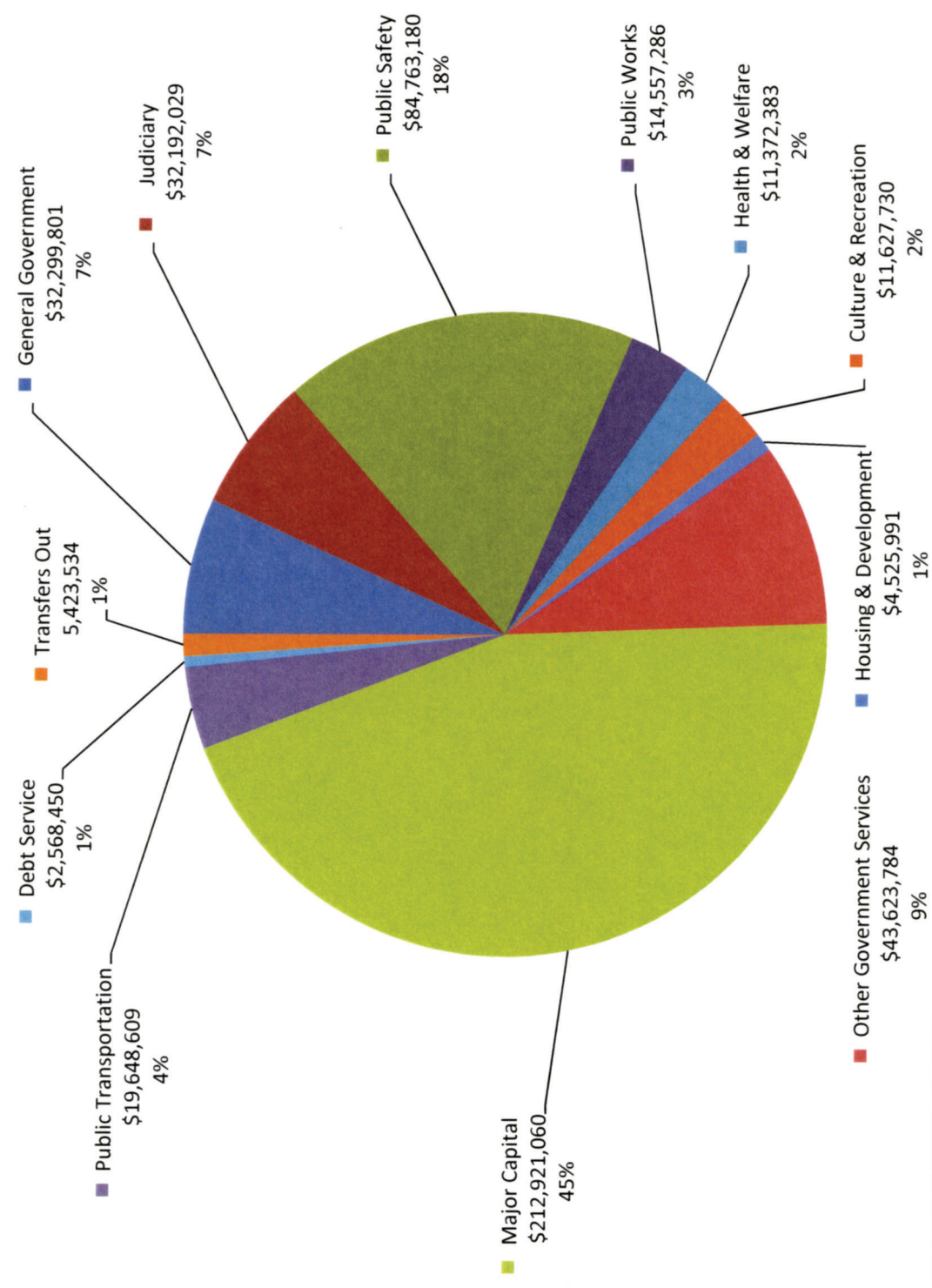
All Funds Combined Expenditure Budget by Category

Total = \$475,523,837



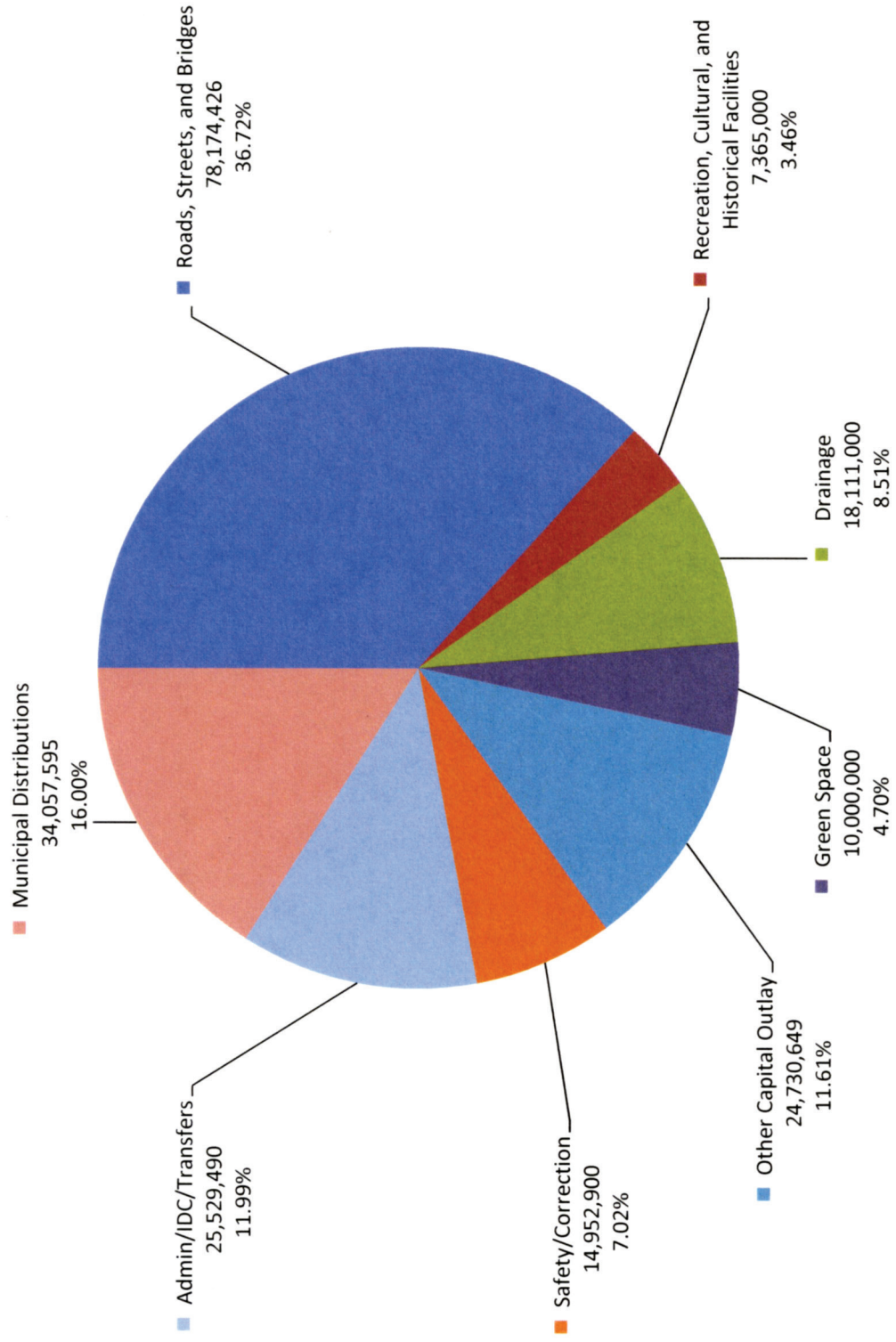
All Funds Combined Operating Budget Expenditures by Category

Total = \$475,523,837



All Funds Combined Major Capital Budget Expenditures by Category

Total = \$212,921,060



**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 2013 Actual	FY 2014 Adopted	FY 2015 Adopted	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
Sources:															
Property Taxes	117,817,923	129,828,155	128,323,471										133,544,932	148,327,591	147,001,796
Other Taxes	12,764,020	14,328,798	14,445,000										84,037,495	83,777,957	50,440,728
Comm., Penalties, Etc.	1,551,444	1,645,574	1,475,800				62,412,758	51,371,437		1,206,036	18,499,436	18,678,325	1,820,780	2,035,574	1,515,800
Licenses & Permits	1,077,956	990,000	1,026,000							310,568	380,000	40,000	1,388,524	2,140,000	2,276,000
Intergovernmental	2,973,269	2,438,498	1,952,571	739,829						7,122,009	7,430,247	8,804,221	11,890,917	9,868,745	10,756,792
Charges For Services	10,544,981	10,150,504	10,600,596							3,792,030	34,492,666	13,465,499	14,606,807	44,643,170	24,066,095
Fines & Fees	4,053,011	3,029,305	2,966,520							733,243	1,860,016	2,196,669	6,043,970	4,899,321	5,143,189
Investment Earnings	114,172	97,000	130,000	59,826			66,307			19,870	45,475	33,235	281,188	142,475	163,235
Other Revenue	1,365,180	529,884	433,460				38			418,982	2,394,620	27,098,665	2,163,457	2,924,504	27,532,125
Parking Revenues										346,833	346,833	406,333			406,333
Transit Revenues											800,000	800,000			800,000
Construction Permits															
Total Revenue	152,261,966	163,037,718	161,373,418	799,655	-	-	62,479,103	51,371,437	-	13,602,748	85,487,015	108,728,675	255,778,069	299,896,170	270,102,093
Other Financing Sources:															
Transfers In	1,162,227	235,000	4,250,000												
Fund Balance Reserve / Retained Earnings	1,271,754			8,535,564	59,784,455	54,151,745	2,087,102	59,803,763	67,924,179	605,722	66,969,307	58,817,071	119,061,595	186,557,525	180,892,995
Total Sources	154,695,937	163,272,718	165,623,418	9,635,219	59,784,455	54,151,745	64,566,205	111,175,200	67,924,179	19,408,367	178,656,971	187,624,495	381,804,806	512,889,344	475,523,837
Uses:															
General Government	35,112,563	39,753,461	30,061,379							3,035	3,735,514	2,238,422	37,441,057	43,488,975	32,299,801
Judiciary	27,814,557	28,606,233	29,412,737							1,678,176	2,813,436	2,779,292	31,542,185	31,419,669	32,192,029
Public Safety	57,785,059	64,148,543	62,472,522							8,619,092	22,494,387	22,290,658	80,886,657	86,642,930	84,763,180
Public Works	1,168,331	1,250,568	1,183,481							523,493	13,291,176	13,373,805	7,270,013	14,541,764	14,557,286
Health & Welfare	10,963,523	10,971,199	11,372,383										10,963,523	10,971,199	11,372,383
Culture & Recreation	10,905,769	11,210,552	11,627,730										10,905,769	11,210,552	11,627,730
Housing & Development	594,495	737,135	547,016							931,221	3,159,776	3,978,975	2,746,450	3,898,911	4,525,991
Insurance & Bonds															
Other Gov. Svcs.	7,037,295	370,000	13,041,854												
Major Capital ²															
Intergovernmental				9,635,219	59,784,455	54,151,745	32,881,301	59,731,383	67,924,179	4,455,783	85,345,909	90,845,136	54,416,115	204,861,747	212,921,060
Public Transportation							31,884,904	30,619,207					31,884,904	30,619,207	
Depreciation															
Debt Service	2,497,253	2,763,190	2,472,450							186,868	187,515	96,000	2,684,121	2,950,705	2,568,450
Total Expenditures	153,878,845	159,810,901	162,191,552	9,635,219	59,784,455	54,151,745	64,566,205	90,350,590	67,924,179	16,397,668	176,507,749	185,832,827	375,876,884	486,455,695	470,100,303
Other Financing Uses:															
Transfers Out	817,092	3,461,817	3,431,866							3,010,699	2,149,222	1,991,668	5,927,923	26,435,649	5,423,534
Total Uses	154,695,937	163,272,718	165,623,418	9,635,219	59,784,455	54,151,745	64,566,205	111,175,200	67,924,179	19,408,367	178,656,971	187,824,495	381,804,807	512,889,344	475,523,837

Notes:
1. Major Fund categorizations are based on FY 2014/2015 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.
2. 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 2014 / 2015 ADOPTED BUDGET - ALL FUNDS COMBINED**

FUNDS WHICH FINANCE: OPERATIONS	2013 / 2014 Adopted	2013 / 2014 Amended	2014 / 2015 Adopted
GENERAL M & O	\$ 163,272,718	\$ 166,403,831	\$ 165,623,418
SPECIAL REVENUE FUNDS			
Special Service District	\$ 29,303,236	\$ 29,411,580	\$ 29,482,324
Confiscated Fund	\$ 100,000	\$ 100,000	\$ 101,000
Sheriff Confiscated Fund	\$ 50,000	\$ 50,000	\$ 50,000
Restricted Court Fees	\$ 281,272	\$ 1,278,163	\$ 457,500
Inmate Welfare Fund	\$ 909,000	\$ 909,000	\$ 909,000
Street Lighting Fund	\$ 698,456	\$ 698,456	\$ 705,184
Emergency Telephone Fund	\$ 3,257,202	\$ 3,257,202	\$ 3,376,795
Multiple Grant Fund	\$ 706,177	\$ 1,529,772	\$ 937,562
Child Support Fund	\$ 2,981,950	\$ 2,981,950	\$ 2,985,568
Hotel / Motel Tax Fund	\$ 1,270,000	\$ 1,270,000	\$ 1,252,798
Land Disturbing Activities Ord.	\$ 311,334	\$ 311,334	\$ 441,635
Land Bank Authority	\$ 5,978	\$ 5,978	\$ 1,096

FUNDS WHICH FINANCE: IMPROVEMENTS & SPECIAL PROJECTS	2013 / 2014 Adopted	2013 / 2014 Amended	2014 / 2015 Adopted
1 % Sales Tax Fund (85 - 93)	\$ 15,219,073	\$ 15,219,073	\$ 14,359,276
1 % Sales Tax Fund (93 - 98)	\$ 5,461,673	\$ 5,461,673	\$ 5,182,434
1 % Sales Tax Fund (98 - 03)	\$ 41,739,695	\$ 41,739,695	\$ 34,745,386
1 % Sales Tax Fund (03 - 08)	\$ 59,784,454	\$ 59,784,454	\$ 54,151,745
1 % Sales Tax Fund (08 - 14)	\$ 111,175,200	\$ 111,175,200	\$ 67,924,179
1 % Sales Tax Fund (14 - 20)	\$ -	\$ -	\$ 18,850,140
General Purpose CIP Fund	\$ 2,025,858	\$ 2,157,855	\$ 2,670,000
DSA Revenue Bonds - Series 1999	\$ -	\$ 18,900	\$ 15,000
DSA Revenue Bonds - Series 2005	\$ 75,000	\$ 75,000	\$ 140,000
CIP Bond Prog.- Detention Center Expansion	\$ 20,824,610	\$ 20,824,610	\$ 14,882,900

DEBT SERVICE FUNDS	2012 / 2013 Adopted	2013 / 2014 Amended	2014 / 2015 Adopted
Chatham County Hospital Authority	\$ 187,515	\$ 187,515	\$ 0

ENTERPRISE FUNDS	2013 / 2014 Adopted	2013 / 2014 Amended	2014 / 2015 Adopted
Water & Sewer Revenue Fund	\$ 2,290,330	\$ 2,290,330	\$ 2,285,825
Solid Waste Mgmt. Fund	\$ 4,125,297	\$ 4,125,297	\$ 4,297,281
C A T Authority Fund	\$ 19,871,722	\$ 19,871,722	\$ 19,648,609
Parking Garage Revenue Fund	\$ 499,833	\$ 499,833	\$ 638,729
Building Safety & Reg. Svcs. Fund	\$ 1,117,875	\$ 1,172,540	\$ 1,231,822

INTERNAL SERVICE FUNDS	2012 / 2013 Adopted	2013 / 2014 Amended	2014 / 2015 Adopted
Computer Replacement Fund	\$ 426,549	\$ 426,549	\$ 426,549
Risk Management Fund	\$ 3,144,646	\$ 3,144,646	\$ 3,482,790
Group Health Insurance Fund	\$ 21,772,690	\$ 21,772,690	\$ 24,267,292

TOTAL BUDGET	\$ 512,869,343	\$ 518,154,848	\$ 475,523,837
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**Chatham County, Georgia
Changes in Fund Balance**

Fund Name	Estimated Beginning Fund Balance 6/30/14 (\$)	Revenues (\$)	Expenditures (\$)	Estimated Ending Fund Balance 6/30/15 (\$)	FY14 to FY15 % Change	Increase (decrease) in Fund Balance (\$)
General Fund	30,772,040	163,272,718	163,272,718	30,772,040	0.00%	0
Special Revenue Funds	5,158,453	40,523,500	40,700,462	4,981,491	-3.43%	(176,962)
Debt Service Fund	91,231	218,760	218,760	91,231	0.00%	0
Capital Project Funds:						
Major Funds:						
Sales Tax IV	54,151,745	0	54,151,745	0	-100.00%	(54,151,745)
Sales Tax V	67,924,177	0	67,924,177	0	-100.00%	(67,924,177)
Non-major capital project funds	56,696,096	34,149,040	90,845,136	0	-100.00%	(56,696,096)

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, 2014 (unaudited), budgeted revenues and expenditures for fiscal year 2015, and projected ending fund balance as of June 30, 2015.

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

- 1) 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.
- 2) 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.
- 3) 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 table provides actual revenues received and a five year average for fiscal years 2009 to 2013 within the governmental funds' revenue categories.

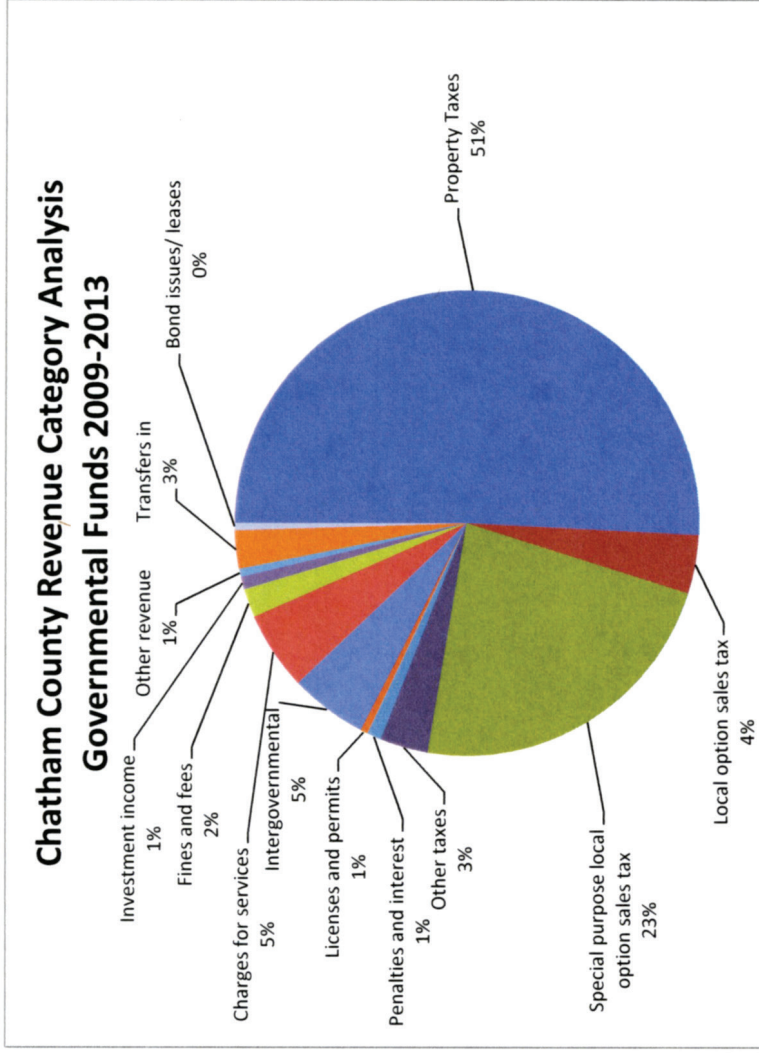
	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Actual 2013	5 Year Average
Property Taxes	133,397,243	132,728,556	132,415,641	132,965,834	133,544,932	133,010,441
Local option sales tax	10,711,764	10,269,046	10,384,895	11,166,793	11,862,493	10,878,998
Special purpose local option sales tax	61,445,197	56,969,395	58,430,283	61,976,814	61,817,942	60,127,926
Other taxes	8,724,781	8,472,967	8,620,498	9,037,342	10,357,060	9,042,530
Penalties and interest	2,001,759	2,572,596	3,470,785	2,619,584	1,820,780	2,497,101
Licenses and permits	1,361,049	1,422,555	1,254,008	1,367,458	1,388,524	1,358,719
Intergovernmental	24,037,265	11,018,104	13,989,989	8,223,973	11,890,917	13,832,050
Charges for services	13,439,295	13,004,389	15,492,151	15,152,443	14,606,807	14,339,017
Fines and fees	5,051,395	4,929,272	5,795,626	5,193,608	6,043,970	5,402,774
Investment income	4,500,136	2,251,592	1,501,744	1,208,657	281,188	1,948,663
Other revenue	989,803	1,145,464	2,408,167	1,063,767	2,163,457	1,554,132
Transfers in	11,408,332	4,430,811	7,204,185	5,134,281	6,965,142	7,028,550
Bond issues/ leases	202,707	2,400,000	-	2,680,000	-	1,056,541
Total Revenues, governmental funds	277,270,726	251,614,747	260,967,972	257,790,554	262,743,212	262,077,442

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

REVENUE SOURCES AND TRENDS

Taxes:

The Five Year Revenue Chart illustrates how tax revenues represented 81% of all governmental fund income. Tax revenues account for 89% of the FY2015 General Fund budgeted revenue, with the majority of revenue derived from property taxes, which are driven by the tax digest. Property tax revenues 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.



Presented below is a five year tax levy history for the General Fund, the Special Service District, and the Chatham Area Transit Authority. During this period, the Consolidated (General Fund) digest decreased as a result of property value declines in 2010 and 2011. For the tax year 2010, the tax digest decreased 3.02 percent; in 2011 a decrease of 4.2 percent; in 2012 and 2013 the digest saw an increase of 0.38 and 2.23 percent respectively. The 2014 gross digest has returned to the 2010 levels and the trend is expected to continue to show increases as property values continue their rise.

The tax millage rate remained the same in the years 2008 through 2010, increased in 2011, again in 2013, and remained static in 2014. 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.

Property Taxes - Tax Digest

The Chief Appraiser is responsible for receiving returns and fairly and impartially assessing property. The total assessed valuation for the County's 2014 Consolidated and Unincorporated Tax Digests was set at \$15.4 billion (net of 40 percent fair market value and exemptions). Property Taxes are the County's largest revenue source. Property Taxes are billed in semi-annual installments by the Chatham County Tax Commissioner. The table below is a five year history of the tax digest and related tax levies. This table includes the Transit District, where taxes are levied for the benefit of Chatham Area Transit Authority, and a component unit of the County.

CHATHAM COUNTY CURRENT 2014 TAX DIGEST AND FIVE YEAR HISTORY OF LEVY

GENERAL FUND	2010	2011	2012	2013	2014
CONSOLIDATED DIGEST					
Real & Personal	13,287,801,495	12,600,566,459	12,607,971,796	13,003,903,361	13,451,148,738
Motor Vehicles	583,611,725	581,638,243	618,550,934	655,216,744	551,315,288
Mobile Homes	23,200,400	22,538,390	27,102,608	27,803,358	27,225,240
Timber	565,072	1,993,557	1,430,748	503,505	321,279
Gross Digest	13,895,178,692	13,206,736,649	13,255,056,086	13,687,426,968	14,030,010,545
Less M&O Exemptions	(2,914,272,177)	(2,687,252,473)	(2,695,589,558)	(2,892,750,353)	(3,066,153,800)
Net M&O Digest	10,980,906,515	10,519,484,176	10,559,466,528	10,794,676,615	10,963,856,745
State Forest Land Grant	398,800	398,380	2,149,759	2,181,183	2,204,172
Adjusted Net M&O Digest	10,981,305,315	10,519,882,556	10,561,616,287	10,796,857,798	10,966,060,917
Gross M&O Millage	11.479	12.080	12.123	12.953	13.039
Less Rollbacks	-0.942	-0.971	-1.014	-1.045	-1.131
Net M&O Millage	10.537	11.109	11.109	11.908	11.908
Net Taxes Levied	115,711,482	116,862,219	117,328,995	128,568,983	130,583,853
Net Taxes \$ Increase	(3,596,387)	1,150,738	466,776	11,239,987	2,014,871
Net Taxes % Increase	-3.0%	1.0%	0.4%	9.6%	1.6%

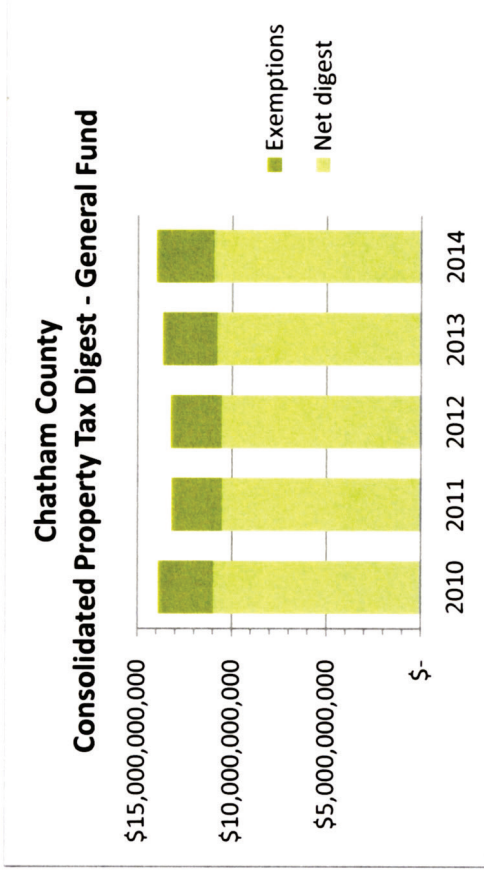
**SPECIAL SERVICE DISTRICT
UNINCORPORATED DIGEST**

	2010	2011	2012	2013	2014
Real & Personal	5,790,658,251	5,629,307,614	5,708,994,301	5,976,251,069	6,137,445,130
Motor Vehicles	229,776,598	233,122,846	244,024,786	259,374,592	211,873,896
Mobile Homes	10,696,000	10,409,682	12,725,626	12,909,438	12,629,680
Timber	289,446	412,254	231,835	192,129	10,666
Gross Digest	6,031,420,295	5,873,252,396	5,965,976,548	6,248,727,228	6,361,959,372
Less SSD Exemptions	(1,672,268,855)	(1,600,685,426)	(1,664,574,482)	(1,837,556,874)	(1,953,640,045)
Net SSD Digest	4,359,151,440	4,272,566,970	4,301,402,066	4,411,170,354	4,408,319,327
State Forest Land Grant	3,420	3,380	1,750,782	1,778,077	1,796,847
Adjusted Net SSD Digest	4,359,154,860	4,272,570,350	4,303,152,848	4,412,948,431	4,410,116,174
Gross SSD Millage	4.277	4.385	4.438	5.013	5.047
Less Rollbacks	<u>-0.802</u>	<u>-0.795</u>	<u>-0.848</u>	<u>-0.883</u>	<u>-0.917</u>
Net SSD Millage	3.475	3.590	3.590	4.130	4.130
Net Taxes Levied	15,148,063	15,338,528	15,448,319	18,225,477	18,213,780
Net Taxes \$ Increase	(366,245)	190,464	109,791	2,777,158	(11,697)
Net Taxes % Increase	-2.4%	1.3%	0.7%	18.0%	-0.1%

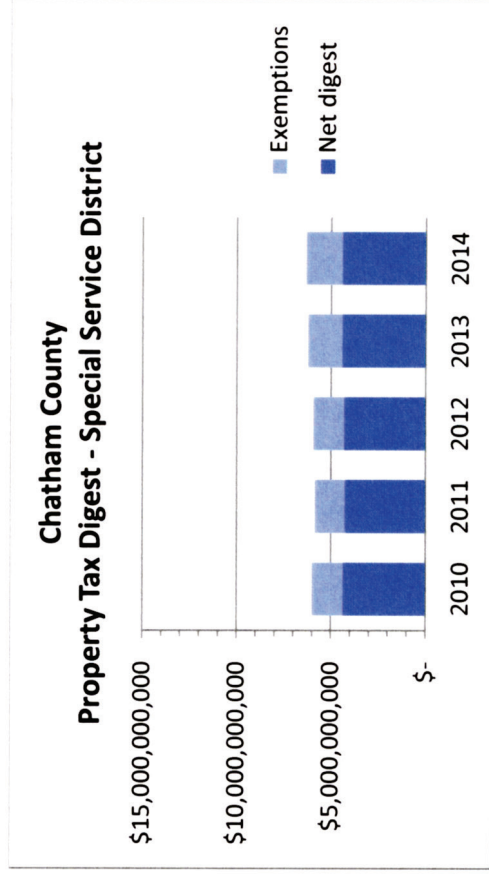
**CHATHAM AREA TRANSIT
TRANSIT DIGEST**

	2010	2011	2012	2013	2014
Real & Personal	10,778,595,010	10,259,741,020	10,274,079,949	10,609,454,464	10,960,141,027
Motor Vehicles	460,963,026	461,179,460	493,954,657	523,351,953	438,079,105
Mobile Homes	16,768,000	13,176,676	15,912,178	16,082,038	15,757,760
Timber	289,446	1,454,924	983,017	377,756	205,676
Gross Digest	11,256,615,482	10,735,552,080	10,784,929,801	11,149,266,211	11,414,183,568
Less Transit Exemptions	(2,493,245,574)	(2,334,741,216)	(2,344,969,760)	(2,534,420,451)	(2,677,325,450)
Net Transit Digest	8,763,369,908	8,400,810,864	8,439,960,041	8,614,845,760	8,736,858,118
State Forest Land Grant	-	3,380	1,750,782	1,778,077	1,796,847
Adjusted Net Transit Digest	8,763,369,908	8,400,814,244	8,441,710,823	8,616,623,837	8,738,654,965
Gross Transit Millage	0.820	0.859	0.859	1.000	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	0.859	0.859	1.000	1.000
Net Taxes Levied	7,185,963	7,216,299	7,251,430	8,616,624	8,738,655
Net Taxes \$ Increase	(230,777)	30,336	35,130	1,365,194	122,031
Net Taxes % Increase	-3.1%	0.4%	0.5%	18.8%	1.4%

The graph below outlines the General Fund 2014 tax digest and 5-year history highlighting the gross property tax digest, which is the total of the net digest plus exemptions.



The graph outlines the Special Service District (SSD) current 2014 tax digest and 5-year history. It highlights the gross property tax digest, which is the total of the net digest plus exemptions.

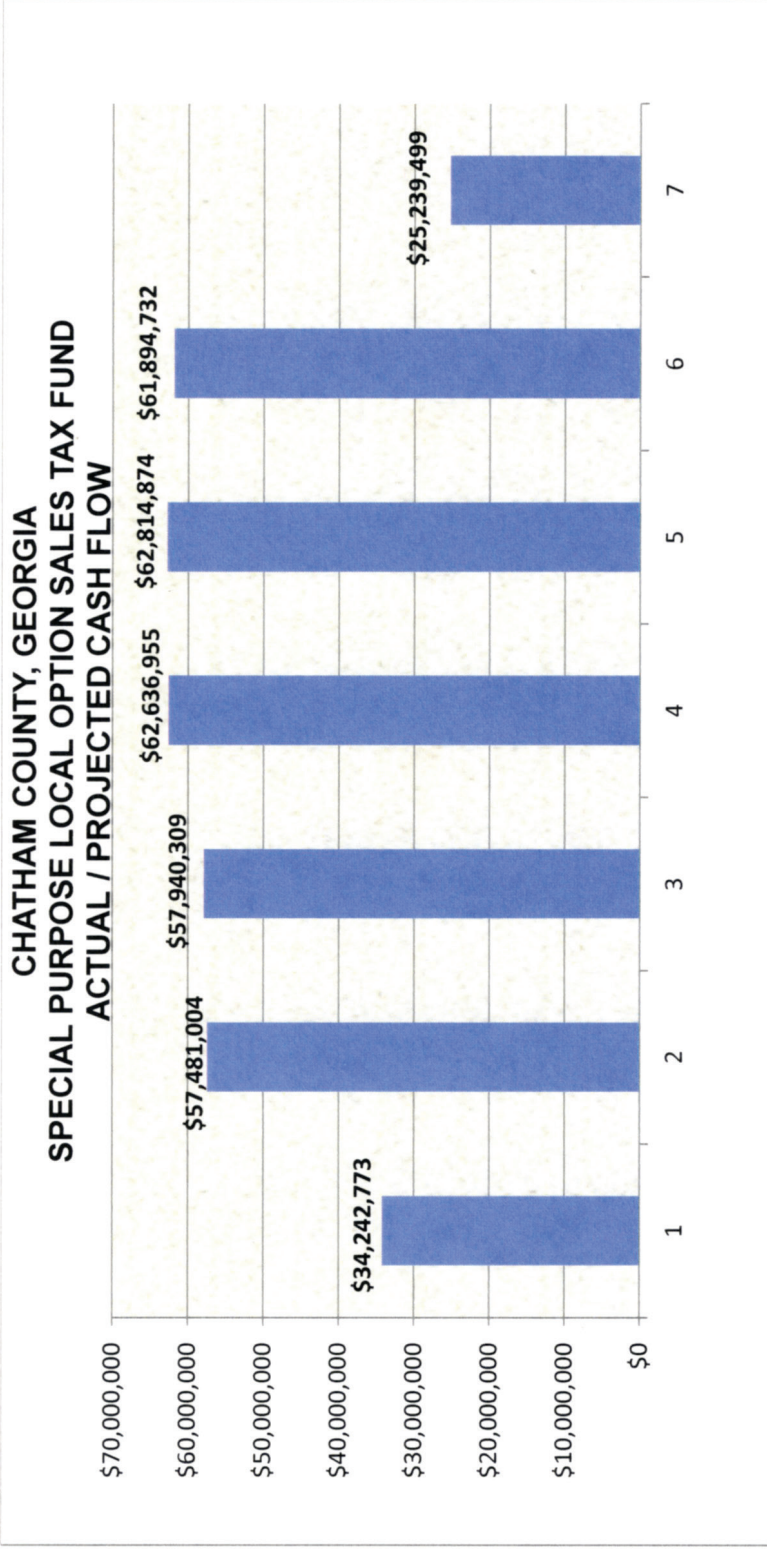


Fiscal Year 2015 revenue budgets for the County's two main operating funds, the General Fund and the SSD Fund, show the following revenue distribution percentages:

ANALYSIS OF REVENUE CATEGORIES FY 2015 GENERAL FUND AND SSD FUND				
Revenue Category	General Fund FY 2015		SSD Fund FY 2015	
	Revenues	% of Total	Revenues	% of Total
Property Taxes	128,323,471	77.5%	18,678,325	63.4%
Local option sales tax	13,550,000	8.2%	-	0.0%
Other taxes	895,000	0.5%	6,580,000	22.3%
Penalties and interest	1,475,800	0.9%	40,000	0.1%
Licenses and permits	1,026,000	0.6%	1,250,000	4.2%
Intergovernmental	1,952,571	1.2%	715,000	2.4%
Charges for services	10,600,596	6.4%	293,500	1.0%
Fines and fees	2,986,520	1.8%	1,282,500	4.4%
Investment income	130,000	0.1%	15,600	0.1%
Other revenue	433,460	0.3%	1,000	0.0%
Transfers in	4,250,000	2.6%	626,399	2.1%
Bond issues/ leases	-	0.0%	-	0.0%
	165,623,418	100.0%	29,482,324	100.0%

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, which 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. This fund ends collection in October 2014 and estimated collections for budget year FY2015 are \$25,239,499.



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 4.2% 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. 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 6.4 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. 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. The large increase in this category is a result of the one-time SPLOST repurposing.

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 2014		
	Millage Rate	Value
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	11.534	\$ 322.95
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 2015**

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.

Tax Revenues
 Tax revenues were projected based on the projected expenditures as well as Fund Balance requirements. Additionally, tax rates were adjusted to achieve stability in the revenue stream and the rate accessed to individual properties.

Tax rate
 11.908 in year 1, 12.250 in year 2, 12.250 in year 3, 12.400 in year 4

Digest growth
 Due to the lack of stability in historical data relative to the aggregate growth in the digest, a two year rolling average was utilized to normalize the anticipated digest growth over the forecasting period.
 1.48% in year 1, 1.44% in year 2, 1.46% in year 3, 1.45% in year 4

Other revenue categories
 For year one, all revenues were projected based on FY 2014 collections as of the June 30, 2014, and subsequent years were held constant based on the FY 2016 projections.

Expenditures	Annual Growth Rate		
	2016	2017	2018
Salary, FICA, and Pension ¹	1.03%	1.03%	1.03%
Insurance and OPEB ²	Held at the FY 2015 Adopted level.		
Purchased services ³	1.024%	1.024%	1.024%
Supplies ³	1.024%	1.024%	1.024%
Equipment/capital outlay ³	1.024%	1.024%	1.024%
Interfund/interdepartmental charges ³	1.024%	1.024%	1.024%
Depreciation	0.00%	0.00%	0.00%
Other expenditures ³	1.024%	1.024%	1.024%
Debt service ⁴	Varies		
Transfers out ²	Held at the FY 2015 Adopted level.		

Notes:

1. The annual growth rate for this category of expenditures is based on the potential merit adjustments and the associated impact to FICA and Pension costs.
2. The annual growth rate for this category of expenditures is held at the FY 2015 Adopted level.
3. 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.
4. The annual growth rate for Debt Service is based on scheduled principal and interest payments as outlined in the organization's various debt agreements.

Chatham County, Georgia
 General Fund - Adopted 2015 Budget
 Projected Five Year Statement of Revenues and Expenditures

	Actual 2011-2012	Actual 2012-2013	Adopted 2013-2014	Adopted 2014-2015	Projected 2015-2016	Projected 2016-2017	Projected 2017-2018	Projected 2018-2019
REVENUES								
Tax Revenue - Digest	117,423,913	118,041,457	129,828,155	128,323,471	134,376,656	140,229,150	142,280,412	146,114,301
Other Tax Revenue	13,928,110	14,091,931	15,974,372	15,920,800	16,484,131	16,484,131	16,484,131	16,484,131
License & Permits	1,025,737	1,077,956	990,000	1,026,000	967,545	967,545	967,545	967,545
Intergovernmental	2,345,762	2,973,267	2,438,498	1,952,571	2,263,101	2,263,101	2,263,101	2,263,101
Charges for Services	11,083,591	10,544,978	10,150,504	10,600,596	10,867,305	10,867,305	10,867,305	10,867,305
Fines & Forfeitures	3,232,208	4,053,013	3,029,305	2,986,520	3,272,197	3,272,197	3,272,197	3,272,197
Interest on Investments	173,303	114,172	97,000	130,000	72,837	72,837	72,837	72,837
Miscellaneous	724,471	1,365,180	529,884	433,460	425,244	425,244	425,244	425,244
Other Financing Sources	1,160,005	1,162,227	235,000	4,250,000	291,286	291,286	291,286	291,286
Subtotal of Revenues	151,097,101	153,424,180	163,272,718	165,623,418	169,020,300	174,872,795	176,924,057	180,757,945
EXPENDITURES								
General Government	27,294,872	27,922,426	29,792,537	30,061,379	30,792,305	31,544,195	32,317,654	33,113,306
Judiciary	26,684,483	27,814,551	28,606,233	29,412,737	30,128,090	30,863,831	31,620,547	32,398,839
Public Safety	55,027,102	57,785,058	64,093,543	62,472,522	63,970,083	65,509,658	67,092,438	68,719,649
Public Works	1,216,449	1,168,331	1,250,588	1,183,481	1,211,400	1,240,036	1,269,409	1,299,538
Health and Welfare	11,474,883	11,019,756	11,063,259	11,372,383	11,644,796	11,924,053	12,210,327	12,503,795
Culture and Recreation	10,464,946	10,819,533	11,088,492	11,627,730	11,903,838	12,187,013	12,477,437	12,775,299
Housing & Development	503,631	436,021	552,911	547,016	559,668	572,678	586,055	599,810
Debt Service	3,615,547	3,396,809	2,763,190	2,472,450	2,464,702	5,125,377	2,413,530	2,415,325
Other Financing Uses	13,485,644	14,333,450	14,061,965	16,473,720	16,696,961	16,925,925	17,160,758	17,401,614
Subtotal of Expenses	149,767,557	154,695,934	163,272,718	165,623,418	169,371,845	175,892,767	177,148,156	181,227,174
Fund Balance added (used)	1,329,544	(1,271,753)	-	(351,544)	(1,019,972)	(224,100)	(469,229)	(469,229)

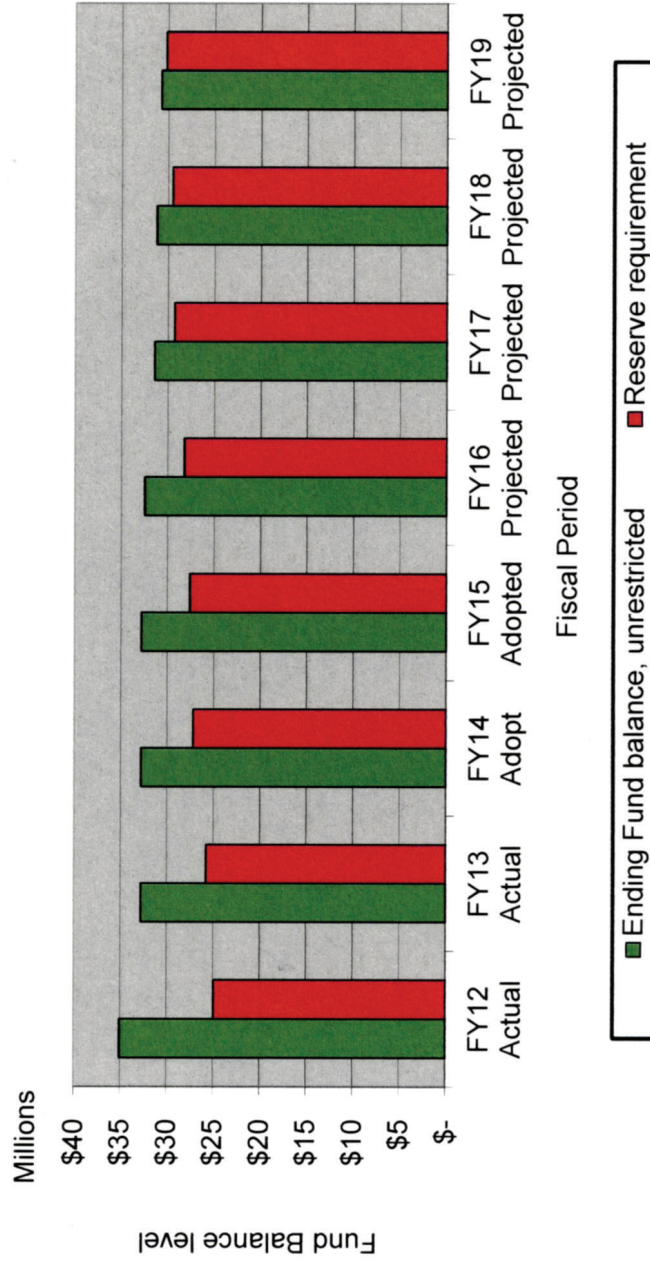
Digest Revenue calculation:								
Prior Year Tax Digest Total	10,981,305,315	10,519,882,556	10,796,826,374	10,966,060,917	11,119,585,770	11,284,569,683	11,447,277,580	11,614,727,517
Digest Growth Rate	-4.20%	0.40%	1.57%	1.40%	1.48%	1.44%	1.46%	1.45%
Net Tax Digest	10,519,882,556	10,561,616,287	10,966,060,917	11,119,585,770	11,284,569,683	11,447,277,580	11,614,727,517	11,789,411,367
Tax rate	11.109	11.109	11.908	11.908	11.908	12.250	12.250	12.400
Projected Digest revenue	\$ 116,865,375	\$ 117,328,995	\$ 130,583,853	\$ 132,412,027	\$ 134,376,656	\$ 140,229,150	\$ 142,280,412	\$ 146,114,301
Value of One Mil Revenue Change	10,519,883	10,561,616	10,966,061	11,119,586	11,284,570	11,447,278	11,614,728	11,789,411
	1,155,361	463,620	13,254,858	1,828,174	1,964,628	5,852,495	2,051,262	3,833,889

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

	FY12 Actual	FY13 Actual	FY14 Adopt	FY15 Adopted	FY16 Projected	FY17 Projected	FY18 Projected	FY19 Projected
Beginning Fund Balance, unrestricted	\$ 33,558,106	\$ 35,080,939	\$ 32,821,947	\$ 32,821,947	\$ 32,821,947	\$ 32,470,402	\$ 31,450,430	\$ 31,226,330
Changes:								
Projected additions (use) of fund balance	1,748,607	(1,271,753)	-	-	(351,544)	(1,019,972)	(224,100)	(469,229)
Less Restricted	(225,774)	(987,239)						
Ending Fund balance, unrestricted	<u>\$ 35,080,939</u>	<u>\$ 32,821,947</u>	<u>\$ 32,821,947</u>	<u>\$ 32,821,947</u>	<u>\$ 32,470,402</u>	<u>\$ 31,450,430</u>	<u>\$ 31,226,330</u>	<u>\$ 30,757,102</u>

Reserve requirement \$ 24,961,259 \$ 25,782,656 \$ 27,212,120 \$ 27,603,903 \$ 28,228,641 \$ 29,315,461 \$ 29,524,693 \$ 30,204,529

M&O Unrestricted Fund Balance Projection



**Chatham County, Georgia
 Projected Five Year Statement of Revenues and Expenditures
 Special Service District - Adopted FY 2015**

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. The estimates are conservative, and incorporates current rates of collection and expenditures as well as known future revenue and expenditure changes.

Assumptions:

Tax Revenues

Tax revenues were projected based on the projected expenditures as well as Fund Balance requirements. Additionally, tax rates were adjusted to achieve stability in the revenue stream and the rate accessed to individual properties.

Tax rate 4,200 in year 1, 4,200 in year 2, 4,260 in year 3, 4,260 in year 4

Digest growth

Due to the lack of stability in historical data relative to the aggregate growth in the digest, a four year rolling average was utilized to normalize the anticipated digest growth over the first three years of the forecasting period, and year four was held at the year three average.

.30% in year 1, .88% in year 2, .92% in year 3, .92% in year 4

Other revenue categories

For year one, all revenues were projected based on FY 2014 collections as of the June 30, 2014, and subsequent years were held constant based on the FY 2016 projections.

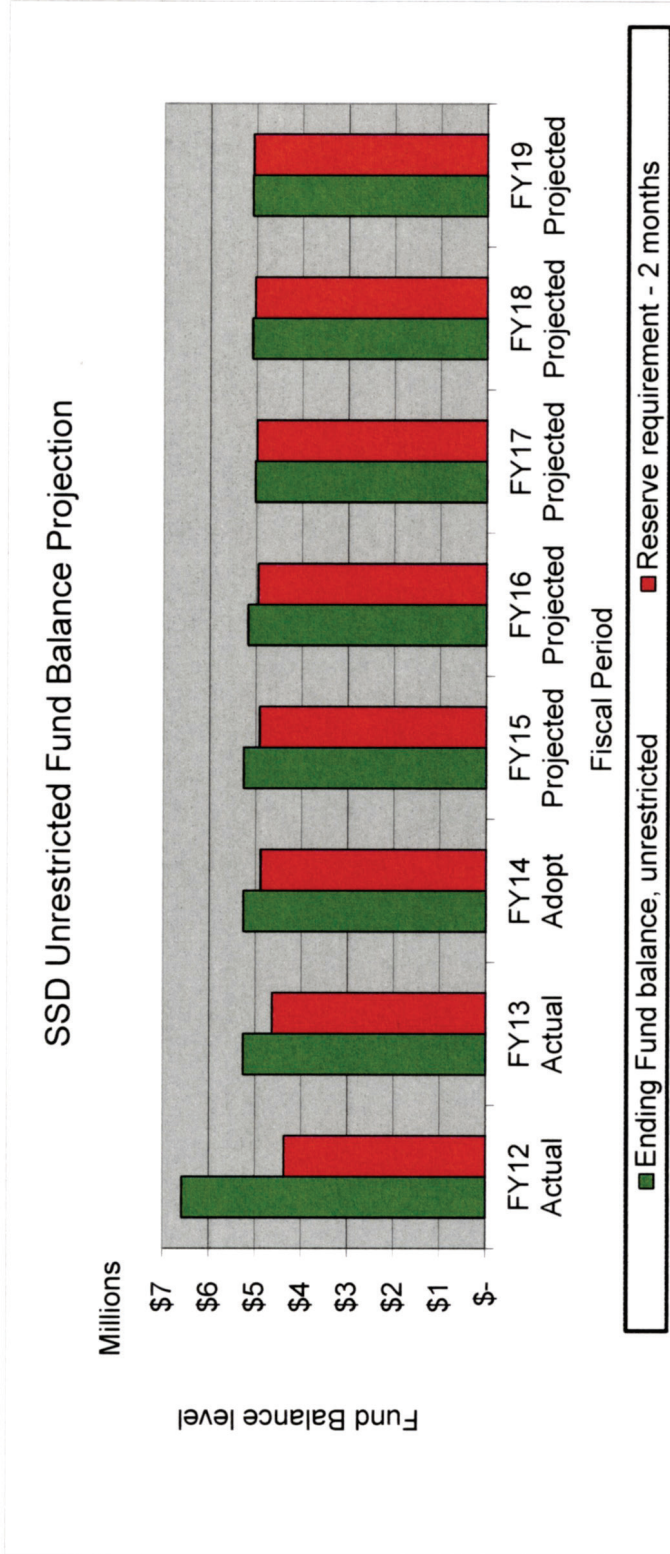
Expenditures	Annual Growth Rate		
	2016	2017	2018 2019
Salary, FICA, and Pension ¹	1.03%	1.03%	1.03% 1.03%
Insurance and OPEB ²	Held at the FY 2015 Adopted level.		
Purchased services ³	1.024%	1.024%	1.024% 1.024%
Supplies ³	1.024%	1.024%	1.024% 1.024%
Equipment/capital outlay ³	1.024%	1.024%	1.024% 1.024%
Interfund/interdepartmental charges ³	1.024%	1.024%	1.024% 1.024%
Depreciation	0.00%	0.00%	0.00% 0.00%
Other expenditures ³	1.024%	1.024%	1.024% 1.024%
Debt service ⁴	Varies		
Transfers out ²	Held at the FY 2015 Adopted level.		

Notes:

1. The annual growth rate for this category of expenditures is based on the potential merit adjustments and the associated impact to FICA and Pension costs.
2. The annual growth rate for this category of expenditures is held at the FY 2015 Adopted level.
3. 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.
4. The annual growth rate for Debt Service is based on scheduled principal and interest payments as outlined in the organization's various debt agreements.

**Unrestricted Fund Balance Projection
Special Service District**

	Actual FY12 Actual	Actual FY13 Actual	Adopted FY14 Adopt	Adopted FY15 Projected	Projected FY16 Projected	Projected FY17 Projected	Projected FY18 Projected	Projected FY19 Projected
Beginning Fund Balance, unrestricted	\$ 7,011,950	\$ 6,580,672	\$ 5,259,009	\$ 5,259,009	\$ 5,259,009	\$ 5,174,372	\$ 5,025,992	\$ 5,086,606
Changes:								
Projected additions (use) of fund balance	(431,278)	(1,302,794)	-	-	(84,637)	(148,380)	60,614	(3,100)
Less Restricted		(18,869)						
Ending Fund balance, unrestricted	\$ 6,580,672	\$ 5,259,009	\$ 5,259,009	\$ 5,259,009	\$ 5,174,372	\$ 5,025,992	\$ 5,086,606	\$ 5,083,506
<i>Reserve requirement - 2 months</i>	\$ 4,367,752	\$ 4,632,411	\$ 4,883,873	\$ 4,913,721	\$ 4,950,555	\$ 4,988,427	\$ 5,027,365	\$ 5,067,400



Chatham County, Georgia
Special Service District - Adopted 2015 Budget
Projected Five Year Statement of Revenues and Expenditures

REVENUES	Actual 2011 - 2012	Actual 2012 - 2013	Adopted 2013-2014	Adopted 2014 - 2015	Projected 2015-2016	Projected 2016-2017	Projected 2017-2018	Projected 2018-2019
Tax Revenue - Digest (less HTRG)	15,213,105	15,314,899	18,111,967	18,259,825	18,578,055	18,741,542	19,184,164	19,360,658
Other Tax Revenue	6,821,507	7,097,728	7,117,469	7,038,500	6,798,793	6,798,793	6,798,793	6,798,793
License & Permits	1,249,399	1,238,399	1,150,000	1,250,000	1,350,000	1,350,000	1,350,000	1,350,000
Intergovernmental	393,586	689,649	840,500	715,000	645,000	645,000	645,000	645,000
Charges for Services	177,276	269,796	221,200	293,500	272,690	272,690	272,690	272,690
Fines & Forfeitures	1,207,949	1,257,715	1,210,500	1,282,500	1,337,085	1,337,085	1,337,085	1,337,085
Interest on Investments	10,737	15,542	15,600	15,600	9,672	9,672	9,672	9,672
Miscellaneous	1,688	4,927	1,000	1,000	1,000	1,000	1,000	1,000
Other Financing Sources	682,300	603,018	635,000	626,399	626,399	626,399	626,399	626,399
Subtotal of Revenues	25,757,488	26,491,673	29,303,236	29,482,324	29,618,694	29,782,181	30,224,803	30,401,297
EXPENDITURES								
General Government	1,617,921	1,690,661	1,833,998	1,811,873	1,849,002	1,887,177	1,926,426	1,966,781
Judiciary	1,989,954	2,049,452	2,041,082	2,053,450	2,080,585	2,108,388	2,136,876	2,166,066
Public Safety	13,967,370	14,392,837	14,944,781	14,741,895	14,742,130	14,742,371	14,742,618	14,742,870
Public Works	5,170,045	5,387,685	5,996,847	6,085,653	6,221,234	6,360,730	6,504,255	6,651,927
Housing & Development	1,632,419	1,608,024	1,654,689	1,666,789	1,678,723	1,691,005	1,703,645	1,716,653
Debt Service	0	0	0	96,000	96,000	96,000	96,000	96,000
Other Financing Uses	1,828,801	2,665,808	2,831,839	3,026,664	3,035,657	3,044,890	3,054,369	3,064,100
Subtotal of Expenses	26,206,510	27,794,467	29,303,236	29,482,324	29,703,332	29,930,561	30,164,189	30,404,397
Fund Balance added (used)	(449,021)	(1,302,794)	-	-	(84,637)	(148,380)	60,614	(3,100)

Digest Revenue calculation:								
Prior Year Tax Digest Total	4,359,154,860	4,272,570,390	4,303,152,848	4,412,921,136	4,410,116,174	4,423,346,523	4,462,271,972	4,503,324,874
Digest Growth Rate	-1.99%	0.72%	2.55%	-0.06%	0.30%	0.88%	0.92%	0.92%
Net Tax Digest	4,272,570,390	4,303,152,848	4,412,921,136	4,410,116,174	4,423,346,523	4,462,271,972	4,503,324,874	4,544,755,463
Tax rate	3.590	3.590	4.130	4.130	4.200	4.200	4.260	4.260
Projected Digest revenue	\$ 15,338,528	\$ 15,448,319	\$ 18,225,364	\$ 18,213,780	\$ 18,578,055	\$ 18,741,542	\$ 19,184,164	\$ 19,360,658
Value of One Mill Revenue Change	\$ 4,272,570	\$ 4,303,153	\$ 4,412,921	\$ 4,410,116	\$ 4,423,347	\$ 4,462,272	\$ 4,503,325	\$ 4,544,755
	\$ 190,465	\$ 109,791	\$ 2,777,046	\$ (11,584)	\$ 364,276	\$ 163,487	\$ 442,622	\$ 176,494

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.

